MASTER OF STRATEGY

annual report 2013

A Premier Lifestyle Developer

MAH SING GROUP BERHAD

CONTENTS

COVER RATIONALE

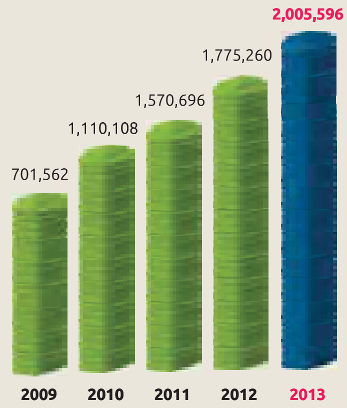
Master of Strategy reflects our belief that adopting the appropriate strategy is crucial in order to achieving success in property development. By devising far-sighted strategies and implementing them with great efficiency, we are confident of building a better future.


COLLECT
SALARY
AS YOU PASS
GO

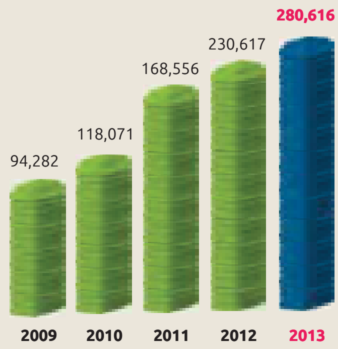
GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December

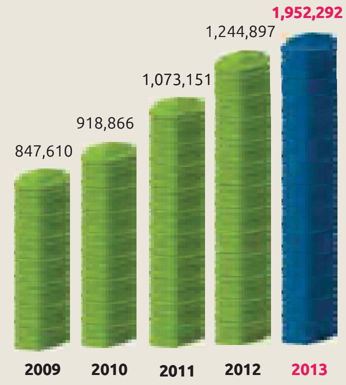
Revenue
(in RM 000)



Net Profit Attributable to Equity Holders
(in RM 000)



Equity Attributable to Equity Holders
(in RM 000)



	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Revenue	701,562	1,110,108	1,570,696	1,775,260	**2,005,596**
Profit Before Tax	144,243	177,865	238,628	315,523	**371,504**
Profit After Tax	95,841	128,403	168,637	231,768	**279,261**
Net Profit Attributable to Equity Holders	94,282	118,071	168,556	230,617	**280,616**
Total Assets	1,609,944 #	2,195,246 #	2,850,381	3,595,086	**4,583,751**
Total Borrowings	220,092	506,580	977,617	910,297	**1,129,845**
Equity Attributable to Equity Holders	847,610	918,866	1,073,151	1,244,897	**1,952,292**
Total Equity	855,579	936,456	1,088,489	1,255,001	**1,963,279**
Return on Equity	11%	13%	16%	19%	**14%**
Return on Total Assets	6%	6%	6%	6%	**6%**
Net Gearing/(Cash) ratio	(0.21)	0.21	0.29	0.26	**0.16**
Basic Earnings per Share (sen)	9.65 *	11.01*	15.27*	20.82*	**21.52**
Fully Diluted Earnings per Share (sen)	9.64 *	11.00*	14.97*	20.55*	**19.85**
Net Assets per Share (RM)	1.22	1.10	1.29	1.48	**1.38**
Gross Dividend per share	13.0%	15.2%	22.0%	15.2%	**16.0%**
Gross Dividend yield	4.5%	4.2%	5.2%	3.7%	**3.5%**
Dividend Payout Ratio	43.0%	40.1%	41.0%	45.1%	**40.4%** @
Price Earning Ratio	15.1^	16.3^	13.8^	9.9^	**10.5**
Share price as at the financial year end (RM)	1.45	1.79	2.10	2.07	**2.26**

The comparative figures for total assets have been restated to reflect the adjustment following the adoption of FRSIC17 in financial year 2011.

* The comparative figures for basic and fully diluted earnings per share have been restated to reflect the adjustment arising from the rights and bonus issue completed during the financial year 2013.

@ The dividend payout for 2013 is estimated based on number of shares as at 31 March 2014.

^ The comparative figures for price earning ratio have been restated to reflect the adjustment to basic earnings per share arising from the rights and bonus issue.

SEIZING EXCELLENT **OPPORTUNITIES**

We are always ready to capitalize on opportunities that enable us to grow while creating properties of impeccable quality

CORPORATE INFORMATION

BOARD OF DIRECTORS

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman/Independent Non-Executive Director

TAN SRI DATO' SRI LEONG HOY KUM
Group Managing Director/
Group Chief Executive

DATO' STEVEN NG POH SENG
Executive Director

DATO' LIM KIU HOCK
Executive Director

LEONG YUET MEI
Non-Independent Non-Executive Director

CAPTAIN IZAHAM BIN ABD. RANI (R)
Independent Non-Executive Director

LOH KOK LEONG
Independent Non-Executive Director

AUDIT COMMITTEE

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
CAPTAIN IZAHAM BIN ABD. RANI (R)
LOH KOK LEONG

NOMINATION COMMITTEE

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
LEONG YUET MEI
CAPTAIN IZAHAM BIN ABD. RANI (R)

REMUNERATION COMMITTEE

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
TAN SRI DATO' SRI LEONG HOY KUM
LEONG YUET MEI

OPTION COMMITTEE

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
TAN SRI DATO' SRI LEONG HOY KUM
LOH KOK LEONG

SECRETARIES

YANG BAO LING (MAICSA 7041240)
KUAN HUI FANG (MIA 16876)

REGISTRAR

Tricor Investor Services Sdn Bhd
(Company No. 118401-V)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 603-2264 3883 Fax: 603-2282 1886

REGISTERED OFFICE

Penthouse Suite 1, Wisma Mah Sing
No. 163, Jalan Sungai Besi
57100 Kuala Lumpur
Tel: 603-9221 8888 Fax: 603-9222 2833

AUDITORS

Deloitte (AF 0080)
Chartered Accountants
Level 16, Menara LGB,
1, Jalan Wan Kadir,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur.

Tel : 603-7610 8888
Fax : 603-7726 8986

BANKERS

Affin Bank Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Amanah Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
P.T. Bank Ekonomi Raharja
P.T. Bank Permata Tbk
The Bank of Tokyo-Mitsubishi UFJ, Ltd

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

MAHSING (8583)

INDEX

FTSE Bursa Malaysia KLCI

WEBSITE

www.mahsing.com.my

INVESTOR RELATIONS

Tel : 603-9221 8888
Email : ir@mahsing.com.my

MAH SING GROUP
A Premier Lifestyle Developer

CORPORATE STRUCTURE

Property Division

Property Development

- 100% Capitol Avenue Development Sdn Bhd
- 100% Convention City Development Sdn Bhd
- 100% Dsara Sentral Sdn Bhd (formerly known as Intramewah Development Sdn Bhd)
- 100% Elite Park Development Sdn Bhd
- 100% Enchanting Heights Sdn Bhd
- 100% Enchanting View Development Sdn Bhd
- 100% Enrich Property Development Sdn Bhd
- 100% Grand Prestige Development Sdn Bhd
- 100% Jastamax Sdn Bhd
- 100% Klassik Tropika Development Sdn Bhd
- 100% Legend Grand Development Sdn Bhd
- 100% Loyal Sierra Development Sdn Bhd
- 100% Mah Sing Properties Sdn Bhd
  - 100% Mestika Bistari Sdn Bhd
- 100% Mediterranean View Development Sdn Bhd
- 100% Major Land Development Sdn Bhd
- 100% Maxim Heights Sdn Bhd
- 100% Multi Synergy Group Sdn Bhd
- 100% Myvilla Development Sdn Bhd
- 100% Nature Legend Development Sdn Bhd
- 100% Nova Century Development Sdn Bhd
- 100% Nova Legend Development Sdn Bhd
- 100% Oasis Garden Development Sdn Bhd
- 100% Sanjung Tropika Development Sdn Bhd
- 100% Semai Meranti Sdn Bhd
- 100% Sierra Peninsular Development Sdn Bhd
- 100% Southville City Sdn Bhd (formerly known as Tristar Acres Sdn Bhd)
- 100% Star Residence Sdn Bhd
- 100% Supreme Springs Sdn Bhd
- 100% Tropika Istimewa Development Sdn Bhd
- 100% Uptrend Housing Development Sdn Bhd
- 100% Venice View Development Sdn Bhd
- 100% Vienna View Development Sdn Bhd
- 100% Vienna Home Sdn Bhd

Property Management

- 100% Liberty Property Management Sdn Bhd
- 100% Acacia Springs Management Sdn Bhd
- 100% Mestika Kenangan Sdn Bhd
- 100% MS Icon Property Services Sdn Bhd
- 100% Prima Peninsular Development Sdn Bhd
- 100% Quantum Noble Development Sdn Bhd

Property Investment

- 100% Marvellous Vantage Sdn Bhd

Plastics Division

Plastics Manufacturing

- 100% Mah Sing Plastics Industries Sendirian Berhad
  - 100% Kenwira Sdn Bhd
- 100% Vital Routes Sdn Bhd
  - 65% P.T. Mah Sing Indonesia

Plastics Trading

- 100% Mah Sing Enterprise Sdn Bhd

GO

Enterprise Asia

Entrepreneur of the Year - Asia Pacific Entrepreneurship Awards 2013

Tan Sri Dato' Sri Leong Hoy Kum with team Mah Sing after winning the HR Asia Best Companies to Work For In Asia 2013

BrandLaureate Malaysia

BrandLaureate 2012 - 2013 - Best Property Company

BrandLaureate BestBrandsSignature Brand Award - Property 2012 - 2013

The BrandLaureate Signature Award 2013

AWARDS &

The Leaders International & American Leadership Development Association (ALDA)

Global Leadership Awards 2013 - Lifetime Achievement Award for Tan Sri Dato' Sri Leong Hoy Kum

▶ Mah Sing receives the Putra Brand Award for Best Brand-Property Development (Bronze)

Corporate Governance Asia

4th Asian Excellence Recognition Award - Asia's Best CEO (Investor Relations) for Tan Sri Dato' Sri Leong Hoy Kum and Best Investor Relations Company (Malaysia)

Association of Accredited Advertising Agents Malaysia (4As)

Putra Brand Awards - Property Development

Putra Brand Awards - Property Development

Ch'ng Hung Teck Network

CHT Pursuit of Excellence (Property) Award 2013

Overseas Property Professionals (OPP) Awards

OPP Bronze for Best Affordable Development (Southville City)

GreenTech Malaysia & Kementerian Tenaga, Teknologi Hijau & Air (KeTTHA)

Malaysia GreenTech Developer Award 2013

OPP Awards 2013 Mah Sing Group won Best Affordable Developer Bronze for Southville City @ KL South

The Edge Malaysia

The Edge Billion Ringgit Club (BRC) - Highest Profit Growth Company (Property & REIT sectors)

RECOGNITION

Malaysia GreenTech Developer Award 2013

HR Asia Magazine

HR Asia - Best Companies to Work For In Asia 2013

BCI Asia

BCI Asia Top 10 Developers Awards

The Malaysian Reserve – Property Press Awards

Property Press Awards 2013
Most Iconic Cyberjaya Development for Aspen@Garden Residence

The Edge Malaysia

The Edge Top 10 Property Developers Award

Aspen@Garden Residence was recognized at The Malaysian Reserve-Property Press Awards 2013 as the Most Iconic Cyberjaya Development

IAIR Awards

IAIR Awards 2013 – Best Company for Leadership Award

Best Residential Enclave

Mah Sing Group Bhd for Ferringhi Residence

The Malaysian Reserve - Property Press Awards

Property Press Awards 2013
Best Residential Enclave for Ferringhi Residence

► Tan Sri Dato' Sri Leong Hoy Kum (with BrandLaureate Award) with Team Mah Sing

► (Left) Marcus Langston of Euromoney, presenting Tan Sri Dato Sri Leong of Mah Sing with Euromoney 'Best Managed and Governed Companies - Asia poll 2014'

The Malaysian Reserve - Property Press Awards

Property Press Awards 2013
Best Infrastructure Redevelopment for Icon City

International Property Awards

Asia Pacific Property Awards (APPA) -
Best Leisure Development for Legenda@Southbay

Circle Corp

Distinguished Chinese Award 2013 -
Tan Sri Dato' Sri Leong Hoy Kum

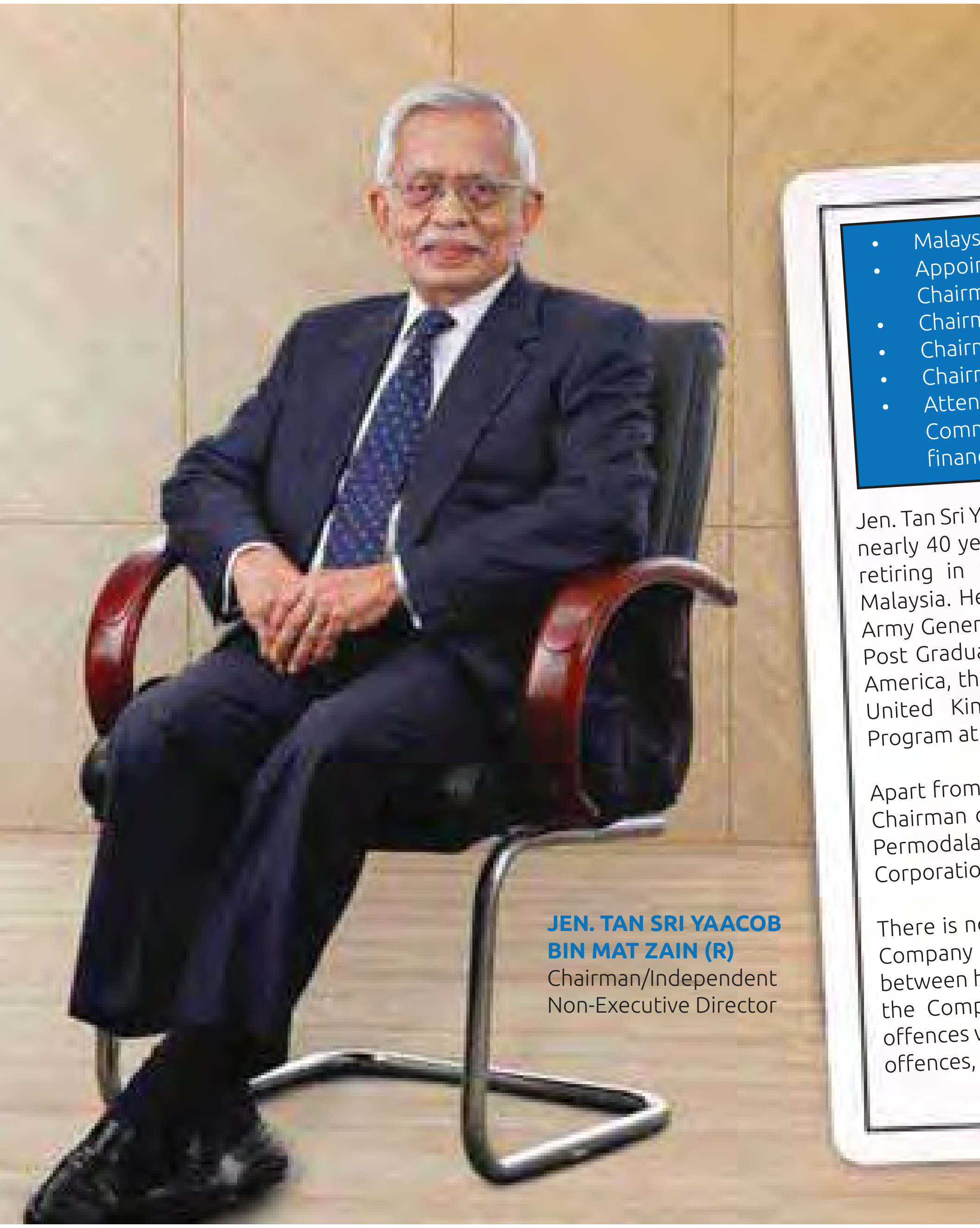
EUROMONEY ASIA BEST MANAGED COMPANIES 2014

Euromoney

Euromoney 2014 -
Best Managed Company (Malaysia)

DIRECTORS' PROFILE

"Strategic planning enables us to chart our company's future direction"



JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman/Independent Non-Executive Director

- Malaysian, 78 years of age
- Appointed to the Board on 29 June 1994
- Chairman of the Audit Committee
- Chairman of the Nomination Committee
- Chairman of the Remuneration Committee
- Chairman of the Option Committee
- Attended all 4 Board Meetings and 4 Audit Committee Meetings convened during the financial year

Jen. Tan Sri Yaacob had a distinguished career spanning nearly 40 years in Angkatan Tentera Malaysia before retiring in 1993 as a Panglima Angkatan Tentera Malaysia. He had attended courses at the Australian Army General Command and Staff College, the Naval Post Graduate School in Monterey, United States of America, the Royal College of Defence Studies in the United Kingdom and the Advance Management Program at Harvard Business School.

Apart from his directorship in the Company, he is the Chairman of Affin Investment Bank Berhad, Syarikat Permodalan Kebangsaan Berhad and SPK-Sentosa Corporation Berhad.

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

DIRECTORS' PROFILE

TAN SRI DATO' SRI LEONG HOY KUM
P.S.M., S.S.A.P., D.P.M.S., J.P., Hon. Ph.D.
Group Managing Director/Group Chief Executive

- Malaysian, 56 years of age
- Founder and First Director Appointed to the Board, on 3 December 1991
- Member of the Remuneration Committee
- Member of the Option Committee
- Attended all the 4 Board Meetings convened during the financial year

Tan Sri Dato' Sri Leong Hoy Kum founded the plastics manufacturing division in 1979 and listed Mah Sing Group Berhad on the Kuala Lumpur Stock Exchange in 1992. He has been on the Central Committee of the 900-member Malaysian Plastics Manufacturers Associations since 1986. He is also the Honorary President of the Young Malaysian Movement Association (YMM) since 1999 and of The Dramatic Art Society, Malaysia since 1996. Besides that, he is the Vice-President of the Table Tennis Association of Malaysia since 1999.

Tan Sri Dato' Sri Leong Hoy Kum is the key driving force behind the phenomenal growth and success of Mah Sing Group Berhad. Driven by his determination to maximize shareholders' value and passion for property, Tan Sri Dato' Sri Leong ventured into property development in 1994. Being the Group Managing Director/Group Chief Executive, he has been instrumental in shaping Mah Sing as a multi-award winning real estate specialist. His vast experience spanning 30 years as well as his entrepreneur spirit culminated in the Group expanding rapidly with projects in Malaysia main growth corridors, namely Greater KL (Klang Valley and Kuala Lumpur), Johor, Penang and Sabah.

In recognition of his achievements, he was conferred an honorary Doctor of Philosophy (Ph.D.) in Business Administration by the Honolulu University, Hawaii in 2000. He was conferred the Darjah Paduka Mahkota Selangor (D.P.M.S.) which carries the title of "Dato" and the Jaksa Pengaman (J.P.) awards by his Highness, Sultan of Selangor in 1996 and 2001 respectively. Tan Sri Dato' Sri Leong was conferred the Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat DiMulia – Peringkat Pertama Sri Sultan Ahmad Shah Pahang (S.S.A.P.) which carries the title "Dato' Sri" on the Sultan Pahang's 77th birthday on 3rd November 2007 and the Darjah Panglima Setia Mahkota (P.S.M.) which carries the title "Tan Sri" in 2009.

He also sits on the Board of Directors of various other private companies. He is the brother to Director, Ms Leong Yuet Mei. There is no conflict of interest between him and the Company nor has he been convicted for any offences within the past 10 years other than for traffic offences, if any.

Dato' Steven Ng Poh Seng
Executive Director

- Malaysian, 48 years of age
- Appointed to the Board on 27 June 2005
- Attended all 4 Board Meetings convened during the financial year

Dato' Steven Ng Poh Seng has more than 24 years experience in audit, accounts, corporate finance and financial investment. He holds a Bachelor of Science degree majoring in accounting from the University of Wales (UK). He is a member of both the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He worked in a Chartered Accountancy firm in the United Kingdom and upon his return to Malaysia, he served as a Manager in Malaysian International Merchant Bankers Berhad before joining SP Setia Berhad. After 8 years of service in SP Setia Berhad, he left as Head of Corporate Affairs prior to joining the Company.

In recognition of his achievements, Dato' Steven Ng Poh Seng was conferred the Darjah Kebesaran Mahkota Pahang Yang Amat Mulia - Peringkat Kedua Darjah Indera Mahkota Pahang (DIMP) which carries the title "Dato'" on the Sultan Pahang's 82nd birthday on 2nd February 2013.

He is currently the Executive Director of the Company heading the Group Corporate and Investment division.

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

DIRECTORS' PROFILE

Dato' Lim Kiu Hock
Executive Director

- Malaysian, 58 years of age
- Appointed to the Board on 30 October 2006
- Attended 3 out of 4 Board Meetings convened during the financial year

Dato' Lim Kiu Hock has more than 31 years experience in property development. He holds a Bachelor (Hons) Degree in Housing, Building and Planning from the University of Science, Penang. He is a member of The Chartered Institute of Building, United Kingdom (CIOB). He is also a National Committe member of International Real Estate Federation (FIABCI). He was the head of the property division of Berjaya Land Bhd for 13 years, before moving on to MK Land Holdings Berhad as Chief Operating Officer, and then on to Zelan Development Sdn Bhd, a subsidiary of Tronoh Consolidated Berhad as Managing Director. He is well experienced in handing the development of golf and seaside resorts, shopping malls development and management, residential housing schemes and privatisation of projects from the government.

He joined the Company as Business Development Director before being appointed to the Board.

In recognition of his achievements, Dato' Lim Kiu Hock was conferred the Darjah Kebesaran Mahkota Pahang Yang Amat Mulia - Peringkat Kedua Darjah Indera Mahkota Pahang (DIMP) which carries the title "Dato'" on 25th May 2013.

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

Ms Leong Yuet Mei
Non-Independent Non-Executive Director

- Malaysian, 60 years of age
- Appointed to the Board on 17 November 1997
- Member of the Nomination Committee
- Member of the Remuneration Committee
- Attended all 4 Board Meetings convened during the financial year

Ms Leong Yuet Mei has been attached to RHB Securities Sdn Bhd as a Dealers Representative since 1991. Prior to that she was attached to KAF Discount Berhad as a Senior Accountant.

Ms Leong Yuet Mei is the elder sister to Tan Sri Dato' Sri Leong Hoy Kum, the Group Managing Director/Group Chief Executive. There is no conflict of interest between her and the Company nor has she been convicted for any offences within the past 10 years other than for traffic offences, if any.

Captain Izaham Bin Abd. Rani (R)
Independent Non-Executive Director

- Malaysian, 52 years of age
- Appointed to the Board on 16 April 2001
- Member of the Nomination Committee
- Member of the Audit Committee
- Attended all the 4 Board Meetings and 4 Audit Committee Meetings convened during the financial year

Captain Izaham served in the Malaysian Armed Forces for nearly 14 years before his early retirement in 1992. He attended various career courses conducted domestically as well as in Australia and Singapore. He was the Business Development Manager at the Kukup Golf Resort in Pontian, Johor before serving Port Dickson Golf & Country Club as the General Manager until end 2004.

Captain Izaham is also a Director in a leading multinational petroleum company from the Sultanate of Oman, (MB Petroleum Services Sdn Bhd) and Epicentro Resources Sdn Bhd which deals in Defence Products and is a subsidiary of British Aerospace (BAE Systems).

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

Mr Loh Kok Leong
Independent Non-Executive Director

- Malaysian, 49 years of age
- Appointed to the Board on 23 September 2002
- Member of the Audit Committee
- Member of the Option Committee
- Attended all the 4 Board Meetings and 4 Audit Committee Meetings convened during the financial year

Mr Loh Kok Leong is an accountant by profession and has been attached with various international accounting firms both in Malaysia as well as overseas for more than 20 years, out of which 3 years were dedicated as a partner of Deloitte Touche Tohmatsu Kuala Lumpur. He is currently a partner of a professional services firm, Russell Bedford LC & Company. He is a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia.

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

CHAIRMAN'S STATEMENT

Valued Shareholders,

The game of Monopoly teaches us and our young the importance of strategy, acquiring land, building properties or our assets and acquiring rental yield from our properties and of course, the grand plan to accumulate as many assets to win the game. In many ways, real life is not that much different, we work towards investing wisely and many see property as a preferred asset class to hedge against inflation. Developers buy land to build properties which are then sold to the public.

The reasons for buying a property, Monopoly or otherwise, is the same: some buy for rental yield, some for capital appreciation, some for both. This makes which property and who you buy it from imperative to your success in Monopoly and in life. This is why Mah Sing, a public-listed and branded developer has many offerings which are strategically located and well-suited to your game, or life.

I am proud to report that Mah Sing has charted another record-breaking, chart-topping year by achieving a record sales figure of RM3billion, which is a 20% growth from last year's RM2.5billion. Revenue rose by 13% to RM2.0billion from the year before while net profit jumped by 21.7% to RM280.6million this time last year.

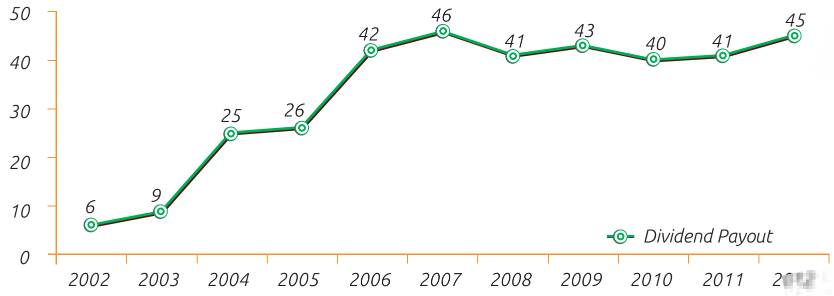
In 2013, Mah Sing has redefined the developments that we would be undertaking, chief of which are integrated townships. This focus on mass market housing led us to buy the Southbay East land in Jawi, Penang and our largest township yet in Bandar Meridin East, Plentong, Johor Bahru. Besides this, the business model of the group saw strong execution power with the preview and launch of Southville City's first component of Savanna Executive Suites, affordable 3-bedroom suites from 956 sq ft from only RM338,000 located in Bangi. One of the earlier landbanks bought in April 2013 also showcased the Group's effective execution with the preview of all components of D'Sara Sentral, an integrated commercial centre connected to Kg Baru Sg. Buloh's MRT with covered sky walkways. D'Sara Sentral is also located adjacent to the RRIM land which is earmarked for a massive integrated development.

Indeed, as we work on the remaining land banks we bought in 2013, our constant execution ability paves the way for fast-moving operations in 2014.

FINANCIAL REVIEW, CORPORATE HIGHLIGHTS AND DIVIDEND

Functioning as a well-oiled machine, Mah Sing has performed and exceeded expectaions in a few key Key Performance Indices (KPIs). We are here for the highlights.

Minumum 40% of Net Profit Payout Since 2006



FYE 31.12		2006	2007	2008	2009	2010	2011	2012	[illegible]
Net dividend / share	(sen)	4.4	5.9	6.0	4.9	5.7	8.3	7.5	8[illegible]
Net dividend yield *	(%)	2.6	3.1	3.8	2.7	3.1	3.9	3.6	3[illegible]

Note :
*Based on the closing price on 31 December of the respective year
^Proposed

" Mah Sing Group Berhad delivered yet another record-breaking year in 2013, setting new benchmarks in various key performance indicators (KPI). "

Dividend & Dividend Policy

I am very glad to say that Mah Sing has come a long way from its humble beginnings when it first listed. Mah Sing has a dividend policy of 40% of its net profit since 2006. Mah Sing has performed consistently well, in both the lean years and in years of plenty, to be able to meet this commitment. Indeed, this policy has attracted many investors who believe in the ability and good performance of the company.

The Board of Directors has proposed a first and final single-tier dividend of 8.0sen per ordinary share of RM0.50 each for the financial year ended 31 December 2013. This represents a minimum payout of slightly above 40% of net profit.

This is in line with the Group's dividend policy. This decision is subject to approval by shareholders in the upcoming Annual General Meeting (AGM).

The ability to execute this dividend policy reflects the Group's uninterrupted profit growth in tandem with continuous exploration and acquisitions of strategic landbanks for growth and expansion.

Corporate Exercise

In 2012, the Group embarked on a renounceable Rights Issue with Free Warrants, followed by a bonus issue for shareholders. The Rights Issue with Warrants was completed on 22 March 2013 with a listing of and a quotation for 280,099,803 Rights Shares and the admission, listing and quotation of 168,059,241 Warrants that debuted on the Main Market of Bursa Malaysia.

The Rights Issue raised approximately RM398million which may be used for our property development activities and future land acquisitions. This corporate exercise has boosted liquidity and marketability of Mah Sing shares and we took this opportunity to reward shareholders with a bonus issue.

The Bonus Issue was completed on 9 July 2013, following the listing and quotation of 226,201,774 Bonus shares and 33,508,111 additional Warrants from the adjustments made to fulfill the Deed Poll's provisions on Warrants dated 18 February 2013 consequential to the Bonus issue. With the completion of the Bonus issue all the Proposals for this Corporate Exercise were completed on 9 July 2013.

CORPORATE RESPONSIBILITY

As a responsible corporate citizen, Mah Sing continues believing in giving back to community and had an exciting calendar in 2013.

MAH SING FOUNDATION "SHARE A SMILE" DINNER
7 SEPTEMBER 2013

- Launched new logo and Scholarship worth RM206,000
- 14 Charities benefitted from RM455,000 donations

Mah Sing Foundation successfully raised RM3million and disseminated a total of RM455,000 to 14 charities and NGOs on the same night. The Foundation also unveiled its new logo and a new scholarship worth RM206,000 which will cover the tuition fees for the entire 3- and 4-year duration of studies of 8 deserving undergraduates at Tunku Abdul Rahman University College (TAR UC).

MAH SING FOUNDATION CHRISTMAS CHARITY AUCTION
19 DECEMBER 2013

- Donation of RM200,000 for Sultan Ahmad Shah Environment Trust and RM100,000 to Mercy Malaysia both for flood relief work on the East Coast.
- Donation of RM100,000 to SRJK (C) Pin Hwa 2, Aman Perdana.

During the event, we also took the opportunity as the Gold Sponsor and Official Lifestyle Developer for the "17th Miss Tourism International 2013", to host the Christmas Charity Auction at the Southville City@KL South Sales Gallery.

SOUTHVILLE CITY @ KL SOUTH SALES GALLERY

The delegates from 60 nations participated in the Christmas Charity Auction by donating national souvenirs that were auctioned off to corporate and business associates.

Some generous benefactors included members of Mah Sing Group Berhad's senior management team.

The night also saw the sashing of Miss Charity Queen, a subsidiary title sponsored by Mah Sing Group Berhad.

In addition to these two events, Mah Sing Foundation has been actively providing aid to those who need them the most. For example, defraying the cost of National Stroke Association of Malaysia (NASAM)'s 16th Annual Fun Fair, donating to survivors of Typhoon Yolanda via the Philippine Red Cross and supporting Dignity for Children by providing sponsorship for the Faisal Cup 2013, a sports programme for underprivileged children.

Mah Sing also promotes sustainability within its operations, ensures a good work-life balance is achieved and looks into the needs of the communities around its projects.

Beyond reporting on the Group's Corporate Social Responsibility (CSR) activities, as per Bursa Malaysia's Listing Requirements, we also prepare a Sustainability Report between pages 46 and 64. This report takes into consideration long-term sustainability efforts, economic vitality, social relationships with stakeholders and environmental compliance.

A dash of Mah Sing's corporate red in Southville City's landscape

The Clubhouse@Garden Residence promises fun for all ages

Some of the areas within the ambit of our Sustainability Report are:

1. **Environment**

   In our daily operations, we are committed to protecting the Earth. The earth is the only home we have and we are dedicated to incorporate the 3Rs of Reduce, Reuse and Recycle in most aspects of our business. Many of our developments incorporate the tenets of green features while our plastics division further enhancing their energy-efficient system.

   Among the measures taken in selected developments is to have an Environmental Management Plan (EMP) which is derived from the recommendations in the Environmental Impact Analysis (EIA). Some of our projects will receive green certifications upon their completion, which include Icon Residence, Mont' Kiara (Green mark (Certified) Provisional Certificate), Southbay Plaza, Penang (Green Mark (Gold) Provisional Certificate), M City, Jalan Ampang (Green Mark (Certified) and GBI (Certified)), Icon City, Petaling Jaya (GBI, Green Mark and LEED certified).

   We are passionate to incorporate green building standards as a key to integrate sustainable living for the occupants of the buildings we build, leading to a cycle of continuous sustainability throughout our development's lifespan.

2. **Community**

   Community relationships are vital to the well-being and sustainability of the Group's activities. We start with the communities and residents in our communities first with the establishment of our Auxiliary Police force. After attending a special training course by the Royal Malaysian Police, our officers will be deployed to various developments to report for duty. Going forward, the Auxiliary Police presence will enhance the security in selected developments as well as complement our multi-tier security system set in place at the beginning of the development.

   In addition to this, we continued to engage the communities near our developments. We provided new carpeting at a prayer hall at the SS9 Mosque in Sungai Way as part of improving the lives of the communities near our developments. This improvement is also seen within our developments, where we are committed to help schools like SRJK (C) Pin Hwa 2 in Aman Perdana, Meru our first township in the Klang Valley.

   We truly believe that education changes a person and that is why we are committed to let the next generation learn in a safe and comfortable environment. Among the other CSR activities that we have participated in 2013, we have supported more than one school in their building fund, and we have also sponsored tertiary-level activities with funding and mentorship programmes.

3. Local Community Events

In growing a wholesome community, we have a multi-tier strategy to engage with our customers and promote community living within our residential developments. Our Customer Relationship Management (CRM) arm organizes community events in residential areas with value-enhancing services to our projects and the local communities surrounding them.

We have supported The Edge-Bursa Malaysia's Kuala Lumpur Rat Race 2013, which was jointly organized by The Edge and Bursa Malaysia, as well as the Nanyang Charity Run by Yayasan Nanyang Press. Besides running, we have also supported the Blood Donation Campaign by the National Blood Bank at the Concourse area of our development, Southgate Commercial Centre in Kuala Lumpur.

The 8 Lions surveying M Residence's Clubhouse swimming pools

4. Workplace

Our workplace was identified by HR Asia Magazine as "HR Asia Best Companies to Work For in Asia 2013". This regional award recognizes the effort we make in making Mah Sing a preferred employer to work for. In 2013, we have also set in place a human capital management system, with a roster of training programmes for learning and development of our workforce. Whether internal or external, non-executives all the way to senior management have benefitted from this.

Icon City's Central Park teems with bistros, cafes and eateries around the 3-acre park

2013 also saw the advent of Mah Sing's "Valuing Performance", a performance-management system with the goal of aligning employees' goals to the organizations' and linking rewards with performance. To promote work-life balance, the MS Sports Club has been revamped and re-energized with a whole new calendar of activities to encourage a healthier lifestyle. Among the exciting events held by MS Sports Club included the Bowling Tournament 2013 and Treasure Hunt 2013.

As a caring employer, we place emphasis on the wellbeing of staff, for example, when the haze condition in our nation worsened, we procured N95 facemasks, the safest in its category, to disseminate amongst all employees in the Group. This speaks of the high level of commitment we have to make our workplace the best workplace to be in.

> "Our workplace was identified by HR Asia Magazine as "HR Asia Best Companies to Work For in Asia 2013""

Awards & Achievements

Year 2013 has seen the Group progress and recognized for its efforts in the corporate, branding and project spheres.

In the corporate sphere, we are tremendously proud of the fact that we started the year strong with three wins at the Corporate Governance Asia's Recognition Awards for Best Investor Relations Company (Malaysia), Best Investor Relations Website/Promotions and for Tan Sri Dato' Sri Leong Hoy Kum, the Group's Managing Director and Chief Executive, Asia's Best CEO (Investor Relations). This hatrick of awards by the region's most authoritative journal on Corporate Governance highlights our healthy corporate governance practices to a regional and international audience.

M City's prominent Multi Thematic Hanging Gardens total over 4 acres of greenery

Speaking of authoritative journals, Euromoney, a renowned source of information for many markets, awarded us with Euromoney's Best Managed Company (Malaysia) 2014. This is of particular pride to us as it is awarded by an international market watch specialist. We also won another corporate award with the IAIR Awards 2013, when we won the Best Company for Leadership Award.

Another source of pride for us in 2013 was when HR Asia Magazine recognized our effort to make Mah Sing a highly sought-after employer by conferring the HR Asia Best Companies Work for in Asia to us. This is a vote of confidence in our ability to attract, retain, reward and grow the capacities of our workforce.

On the local front, Mah Sing was recognized as Malaysia's Highest Profit Growth Company (Property & REIT) sectors in The Edge's Billion Ringgit Club (BRC), continuing our successful run of four years, since the inception of the award in 2010. Also, since that year, we have consistently been listed in The Edge's Top 10 Property Developers Award and the year under review was no different. We were awarded The Edge's Top 10 Property Developers Award 2013, a mark of our sustained efforts.

In terms of Group branding, we have been consistent in our branding efforts, receiving the Putra Brand Awards – Property Development for the third year running, BrandLaureate 2012-2013 Best Property Company and BrandLaureate BestBrands Signature Brand Award Property Development.

Aside from this Tan Sri Dato' Sri Leong Hoy Kum has been instrumental in shaping the success of Mah Sing and it is my great pleasure to congratulate him on the various awards won in the past year. Besides the Corporate Governance Award, he has been conferred the prestigious Lifetime Achievement Award at the Global Leadership Awards 2013 by The Leaders International and the American Leadership Development Association (ALDA); the Entrepreneur of the Year Award 2013 at the Asia Pacific Entrepreneurship Awards and the Distinguished Chinese Award 2013 by Circle Corp.

> **"In the early part of the year, Legenda @ Southbay won Asia Pacific Property Award's Best Leisure Development"**

CHAIRMAN'S STATEMENT

Icon Residence, Mont Kiara emphasizes modern contemporary interiors within a Mediterranean-inspired building envelope

Mah Sing's Southbay is 1-km away from the newly-opened Sultan Abdul Halim Muadzam Shah Bridge, Penang's Second Bridge

For the property development sector, the commitment to build green came to the forefront of the awards won in 2013. BCI Asia presented us the BCI Asia Top 10 Developers Awards, a recognition of our increasing participation in the green building conversation to build sustainability into the fabric of our developments. This was followed by the recognition by GreenTech Malaysia and the Ministry of Energy, Green Technology and Water (KeTTHA) when we were the only developer that won the Malaysia GreenTech Developer Award 2013.

Being a market-driven developer, we also have the concerns of the market for affordable housing in mind. With the advent of Savanna Executive Suites in Southville City@KL South, Bangi, we have created an affordable option with Savanna Executive Suites, which from 956 sq ft is affordably priced from RM338,000 and above. This caught the attention of the OPP Awards, where Southville City, in particular the Savanna Executive Suites component, was awarded the OPP Bronze for Best Affordable Development for Southville City.

In the early part of the year, Legenda@Southbay won Asia Pacific Property Award's Best Leisure Development. This is a testament to how we anticipate and meet the needs of every segment in the market. The end of the year, meanwhile, saw us winning a slew of awards at The Malaysian Reserve-Property Press Awards. The Best Residential Enclave went to Ferringhi Residence, Penang while the Most Iconic Cyberjaya Development was won by Aspen@Garden Residence. The special jury award, which was for the Best Infrastructure Redevelopment was won by Icon City, which showed the traffic dispersal system to ease the traffic woes of those at the intersection between the Federal Highway and the Damansara-Puchong Expressway (LDP).

These accolades which are both a reaffirmation and vote of confidence for us are only possible through the hard work of the entire team, reflecting the level of commitment by Mah Sing's team.

Hand-in-Hand to Win the Game of Life

Right at the start, I mentioned that the game of Monopoly and the game of Life are inter-related. In many ways, we stand hand-in-hand with you, our shareholders and investors, our staff and team, to win the game of Life.

It will be an interesting journey ahead as we surge forward with both new and existing projects in our fold. The target launches for the year include Southville City@KL South, Star Residence in Subang, Lakeville Residence in Taman Wahyu, Kepong, and M Residence 3 in Rawang. For Iskandar Malaysia, we hope to launch Bandar Meridin East this year and KK Convention City in Kota Kinabalu, Sabah will be also on the list of new projects in the pipeline for launch.

Our existing projects such as Kinrara Residence, Puchong; Garden Residence, Cyberjaya; Icon Residence, Mont' Kiara; M City, Jalan Ampang; Icon City, Petaling Jaya and the townships of M Residence and M Residence 2, Rawang will continue contributing positively to the Group's revenue. Meanwhile, in Penang, Southbay City, Batu Maung and Ferringhi Residence, Baru Ferringhi are part of this list. In Iskandar Malaysia, The Meridin@Medini, heads the charge, which includes contributions from mature townships of Sierra Perdana and Austin Perdana and Mah Sing iParc@Port of Tanjung Pelepas (PTP). In Kota Kinabalu, Sabah, Sutera Avenue, our flagship project will take the lead in contributions.

As this is our 20th Anniversary, we celebrate the fact that we have a Mah Sing 'signature' on our projects. They are all strategically-located and highly accessible, innovative and are thoughtfully planned and high-quality properties delivered in a timely manner. While different market segments will respond differently to the issues in this coming year, we are ready to deliver properties that meet and surpass their needs.

This coming year will see genuine buyers purchase property as they consider this asset class to be a good hedge against inflation and will be buying it as a form of wealth preservation instead of speculation. In fact, with Bank Negara Malaysia statistics expecting a 4.5-5.5% growth in GDP in the coming year, the strong domestic economy will coincide with other factors for the property market. One of the factors is the good employment data and the emergence of the middle class. In addition, the strong demographic data of the country, where the largest group is within 20-35 years of age, leading to new household formation, also contributes to the sustained demand for new homes. Meanwhile, the current shortfall of supply to meet the demand will also drive demand.

Malaysia is seen as a worthwhile investment destination and coupled with infrastructure improvements in all property hotspots in the nation, there will be significant interest from the foreign market. In the meantime, we believe that well located properties and those that have innovative themes and concepts and deliver important lifestyle enhancements will continue attracting the broad strata of consumers.

Finally, I would like to thank the management and staff for putting their hands to the plough and continually doing their best in this journey that we have undertaken for 20 years now. We will continue to grow and shine in this industry, to reach higher heights and to achieve greater things.

On behalf of the Board, our sincerest thanks goes to our shareholders, business associates, customers, and the Government and the local authorities for their confidence and trust in the Group all these years.

With continued support and faith from both internal and external stakeholders, there is yet another year for us to pull forward and perform solidly.

Jen. Tan Sri Yaacob bin Mat Zain
Chairman

Planned landscape in Southville City@KL South

MAH SING IN THE NEWS

马星推介M City最后一期

Leong, crème de la crème among Malaysian entrepreneurs

Meridin半天卖40单位

Mah Sing sasar lebih RM3b

Enam projek hartanah baru bakal pacu jualan syarikat tahun ini

GROUP MANAGING DIRECTOR'S REPORT

MALAYSIA'S LARGEST SHOW VILLAGE & SALES GALLERY

30 Nov 2013 – Malaysia witnessed a watershed event, the opening of Southville City's Show Village and Sales Gallery, the largest of its kind in Malaysia.

- The 20-acre Show Village offered a glimpse of Southville City living, with landscape filled with exotic palms, bonsai and other foliage.
- Southville City, a 428-acre masterplanned development showcases connectivity, with a 13-km bicycle and pedestrian walk and an approved direct link 3km away from the Bangi Interchange on the North-South Highway.
- A two-month long funfair followed, where a mini concert with headlining acts like Yuna marked the opening. A photography contest and a Charity auction of 60 national souvenirs from delegates of the 17th Miss Tourism International were among exciting events held.

Mah Sing's sales target of RM3billion for 2013 set the tone for the year and I am pleased to announce that we have met every single quarterly target set for us. In this period under review, we have also charted a record-breaking RM4.4 billion in unbilled sales, approximately 2.6 times the 2013 revenue recognized from the property division. This achievement ensures the Group's earnings visibility and liquidity in the near-term.

2013 was also a record-breaking year for landbanking, which saw the acquisition of 6 new lands with a combined gross development value (GDV) of approximately RM9.35 billion. We started 2014 with a 85.43-acre fairway in SSAAS, Shah Alam with an estimated GDV of RM2.5billion and will be ready for preview two years later.

In 20 years as a Premier Lifestyle Developer, we have brought a total of approximately 4,462 acres with a Cumulative GDV of approximately RM39.61billion. Our 20th Anniversary sees us sustaining and growing our passion to develop a diversity of properties, whether residential, commercial or industrial. We believe that our success has been to meet market's demands for aesthetically-pleasing, highly-practical and sustainable properties.

Our 20th Anniversary also showcases our prolific presence in all property hotspots in Malaysia, namely, Greater KL and Klang Valley, Iskandar Malaysia and Johor Bahru, Penang and Kota Kinabalu, Sabah. We aim to introduce Mah Sing to the overseas market with both our new Singapore and existing Shanghai Sales Galleries.

Performance & Factors

In many ways, 2013 showed excellent execution powers on the KPIs highlighted at the beginning of the year. Revenue jumped 13.0% to a bumper RM2.0billion from last year. Meanwhile, net profit of RM280.6million was a whopping 21.7% from 2012. In fact, for the property development division, revenue increased to RM 1.7billion compared to RM1.6billion in the previous year.

- Remaining GDV and unbilled sales of RM31.26billion from a total of 47 projects on remaining landbank of 2,818 acres

The increase is attributed to:

- Increasing contributions from mixed developments
- Increase in projects targeting the middle-income market
- Projects in strategic locations coupled with good integrated planning and in line with market demands.

- In the pipeline – Strong Earnings Visibility: As at 31 December 2013, Unbilled Sales of RM4.4billion, 2.6 times property sector revenue in 2013.

These projects contributed to the Group's results:

Greater KL & Klang Valley

i) Landed residential developments – Garden Residence & Clover@Garden Residence in Cyberjaya, M Residence@Rawang, Kinrara Residence in Puchong, Aman Perdana in Meru, Shah Alam, One Legenda, Hijauan Residence and Bayu Sekamat in Cheras and Perdana Residence 2 in Selayang.
ii) High-rise residential development – M Suites and M City in Jalan Ampang, Icon Residence in Mont' Kiara and Garden Plaza in Cyberjaya.
iii) Commercial developments – Star Avenue@D'sara in Sungai Buloh, StarParc Point in Setapak and Icon City in Petaling Jaya.
iv) Industrial developments – iParc 1, iParc 3 in Bukit Jelutong and iParc 2 in Shah Alam

Iskandar Malaysia & Johor Bahru

i) Landed residential developments – Sierra Perdana, Sri Pulai Perdana 2, Austin Perdana.
ii) Integrated commercial developments – The Meridin@Medini
iii) Industrial developments – Mah Sing iParc@Tanjung Pelepas

Penang

i) Landed residential developments – Legenda@Southbay in Batu Maung
ii) High-rise residential development – Southbay City in Batu Maung and Ferringhi Residence in Batu Ferringhi

Kota Kinabalu, Sabah

i) Commercial developments – Sutera Avenue in Kota Kinabalu

Those in the pipeline that are expected to contribute positively to the Group's performance include:

Greater KL & Klang Valley

i) Landed residential developments – M Residence 3@Rawang
ii) High-rise residential developments – Lakeville Residence in Taman Wahyu, Kepong
iii) Commercial developments – D'Sara Sentral in Sungai Buloh

Iskandar Malaysia & Johor Bahru

i) Landed residential developments – Bandar Meridin East in Plentong

Penang

i) Landed residential developments – Southbay East in Jawi

Kota Kinabalu, Sabah

i) Commercial developments – KK Convention Centre in Kota Kinabalu, Sabah

Product Mix, Geographical Location & Price Points

Mah Sing's strong GDV Pipeline of RM 26.82 billion is strategically located in Malaysia's four hotspots and will last the Group 7-8 years. The broad product offerings are at attractive price points to meet current market demand.

STRATEGIC LOCATION MIX

BROAD PRODUCT OFFERINGS

Remaining GDV of **RM 26.82 billion** from **2,818 acres**, Unbilled Sales of **RM4.44billion** = Total **RM31.26 billion**

RESIDENTIAL

NON RESIDENTIAL

ATTRACTIVE PRICE POINTS

Plastics

Mah Sing Plastics Industries continued to contribute positively to Group revenue and profit in 2013. Revenue from this division increased by 12.7% to RM235.4 million from 2012's RM208.8 million. This increase is attributed in large part to the increase in pallet sales and containers from both local sales and the export market.

For the Malaysian operations, the wider product range that was developed and participation in trade fairs has considerably increased exposure to products offered by Mah Sing. Our overseas operations in Indonesia focuses more on the automotive sector and in 2013 saw the enhancement of our customer list.

Property Development

The property division realized the potential of all landbanks we bought in 2012 and early 2013, a testament to our effective business model. We managed to preview and launch all the lands we bought in 2012, namely our townships of M Residence 2@Rawang, bought to catch the spillover from M Residence@Rawang, and Southvillle City, our largest township in Greater KL and the Klang Valley. The other two were integrated commercial centres of D'Sara Sentral and Sutera Avenue, Kota Kinabalu, Sabah.

As the public desires more affordable homes, property developers are eager to meet the needs of this segment. Mah Sing started planning for affordable homes in our integrated townships 2 years ago, before this issue was highlighted. We are glad that our townships have been highly successful because we have managed to create homes easily owned by first time home owners, the emerging middle-class and those starting out in life.

In fact, Southville City@KL South, has launched the first affordable component, Savanna Executive Suites, offering 3-bedroom suites from 956 sq ft and priced from RM338,000. At the preview of this component, many young couples and young families were seen registering to pre-select a unit. We are glad that after 20 years in the market, we still capture the hearts and partner our buyers in establishing themselves with a place of their own.

Our successful townships offer a mix of residences encased in multi-tier security, surrounded by townships amenities via our commercial and retail elements. As a premier lifestyle developer over 20 years now, each township is imbued with lifestyle enhancing features, whether gated and guarded feature, community spaces or affordable price points of the township's components.

We ventured into our first township in Penang this year, with the purchase of Southbay East, Jawi. Although not our first project in Penang, we look forward to introducing our wholesome townships for Penangites to enjoy.

In Bandar Meridin East, Plentong, we have our largest landbank of the year and our largest township so far. In Iskandar Malaysia, we had success not only with Sri Pulai Perdana but have replicated it with Sri Pulai Perdana 2, Sierra Perdana and Austin Perdana. This will be the driving force behind the conceptualization of Bandar Meridin East.

In 2013, we had a record-making year, with six landbanking exercises culminating in the highest total acreage of 1,553.19 acres and the highest GDV as well, at approximately RM9.35billion.

Lakeville Residence's Serviced Residences was previewed in May 2014

Small groups selecting their preferred Savanna Executive Suites units during balloting day

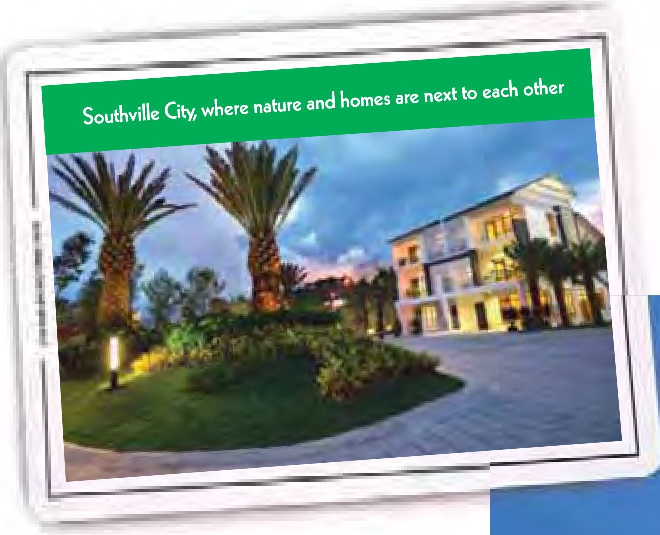
Landbanking in 2013

Project	Acquisition	Land Size (acres)	Cost (RM million)	*Expected GDV (RM million)	Comments
D'Sara Sentral, Sungai Buloh, Klang Valley	April 2013	6.55	87.2	901	- D'Sara Sentral is located just adjacent the second KVMRT station of Kg Baru Sg Buloh and is linked by covered sky walkways. - Comprising three components: a. D'Sovo Suites – 322 units of suites with build-ups from 504 sq ft b. D'Style Shops – 103 units of 2- and 3-storey retail shops with build-ups from 388 sq ft. c. D'Residenz Suites – 247 units from the first 2 previewed blocks. Serviced residences from 809 sq ft. - Officially launched in May 2014.
Lakeville Residence, Taman Wahyu, Kepong, Klang Valley	May 2013	12.38	72.8	1,150	- Only 7km to KL City Centre with high-rise residences and located nearby public amenities in matured locations, Lakeville Residence is one of the last pieces of land in KL North. - First available component, 3- and 4-storey Shops SoFo with build-ups from 4,731 sq ft sale by tender in March 2014. - Residential component to preview in 1H 2014. - Lakeville Residence has a 3-acre recreation deck, one of the largest in a development within the area.
KK Convention City, Kota Kinabalu, Sabah	May 2013	9.33	184.9	1,377	- Second landbank in Sabah, next to Sabah International Convention Centre. - Established as a World Class Waterfront Mixed Development with business and luxury hotels, hotel suites, office towers, lifestyle retail, F&B outlets and serviced residences. - Target preview by 2014.
M Residence 3@Rawang, Klang Valley	August 2013	96.71	68.7	520	- Tapping the spillover from M Residence and M Residence 2@Rawang, M Residence 3@Rawang proposes bread-and-butter homes in the form of 2-Storey Link Homes and 2-Storey Semi-D. - Complete with township amenities and close to Aeon Rawang. Just 6.6km from Rawang toll and 4 km from Jalan Batu Arang. - M Residence 3@Rawang is scheduled for preview by 2014

Project	Acquisition	Land Size (acres)	Cost (RM million)	*Expected GDV (RM million)	Comments
Bandar Meridin East, Plentong, Johor	October 2013	1,351.84	411.16	5,000	- Located in Plentong, Bandar Meridin East is close to both Pasir Gudang and Tanjung Langsat, the two largest industrial basins in Johor. - Fronts Jalan Kong Kong and Jalan Kota Masai, bounded by the Senai-Desaru Highway, the integrated township is 27-28km away from JB City Centre and the CIQ. - Proposed bread-and-butter components: a. 2-Storey Link Homes from 1,500 sq ft b. Link Semi-Ds from 1,800 sq ft c. Semi-Ds from 2,200 sq ft d. 22' x 70' Shop Offices from 3,000 sq ft.
Southbay East, Jawi, Penang	December 2013	76.38	42.59	400	- This freehold township opposite the Bukit Jawi Golf Resort is also 6.6km to the Jawi Toll Plaza and 15.6km to the Second Penang Bridge - Proposed components include Link homes, Link Semi-Ds, Semi-Ds, Townhouses and shops along with Residential Clubhouse.

Landbanking in 2014

Project	Acquisition	Land Size (acres)	Cost (RM million)	*Expected GDV (RM million)	Comments
SSAAS Golf Course, Shah Alam	March 2014	85.43	327.48	2,501	- This elite development has a planned preview in 2016, two years from acquisition. - Proposed development for Superlink, Linked Semi-D, Semi-D, Bungalows and Serviced Apartments



Sustainability & Growth

Buyers today are both knowledgeable and sophisticated and we are able to show a keen understanding of the needs of these buyers with our product offerings. The key to this is blending a home, office or retail shops within a development with sustainable principles. As we make our buildings more eco-friendly and more energy efficient, we are pleased to see that we are recognized for playing our part in not only developing the earth but also greening it.

We were the only developer recognized by the Ministry of Energy, Green Technology and Water in 2013 with our win of the Malaysia GreenTech Developer Award 2013. This is truly gratifying even as we place more emphasis on meeting Green Building standards such as Malaysia's Green Building Index (GBI), Singapore's BCA GreenMark and USA's Leadership in Energy & Environmental Design (LEED).

In addition to this, we identify the key potentials in 2014 out of our 2,818 acres remaining landbank to drive growth and innovation. We have 84% out of these landbank in growth and planning stages, allowing us the ability to add value-enhancing features to these projects.

Indeed, despite our swift landbanking exercises, the Group's prudent fiscal discipline, improved operational ability and strong execution abilities all help in maintaining a healthy balance sheet with a cash pile of RM822.3million and a low net gearing of 0.16times as at 31 December 2013, comfortably below management's optimal net gearing of 0.5 times. This strong position allows the Group's expansion via landbanking and development activities.

Mah Sing is in its element as we continue the momentum for our previews and launches this year. This is indeed a landmark year for us, celebrating our 20th Anniversary. With this in mind, we will be swift when it comes to execution for all our projects and will increase the diversity of our projects. Further to this, we will continue being a market-driven developer, continuing in our effort to present properties that are well-received and appreciated by all market segments. We view 2014 as a year to shine forth in all that we do and with this, we look forward to another bumper year ahead.

Tan Sri Dato' Sri Leong Hoy Kum
Group Managing Director/ Group Chief Executive

2013 REVIEW OF OPERATIONS

UPDATES OF KEY PROJECTS

Landed Residential Development – Greater KL & Klang Valley

Southville City@KL South

The Show Village is replete with transplanted exotic palms, bonsai and other foliage. The Grand opening heralded a 2-month-long free funfair and a mini concert during the opening weekend was headlined by Yuna, Nicole Lai and Elecoldxhot.

A preview and balloting was held for the first component of Savanna Executive Suites prior to this, in September 2013. The retail podium consisting of 2- and 3-storey lifestyle retail shops offering a build-up of 4,593 sq ft is also available.

In addition to this component, the landed 2 ½ - storey Avens Residence@Southville City are also open for registration. The homes are built on a 22' x 75' land size, with build-ups of 2,650 sq ft and are indicatively priced from RM860,000. A 3-storey variation has an approximate build-up of 3,668 sq ft on the same land area.

Boasting of an approved proposed direct interchange approximately 2.5km from the existing Bangi interchange of the North-South Highway, it is also highly visible along a 2 km on this highway. The main theme of connectivity links the entire township with a 13-km jogging and cycling paths, which complement the interchange perfectly. Just 25 km away from KL's City Centre, Southville City is also in the vicinity of Bandar Baru Bangi, the Knowledge City of the country, with more than 20 institutes of higher learning. The potential catchment of Southville City from neighbouring areas amounts to 1.2million people.

"The freehold 428-acre integrated township of Southville City has had an exciting year in 2013 with the opening of the largest Show Village and Sales Gallery in Malaysia in November 2013"

Garden Residence, Cyberjaya

Garden Residence lives up to its name with 50-acres of nature reserve right at the heart of this residential enclave. In 2013, Precinct 1 or Cassia saw 220 units of Superlink and Semi-D homes completed and handed over. Meanwhile Precinct 2's Evergreen had 132 units of Semi-Ds and bungalows completed and handed over.

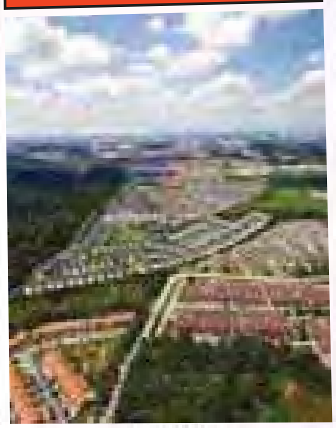
Continuing the momentum for Garden Residence is Phase 3's Jacaranda with 255 units of Semi-Ds and bungalows completed and handed over. The 3-storey bungalows are still available, joining Aspen's 3 ½ - storey bungalows in Precinct 4's Aspen. All of Aspen's 69 units are exclusively set in a gated and guarded enclave, offer green building features and come with landscaping options to create the dream home owners want.

A build-then-sell concept offers owners to move in right after purchase. With its' own entertainment deck, the design reduces the buildings' carbon footprint with the private rooftop garden and outdoor Jacuzzi.

The Clubhouse was also completed in January 2014 and was previewed to the public in celebration of Chap Goh Meh, the end of the Chinese New Year celebrations, in February 2014. It is now fully operational for the use of the residents in Garden Residence.

In the following year, work on the 231 units of 2- and 3-storey Semi-Ds of Clover@Garden Residence will be in progress. This is in tandem with other infrastructure works to this gated and guarded enclave, improving access in future.

Aerial View of Ambrosia @ Kinrara Residence



Sunset falls over The Clubhouse, newly completed for residents' pleasure

The swimming pool and pool deck are among the facilities provided at The Clubhouse

Kinrara Residence, Kinrara

In 2013, Kinrara Residence charted amazing growth with some 128 units of 2- and 3-storey Semi-D homes and bungalows handed over in the first half of 2013. The second half saw the completion and handing over of 142 units of 3-storey Semi-D homes and bungalows in Phase 3, which effectively saw the entire Phase 3 of Kinrara Residence completed by 2013. In addition to this, the 145 units of 3-storey Semi-Ds and bungalows reached 50% completion in 2013 and is expected for delivery in early 2015.

2013 REVIEW OF OPERATIONS

M Residence, Rawang

Bread and butter is the keyword for both M Residence and M Residence 2's integrated townships. Both townships, with entrance frontage along Jalan Tasik Puteri, will benefit from a host of current and future upgrading works.

The first is the 1km upgrade to the existing Jalan Tasik Puteri, completed in June 2014. This road will punch through LATAR Highway and we have contributed to its upgrading. The second upgrade is the junction between Jalan Batu Arang and Jalan Tasik Puteri, slated for commencement in the third quarter of 2014. Piping and waterworks of the townships were completed by March 2014 with the construction of a 20 feet main drain to the Kundang River, which also benefits surrounding landowners.

With only Phase 4A's superlink homes and Corus 68 the only residential components still available for sale, M Residence's earlier phases have already been completed and handed over. Phase 1's 214 units of 18' x 70' 2-storey link and superlink homes and Phase 2's 233 units of 22' x 80' 2-storey superlink homes, were fully sold out by 2012 and was awarded the Certificate of Completion and Compliance (CCC) in April 2014.

Phase 3 of M Residence is open for sale and the 155 units of 22' x 80' 2-storey superlink homes are 55% completed. This phase has an October 2014 target for completion. Phase 4A comprises 173 units of 22' x 80' superlink homes has just begun construction in January 2014. Meanwhile, Corus 68's 2-storey 40' x 85' Semi-D homes have been in progress with 40% of the building works done.

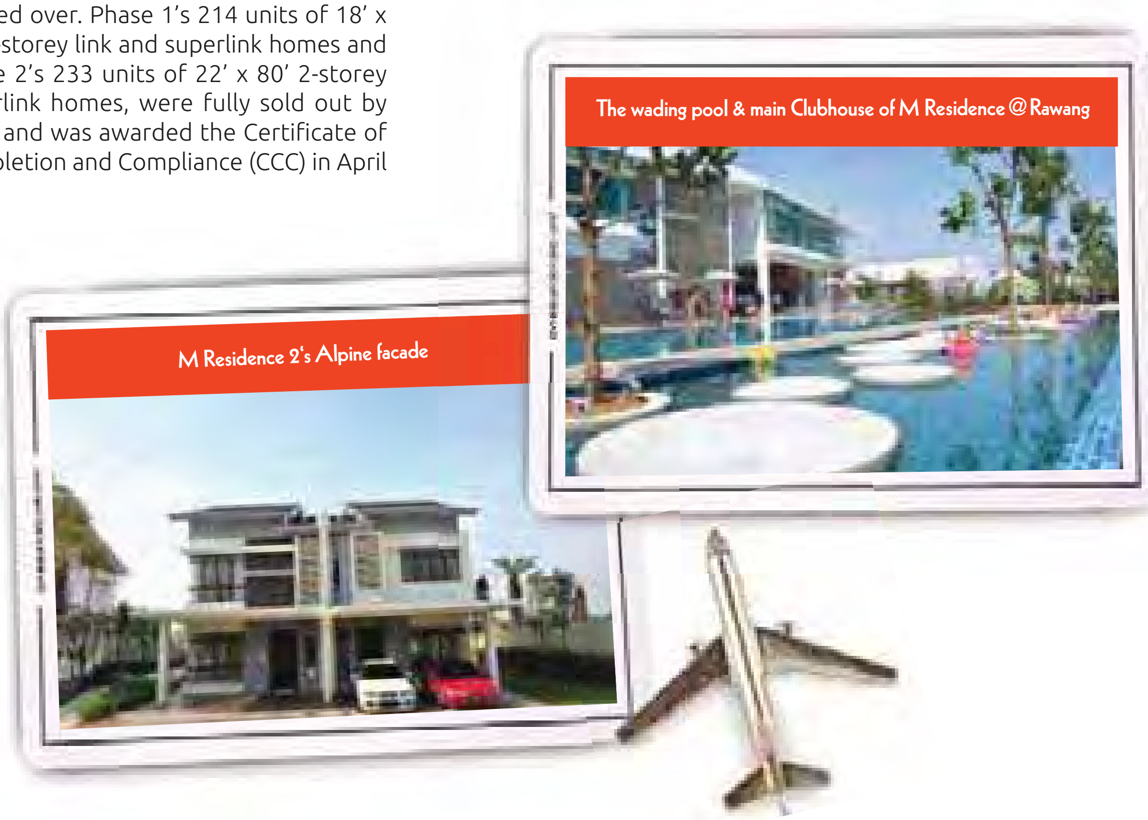
M Avenue, the commercial component of the township, comprises 109 units of 2- and 3-storey shops. This component was newly commenced, with building works in the 2013 at 12%. Other amenities are housed in the Residents' Clubhouse, fully completed and handed over in September 2013. Among facilities prepared here include a swimming and wading pool, barbeque pit, meeting room and multi-purpose hall.

M Residence 2, Rawang

M Residence 2's Phase 1, Alpine, and Phase 2, Birch, were both launched in 2013. Alpine is fully sold out while Birch is selling fast. The final phase, Phase 3's Caspia, was launched as recently as January 2014 and will be offering 32' x 65' 2-storey Cluster Garden Homes to the public. The main attraction of M Residence 2's naturally occurring 26-acre lotus lake will be complemented with the Residents' Clubhouse within the gated and guarded enclave. The Residents' Clubhouse will be ready by the middle of 2014 for public viewing of showhouses.

Aman Perdana, Klang

The storied success of Aman Perdana continues in 2013 with Parcel S2, which comprises 48 units of shop lots, meeting the target Vacant Possession (VP) by March 2014. Our commitment to the public of 320 low-cost apartments was also completed and handed over, ahead of our deadline of completion in July 2014.


The wading pool & main Clubhouse of M Residence @ Rawang

M Residence 2's Alpine facade

Landed Residential Development – Penang Island

Legenda@Southbay

The award-winning Legenda@Southbay made progress in 2013 with the 76 units of bungalows at advanced stages of completion. There will be three phases of handovers, beginning with the first phase that is aimed for VP in August 2014, while the second phase of handovers is targeted for completion and handover by October 2014 and the final phase will be completed and handed over by early next year, with a targeted handover by February 2015.

The Residents' Clubhouse will be completed in July 2014, ahead of the handover for the first phase. As Southbay's current and only landed residences, the low-density gated and guarded enclave will gain from the completion of the Second Penang Bridge, approximately 1km away from the development.

Landed Residential Development – Johor Bahru/Iskandar Malaysia

Sri Pulai Perdana 2

32 units of 3-storey Shop Offices 22' x 70' were completed and handed over in September 2013. In addition to this, there were 57 units of 2-storey Shop Offices 22' x 70' which were completed in 2013. The delivery of VP for these units was in the first quarter of 2014. These retail units have direct access to the Skudai-Pontian Federal Expressway, which increases visibility and accessibility to these units.

Sierra Perdana

Located within the Plentong area and right off the Coastal Highway, the past year saw the completion of 176 units of 30' x 70' Cluster homes and 18 Semi-Ds on a 32' x 80' land area. The handing over was in July 2013 and residents enjoy an added level of security as it is the first gated precinct with security services within Sierra Perdana.

Besides this, 98 units of the 18' x 65' 2-storey terrace houses were also completed and handed over in November 2013, which brings Sierra Perdana closer to maturity.

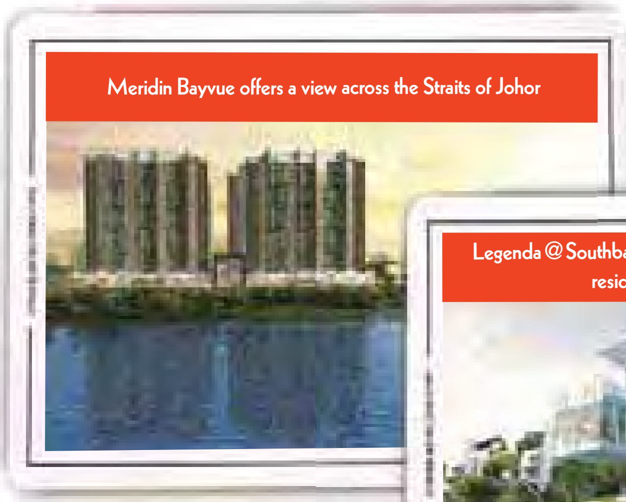
In the coming year, Meridin BayVue, which offers 3-bedroom suites indicatively priced from RM288,000 and already open for registration, will be the main focus. Piling has begun in April 2014 and further superstructure works will be anticipated in 2014.

High-Rise Residential Development – Greater KL & Klang Valley

Lakeville Residence, Taman Wahyu

Lakeville Residence's commercial component of 3- and 4-storey Shops SOFO was previewed by tender in March 2014, offering build-ups from 4,371 sq ft and priced from RM3.5million. Meanwhile the residential suites offer units from 950 sq ft indicatively priced from RM550,000 previewed in May 2014. The location of the 12.38 acres in Kepong offers residents and businesses the convenience of being just 7km from KL's City Centre yet with lake views from the surrounding lake. The access to DUKE, LDP, SPRINT and MRR 2 and proximity to public transport hubs makes this development, a sustainable development.

The land underwent earthworks, which were completed in January 2014 and is now undergoing piling works which began in May 2014. Access roads have also seen commencement in the same time frame and are currently in progress. In November 2013, the commencement of the construction of the Sales Gallery took place and is due for completion by end of May 2014. The public is invited to view the 3-acre Recreation Deck replica, the largest in a development in the vicinity.


Meridin Bayvue offers a view across the Straits of Johor


Legenda@Southbay's Residents' Clubhouse offers exclusivity to residents with its low density living

Icon Residence, Mont' Kiara

The Mediterranean-inspired icon in Klang Valley's most famous expatriate borough presents low-density exclusivity with 290 units of luxury serviced residences spread through 3 towers with only 2 to 6 units per floor.

Its energy and water efficiency are marks of its sustainability, compliant to both Malaysia's Green Building Index (GBI) and Singapore's BCA Green Mark. Tower 3 was previewed in February 2013, and has already seen take up of approximately 60%. The entire project is at an advance stage of construction, with superstructure up to level 16. The project is expected to be handed over in the second quarter of 2014.

Garden Plaza, Cyberjaya

Garden Plaza has three fully-furnished towers of Cambridge, Oxford and Harvard in progress in 2013. The units offer 3 bedrooms from 450 sq ft onwards and is competitively priced from RM300,800 onwards. The construction of these towers reached the second level of superstructure in 2012 and 2013 saw the progress to high floors. The last tower of Harvard currently has limited units available while the first two towers are fully taken-up.

High-Rise Residential Development – Penang Island

Ferringhi Residence

Ferringhi Residence opened its Show Village to the public in September 2013. This auspicious occasion also marked the completion of the Residents' Clubhouse and 1 block of the low-density Condo Villas in Precinct 1. Construction is still underway with 15 out of the remaining 19 blocks are at an advanced stage of superstructure completion. Meanwhile, piling works are underway for the 4 blocks, with a targeted completion date by the end of 2015.

Precinct 2's Resort Villas, comprising high-rise residential suites, is currently undergoing tender submission and will be previewed middle of 2014.

The Loft@Southbay

The Loft@Southbay was officially launched in January 2014 and the entire component is in earthworks stage. The Loft@Southbay is still at the beginning phase and has a targeted completion date by end of 2017.

The Cascade is The Loft@Southbay's promising landscaped pool with waterfall feature

Garden Plaza's Cambridge tower is one of three towers

Commercial Development – Greater KL & Klang Valley

Star Avenue@D'sara, Sungai Buloh

This shopping haven is located at the crossroads of Jalan Sungai Buloh (Guthrie Corridor), Persiaran Cakerawala and Jalan Lapangan Terbang Subang. The upgrading works of the existing Jalan Cakerawala and Jalan Sungai Buloh were completed in April and May 2014, respectively, thus improving access to Star Avenue@D'sara. This plays into the high visibility of more than 300,000 passing traffic daily and an estimated surrounding catchment of 360,000. In fact, it is just 3 minutes from the proposed MRT station in Taman Industri Sg Buluh.

The first phase and Phase 2A of Star Avenue's 92 units of 3-storey Shop offices has hit 60% completion with building and local infrastructure works ongoing. Phase 2B is a 4-level shopping street mall that has building works that are 20% complete. Phase 1 and Phase 2B is expected to be completed and handed over by September 2014. In the meantime, Phase 2B's completion is expected to be by the end of 2015 or early 2016.

Star Parc Point, Setapak

The 3-storey shop offices handed over in 2012 amounted to 24 units with the completion of the entire project in May 2012 while the Certificate of Completion and Compliance (CCC) was obtained in July of 2012. With its prime location opposite Festival Mall, subsale interest for the shops has been strong, with values doubling upon completion of the project.

Moving forward, the 6-storey retail offices have seen another 110 units out of 132 units handed over in December 2012 with the CCC issued in February 2013. There has been numerous leasing enquiries for the project, coming mainly from F&B operators attracted by the captive market and prime location.

Industrial Development – Johor Bahru/Iskandar Malaysia

Mah Sing iParc, Iskandar Malaysia

Located just 1 km away from the Port of Tanjung Pelepas (PTP), within the Flagship Zone C: Western Gate of Iskandar Malaysia and the Tanjung Pelepas Free Zone, Mah Sing iParc is a beneficiary of the tremendous logistics link that includes direct rail link to southern Thailand, the Pasir Gudang Port via the Pasir Gudang Highway and the Senai International Airport via the Second Link to Tuas. Speaking of Tuas, the second link to Singapore is connected directly to the Port of Tanjung Pelepas and is 23km from the Jurong Industrial Estate in Singapore.

By October 2013, the massive earthworks ongoing for the 206-acre light industrial park has been completed and construction for building works for 236 units of the Semi-D and Detached factories and 201 units of 3-storey shop offices have commenced since November 2013. This ongoing works mark the fast maturing of this industrial park as it moves closer to completion.

Mah Sing iParc showcases integrated back- and front-end industrial properties suitable for production, warehousing, showroom and office functions

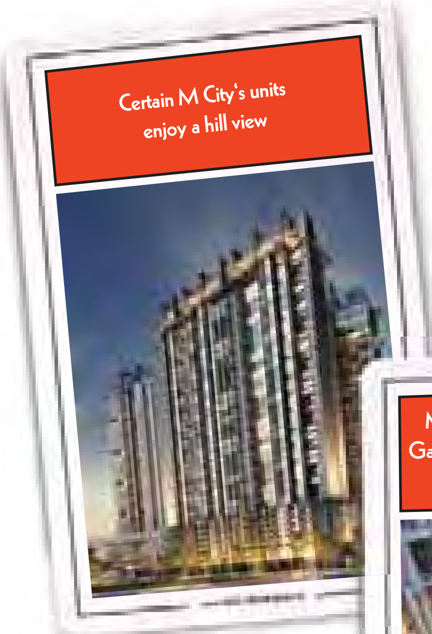
Integrated Development – Greater KL & Klang Valley

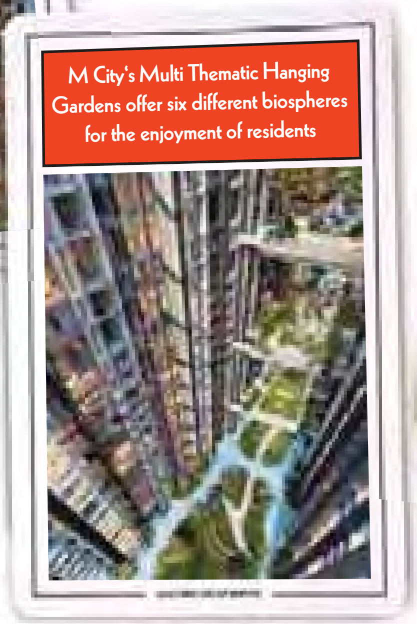
M City, Jalan Ampang

Our second development on Jalan Ampang, better known as Ambassador's Row, is 5km away from KLCC and just opposite a proposed MRT station. The retail podium comprising 25 retail lots were already complete in 2013 and the superstructure works involving the 401 SOHOs and 1,422 serviced apartments housed within three blocks are in progress.

The first tower of SOHOs has the most progress, with the framework reaching Level 23 by May 2014. This tower is also being fitted with wiring and plumbing works up to Level 17 in the same time frame. The progress on Block 2, comprising serviced apartments, is already at Level 22 in May 2014. The wiring and plumbing works will reach Level 17 in the same time frame. Both towers are due for completion in July 2015.

Meanwhile, the last tower of serviced apartments, Tower C, has seen construction reach Level 11 in May 2014. This tower was launched middle of 2013 and offers buyers the final chance in owning an award-winning, green home within the heart of KL's City Centre. In 2014, M City has won the Highly Commended Best High-Rise Architecture 2014-2014 at the Asia Pacific Property Awards.





Icon City, Petaling Jaya

Standing tall at the intersection of the Federal Highway and the Damansara-Puchong Expressway (LDP), Icon City stands out as a green architectural marvel with the first phase comprising 30 Jewels (7-and 8-storey lifestyle shop offices), slated for completion in 2015.

Other products within the first phase includes an impressive Central Park, Gourmet Street (1- and 2-storey retail shops), i-SoVo (Small Office Versatile Office), Icon Residenz (serviced residences) and a 9-storey office tower sitting on a 4 level retail podium.

To capitalize on the prime location, there will be a direct ramp from the Federal Highway leading into Phase 1 of the project. A well-planned traffic dispersal system comprising ramps and underpasses will improve ingress and egress into and from Icon City, as well as ease the traffic at the Federal Highway and the LDP.

2013 mainly saw the construction of the foundation and basement of Phase 1 of Icon City. Icon Residenz Tower 1 and the i-SoVo components are expected for completion by the end of 2015, while the Gourmet Street is expected for completion in the third quarter of 2015. Due to the good response of Icon Residenz Tower 1, Tower 2 was slated for a mid-2013 launch.

It is envisioned that Phase 2 of the project will comprise of complementary products such as hotel, retail mall and corporate office tower. Icon City's conception will bring about a traffic dispersal system that will make traffic woes a thing of the past.

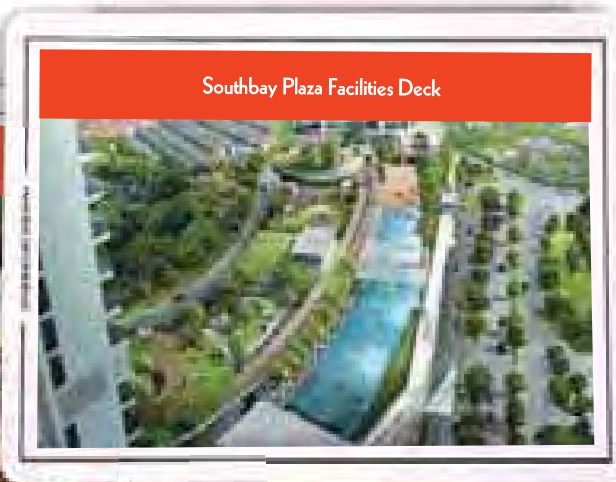
Integrated Development – Penang Island

Southbay Plaza, Southbay City

In 2013, the foundation for Tower B of Southbay Plaza was laid while Trends@Southbay, the commercial component was semi-completed. Trends, previewed in August 2012, has half of the component completed till Level 6 while the other half is at Level 1. Trends@Southbay comprises 47 lifestyle retail stores spread throughout 4 floors.

The 206 residential suites, meanwhile, is spread through 2 towers and in 2013, only 25% of the two-floor car park at levels 5-7 has been completed. The entire development is targeted for completion by April 2016.


Gourmet Street in icon City offers a world dining experience


Southbay Plaza Facilities Deck


Icon City Tower 2 - Port Cochere at Central Park


Icon City's Central Park and Gourmet Street appeals to food connoisseurs

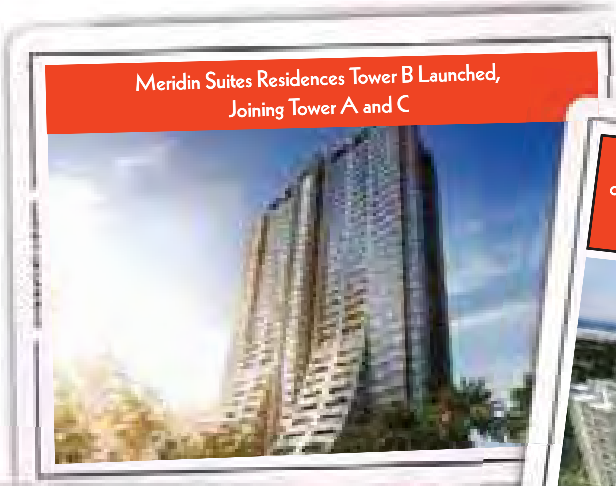
Integrated Development – Johor Bahru/Iskandar Malaysia

The Meridin@Medini

Hot on the heels of Singapore's Sales Gallery opening was Meridin@Medini's Sales Gallery opening in July 2013 on the site of the 8.19-acre integrated development worth RM1.1billion upon completion. The first phase of the Meridin Suites Residences was officially launched in May 2013 and the opening of the Sales Gallery coincided with the final block of the Meridin Suites Residences. Offering 1-3 bedroom layouts from 520 sq ft onwards and a chockfull of green elements, Meridin Suites Residences also offer a Level 5 facilities deck that includes wading, swimming and Jacuzzi pools, playground, thematic landscaped garden, gymnasium, fitness par course, yoga deck, BBQ terrace, multipurpose hall, a business centre equipped with Wi-Fi and launderette.

Phase 2 of The Meridin@Medini was introduced to the public via a preview of the Meridin SOVOs and the two towers of Meridin Suites, which comprise hotel suites in October 2013. This has seen tremendous success as one of the Meridin Suites has been fully underwritten.

In tandem with the opening of the Sales Gallery, earthworks for both the parcels have been completed ahead of pilling for Phase 1. The superstructure for Phase 1 has reached the 3-storey basement, 5-storey podium with the three tower blocks are currently in progress.


Meridin Suites Residences Tower B Launched, Joining Tower A and C


The Meridin@Medini's Phase 2 contains a block of Meridin SOVOs and two blocks of Meridin Suites


The Meridin@Medini's Sales Gallery


Meridin Suites Residences

Integrated Development – Kota Kinabalu, Sabah

Sutera Avenue, Kota Kinabalu

The landmark Sutera Avenue previewed its final component, The Residences, Sutera Avenue in August 2013. Following this launch, the integrated commercial centre, will breathe new life to the shopping and retail scene in Kota Kinabalu. Fronting the Coastal Highway and just 4km away from the Kota Kinabalu International Airport (KKIA), the innovative lifestyle commercial centre's Lifestyle Retail Lots, Festive Street Retail and the Shop Offices offer a unique retail experience to KK's denizens. The third block of The Residences are due for launch in 3Q 2014, following the successful launch of The Residences first two towers.

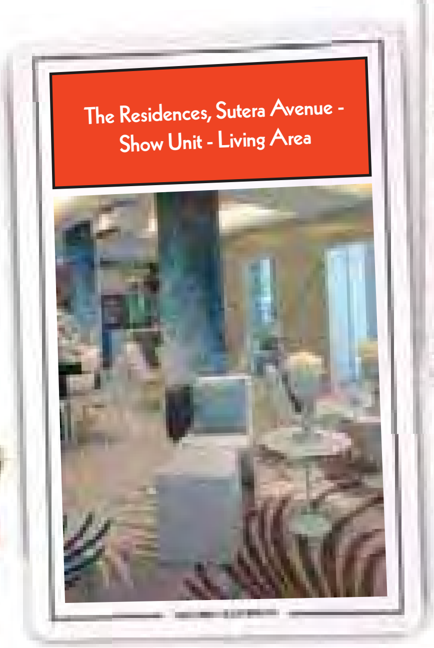
In 2013, Sutera Avenue underwent substructure works and piling and wall construction are currently underway. The mixed development, which consists of a single phase, will be undergoing excavation works for basement car park levels and a site entrance from the Coastal Highway fronting the development. It is estimated that the entire development will be completed within 36 months by October 2016.

Kota Kinabalu Convention City (KKCC), Kota Kinabalu

Kota Kinabalu's own KKCC will highlight the ease of doing business and shopping in Kota Kinabalu. Bought in 2012, the 9.33 acres worth RM1.4 billion in gross development value (GDV) will feature a mix of Business and Luxury Hotels, hotel suites and serviced residences, Office Towers and shop offices, lifestyle retail and F&B outlets.

Fronting the Coastal Highway, KKCC is near KK Suria Shopping Mall and adjacent to the upcoming Sabah International Convention Centre (SICC) with a maximum capacity of 5,000 persons. KKCC is poised to be a world class waterfront development and will see the hotel components being previewed in 2014.

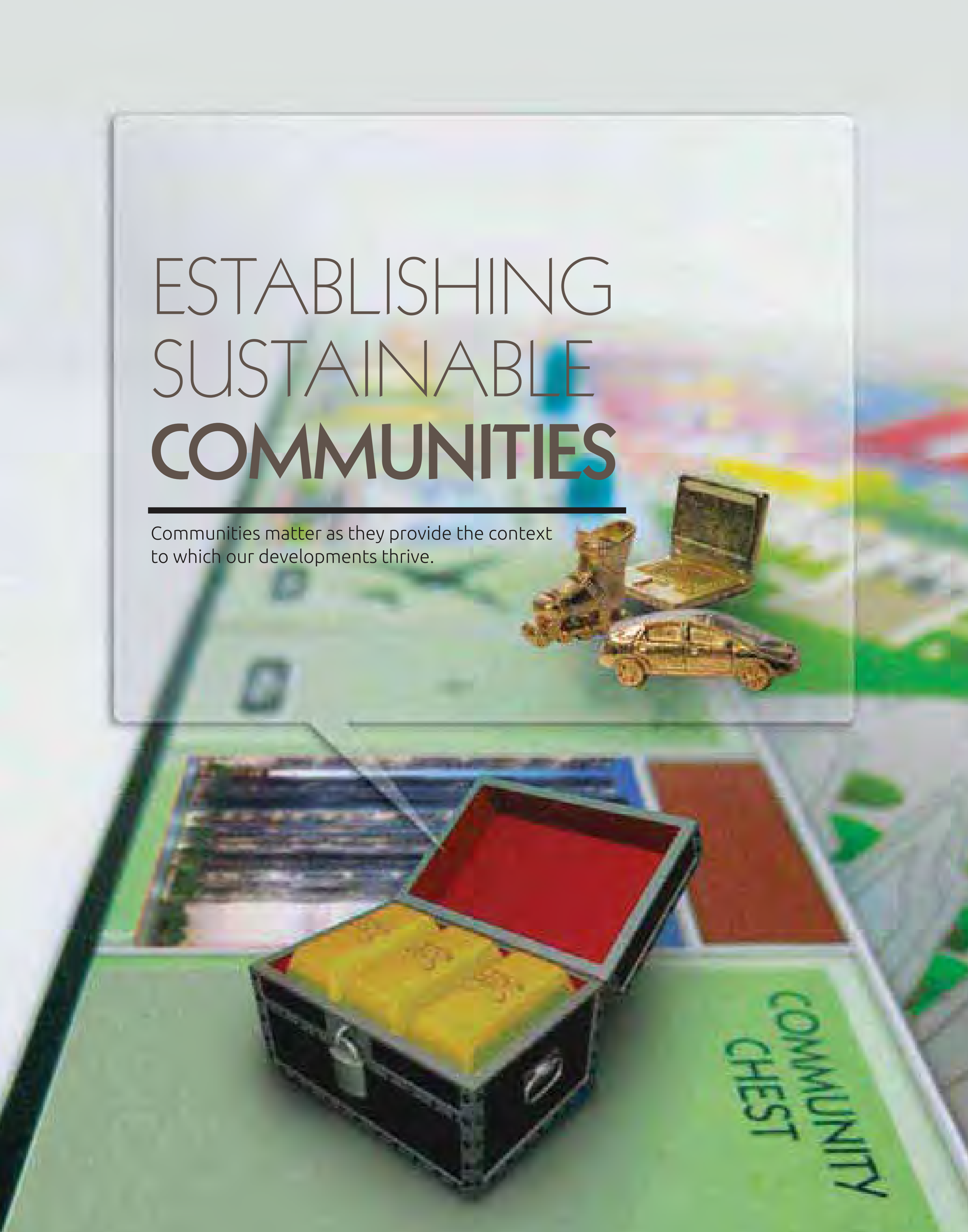
Kota Kinabalu Convention City will be Kota Kinabalu's World Class Waterfront Mixed Development



The Residences, Sutera Avenue - Show Unit - Living Area

ESTABLISHING SUSTAINABLE **COMMUNITIES**

Communities matter as they provide the context to which our developments thrive.



SUSTAINABILITY REPORT

Mah Sing has always adhered to the founding principles of incorporating sustainability efforts and initiatives as an integral part of conducting and growing the Group's businesses.

In line with Mah Sing's Vision & Mission, Mah Sing has taken proactive measures to roll-out structured and holistic programs for the Group's sustainability efforts and initiatives.

This Sustainability Report depicts the sustainability efforts and initiatives that have benefitted Mah Sing's stakeholders such as the:-

A. Community
B. Workplace
C. Environment
D. Customers
E. Contractors/ Suppliers
F. Shareholders

A. COMMUNITY

The Group firmly believes in giving back to the society through its Corporate Social Responsibility ("CSR") programs and community outreach initiatives surrounding its development projects.

CSR via MAH SING FOUNDATION

Mah Sing Foundation, through which CSR activities of the Group are conducted, is the brainchild of the Group Managing Director/ Group Chief Executive, Tan Sri Dato' Sri Leong Hoy Kum. Tan Sri Dato' Sri Leong believes that a holistic and integrated effort in CSR will be more effective and impactful in benefiting the needy; and his commitment towards CSR is deeply embedded in the Group's corporate philosophy.

Since its inception in year 2005, Mah Sing Foundation celebrates the achievements of Mah Sing's long term and continuous commitment in being a responsible and active participant of the local communities. To date, the Group has made meaningful contributions exceeding RM5 million to the social and cultural development of the community, both locally and abroad.

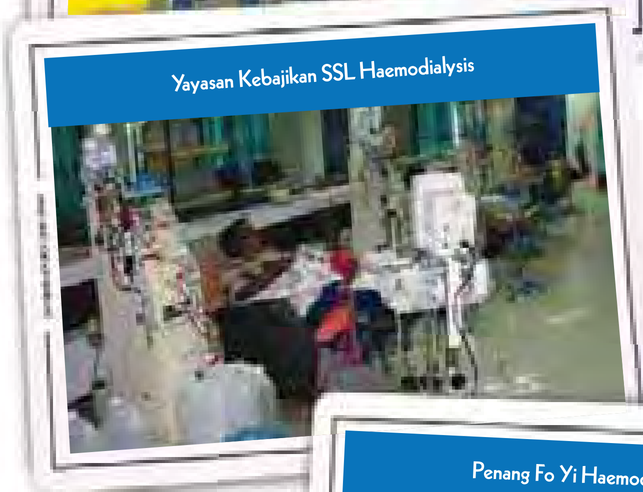
Mah Sing Foundation unveiled its new logo of two hearts; the bigger one embracing the smaller heart in the Foundation's corporate colors of red and white. The logo's use of hearts was to encapsulate the essence of care, love, dignity and compassion; with the bigger heart representing Mah Sing Foundation's continuous effort in brightening the community's future.

Year 2013 was an eventful year for Mah Sing Foundation with fund disbursements through:-

Medical assistance via financial support to those suffering from critical illness/ disability; or support through schemes by organizations that look after public health and welfare

▶ Sponsorship to Optimax Healthcare Services "Hope for Clarity", a program that offers needy senior citizen patients free cataract treatment.

▶ Donation to Pusat Jagaan Kanak-kanak Down Syndrome dan Hyper Active Klang, for the purchase of a van to transport children for medical and educational purposes.



▶ Supported Yayasan Kebajikan SSL Haemodialysis in purchasing dialysis system for the needy patients.

- Medical assistance to Liong Gon through Yayasan Nanyang Press (China Press) in support of her knee operation related expenses.
- Supported the Buddhist Tzu-Chi Merits Society Malaysia's Profound Parental Love Musical Concert to raise building fund for Tzu Chi medical centre as well as for daily operating expenses.
- Donation towards National Stroke Association of Malaysia ("NASAM") in support of their 16th Annual Fun Fair to defray cost of organising the fun fair event. NASAM plays a role in offering rehabilitation services for stroke survivors and support to their families.
- Contribution to Persatuan Pusat Kebajikan Insan Malaysia for the purchase of ottobuck system/ artificial limb for the less fortunate senior citizen, orphan and needy.
- Donation to an employee of the plastics division in aid of medical expenses incurred for her mother.

Donation towards the Penang Fo Yi Haemodialysis Society through Starwalk Penang 2013. Objective of the event was to encourage corporations to choose a participating team as their preferred charity home whereby donations from the event will be channeled directly to the selected homes. ◀

Financial assistance and relief schemes for the poor and distress

Contribution to the China Embassy Humanitarian Donation Account for the Sichuan Yaan Earthquake Relief Fund. The fund was used for disaster relief and post-disaster reconstruction after the 7.0-magnitude earthquake in Lushan County, Sichuan Province.

Contributions to Taiwan Buddhist Tzu-Chi Foundation Malaysia for its Tzu Chi Jing-Si Hall (Hall of Reflection in Serenity) in Kuala Lumpur, Malaysia. Upon completion of the hall building, the foundation will be in a better position to cater the needs for the poor and the underprivileged.

- Contributions to New Southern Records in conjunction with its charity concert held to raise funds for the benefit of selected homes and deserving non-governmental organizations.
- Donations to Phoenix Welfare Foundation Kuala Lumpur in conjunction with its charity function to raise funds for beneficiaries “Pertiwi Soup Kitchen/ Chow Kit Foundation”, “Single Mother Welfare Society Malaysia”, “Montfort Boys Town” and “Befrienders Kuala Lumpur”.

Contributions to The Penang Rotary Charity Foundation "Stop Hunger Now" project in support of the campaign to eradicate poverty and hunger among children in the lower income groups.

Contributions to the survivors of Typhoon Yolanda via the Philippine Red Cross.

Educational assistance consisting subsidies and donations to needy and deserving students

- Contributions towards Star Publications' Newspaper-in-Education ("NiE") school sponsorship program to improve the proficiency of the English language amongst students in Chinese primary schools.
- Contribution to Tabung Pendidikan SJKC Sg. Long towards the school's building fund.
- Contribution to Jawantankuasa Tabung Pembinaan SJK (C) Union in conjunction with 61st anniversary of SJK (C) Union and school relocation fundraising campaign.
- Contribution to J/K Pembangunan Dewan SJK (C) Sg. Buloh towards the school's building fund.
- Scholarship to Tee Leen Qian who was in need of financial aid to further her study in Diploma in Aviation.

Mah Sing Foundation participated in the 8th Faisal Cup Tournament 2013 in support of Dignity for Children Foundation's ("Dignity") goals to provide for underprivileged children the opportunity and freedom to play organized sports. Mah Sing Foundation sponsored one of Dignity's programs via its 12-month CSR project.

Sponsorship for Persatuan Pengurusan USM (Universiti Sains Malaysia) to provide students with unique and meaningful learning experiences through activities at the Youth Evolution Summit - Connect & Conquer Workshop.

Donation towards Yayasan Tunku Naquiyuddin for *The Mousetrap* charity production by Agatha Christie held in Kuala Lumpur. This charity performance since 1995 has provided educational subsidies to the underprivileged.

Encouragement of social and sporting activities that enrich the community and serve to promote national unity

- Contributions to Yayasan Nanyang Press towards Nanyang Charity Run held to encourage people to lead a healthy lifestyle by being physically active while doing charity. Mah Sing staff took part in the run in support of the good cause.

Sponsorship towards Cruyff Court Iskandar, a joint collaboration between the Johan Cruyff Foundation, Iskandar Investment Berhad and Khazanah Nasional Berhad to use sports as a way of promoting social inclusion & character building among children, particularly those from underprivileged backgrounds.

Mah Sing team in support of The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2013, a run jointly organized by The Edge-Bursa Malaysia to raise fund for charity.

Mah Sing Foundation seeks to raise more funds via fundraising events. In 2013, the fundraising activities organized included:-

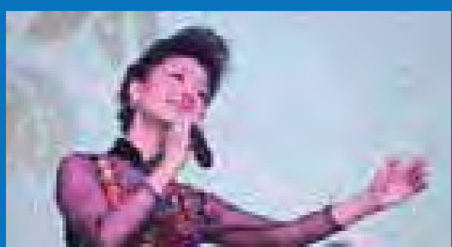
- **"Share a Smile" Fundraising Dinner**

  Since its inaugural fundraising event "An Unforgettable Night of Sharing" in year 2012 in which 15 charitable organizations benefitted from the funds raised, Mah Sing Foundation had once again organized a fundraising dinner "Share a Smile" in year 2013.

  Proceeds from the dinner benefitted non-governmental and non-profit outfits as well as to sponsor scholarship totaling RM206,000 to selected Tunku Abdul Rahman University College ("TAR-UC") students in their degree courses. Mah Sing Foundation believes that scholarship program is a good platform to support deserving Malaysian students in achieving their personal goals and ambitions. Additionally, Mah Sing Foundation Scholarship Program will host students' practical training attachment with the Group's various business units.

Mah Sing Foundation's Chairman, Group Managing Director/ Group Chief Executive with corporate and business partners who took part and supported the fundraising event.

The launch of Mah Sing Foundation Scholarship Program.



Teresa Teng Tribute by Tong Yao from Sichuan China.

Singing performance from "Dignity for Children Foundation", one of the beneficiaries of Mah Sing Foundation.

Singing & sign language performance by Mah Sing employees.

Charitable organizations that benefitted from the "Share a Smile" fundraising event:-

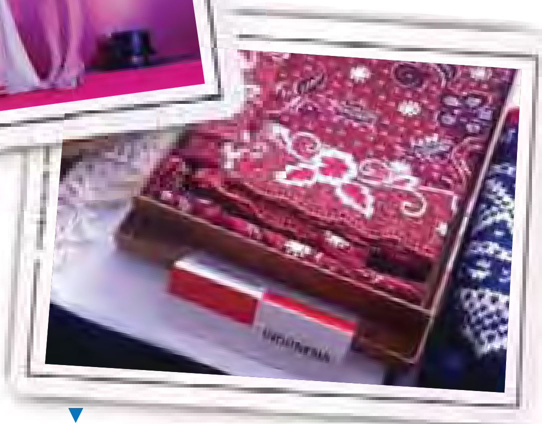
Pertubuhan Kebajikan Yesuvin Mahligai (YM) Selangor; Beautiful Gate Foundation for the Disabled; Pert Keb Mental Titian Kasih Sel; Pusat Penjagaan Kanak-Kanak Cacat Taman Megah; Lovely Disabled Home; United Voice; Gereja Charis Puchong (House of Joy); Persatuan Rumah Caring Kajang Selangor; Amitabha Centre; and Persatuan Rumah Kebajikan Rita.

- **Mah Sing Foundation Christmas Charity Night**

Mah Sing Foundation capped off the year of fundraising and disbursement with "Mah Sing Foundation Christmas Charity Night" at Mah Sing's Southville City@KL South Show Village and Sales Gallery.

Mah Sing was proud to be the Gold Sponsor and Official Lifestyle Developer for the "17th Miss Tourism International 2013 World Final" which brought 60 international beauty contestants to grace the event with special talent show and charity auction session.

Each of the beauty queens showcased a unique souvenir from their home country at the charity auction session. Business associates and others in attendance bid for the items for a good cause.



An exquisite Indonesian batik was amongst other souvenirs in display for charity auction.

Mah Sing believes that charity begins at home and echoing the earlier move of contributing to the Philippine Red Cross in aid of the survivors of Typhoon Haiyan in the Philippines, a total of RM300,000 was contributed during the charity night in aid of local communities affected by floods on the East Coast of West Malaysia. Contributions of RM200,000 and RM100,000 were made via Sultan Ahmad Shah Environment Trust: Misi Bantuan Kemanusiaan Banjir Negeri Pahang Darul Makmur and Mercy Malaysia respectively.

Contribution in aid of local communities affected by floods on the East Coast of West Malaysia via Mercy Malaysia.

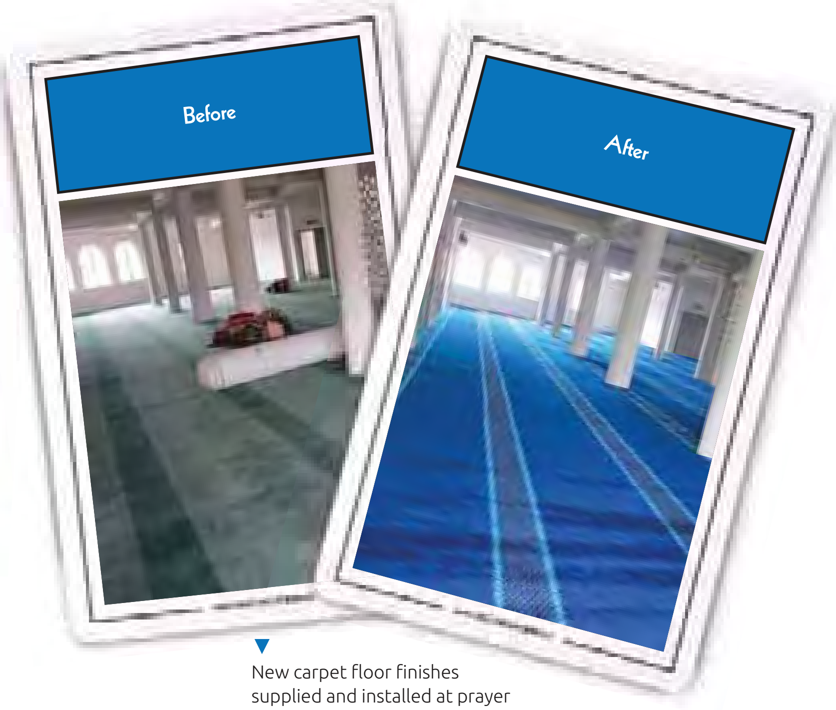
The spirit of giving continued with donations to SJKC Pin Hwa 2, a school located in Aman Perdana, to help the school raise funds for the construction of its assembly hall. The contribution was part of Mah Sing's community outreach initiative surrounding its development projects. Aman Perdana is Mah Sing's first township development project in the Klang Valley.

Assembly hall at SJKC Pin Hwa 2, which is under construction.

COMMUNITY OUTREACH INITIATIVES SURROUNDING DEVELOPMENT PROJECTS

Further to building quality homes, Mah Sing also seeks to contribute towards improving the quality of lives amongst the community. With this in mind, Mah Sing continuously undertakes community development activities that improve the well-being as well as foster harmonious relationships with the local community.

Mah Sing in support of the Blood Donation Campaign by the National Blood Bank ("Pusat Darah Negara") at the concourse area of Southgate Commercial Centre.



New carpet floor finishes supplied and installed at prayer hall of SS9 Mosque, Sg Way.

B. WORKPLACE

Mah Sing Group Berhad was indeed gratified to be amongst twenty (20) other winners who have received the HR Asia Magazine's "HR Asia Best Companies to Work for in Asia 2013", a regional HR excellence award that recognizes the effort that the Group had put in to make Mah Sing a preferred employer to work for.

"As Mah Sing grows, we realize that funds can be tapped, but human capital must be built. We know that it is our Human Capital that will drive the business and more specifically, our bottom lines."

Tan Sri Dato' Sri Leong Hoy Kum
Group Managing Director/ Group Chief Executive

In an effort to create brand awareness amongst the public and improve Mah Sing's position in the job market, the Group has been on an active recruitment drive for the right personalities and competencies. Mah Sing participated in career fairs and work in close collaboration with both local and private universities/ colleges on activities such as workshops, trainings, interactive sessions, site visits, development programs.

Mah Sing's booth at Malaysia's 100 Leading Graduate Career Fair 2014.

Networking with USM students at the Youth Evolution Summit.

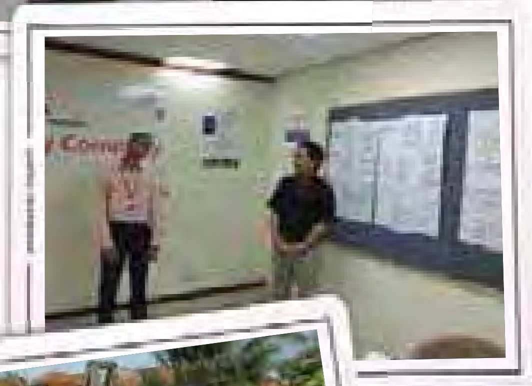
Mah Sing Group's HR Director with INTI students at coaching & mentoring session.

Mah Sing's pilot Youth Development Program designed for top students from fields of Construction Management, Quantity Surveying & Architecture is a collaboration with Tunku Abdul Rahman University College's School of Technology.

LEARNING & DEVELOPMENT

As a company committed to developing its people and build talent, Mah Sing is heavily invested in learning & development. Internal and external trainings have been provided for all employees, from non-executives to senior management to instill a culture of continuous self-improvement.

Injection moulding process & trouble shooting training in-session for Mah Sing Plastics Malaysia.



'Train-the-Trainer' workshop in-session for the ISO team.

Mah Sing Plastics Indonesia's employees during teamwork training.

'First Impressions Count!' workshop in-session.

STAFF RECOGNITION & WELFARE

The Group has a competitive remuneration package to reward and attract talents, including the Employees' Share Option Scheme ("ESOS") in addition to basic pay packages.

Ongoing reviews have been undertaken by the Group Human Resources & Administration ("Group HR & Admin") to align the Group's HR policies to industry best practices.

Year 2013 saw the launch of Mah Sing's "Valuing Performance (VP)", a performance management system with the aims to aligning employees' goals to organizations' and linking rewards to performance.

Through communication sessions and workshops, employees were able to understand the objective, benefits & details of the new Performance Management System.

VP Communication to create awareness and provide employees an overview of the new Performance Management System.

VP Workshops to provide employees with in-depth knowledge and skills on effectively using the new Performance Management System.

Long service awards were conferred to employees during the Group's annual dinners as a show of appreciation for their loyalty and contribution.

Recipients of long service awards.

WORK-LIFE BALANCE

Mah Sing is also a firm believer that community sports and events bring people together. Through initiatives developed under MS Sports Club, the Company aims to create a platform to inculcate and encourage competitive spirit and camaraderie among its employees. In the year under review, one of the activities MS Sports Club organized was the "Bowling Tournament 2013".

Participants at the bowling tournament.

Further to this, MS Sports Club brought another event “Treasure Hunt 2013” which was opened to all Mah Sing employees, family members and friends. The event took the participants driving through routes for treasure hunt clues around the Klang Valley area and also surrounding Mah Sing projects.

“Dressed-up hunting car was flagged off to start from the Icon City project.

Treasure hunters hunting for clues to given questions.

Participants performing light physical challenge midway along the route.

Additionally, the Group organized get-together activities to promote social interaction amongst employees.

Departmental Hari Raya gathering.

“Treasures” such as crackers, instant noodles that were hunt along the route were donated to the charity home “Agathians Shelter Petaling Jaya”.

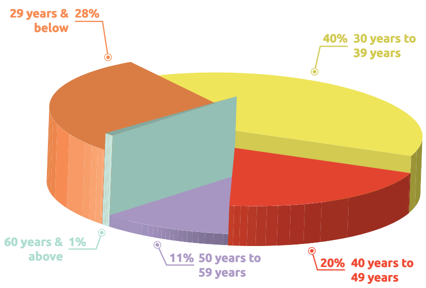
Mah Sing Family Day cum Show Village and Sales Gallery Grand Opening at the Southville City@KL South project. The Fun Fair event was filled with Ferris Wheel, balloons, fireworks, carnival performances.

WORKPLACE DIVERSITY

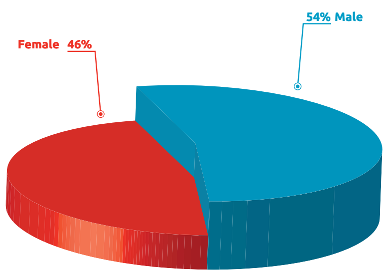
The Group supports a diverse and inclusive workforce that comprises a mix of community from different gender, age group, nationality or ethnicity which provides opportunities for creative solutions and promotes productivity.

Mah Sing employees shared ideas and taglines for the rebranding of Icon City hoarding.

Property & Investment Holding Division

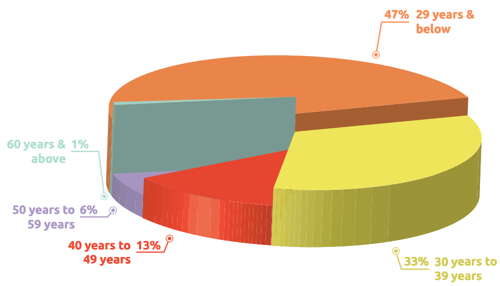


By Age Group

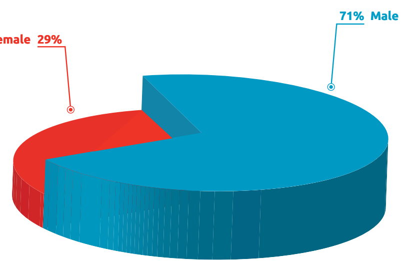


By Gender

Total Group including Plastics Division

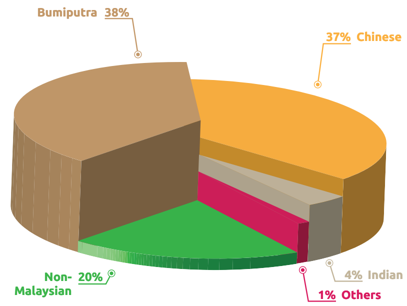


By Age Group



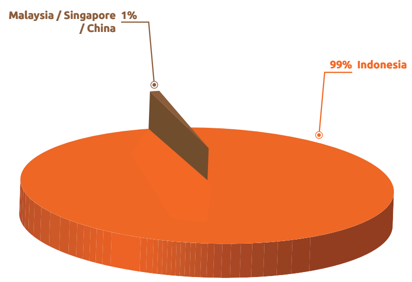
By Gender

Malaysian operation



By Ethnicity

Overseas operation



By Nationality

HEALTH & SAFETY AT WORKPLACE

The Group has in place a Safety, Health & Environment Policy and places high emphasis on health and safety at workplace.

Safety measures include security guards stationed within office buildings, surveillance equipment at relevant work locations, proper lightings installed at areas such as car park and staircase. Car park security escort service is provided to female employees who collect their cars within the vicinity of work premises during late hours.

Out of concern for the health of Mah Sing employees due to the worsening haze situation in June 2013, the Group Managing Director/ Group Chief Executive directed Group HR & Admin to source, procure and distribute the N95 facemasks to all employees within the Group.

Gotong-royong drainage cleaning at Mah Sing Plastics Malaysia.

The Group continues to inculcate a sense of awareness amongst its employees to accept responsibilities in occupational safety, health and environmental matters and maintain a clean, safe and orderly working environment.

C. ENVIRONMENT

The Group reaches out to the environment via its support towards various earth-friendly efforts.

PROPERTY DIVISION

The Group continues to work on ever-improving designs, layouts and where possible, to incorporate environmental-friendly green features and innovations in its property development products.

During the project design & planning stage, the Group has registered many of its development projects for green certification. The following green projects are benchmarked against green compliance standards recognized by the World Green Building Council which include Malaysia's Green Building Index ("GBI"), Singapore's Green Mark; or United States' Leadership in Energy and Environmental Design ("LEED"):-

Project green certification status

The green building rating systems provide comprehensive framework for assessing environmental impact and performance in various categories such as energy efficiency, water efficiency, environmental protection, indoor environmental quality and green innovation credits. Environmental friendly and sustainable construction practices are adopted to reduce polluting effects. When required, Environmental Management Plan is prepared for projects where the construction activities can be a potential source of environmental impacts.

In testament to the Group's efforts in greening its development projects, landscaping designs and green space allocation was given a priority during the design and planning process of projects. The Southville City@KL South has its Show Village and Sales Gallery stands on 20 acres of lush landscaping. The extensive and integrated landscape was designed with vast space and open air circulation areas, complemented with mature imported True Date Palms, Black Olive Trees, collection of majestic bonsai plants and varied selection of cactus. Water landscaping such as the infinity pool, waterway creates a cooling sensation for the surrounding environment.

The essence of modern living with natural surroundings at the Show Village and Sales Gallery will be blended into the actual township; aiming to create a living environment which emphasizes the harmonies of nature.

Majestic bonsai plants representing harmony and peace create a sense of balance with nature.

True Date Palms with feather-like leaves lend an air of tropics to the surroundings.

A 13-km pedestrian footpath-cum-bicycle track along the waterway.

PLASTICS DIVISION

The division covers both the Malaysian and Indonesian operations that manufacture plastics products which can be reused and recycled.

In compliance with the Efficient Management of Electrical Energy Regulation 2008, the electrical energy consumption pattern of the Malaysian plastics operations ("MSPI") was assessed for implementation of potential energy cost reduction measures. The Management targets lower energy consumption by 10% in the next 3 years. To that effect, whenever practical, the Management has constantly adopted energy efficiency practices in new raw material/ component/ packaging/ chemical, plant and equipment procurement to help deliver energy-efficient improvement and reduce impacts from manufacturing processes. Energy Management Policy is communicated to all employees and other stakeholders within the value chain. Where relevant, they will be trained to observe good environmental practices.

Besides complying with all applicable environmental legislation and statutory regulations, the Group's plastics division achieved the ISO 14001:2004 "Environmental Management System" certification since year 2007. The Management targets to achieve the ISO 50001: 2011 "Energy Management System" certification in the next 3 years.

On-site assessment was undertaken by the consultants together with the committee to analyze the current condition and recommendation of overall potential energy cost savings.

One of the disposal areas identified for schedule waste at MSPI factory, as part of schedule waste management to meet industrial standard requirement.

GROUP WIDE ENVIRONMENTAL OUTREACH EFFORTS

At workplace, employees are constantly encouraged to conserve energy consumption of essential electrical & electronic equipment, to reduce, reuse & recycle paper usage in their daily operation. The Group's HQ participated in the turning off of non-essential lights for an hour on the annual Earth Hour day initiated by the World Wide Fund for Nature ("WWF").

Earth Hour banner on Mah Sing Facebook page.

D. CUSTOMERS

CUSTOMER CARE

Mah Sing continues to earn the loyalty of its customers by offering value-added services like M CARE and M CLUB.

M Club Member Priority Preview at Southville City@KL South project. In appreciation of members' loyalty, privileges and benefits such as buyer repeat purchase discounts, buyer-get-buyer rewards and birthday surprises were offered.

M Care training in-session for the Sales & Marketing team in Southern Region to enhance staff knowledge of property support services offered by Mah Sing to property owners.

Mah Sing is committed to continue its effort in introducing premier lifestyle living in its development projects. Some of the lifestyle amenities offered by various projects include facilities such as swimming and wading pools, gymnasium, dance studio, futsal and badminton courts. Clubhouses which provide a platform where people come together for various celebrations and activities are also integrated in selected township developments.

Chap Goh Meh celebration at The Clubhouse@Garden Residence.

The colorful multi-cultural dance during grand opening of the Recreational Clubhouse at M Residence@Rawang.

Drinking water tests were being carried out during a Healthcare Check & Talk at the Perdana Residence 2 Clubhouse.

To improve good customer service experience, vacant possession handover procedures are continously improved. Trainings were provided to Customer Service team in complaint-handling practices and technical-related matters.

In preparation for handover at Sierra Perdana project

Handover at Bayu Sekamat project

House owners happily receiving Welcome Gift Hamper during handover at Kinrara Residence project

Group Security has embarked on improving security services to all development projects to serve purchasers and owners better. Efforts were made to build better cooperation with the police force, to have better surveillance security and more vigilant vehicles entry-exit checkpoint at the guard house.

PRODUCT QUALITY

The Group's divisions demonstrated continual commitment to provide its customers with the highest standards in product delivery processes and systems towards quality products. Both the property and plastics divisions are ISO 9001:2008 "Quality Management System" certified.

On top of the ISO 9001:2008 accreditation, PT Mah Sing Indonesia is also ISO/TS 16949:2009 "Quality Management Systems – Particulars requirements for the application of ISO 9001:2008 for automotive production and relevant service part organisations" accredited.

Mah Sing has many of its development projects which are Building and Construction Authority of Singapore's Construction Quality Assessment System ("CONQUAS") assessed. Contractors of the CONQUAS-assessed projects are required to comply with CONQUAS requirements, allowing Mah Sing to set targets on the desired standard and quality of its developments. As a measure of product quality, close to 90% of the CONQUAS-assessed projects were above 70%, both architectural and structural scoring combined.

Mah Sing's commitment towards quality and reliability in delivery has been recognized in the property industry for its excellence in many aspects:-

- International Property Awards – "Asia Pacific Property Awards ("APPA") – "Best High-Rise Architecture for M City"
- Association of Accredited Advertising Agents Malaysia ("4As") – "Putra Brand Awards – Property Development 2013-2014"
- BCI Asia - "Top 10 Developers Awards"
- BrandLaureate Malaysia - "BestBrands Signature Brand Award - Property 2012-2013"
- Ch'ng Hung Teck Network - "CHT Pursuit of Excellence (Property) Award 2013"
- The Edge Malaysia - "Top Property Developers Award 2013 – Listed Top 10"
- International Property Awards – "Asia Pacific Property Awards ("APPA") – "Best Leisure Development for Legenda@Southbay"
- Kementerian Tenaga, Teknologi Hijau dan Air ("KeTTHA") - "Malaysia GreenTech Developer Award 2013"
- The Malaysian Reserve - Property Press Awards 2013 – "Best Infrastructure Redevelopment 2013 – Icon City"
- The Malaysian Reserve - Property Press Awards 2013 – "Most Iconic Cyberjaya Development 2013 – Aspen@Garden Residence"
- The Malaysian Reserve - Property Press Awards 2013 – "Best Residential Enclave 2013 – Ferringhi Residence"
- "Overseas Property Professional ("OPP") Bronze for Best Affordable Development -Southville City"

E. CONTRACTORS/ SUPPLIERS

Mah Sing endeavors to deliver products that meet customers' requirements with respect to safety, health and environment. In meeting customers' requirements and contract specifications, materials that are purchased or services which are performed are continuously monitored in terms of pricing (economies of scale), quality (reliable source), availability (choice), timely delivery (efficiency) and safety & health standards.

The Group's procurement function is carried out in-house and covers areas such as the identification and selection of suitable sources of materials and services, comparison of quotations, evaluation and selection of contractors/ suppliers based on established criteria, periodical performance assessments and updates of approved contractors/ suppliers lists.

New resources for materials or services are continuously sought and this will establish a wider network of contractors/ suppliers, manufacturers, dealers and agents which will bring about good value for money and also provide valuable new market and product information to the Group.

F. SHAREHOLDERS

CORPORATE GOVERNANCE

Mah Sing is committed to ensuring the highest standards of corporate governance in the areas of board effectiveness, relationship with shareholders and investors, accountability and audit.

The Group's commitment to good governance was recognized by the awards received from:-

- Euromoney "Best Managed and Governed Companies - Asia Poll 2014"
- Corporate Governance Asia's 4th Asian Excellence Recognition Award "Best Investor Relations Company (Malaysia)"

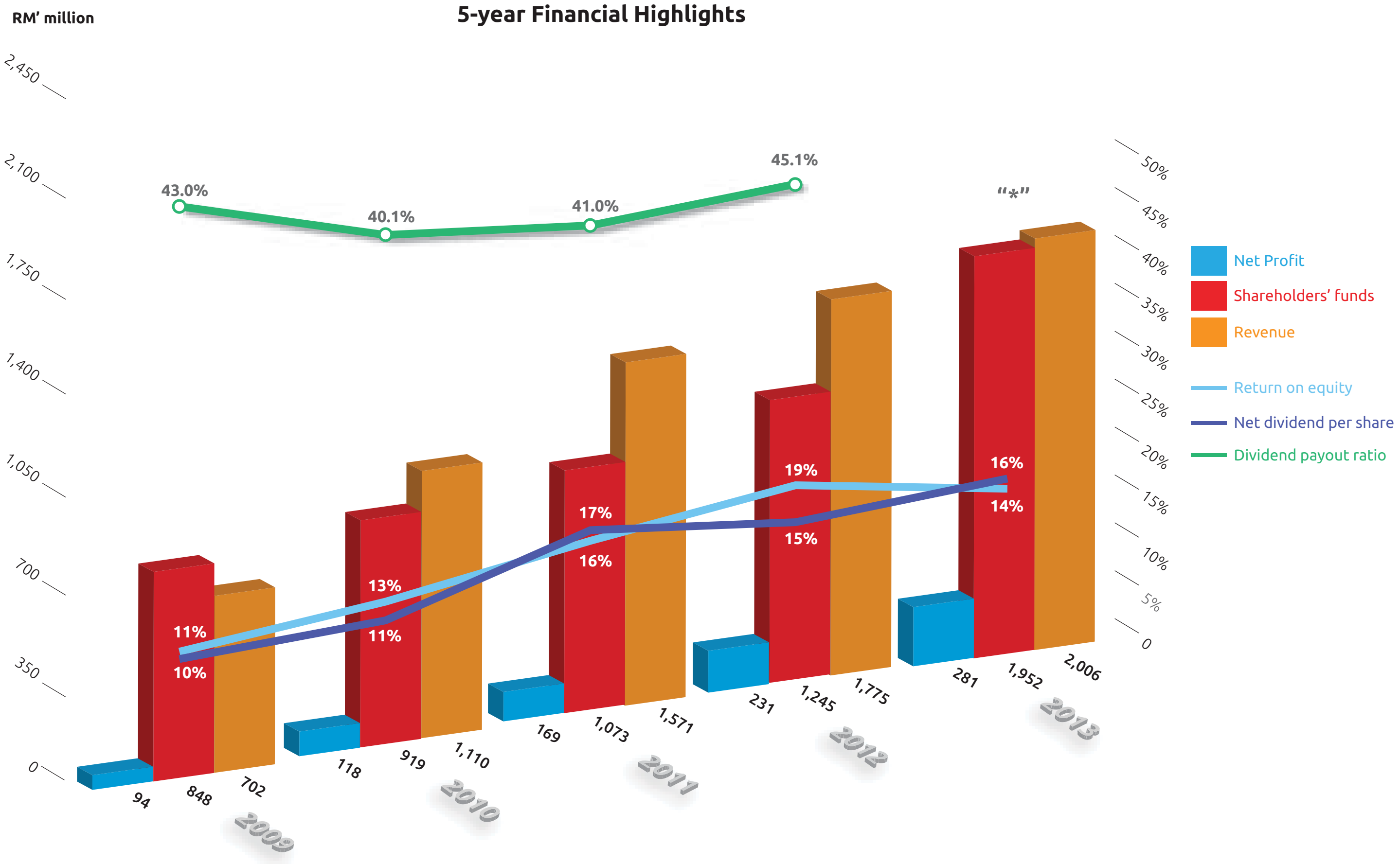
Set out on pages 70 to 81 of this Annual Report is the Corporate Governance Statement detailing the Group's corporate governance practices.

INVESTORS

Mah Sing continues to reward its investors with stable and sustainable returns as evidenced by the Compounded Annual Growth Rate for both revenue and net profit of 25% over the last 5-financial years ended 31 December 2013. The Group is proud to receive the award from The Edge Malaysia - "Billion Ringgit Club (BRC) - Highest Profit Growth Company (Property & REIT sectors)" for its strong revenue and net profits growth.

Return on equity has consistently been above 10% and dividend payout ratio has consistently been above its policy of minimum 40% since 2006.

5-year Financial Highlights



"*" A first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013 was proposed, and is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting. The dividend payout ratio would depend on the number of shares in issue on dividend entitlement date.

As testament to the Group Managing Director/ Group Chief Executive's leadership and dedication in charting the Group on its consistent strong performance and track record, Tan Sri Dato' Sri Leong Hoy Kum was honoured with:-

- Circle Corp - "Distinguished Chinese Award 2013"
- Corporate Governance Asia - 4th Asian Excellence Recognition Award "Asia's Best CEO (Investor Relations)"
- Enterprise Asia – "Asia Pacific Entrepreneurship Awards 2013 - Entrepreneur of the Year"
- IAIR – "Best Company for Leadership Award 2013"
- The Leaders International & American Leadership Development Association ("ALDA") – "Global Leadership Awards 2013 – Lifetime Achievement Award"

OUR ONGOING COMMITMENT

For the year under review, Mah Sing is satisfied with the sustainability efforts the Company has undertaken.

Going forward, the Company is committed to further improve and continuously promote sustainability in all areas of operations and businesses.

CREATING SUPERIOR **INVESTMENTS**

Our properties are always in high demand and as such, their investment value appreciates over the years

CALENDAR
OF EVENTS

JANUARY

Kinrara Residence Pre-Chinese New Year Celebration

FEBRUARY

Chap Goh Meh Celebration with residents from Garden Residence, Cyberjaya

Chinese New Year Celebration at Icon Residence, Mont' Kiara

MARCH

Global Leadership Awards 2013

Kinrara Residence - Feng Shui Talk by Joey Yap

2013 CALENDAR OF EVENTS

APRIL

M Residence 2 Preview of Alpine's A1 and A2 double-storey link houses inspire affordable lakeside living

Putra Brand Awards 2013

MAY

Family Carnival at Aspen @ Garden Residence

Strong crowd at the Preview of Meridin @ Medini

JUNE

Preview of Icon City's Icon Residenz Tower 2

M Residence's Father's Day Celebration

2013 CALENDAR OF EVENTS

JULY

HR Asia Best Companies to Work For In Asia 2013 (July)

The opening of Mah Sing's Singapore Sales Gallery

AUGUST

Buyers' Appreciation Night at Palmiera @ Kinrara Residence

The Preview and balloting for Serenia Executive Suites at Southville City @ KL South

SEPTEMBER

Ferringhi Residence Show Village Grand Launch

The Generous Donors at Mah Sing Foundation's Share A Smile 2013: Fundraising Dinner

OCTOBER

Malaysia GreenTech Developer Award 2013

Kinrara Residence's Home Ultimate Upgrade Campaign

[illegible]

[illegible]

NOVEMBER

Mah Sing Sports Club's Treasure Hunt

Overseas Property Professional (OPP) Award 2013

The Malaysian Reserve-Property Press Awards 2013

Mah Sing's Board of Directors and Senior Management launching Southville City @ KL South's Show Village and Sales Gallery

Discovery Extravaganza Celebration at Southville City @ KL South

DECEMBER

Mah Sing Foundation donates RM100,000.00 aid Typhoon Yolanda (Haiyan) victims

[illegible]

Delegates of the 17th Miss Tourism International 2013 during the Christmas Charity Carnival at the Show Gallery of Southville City @ KL South

The Board of Directors ("the Board") of Mah Sing Group Berhad ("the Company" or "Mah Sing") is committed and continues to observe corporate governance practices that are best suited to achieve the long-term strategic objectives and short-term goals of the Group.

In implementing the corporate governance practices and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the Malaysian Code on Corporate Governance 2012 ("the Code"). This Corporate Governance Statement reports on how the Company has applied the principles and recommendations of good corporate governance during the financial year ended 31 December 2013, having considered the Group's structure, business environment and industry practices.

This Corporate Governance Statement together with other relevant information is accessible on the Company's website at www.mahsing.com.my.

As testimony of the Group's commitment to good corporate governance, the Group is proud to receive the following recognitions:-

- Euromoney "Best Managed and Governed Companies - Asia Poll 2014"
- Corporate Governance Asia's 4th Asian Excellence Recognition Award "Best Investor Relations Company (Malaysia)"

A. BOARD OF DIRECTORS

1. BOARD CHARTER

The Board Charter sets out the composition, roles and responsibilities and processes of the Board. It provides an overview of how the Board leads by strategic guidance and effective oversight of Management. It also sets out the delegation of authority by the Board to various Committees to ensure the Board members in performing their responsibilities on behalf of the Group would act in the best interests of all stakeholders.

Outline of key features of the Board Charter are available for reference in the Company's website at www.mahsing.com.my:-

(i) Board structure
(ii) Roles and responsibilities
(iii) Board policies
(iv) Relationship with shareholders and investors
(v) Access to information and independent advice

2. BOARD BALANCE

The Board comprises seven (7) members of whom four (4) are Non-Executive Directors. Amongst the Non-Executive Directors, three (3) are Independent Non-Executive Directors including the Chairman. This provides an effective check and balance in the functioning of the Board and is in compliance with the Listing Requirements, which require one-third (1/3) of the Board to be independent.

The Board believes that its present composition constitutes an optimal size for the Group's current business profile, and is appropriate for leading the Group effectively on its future business growth thrust. The composition of the Board consists of qualified individuals with a broad base of industry knowledge, experience and technical skill necessary in the management and direction of the Group. A brief description of the background of each Director is presented in the Directors' Profile in this Annual Report and the Company's website at www.mahsing.com.my.

Although all the Directors have equal responsibilities for the Group's operations, the roles of the Independent Non-Executive Directors are particularly important in bringing independent judgement and ensuring all issues proposed by the Executive Management are fully discussed and examined to take into account the long term interests, not only of the shareholders, but also of other stakeholders such as the employees, customers and business associates.

Currently, there is no fixed term limit for its Independent Directors to remain on the Board. The Board believes that the suitability and ability of an Independent Non-Executive Director to carry out his / her roles and responsibilities effectively should be based on his / her calibre, qualifications, experience, personal qualities and knowledge of the Group's business operations and activities.

The role of an Independent Non-Executive Director is independent of management and free from any business or other relationship which could interfere with the exercise of his / her independent judgement or ability to act in the best interest of the Company. The independence of an Independent Non-Executive Director must also fulfil the criteria for independence as set out in the Listing Requirements.

The Nomination Committee has conducted its annual review on the independence of Independent Directors as per the criteria defined under the Listing Requirements. The Nomination Committee is satisfied that the individual Director is independent of management and free from any business or other relationship which could interfere with the exercise of his / her independence and judgement, and is able to advise the Board on matters relating to existing transactions where conflict of interest may exist.

The Board values such independent advice, skills and other qualities of the Independent Non-Executive Directors. Based on the annual assessment of independence by the Nomination Committee, the Board is satisfied with the wealth of relevant industry knowledge, experience, skills, contributions and the level of independence demonstrated by all three (3) Independent Non-Executive Directors, who have served the Board for more than nine (9) years. The Board believes that the three (3) long-serving Directors who possess insight and in-depth knowledge of the Group's business operations and activities, would continue to provide valuable check and balance using their independent judgement which would contribute objectively to the Group's conduct of business despite their length of service with the Group. In view thereof, the Board recommends and supports the resolutions for the retention of the three (3) Independent Non-Executive Directors of the Company which will be tabled for shareholders' approval at the forthcoming Annual General Meeting of the Company.

In order to ensure continual effective supervision and accountability of the Board and Management, there is a clear distinction and division of responsibilities between the Independent Non-Executive Chairman and the Group Managing Director / Group Chief Executive, which is regularly reviewed to meet changing circumstances.

The Chairman acts independently in the best interest of Mah Sing and is responsible for ensuring Board effectiveness and standard of conduct whereas the Group Managing Director / Group Chief Executive and Executive Directors oversee the management of the Group's businesses, implementation of Board policies and day-to-day running of the business.

Any concerns and queries relating to the Group may be addressed to Jen. Tan Sri Yaacob Bin Mat Zain (R), the Senior Independent Non-Executive Director who is also the Chairman at email: tansriyaacob@affininvestmentbank.com.my.

3. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board leads the corporate strategy and directions of the Group, and oversees proper conduct of the Group's businesses. The Directors, in discharging their fiduciary and leadership functions individually and collectively bring to the Board the relevant skills, business experience, insights and professional judgment as follows:-

- Objectively reviewing, adopting and monitoring the implementation of the Group's strategic plan as proposed by the Management.

  The Board discharges its role in leading the corporate strategy and directions of the Group, satisfying itself the Management has continued to drive business growth that is in alignment with Mah Sing's Vision & Mission. The strategic plan also promotes sustainability, ie. achieving a satisfactory balance on bottom-line growth, safeguarding the welfare of people and community within a harmonious state of the environment.

- In overseeing the conduct of the Group's business to ensure it is being properly managed.

  Overseeing and evaluating corporate behavior and conduct of business of the Group, a Code of Conduct as included in page 79 of this Annual Report provides guidance to employees on acceptable and unacceptable behaviours.

- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders.

  A statement featuring the Group's risk management framework and internal control systems is included in pages 86 to 88 of this Annual Report.

- Ensuring there is orderly succession of Senior Management positions of sufficient caliber.

  Nomination Committee and Remuneration Committee were delegated by the Board to review succession plans and remuneration packages for the Directors.

  Further details on Nomination and Remuneration Committees are as set out on pages 73 to 76 of this Annual Report.

  The Board also ensures there are appropriate policies for training, appointment and performance monitoring of Management positions.

- Overseeing the development and implementation of shareholder communications policy.

  The main features of the Company's shareholder communication process and procedure is described on pages 78 to 79 of this Annual Report.

- Reviewing the adequacy and effectiveness of the management information and internal control systems.

  The Group's Internal Audit function which serves as a means of obtaining sufficient assurance of regular review of the adequacy and effectiveness of the internal control systems of the Group is described more fully in the Statement of Internal Audit Function on pages 85 to 88 of this Annual Report.

4. BOARD MEETINGS AND ACCESS TO INFORMATION

The Board conducts at least four (4) meetings annually, with additional meetings convened as necessary depending on business requirement. During the financial year ended 31 December 2013, four (4) Board meetings were held.

The attendance of each Director at the Board meetings is as tabulated below:-

Name of Directors	Total Meetings Attended	Percentage of Attendance (%)
JEN. TAN SRI YAACOB BIN MAT ZAIN (R)	4/4	100
TAN SRI DATO' SRI LEONG HOY KUM	4/4	100
DATO' STEVEN NG POH SENG	4/4	100
DATO' LIM KIU HOCK	3/4	75
LEONG YUET MEI	4/4	100
CAPTAIN IZAHAM BIN ABD. RANI (R)	4/4	100
LOH KOK LEONG	4/4	100

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Listing Requirements.

Board papers with sufficient notice are distributed to Directors before Board meetings to enable the Directors to peruse and have the opportunity to seek additional information, and obtain further explanation and clarification on the matters to be deliberated. The Senior Management is invited to attend the Board meetings to report on matters relating to their areas of responsibility, and to brief and provide details on recommendations to assist the Directors whenever necessary so as to enable the Directors to make independent and informed decisions. In the event of potential conflict of interest, the Director concerned will make a declaration at the meeting and shall abstain from deliberation and decision of the Board on the proposal. During Board meetings, the Non-Executive Directors are briefed on, amongst others, major operational, financial and corporate issues, activities and performance of projects, divisional performance, business outlook, major acquisition and disposal of assets including investments and changes in the requirements of regulatory bodies. Proceedings of the meetings and the resolutions reached have been duly minuted. Minutes of each Board meeting are circulated to each Director prior to confirmation of the minutes in the next meeting.

The Directors are notified of any corporate announcements released to Bursa Securities. They are also notified of the restriction in dealing with the securities of the Company prior to the announcement of financial results or corporate proposals.

The Chairman of the Audit Committee would inform the Directors at Board meetings, of any salient matters noted by the Audit Committee and which require the Board's attention or direction.

All Directors have access to the advice and services of qualified Company Secretaries and Senior Management.

The Directors, whether as a full Board or in their individual capacity have access to all information within the Group and may seek independent professional advice, where necessary, in the furtherance of their duties and they may do so at the Group's cost.

5. BOARD COMMITTEES

To assist the Board in the discharge of its oversight function, the Board has delegated specific responsibilities to four (4) Board Committees which include the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee. These Committees have the authority to examine particular issues within their terms of reference and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board.

5.1 AUDIT COMMITTEE

The composition, terms of reference and summary of activities of the Audit Committee are set out separately in the Audit Committee Report on pages 82 to 85 of this Annual Report.

5.2 NOMINATION COMMITTEE

Composition

Two (2) out of three (3) of the Nomination Committee members, including the Chairman, are Independent Non-Executive Directors.

Members

The members of the Nomination Committee are:-

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman (Independent Non-Executive)

LEONG YUET MEI
Director (Non-Independent Non-Executive)

CAPTAIN IZAHAM BIN ABD. RANI (R)
Director (Independent Non-Executive)

Terms of Reference of Nomination Committee:-

- to consider, in making its recommendation to the Board, candidates for all directorships/ Board Committees, in respect of their character, skills, knowledge, expertise, experience, professionalism, integrity and time commitment; and in the case of Independent Non-Executive Directors, their abilities to discharge such responsibilities/ functions as expected from an Independent Non-Executive Director;
- to assist the Board in reviewing on an annual basis the required mix of skills, experience and other qualities of the Directors of the Board/ Board Committees;
- to review the Board's succession plan, in recommending the appropriate board balance (including gender diversity) and size of non-executive participation;
- to facilitate Board's induction and training programs in areas which Directors could improve on; and
- to facilitate annual assessment of the effectiveness of the Board as a whole, the performance and contribution of each individual Director and Board Committee member including Independent Non-Executive Directors as well as the Group Managing Director/ Group Chief Executive.

During the financial year, the Nomination Committee assessed and evaluated the performance of the Board and Board Committees, and also conducted an assessment on the independence of the Independent Directors. The Nomination Committee was satisfied with the performance of the Board and Board Committees. The assessment and evaluation is properly documented.

5.3 REMUNERATION COMMITTEE

Composition

Two (2) out of three (3) of the Remuneration Committee members consist of Non-Executive Directors.

Members

The members of the Remuneration Committee are:-

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman (Independent Non-Executive)

TAN SRI DATO' SRI LEONG HOY KUM
Group Managing Director / Group Chief Executive

LEONG YUET MEI
Director (Non-Independent Non-Executive)

Terms of Reference of Remuneration Committee:-

- to study and periodically review remuneration packages of all Executive Directors; and
- to make recommendations to the Board on all elements of remuneration and terms of employment for Executive Directors.

In the case of Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibilities undertaken by each Non-Executive Director.

Individual Directors do not participate in the decisions regarding their individual remuneration.

The Level and Make-up of Remuneration

The remuneration of Executive Directors are so determined to ensure that the compensation and benefits commensurate with the level of the Directors' responsibilities, as well as taking into consideration the Group's performance relative to the industry. Survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration package. The objectives of the Remuneration Committee in determining the levels and components of the compensation packages are to motivate, attract and retain dedicated Directors that are key to the success of the Group.

Disclosure on Directors' Remuneration

The details of Directors' remuneration for the financial year ended 31 December 2013 are as follows:-

The number of Directors with total remuneration falling into the following different bands:-

Remuneration Band(RM)	Number of Executive Directors	Number of Non-Executive Directors
Up to 50,000		3
50,001 to 100,000		1
1,950,001 to 2,000,000	1	
3,500,001 to 3,550,000	1	
15,350,001 to 15,400,000	1	
Total	3	4

The aggregate remuneration of the Directors categorized into appropriate components:-

	Fees (RM)	Salaries (RM)	Bonus (RM)	EPF (RM)	Benefits-in-kind (RM)	Total 2013 Remuneration (RM)	Total 2012 Remuneration (RM)
Executive Directors	-	5,556,000	13,147,000	2,089,800	111,496	20,904,296	16,685,009
Non-Executive Directors	150,000	-	-	-	24,600	174,600	174,600
Total	150,000	5,556,000	13,147,000	2,089,800	136,096	21,078,896	16,859,609

In addition to the salaries, bonus and benefits-in-kind, Executive Directors shall be eligible to participate in the Employees' Share Option Scheme ("ESOS"). Details of ESOS movement granted to the Executive Directors and Group Managing Director / Group Chief Executive as follows:-

	Number of options over ordinary shares of RM0.50 each (Unit'000)						
	Exercise Price **	**At 1.1.2013**	**Granted**	**Adjusted for Rights Issue**	**Adjusted for Bonus Issue**	**Exercised**	**At 31.12.2013**
Direct interest							
Tan Sri Dato' Sri Leong Hoy Kum	1.24	4,800	-	492	1,058	-	6,350
Dato' Steven Ng Poh Seng	1.24	2,250	-	230	331	(827)	1,984
Dato' Lim Kiu Hock	1.24	2,250	-	230	414	(910)	1,984
Indirect interest							
Tan Sri Dato' Sri	1.24	2,375	-	243	524	-	3,142
Leong Hoy Kum*	1.44	200	-	21	44	-	265
	2.03	-	350	-	-	-	350
Leong Yuet Mei*	1.24	90	-	9	13	(33)	79
	1.44	45	-	4	9	(6)	52

* Deemed interest by virtue of options held by family member(s)
** Adjusted exercise price pursuant to the Rights and Bonus Issues

5.4 OPTION COMMITTEE

The Option Committee was established to administer the implementation of the Employees' Share Option Scheme ("ESOS") and is vested with such powers and duties as are conferred upon it by the Board and the By-Laws of the ESOS. In addition, the Option Committee may, for the purpose of administering the ESOS, make rules and regulations or impose terms and conditions which the Option Committee may in its discretion consider to be necessary or desirable for giving full effects to the ESOS.

Members

The members of the Option Committee are:-

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman (Independent Non-Executive)

TAN SRI DATO' SRI LEONG HOY KUM
Group Managing Director / Group Chief Executive

LOH KOK LEONG
Director (Independent Non-Executive)

6. APPOINTMENTS AND RE-ELECTION OF DIRECTORS TO THE BOARD

During the financial year, there was no new appointment of Director to the Board.

Appointments of Director to the Board shall be made and carried out based on the recommendation of the Nomination Committee. Amongst the criteria used in the selection process is a Director's time and his/ her availability to serve the Board. With this, the Board will obtain time commitment from a Director at the time of appointment. Additionally, before accepting any new directorship outside the Group, all Board members shall notify the Chairman of the Board indicating the amount of time that will be spent on the new appointment.

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Directors shall retire from office every year provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election at the Annual General Meeting ("AGM"). No Director stays in office for more than three (3) years without being subject to re-election by shareholders.

Directors who are above the age of seventy (70) are statutorily required to seek re-appointment at each AGM in accordance with Section 129(2) of the Companies Act, 1965.

7. DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Program prescribed by Bursa Securities.

The Group acknowledges the fact that continuous education is vital for the Board to gain insight into the state of the economy, changing commercial risks, technological advances in our core businesses, latest regulatory requirements and management strategies. As such, the Directors are updated from time to time on relevant laws and regulations, key developments in the Companies Act 1965, the Listing Requirements, the Code as well as business and industry specific trends.

When necessary, Directors will also attend relevant trainings, either by recommendation of the Nomination Committee based on its annual performance assessment findings on the training and development needs of Directors or Directors' own professional bodies required training hours. Such updates and trainings shall enable Directors to equip themselves with the relevant knowledge to discharge their responsibilities and duties more effectively.

During the financial year ended 31 December 2013, seminars/ workshops/ talks of various subject matters attended by Directors include:-

- Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers
- Budget Seminar 2014
- Corporate Social Responsibility Statement Reporting Workshop for Practitioners
- CTIM Members' Technical Round Table Discussion
- The Financial Institution Directors' Education ("FIDE") Elective Program: Winning the War for Talent
- FIDE Elective Program: Human Capital Management in the Boardroom & "C" Suite Program (Tools and Techniques for Nominating and Remuneration Committees)
- Financial Services Act 2012 & Islamic Financial Services Act 2012
- Future of Corporate Reporting
- Housing Development Act and other relevant laws
- ICAA-MICPA Audit Forum: Quality Control in Practice
- Leadership Energy Summit Asia ("LESA")
- MICPA-Bursa Malaysia Business Forum
- National Tax Conference 2013
- Nominating Committee Program
- Politics and Business – The Malaysian Connection "The Way Forward – Towards Sustainable Economic Growth & Competitiveness"
- Transfer Pricing Documentation – Practical Issues in Implementing the Requirements of the Transfer Pricing Guidelines – Documentation aspects
- Understanding the New Control Model for Consolidation and Joint Venture Accounting

B. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

1. DIALOGUE WITH SHAREHOLDERS AND INVESTORS

The Board recognises and values the importance of effective and clear communication to its shareholders as well as to potential investors and the public. It is fully committed to ensuring the highest standards of transparency and accountability in the disclosure of pertinent information relating to the Group.

In this respect, the Group, through its Corporate Communications and Investor Relations departments and its active investor relations ("IR") programme, engages with research analysts, fund managers, shareholders, financiers and media to convey the Group's strategies, performance, products and major developments. The forms of engagements include briefing sessions and site visits as well as participation in non-deal investment road shows, one-on-one meetings and press conferences with the media. The Group's top management which includes the Group Managing Director/ Group Chief Executive and/ or Executive Directors also takes an active role in engaging our stakeholders through their participation in the IR programme.

During the financial year, the Company met 428 members of the investment community.

Other effective channels of communication employed by the Group include making timely and informative disclosures in interim and full year financial results announcements, Annual Report and other announcements to Bursa Securities on relevant transactions undertaken by the Group.

The Board believes that timely releases of financial information and updates on other developments are important to enable shareholders and the general public to receive information on the performance and prospects of the Group on a regular basis. Shareholders, investors and members of the public are able to access such announcements on Bursa Securities' website at www.bursamalaysia.com and other information via the Company's website at www.mahsing.com.my. The summary of interim results is also published in at least one (1) national newspaper.

Shareholders, investors and members of the public may also forward their queries to the Company by contacting its dedicated IR team at Tel: 603-9221 8888, Fax: 603-9222 1288, Email: ir@mahsing.com.my.

2. GENERAL MEETINGS

The Company's general meeting is the principal forum for dialogue with shareholders as it provides shareholders with an opportunity to seek clarification on the Group's business strategy, performance and major developments.

The notice of last Annual General Meeting ("AGM") and the Annual Report were sent to the shareholders earlier than the minimum notice period of 21 days before the date of the AGM. Such notice contained sufficient information and explanatory notes regarding the effect of the proposed resolutions in respect of special businesses to enable the shareholders to decide whether to attend the AGM and to make informed decisions.

The shareholders shall have right to attend or appoint proxies to attend, speak and vote including to demand for a poll on the motions contained in the notices of general meetings in accordance with the provisions of the Articles of Association of the Company.

For the benefit of all shareholders who were present at the AGM, the Directors presented the Company's responses to the issues raised by the Minority Shareholder Watchdog Group at the start of the AGM. At each general meeting in 2013, presentation is given in relation to the progress and financial performance of the Group, or proposals for which the approvals of shareholders are being sought.

Board members, Senior Management, the Group's External Auditors and the Company's advisers where relevant were available to respond to shareholders' queries during the general meetings. The shareholders present at the general meetings were given sufficient time and opportunity to participate in the questions and answers sessions with regard to the proposed resolutions, the Group's financial performance and operations in general and other concerns on the Group.

After the general meetings, press conferences were conducted to provide the members of the media with opportunities to receive information relating thereto about the Group. Disclosures made to shareholders, investors and media are handled within the prescribed disclosure requirements under the Listing Requirements and is guided by Corporate Disclosure Guide issued by Bursa Securities.

C. ACCOUNTABILITY AND AUDIT

1. FINANCIAL REPORTING

In presenting the annual audited financial statements and quarterly announcements of unaudited consolidated financial results to shareholders, the Board has taken reasonable steps to ensure a balanced and understandable assessment of the Group's financial position and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the quality of its financial reporting.

2. INTERNAL CONTROL

The Directors' Statement on the Group's Risk Management and Internal Control, which has been reviewed by the External Auditors, provides an overview of the risk position and state of internal controls within the Group.

The Statement on Risk Management and Internal Control is set out on pages 86 to 88 of this Annual Report.

3. CODE OF CONDUCT

To promote productivity and efficiency, and help ensure a pleasant, safe, cooperative and productive work environment, the Group has a Code of Conduct that is included in Employee Handbook and freely accessible on the Group's shared folder in emailing system. The Code of Conduct lists down examples of unacceptable conduct or performance in areas such as Indiscipline; Attendance and Punctuality; Use of Property; and Personal Actions & Appearance.

Employees also have free access to the Executive Directors and may raise concerns of non-compliance to them or through the Group Human Resources & Administration. Employees may also report observed non-compliance of conduct to Jen. Tan Sri Yaacob Bin Mat Zain (R), the Senior Independent Non-Executive Director who is also the Audit Committee Chairman at email: tansriyaacob@affininvestmentbank.com.my.

4. RELATIONSHIP WITH AUDITORS

The Group maintains a transparent relationship with the External Auditors in seeking professional advice towards ensuring compliance with accounting standards. The Group Internal Auditors are present at all Audit Committee meetings and the External Auditors are invited to participate at all the Audit Committee meetings.

In 2013, the Audit Committee held two (2) informal discussion sessions with both the Internal and External Auditors without the presence of the Executive members of the Board and other employees.

The duties of Audit Committee relating to external audit are described on page 83 of this Annual Report.

D. DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring the financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 1965, and the applicable approved Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year.

The Board of Directors is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2013, the Group has adopted the appropriate accounting policies and applied them consistently; and that all applicable approved accounting standards have been followed.

E. ADDITIONAL COMPLIANCE INFORMATION

1. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Other than warrants and ESOS, the Company did not issue any convertible securities during the financial year.

During the financial year, the Company has issued 53,991,791 and 465,712 new ordinary shares of RM0.50 each at an exercise price of RM1.98 and RM2.38 per ordinary share respectively pursuant to the exercise of warrants.

Details of ESOS movement during the financial year are as disclosed in Note 24 on pages 161 to 165 of the financial statements. Non-Executive Directors are not granted ESOS whilst ESOS granted to the Executive Directors and Group Managing Director / Group Chief Executive are detailed in Directors' Report on pages 91 to 92 of the financial statements.

The aggregate maximum and actual percentage of ESOS allocation to Directors and Senior Management during the financial year and since commencement of the ESOS is as follows:-

	Financial Year 2013		**Since ESOS commencement**	
	Maximum Allocation Applicable %	Actual Allocation %	Maximum Allocation Applicable %	Actual Allocation %
Executive Directors and Senior Management	5	8	29	37

2. SANCTIONS AND/ OR PENALTIES

There were no sanctions and/ or penalties imposed on the Company, its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2013 which have material impact on the operations or financial position of the Group.

3. NON-AUDIT FEES PAID/ PAYABLE

For the financial year ended 31 December 2013, the amount of non-audit fees paid/ payable to the External Auditors and their affiliates amounted to RM30,000.

4. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Group involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS

The existing shareholders' mandate for the Group to enter into recurrent related party transactions of revenue or trading nature ("Shareholders' Mandate") which is necessary for its day-to-day operations shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

The aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year is as disclosed in Note 42 on pages 192 to 193 of the financial statements.

6. SHARE BUYBACKS

The existing authority for Mah Sing to purchase up to 10% of its issued and paid-up share capital shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

During the financial year, there were no share buybacks by the Company.

7. STATUS OF UTILIZATION OF PROCEEDS RAISED FROM CORPORATE EXERCISES

The net proceeds raised by the Company from the Rights Issue with Warrants completed in March 2013 amounting to RM397,741,720 is utilised as follows:-

	Approved utilization RM'000	Actual utilization as at 22 May 2014 RM'000	Reallocation RM'000	Balance unutilized as at 22 May 2014 RM'000
Property development expenditure and future land acquisitions	350,000	(307,318)	0	42,682
General working capital	42,742	(43,311)	569	0
Estimated expenses in relation to the exercise	5,000	(4,431)	(569)*	0
Total	397,742	(355,060)	0	42,682

* The unutilised amount of RM569,000 designated for the estimated expenses in relation to the Proposals has been reallocated for general working capital requirements.

AUDIT COMMITTEE REPORT

1. COMPOSITION

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. One (1) of the Audit Committee members, Mr. Loh Kok Leong is an accountant by profession and a member of the Malaysian Institute of Accountants as disclosed in Directors' Profile on pages 10 to 14 of this Annual Report.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board of Directors ("the Board") at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

During the financial year, the Audit Committee convened four (4) meetings which were attended by the members as tabulated below:-

Name of Members	Attendance at Meetings
JEN. TAN SRI YAACOB BIN MAT ZAIN (R) (Chairman, Independent Non-Executive Director)	4/4
CAPTAIN IZAHAM BIN ABD. RANI (R) (Independent Non-Executive Director)	4/4
LOH KOK LEONG (Independent Non-Executive Director)	4/4

The Group Internal Auditors and External Auditors attended all the meetings.

In 2013, the Audit Committee held two (2) informal discussion sessions with both the Internal and External Auditors without the presence of the Executive members of the Board and other employees.

2. TERMS OF REFERENCE

MEETINGS AND MINUTES

In assisting the Board to effectively discharge its fiduciary responsibilities for corporate governance, timely & accurate financial reporting and development of sound internal controls, Audit Committee meetings which shall be held not less than four (4) times a year will be attended by an Executive Director, representatives from Management team and the Group Internal Auditors. The External Auditors are also invited to participate at all the Audit Committee meetings.

The Chairman of the Audit Committee would engage on a continuous basis with Senior Management such as the Group Managing Director/ Group Chief Executive and the Executive Directors in order to be kept informed of matters affecting the Group. Attendance of other Directors and employees at any particular Audit Committee meeting will be at the invitation of the Audit Committee.

A quorum shall consist of two (2) members and the majority of the members present must be Independent Directors.

The Company Secretary shall be the secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Audit Committee members prior to each meeting.

The secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee and circulating them to the Audit Committee members and to the other members of the Board. The Chairman of the Audit Committee shall report key issues discussed at each meeting to the Board.

AUDIT COMMITTEE REPORT

AUTHORITY

The Audit Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the Internal and External Auditors and to all employees of the Group. The Audit Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

The Audit Committee is also authorized to convene meetings with the External Auditors and Internal Auditors separately, at least two (2) times a year without the presence of the Executive members of the Board and other employees in order to have unfettered access to information that it may require.

DUTIES

The duties of the Audit Committee shall be:-

Oversee all matters relating to external audit

- discuss with the External Auditors where necessary, the nature and scope of the audit and ensure co-ordination of audits where more than one audit firm is involved;
- discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss;
- review with the External Auditors, their evaluation of the systems of internal control, their Management Letter and Management's response;
- consider the nomination & appointment of the External Auditors as well as the appropriateness of their audit fees as recommended by the Management; to commensurate with their experience & resources (both firm and person assigned), firm's audit engagements, number & experience of supervisory & professional staff assigned, size & complexity of company being audited;
- assess the suitability and independence of External Auditors in respect of the provision of non-audit services to the Group and the Company in accordance with the terms of all relevant professional and regulatory requirements;
- consider any letter of resignation of External Auditors and any questions of resignation and dismissal; and
- review the level of assistance given by the employees of the Group to the External Auditors.

Review of systems of internal control and risk management

To review the reports of respective Risk Management Teams in relation to the adequacy and integrity of the Group's internal control systems in mitigating significant risks.

Oversee all matters relating to internal audit

- to review the adequacy of the scope, functions, competency and resources of the Internal Audit function and that it has the necessary authority to carry out its work;
- to review and approve the internal audit plan;
- to ensure co-ordination of external audit with internal audit;
- to consider major findings of internal audit reviews and Management's response and ensure that appropriate actions are taken on the recommendations of the Internal Audit function;
- to review any assessment of the performance of the staff of the Internal Audit function;
- to approve any appointment or termination of senior staff members of the Internal Audit function; and
- to keep itself informed of resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/ her reasons for resigning.

Review of financial statements

To review the quarterly and year-end financial statements of the Group before submission to the Board, focusing particularly on:

- any changes in accounting policies and practices;
- significant audit issues and adjustments arising from audit;
- going concern assumption;
- compliance with the applicable approved accounting standards and regulatory requirements; and
- compliance with the Main Market Listing Requirements ("Main Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other legal requirements.

Additional duties and responsibilities

- to consider any related party transactions and conflict of interest situation that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity. They are also required to ensure that the Directors report related party transactions annually to shareholders via the Annual Report;
- where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market LR of Bursa Securities, the Audit Committee must promptly report such matter to Bursa Securities; and
- to carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and the Board from time to time.

3. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

During the financial year, the Audit Committee carried out its duties as set out in the terms of reference and discussed the following issues:-

- reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement and the Statement on Risk Management and Internal Control pursuant to the Main Market LR of Bursa Securities;

- reviewed the Risk Management Teams' reports on the risk profile of the Group and the adequacy and integrity of internal control systems to manage these risks;

- reviewed with the External Auditors the audit plan and to ensure co-ordination of audits of the various companies within the Group with different External Auditors;

- reviewed with the External Auditors any significant findings in relation to audits;

- considered and recommended to the Board for approval of the audit fees payable to the External Auditors;

- reviewed the internal audit plan and internal audit reports and considered the major findings of internal audit reviews and Management's response;

- reviewed and discussed with the Internal Audit function, its authority, resources and scope of work;

- reviewed related party transactions entered into by the Group and the draft proposal to seek shareholders' mandate pursuant to Paragraph 10.09 of the Main Market LR of Bursa Securities to authorize the Group to enter into recurrent related party transactions of a revenue or trading nature;

- reviewed quarterly financial results and year end financial statements of the Group before recommending them to the Board for their approval for announcement to Bursa Securities; and

- had two (2) discussion sessions with the Group Internal Auditors together with External Auditors without the presence of the Executive members of the Board and other employees.

4. STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE COMMITTEE

The Audit Committee has reviewed and verified that the allocation of options granted during the financial year under the ESOS of the Company was in accordance with the criteria for allocation of options pursuant to the ESOS.

5. STATEMENT ON INTERNAL AUDIT FUNCTION

INTERNAL AUDIT FUNCTION

The Internal Audit ("IA") function is considered an integral part of the assurance framework within the Group. IA function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the Audit Committee. It serves as a means of obtaining sufficient assurance of regular reviews and/ or appraisals of the adequacy and effectiveness of the risk, control and governance framework of the Group.

The Group's IA function is guided by its Internal Audit Charter and is undertaken by the Group Internal Audit Department ("IAD") which reports directly to the Audit Committee.

The Group IAD undertakes independent, regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The annual internal audit plans which are designed to cover development projects and entities across all levels of operations within the Group are approved by the Audit Committee. The Group IAD adopts a risk-based approach in planning the audit assignments taking into consideration industry specific requirements.

The Group IAD performs independent evaluation of the operation of the Enterprise Risk Management Framework focusing primarily on the adequacy and effectiveness of the said framework.

The Group IAD also assists the Audit Committee in reviewing the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement, the Audit Committee Report and the Statement on Risk Management and Internal Control pursuant to the Main Market LR of Bursa Securities and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

SUMMARY OF INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, various independent audit reviews on the appropriateness of the instituted controls and evaluation of the acceptable levels of principal risk exposures were conducted in relation to the Group's operations and information systems as follows:-

- reliability of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with policies, procedures, laws & regulations and contracts.

At the conclusion of the various audits, weaknesses together with the recommended corrective actions were highlighted to the Management. There were no material losses incurred during the current financial year as a result of the weaknesses in the internal control systems and Management is proactive in strengthening the internal control environment. Follow-up audit reviews were conducted to ensure that corrective actions are being implemented accordingly.

The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted upon by Management.

All the internal audit activities were performed in-house and the total costs incurred in managing the Group IAD for 2013 was RM432,000.

Further details of the activities of Group IAD are set out in the Statement on Risk Management and Internal Control on pages 86 to 88 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of Mah Sing Group Berhad is committed to nurture and maintain a sound risk management framework and systems of internal control throughout its group of companies. The Board's Statement on Risk Management and Internal Control ("the Statement") featuring the Group's risk management framework and its state of internal control is outlined as follows. The Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Recommendation 6.1 for Principle 6 of the Malaysian Code on Corporate Governance ("MCCG") 2012.

THE BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's systems of internal control and risk management in order to safeguard shareholders' investment and the Group's assets. The Board ensures the adequacy, effectiveness and integrity of the internal control systems through regular reviews, accompanied by ongoing risk management process.

It should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable and not absolute assurance against material misstatement or loss.

Based on the following descriptions of the risk management framework and internal control systems, we are pleased to state that the systems of internal control and risk management processes are generally in place and adequate for its purpose. The Management is expected to ensure the continual review of the Group's risk profiles, the related business processes and the monitoring of the implementation of Management Action Plans ("MAPs") in order to promote a balance of risk and return in daily business operations.

The Board has received reasonable assurance from the Group Managing Director/ Group Chief Executive and the Executive Director primarily responsible for the financial management that the Group's risk management framework and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management framework and internal control systems of the Group.

ENTERPRISE RISK MANAGEMENT ("ERM")

The Board confirms that the Group has in place an ERM Framework for the on-going process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives.

The key aspects of the ERM Framework (Figure 1) are:-

- The Risk Management Teams comprising management staff from the Corporate, Property and Plastics Divisions are charged with the responsibilities of continuous monitoring and management of the risks of the Group;
- ERM assessment reviews are performed annually to identify, assess and manage the risks faced by the Group. The ERM assessment reviews are carried out to address major risk areas of concern, if any from the perspectives of environmental, regulatory & legal, governance & operational controls, financial, customers, products & services, suppliers and human capital;
- Likelihood of occurrence of those risk factors and magnitude of their impacts are determined based on division's level of risk tolerance defined earlier and the previously established risk matrix table;
- Key risk management strategies or MAPs to key business processes are identified based upon risk evaluation where overall risk rating and profile are determined;
- The key risks identified during the ERM assessment reviews together with the controls for managing them and the MAPs to be implemented are summarized in the Key Residual Risk Profiles and Risk Registers, serving as the supporting details for the ERM Assessment Report and as the means for assuring the Audit Committee that the ERM processes are effective;
- ERM compliance reviews are carried out on a continuous basis to ensure the controls/ key risk management strategies for managing risks are functioning effectively. All are recorded in the Documented ERM Compliance Review including the implementation status of MAPs;
- The Audit Committee upon receiving the ERM Assessment Report and Documented ERM Compliance Review from Group Internal Auditors shall review and monitor the effectiveness of the Group's systems of internal control before onward submission to the Board for endorsement. The Chairman of the Audit Committee would inform the Directors, of any salient matters noted by the Audit Committee and which require the Board's notice or direction. Further details on the Audit Committee are set out in the Audit Committee Report on pages 82 to 85 of this Annual Report; and
- The results of the ERM Framework, ie. the internal control procedures that are identified to address key risks, are used as one of the basis to develop risk-based internal audit plans.

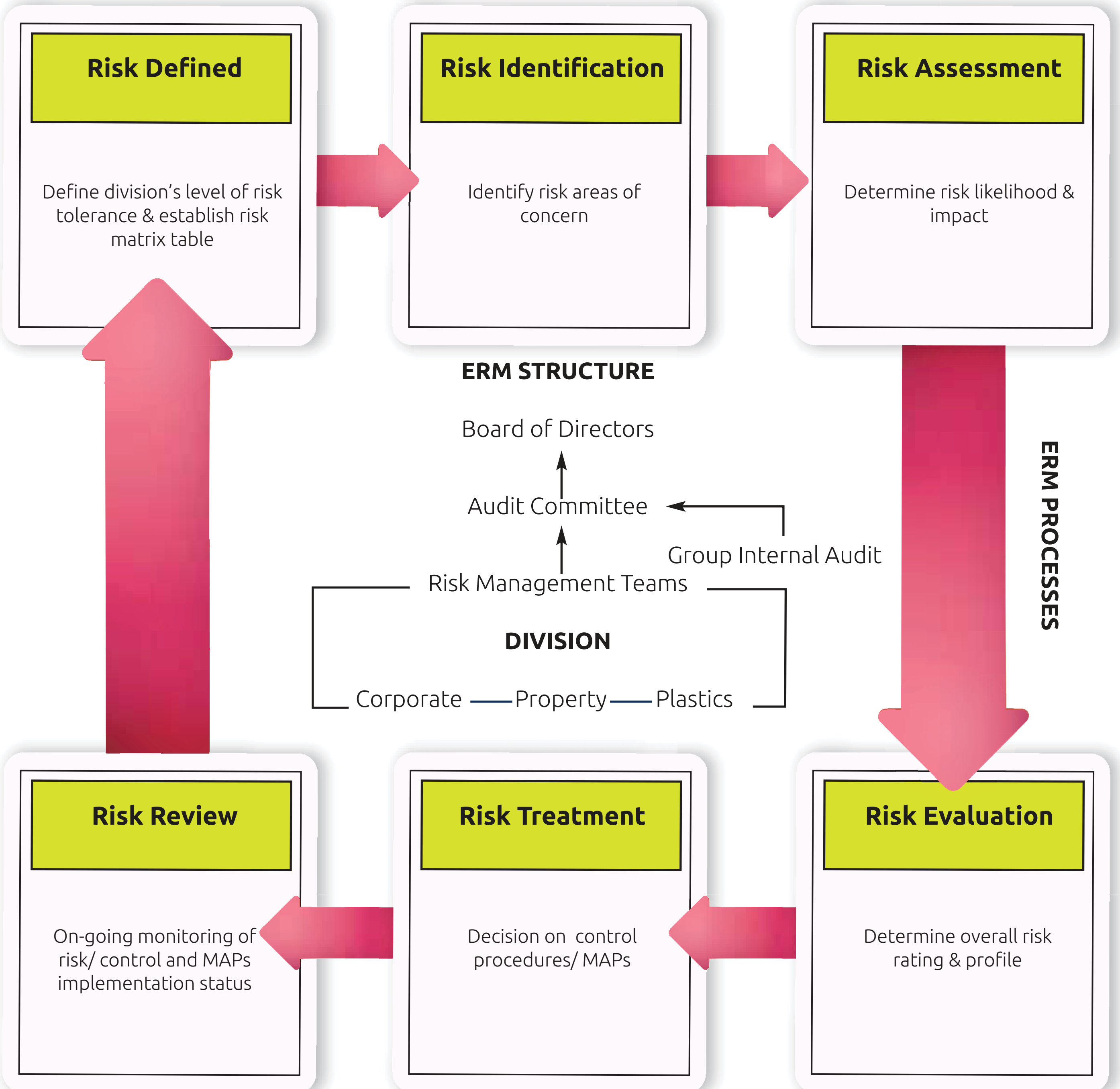


Figure 1: ERM Framework

INTERNAL CONTROL

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

- Group Vision, Mission, Corporate Culture, Code of Conduct are communicated to employees through Employee Handbook which defines the conduct of work required;
- Operational structure with defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides a documented and auditable trail of accountability;
- Standard operating policies and procedures are in place and are periodically updated to reflect changing risks or to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported thereon by Group Internal Audit to the Audit Committee;
- Key functions such as business development, human resources, finance, tax, management information system, treasury, secretarial, corporate and legal matters are centralized at the head office;
- Detailed budgeting process is established requiring all business units to prepare budget and business plan on an annual basis;
- Effective reporting systems which highlight significant variances against budget and plan are in place to monitor performance. Key variances are followed up by the Management and management action is taken, where necessary and reported to Senior Management on a regular basis. The Group Managing Director / Group Chief Executive meets on a regular basis with all divisional heads to review the Group's financial performance, business developments, management and corporate issues;
- An on-going training and educational program for Directors and relevant staff in assessing the adequacy and integrity of the Group's risk control processes;
- The professionalism and competency of staff are being emphasized through continuous training and regular performance evaluations;
- The Group's Property Division has been accorded the ISO 9001:2008 Quality Management System accreditation, demonstrating the Group's quest in consistently improving the strength of its internal controls. As part of the requirements of the certification, scheduled audits are conducted internally by ISO function of the Quality Assurance Department as well as by auditors of the relevant certification bodies. The Group's Plastics Division received the accreditation for ISO 9001:2000 in the year 2000 and thereafter has been upgraded to conform to the requirements of ISO 9001:2008;
- Where relevant, external certification/ standards such as the Construction Quality Assessment System ("CONQUAS") standards were adopted to further strengthen and improve delivery processes and quality; and
- Group Internal Audit independently reviews the internal controls to provide the Audit Committee with sufficient assurance that the systems of internal control are effective in addressing the risks identified. On a quarterly basis, Group Internal Audit submits reports and plans for review and approval by the Audit Committee.

FINANCIAL STATEMENTS

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in Note 18 to the Financial Statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit attributable to:		
Equity holders of the Company	280,616	147,639
Non-controlling interests	(1,355)	-
	279,261	147,639

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

DIVIDENDS

On 20 September 2013, the Company paid a first and final dividend of 7.6 sen per ordinary share of RM0.50 each, comprising 0.4 sen per share, less income tax of 25%, and single-tier dividend of 7.2 sen per share, totalling RM104,075,091 in respect of the financial year ended 31 December 2012 as approved by the shareholders at the last Annual General Meeting.

The Directors have proposed a first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend, when approved by shareholders, will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2014.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM419,933,655 to RM706,806,627 by way of:

(a) issuance of 12,986,863 new ordinary shares of RM0.50 each pursuant to the exercise of employees' share options at the following exercise prices;

Exercise price	(RM)	0.50	1.24	1.44	1.49	1.65	1.74
No of shares issued	('000)	6	2,174	229	9,039	432	1,107

(b) issuance of 280,099,803 new ordinary shares of RM0.50 each together with up to 168,059,241 free detachable warrants on the basis of 1 Rights Share for every 3 existing ordinary shares of RM0.50 each held and 3 warrants for every 5 Rights Shares subscribed at an issue price of RM1.42 per Rights Share;

(c) issuance of 53,991,791 and 465,712 new ordinary shares of RM0.50 each at an exercise price of RM1.98 and RM2.38 per ordinary share respectively pursuant to the exercise of Warrants; and

(d) issuance of 226,201,774 new ordinary shares of RM0.50 each pursuant to the Bonus Issue on the basis of 1 new ordinary share for every 5 existing ordinary shares of RM0.50 each held, by way of capitalisation of RM113,100,887 from the share premium account of the Company.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

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

EMPLOYEES' SHARE OPTION SCHEME

At the Extraordinary General Meeting held on 8 March 2004, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS" or "Scheme") which is governed by the ESOS By-Laws ("By-Laws").

The salient features of the ESOS are as follows:

(a) The ESOS was implemented on 12 July 2004 and was in force for a period of 5 years ("Initial Period"). On 10 July 2009, the ESOS was extended for another 5 years up to 10 July 2014 in accordance with the terms of the ESOS By-Laws;

(b) The total number of new shares to be offered pursuant to the exercise of options granted under the ESOS ("Option") shall be subject to a maximum of 10% of the Company's issued and paid-up share capital at the time of the offer;

(c) Employees (including Executive Directors) of the Company or its subsidiary companies (other than dormant subsidiary companies) shall be eligible to participate in the ESOS, if as at the date of offer, the employee:

    (i) has attained the age of eighteen (18) years;
    (ii) is employed full-time by and on the payroll of the Company or its subsidiary companies; and
    (iii) is a confirmed employee of the Company or its subsidiary companies.

    The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in a general meeting;

(d) The price payable upon exercise of an Option shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;

EMPLOYEES' SHARE OPTION SCHEME (continued)

(e) Subject to any adjustments which may be made pursuant to the By-Laws, the maximum number of new shares that may be offered to an eligible employee shall be determined at the discretion of the Option Committee after taking into consideration the performance, seniority and length of service of the eligible employees, subject to the following:

(i) not more than fifty per cent (50%) of the new shares available under the Scheme should be allocated, in aggregate, to the Executive Directors and senior management of the Group; and

(ii) not more than ten per cent (10%) of the new shares available under the Scheme should be allocated to any eligible employee, who either singly or collectively through his or her associates, holds twenty per cent (20%) or more in the issued and paid-up capital of the Company.

(f) The new ordinary shares to be issued upon exercise of the Options shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, except that they will not be entitled to any dividends, rights, allotments and/or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Options; and

(g) The exercise price and the number of new ordinary shares comprised in the Options are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

During the financial year ended 31 December 2013, the exercise price and number of options over ordinary shares have been adjusted in accordance with the provisions of the By-Laws (as mentioned in item (g) above) as a result of the Rights and Bonus Issues.

The adjustments to the exercise price of ESOS are as follows:

	Exercise price per Option		
Offer Date	**Before adjustments RM**	**After Rights Issue RM**	**After Bonus Issue RM**
9 Jun 2006	0.64	0.58	0.50
25 Nov 2010	1.65	1.49	1.24
6 Dec 2010	1.65	1.49	1.24
30 July 2012	1.92	1.74	1.44

The movements in the Company's Options are as follows:

	Number of options over ordinary shares of RM0.50 each (Unit' 000)						
Offer Date	**At 1.1.2013**	**Adjusted for Rights Issue**	**Adjusted for Bonus Issue**	**Granted**	**Exercised**	**Lapsed**	**At 31.12.2013**
9 Jun 2006	43	4	9	-	(6)	(1)	49
25 Nov 2010	37,584	3,796	6,304	-	(11,612)	(463)	35,609
6 Dec 2010	465	48	96	-	(33)	-	576
30 July 2012	12,725	1,294	2,399	-	(1,336)	(1,295)	13,787
3 Oct 2013	-	-	-	5,358	-	(1)	5,357
	50,817	5,142	8,808	5,358	(12,987)	(1,760)	55,378

WARRANTS

During the financial year, the Company issued 168,059,241 free detachable warrants pursuant to the Rights Issue with warrants. The Warrants are constituted by a Deed Poll dated 18 February 2013 ("Deed Poll").

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is 19 March 2013 and the expiry date is 18 March 2018. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM2.38 (adjusted to RM1.98) per ordinary share;

(c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for new ordinary shares; and

(e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

During the financial year ended 31 December 2013, the exercise price and the number of Warrants have been adjusted in accordance with the provisions of the Deed Poll (as mentioned in item (c) above) as a result of the Bonus Issue. The exercise price was adjusted from RM2.38 to RM1.98.

The movements in the Company's Warrants are as follows:

	Number of warrants (Unit' 000)				
	At 1.1.2013	**Granted**	**Adjusted for Bonus Issue**	**Exercised**	**At 31.12.2013**
Number of unexercised Warrants	-	168,059,241	33,518,111	(54,457,503)	147,119,849

OTHER STATUTORY INFORMATION

Before the statements of profit or loss, statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

OTHER STATUTORY INFORMATION (continued)

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

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

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

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

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

Jen. Tan Sri Yaacob Bin Mat Zain (R)
Tan Sri Dato' Sri Leong Hoy Kum
Dato' Ng Poh Seng
Dato' Lim Kiu Hock
Leong Yuet Mei
Captain Izaham Bin Abd. Rani (R)
Loh Kok Leong

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the ordinary shares, warrants and options over ordinary shares of the Company are as follows:

(a) Shares in the Company

	Number of ordinary shares of RM0.50 each (Unit' 000)					
	At 1.1.2013	Addition	Rights Issue	Bonus Issue	Disposal	At 31.12.2013
Direct interest						
Dato' Ng Poh Seng	20	827	7	-	(854)	-
Dato' Lim Kiu Hock	750	910	188	174	(1,722)	300
Indirect interest						
Jen. Tan Sri Yaacob Bin Mat Zain (R)*	25	-	9	7	-	41
Tan Sri Dato' Sri Leong Hoy Kum**	293,106	29,250	100,210	79,464	-	502,030
Leong Yuet Mei*	157	39	52	50	-	298

* Deemed interest by virtue of shareholding of family member(s).
** Deemed interest by virtue of shareholding of Mayang Teratai Sdn Bhd and his family member(s).

By virtue of Tan Sri Dato' Sri Leong Hoy Kum having an indirect interest of more than 15% of the shares in the Company, he is deemed to have interests in the shares of all the Company's subsidiary companies to the extent the Company has an interest.

(b) Options Pursuant to ESOS in the Company

	Number of options over ordinary shares of RM0.50 each (Unit'000)						
	Exercise Price**	At 1.1.2013	Granted	Adjusted for Right Issue	Adjusted for Bonus Issue	Exercised	At 31.12.2013
Direct interest							
Tan Sri Dato' Sri Leong Hoy Kum	1.24	4,800	-	492	1,058	-	6,350
Dato' Ng Poh Seng	1.24	2,250	-	230	331	(827)	1,984
Dato' Lim Kiu Hock	1.24	2,250	-	230	414	(910)	1,984
Indirect interest							
Tan Sri Dato' Sri Leong Hoy Kum*	1.24	2,375	-	243	524	-	3,142
	1.44	200	-	21	44	-	265
	2.03	-	350	-	-	-	350
Leong Yuet Mei*	1.24	90	-	9	13	(33)	79
	1.44	45	-	4	9	(6)	52

* Deemed interest by virtue of options held by family member(s).
** Adjusted exercise price pursuant to the Rights and Bonus Issues.

DIRECTORS' INTERESTS (continued)

(c) Warrants in the Company

	Number of warrants (Unit' 000)					
	At 1.1.2013	Granted ***	Adjusted for Bonus Issue	Exercised	Disposal	At 31.12.2013
Direct interest						
Dato' Ng Poh Seng	-	4	-	-	(4)	-
Dato' Lim Kiu Hock	-	113	22	-	-	135
Indirect interest						
Jen. Tan Sri Yaacob Bin Mat Zain (R)*	-	5	1	-	-	6
Tan Sri Dato' Sri Leong Hoy Kum**	-	60,127	12,025	(25,250)	-	46,902
Leong Yuet Mei*	-	32	6	-	-	38

* Deemed interest by virtue of warrant holdings of family member(s).
** Deemed interest by virtue of warrant holdings of Mayang Teratai Sdn Bhd and his family member(s).
*** On 22 March 2013, the Rights Issue with warrants was completed following the listing and quotation for the 280,099,803 Rights Shares together with 168,059,241 warrants on the Main Market of Bursa Malaysia Securities Berhad.

None of the other Directors in office at the end of the financial year held any interest in the shares, warrants and options over ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Director of the Company has received or become entitled to receive any benefit (other than the fees, other emoluments and benefits-in-kind as disclosed in Note 42 to the Financial Statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business by the Company and its subsidiary companies with the Directors or the companies in which the Directors are deemed to have substantial financial interests as disclosed in Note 42 to the Financial Statements.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate other than the aforementioned ESOS entitlements to subscribe for new ordinary shares.

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Deloitte (formerly known as Deloitte KassimChan), have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman

TAN SRI DATO' SRI LEONG HOY KUM
Managing Director

Kuala Lumpur
28 February 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAH SING GROUP BERHAD

Report on the Financial Statements

We have audited the financial statements of **MAH SING GROUP BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 December 2013 and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 100 to 195.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 the auditors' judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as disclosed in Note 18 to the Financial Statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAH SING GROUP BERHAD

Other Reporting Responsibilities

The supplementary information set out in Note 45 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matter

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 towards any other person for the contents of this report.

DELOITTE
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner – 2846/01/16 (J)
Chartered Accountant

28 February 2014

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Revenue	5	**2,005,596**	1,775,260	**185,815**	158,593
Cost of sales	6	**(1,396,936)**	(1,252,001)	**-**	-
Gross profit		**608,660**	523,259	**185,815**	158,593
Other income		**24,387**	35,975	**1,256**	-
Selling and marketing expenses		**(122,771)**	(96,125)	**-**	-
Administrative expenses		**(136,424)**	(117,598)	**(7,521)**	(15,147)
Other operating expenses		**(5,104)**	(32,217)	**-**	-
Results from operating activities		**368,748**	313,294	**179,550**	143,446
Interest income	9	**6,013**	4,431	**-**	-
Finance costs	10	**(3,257)**	(2,202)	**(28,094)**	(35,335)
Net finance income/(costs)		**2,756**	2,229	**(28,094)**	(35,335)
Profit before tax	7	**371,504**	315,523	**151,456**	108,111
Income tax expense	11	**(92,243)**	(83,755)	**(3,817)**	(4,276)
Profit for the year		**279,261**	231,768	**147,639**	103,835
Attributable to:					
Equity holders of the Company		**280,616**	230,617		
Non-controlling interest		**(1,355)**	1,151		
		279,261	231,768		
Earnings per ordinary share (sen):					
- Basic	12(a)	**21.52**	20.82		
- Diluted	12(b)	**19.85**	20.55		
Gross dividend per ordinary share (proposed)					
- sen	13	**8.0**	7.6	**8.0**	7.6

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Profit for the year	**279,261**	231,768	**147,639**	103,835
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences on foreign operations	**2,126**	(995)	**-**	-
Other comprehensive income/(loss) for the year	**2,126**	(995)	**-**	-
Total comprehensive income for the year	**281,387**	230,773	**147,639**	103,835
Attributable to:				
Equity holders of the Company	**282,072**	229,995	**147,639**	103,835
Non-controlling interests	**(685)**	778	**-**	-
	281,387	230,773	**147,639**	103,835

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	**114,146**	101,483	**811**	885
Prepaid lease payments	15	**7,173**	7,249	**-**	-
Investment properties	16	**86,194**	71,126	**-**	-
Land held for property development	20(a)	**543,794**	419,280	**-**	-
Intangible assets	17	**11,499**	12,541	**-**	-
Investment in subsidiary companies	18	**-**	-	**196,738**	189,096
Investment in associated company	19	**-**	-	**-**	-
Deferred tax assets	31	**75,496**	64,456	**-**	-
Total Non-Current Assets		**838,302**	676,135	**197,549**	189,981
Current Assets					
Property development costs	20(b)	**2,258,641**	1,885,233	**-**	-
Inventories	21	**76,225**	39,722	**-**	-
Trade and other receivables	22	**581,748**	398,031	**1,254,112**	835,079
Current tax assets		**6,545**	6,505	**-**	1,750
Deposits, cash and bank balances	23	**822,290**	589,460	**433,502**	239,758
Total Current Assets		**3,745,449**	2,918,951	**1,687,614**	1,076,587
TOTAL ASSETS		**4,583,751**	3,595,086	**1,885,163**	1,266,568

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013 (CONT'D)

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	**706,807**	419,934	**706,807**	419,934
Reserves	25	**411,459**	171,176	**406,857**	168,030
Retained earnings	26	**834,026**	653,787	**185,208**	137,946
Equity attributable to equity holders of the Company		**1,952,292**	1,244,897	**1,298,872**	725,910
Non-controlling interests		**10,987**	10,104	**-**	-
Total Equity		**1,963,279**	1,255,001	**1,298,872**	725,910
Non-Current Liabilities					
Redeemable convertible secured bonds	27	**283,720**	275,785	**283,720**	275,785
Term loans	28	**756,470**	590,400	**4,932**	-
Long-term and deferred payables	29	**84,729**	57,974	**-**	-
Deferred tax liabilities	31	**19,160**	21,973	**1,596**	3,612
Total Non-Current Liabilities		**1,144,079**	946,132	**290,248**	279,397
Current Liabilities					
Trade and other payables	32	**1,370,262**	1,314,428	**295,937**	261,261
Term loans	28	**74,922**	28,675	**-**	-
Short-term borrowings	33	**8,988**	11,305	**-**	-
Bank overdrafts	34	**340**	519	**-**	-
Current tax liabilities		**21,881**	39,026	**106**	-
Total Current Liabilities		**1,476,393**	1,393,953	**296,043**	261,261
Total Liabilities		**2,620,472**	2,340,085	**586,291**	540,658
TOTAL EQUITY AND LIABILITIES		**4,583,751**	3,595,086	**1,885,163**	1,266,568

The accompanying Notes form an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Non-distributable reserves						Distributable reserve			
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Warrant reserve RM'000	Exchange fluctuation reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2013		419,934	140,287	10,614	-	3,146	17,129	653,787	1,244,897	10,104	1,255,001
Profit/(Loss) for the year		-	-	-	-	-	-	280,616	280,616	(1,355)	279,261
Other comprehensive income for the year		-	-	-	-	1,456	-	-	1,456	670	2,126
Total comprehensive income for the year		-	-	-	-	1,456	-	280,616	282,072	(685)	281,387
Dividends	13	-	-	-	-	-	-	(104,075)	(104,075)	-	(104,075)
Recognition of share-based payment		-	-	4,507	-	-	-	-	4,507	-	4,507
Issuance of ordinary shares pursuant to:											
- Rights Issue with warrants		140,050	193,829	-	63,863	-	-	-	397,742	-	397,742
- Bonus Issue		113,101	(113,101)	-	-	-	-	-	-	-	-
- ESOS exercised		6,493	12,643	(3,312)	-	-	-	3,312	19,136	-	19,136
- Warrants exercised		27,229	98,058	-	(17,274)	-	-	-	108,013	-	108,013
ESOS lapsed during the year		-	-	(386)	-	-	-	386	-	-	-
Ordinary shares issued to non-controlling interests by a subsidiary company		-	-	-	-	-	-	-	-	1,568	1,568
At 31 December 2013		706,807	331,716	11,423	46,589	4,602	17,129	834,026	1,952,292	10,987	1,963,279

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

		Non-distributable reserves					Distributable reserve			
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Exchange fluctuation reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2012		415,936	131,101	8,451	3,768	17,129	496,766	1,073,151	15,338	1,088,489
Profit for the year		-	-	-	-	-	230,617	230,617	1,151	231,768
Other comprehensive income for the year		-	-	-	(622)	-	-	(622)	(373)	(995)
Total comprehensive income for the year		-	-	-	(622)	-	230,617	229,995	778	230,773
Dividends	13	-	-	-	-	-	(69,163)	(69,163)	-	(69,163)
Dividends paid to non-controlling interests of a subsidiary company		-	-	-	-	-	-	-	(7,200)	(7,200)
Recognition of share-based payment		-	-	5,218	-	-	-	5,218	-	5,218
Acquisition of the remaining interests from the non-controlling shareholders		-	-	-	-	-	(7,488)	(7,488)	1,188	(6,300)
Issuance of ordinary shares pursuant to ESOS exercised		3,998	9,186	(2,336)	-	-	2,336	13,184	-	13,184
ESOS lapsed during the year		-	-	(719)	-	-	719	-	-	-
At 31 December 2012		419,934	140,287	10,614	3,146	17,129	653,787	1,244,897	10,104	1,255,001

The accompanying Notes form an integral part of the Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Share capital RM'000	Share premium RM'000	Non-distributable reserves Equity-settled employees benefit reserve RM'000	Warrant reserve RM'000	Equity component of convertible bonds RM'000	Distributable reserve Retained earnings RM'000	Total equity RM'000
At 1 January 2013		419,934	140,287	10,614	-	17,129	137,946	725,910
Profit for the year		-	-	-	-	-	147,639	147,639
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	147,639	147,639
Dividends	13	-	-	-	-	-	(104,075)	(104,075)
Recognition of share-based payment		-	-	4,507	-	-	-	4,507
Issuance of ordinary shares pursuant to:								
- Rights Issue with warrants		140,050	193,829	-	63,863	-	-	397,742
- Bonus Issue		113,101	(113,101)	-	-	-	-	-
- ESOS exercised		6,493	12,643	(3,312)	-	-	3,312	19,136
- Warrants exercised		27,229	98,058	-	(17,274)	-	-	108,013
ESOS lapsed during the year		-	-	(386)	-	-	386	-
At 31 December 2013		706,807	331,716	11,423	46,589	17,129	185,208	1,298,872

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

			Non-distributable reserves			Distributable reserve	
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2012		415,936	131,101	8,451	17,129	100,219	672,836
Profit for the year		-	-	-	-	103,835	103,835
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	103,835	103,835
Dividends	13	-	-	-	-	(69,163)	(69,163)
Recognition of share-based payment		-	-	5,218	-	-	5,218
Issuance of ordinary shares pursuant to ESOS exercised		3,998	9,186	(2,336)	-	2,336	13,184
ESOS lapsed during the year		-	-	(719)	-	719	-
At 31 December 2012		419,934	140,287	10,614	17,129	137,946	725,910

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Operating activities				
Profit before tax	**371,504**	315,523	**151,456**	108,111
Adjustments for:				
Allowance for doubtful debts:				
- trade and other receivables	**407**	4	**1**	-
- subsidiary companies	**-**	-	**7**	85
Allowance for slow-moving inventories	**518**	1,043	**-**	-
Amortisation of intangible assets	**1,042**	427	**-**	-
Amortisation of prepaid lease payments	**516**	410	**-**	-
Amortised cost adjustments	**(1,278)**	1,049	**-**	-
Amount due from subsidiary companies written off	**-**	-	**-**	92
Bad debts recovered	**(19)**	-	**-**	-
Bad debts written off	**-**	761	**-**	-
Depreciation of property, plant and equipment	**15,905**	13,522	**190**	137
Dividend income	**-**	-	**(132,600)**	(107,733)
Finance costs	**30,430**	18,965	**28,094**	35,335
Gain on disposal of property, plant and equipment	**(1,264)**	(779)	**-**	-
Gain on fair value changes of foreign exchange forward contract	**(30)**	-	**-**	-
Gain on changes in fair value of investment properties	**(530)**	(2,094)	**-**	-
Impairment loss on investment in a subsidiary company	**-**	-	**1,490**	-
Interest income	**(17,451)**	(13,845)	**(53,215)**	(50,860)
Property, plant and equipment written off	**164**	17	**-**	-
Provision for future operating lease commitment	**-**	1,636	**-**	-
Provision for liquidated damages	**4,601**	-	**-**	-
Provision for post-employment benefits	**881**	919	**-**	-
Reversal of allowance for inventories	**(64)**	(419)	**-**	-
Reversal of allowance of doubtful debts	**(319)**	(136)	**-**	-
Reversal of impairment loss on property, plant and equipment	**(6)**	(6)	**-**	-
Share-based payment	**4,507**	5,218	**59**	510
Unrealised gain on foreign exchange	**(2,905)**	(922)	**-**	-
Operating cash flows before changes in working capital	**406,609**	341,293	**(4,518)**	(14,323)
Changes in working capital				
Change in property development costs	**(198,355)**	(194,035)	**-**	-
Change in inventories	**(36,239)**	3,184	**-**	-
Change in receivables	**(184,070)**	(45,416)	**43,236**	41,336
Change in payables	**198,571**	242,971	**(7,807)**	(27,335)
Total changes in working capital	**(220,093)**	6,704	**35,429**	14,001
Cash generated from/(used in) operations	**186,516**	347,997	**30,911**	(322)
Interest received	**17,451**	13,815	**11,438**	9,414
Interest paid	**(42,210)**	(30,486)	**(440)**	(228)
Income tax paid	**(123,126)**	(115,087)	**(3,877)**	(4,514)
Net cash generated from operating activities	**38,631**	216,239	**38,032**	4,350

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Investing activities				
Acquisition of investment in a subsidiary company (Note 18)	**-**	(56,758)	**-**	-
Additions to investment properties	**(13,592)**	(12,956)	**-**	-
Dividends received	**-**	-	**132,500**	107,562
Net advances to subsidiary companies	**-**	-	**(378,294)**	(152,072)
Payments for acquisition of property, plant and equipment	**(23,757)**	(34,765)	**(116)**	(93)
Payments for land held for property development	**(384,437)**	(33,874)	**-**	-
Payments of balance of equity in subsidiary companies (Note 18)	**-**	(6,828)	**-**	(6,828)
Proceeds from disposal of property, plant and equipment	**1,344**	1,744	**-**	-
Subscription of shares in subsidiary companies	**-**	-	**(9,132)**	(19,450)
Net cash used in investing activities	**(420,442)**	(143,437)	**(255,042)**	(70,881)
Financing activities				
Dividends paid	**(104,075)**	(69,163)	**(104,075)**	(69,163)
Dividends paid to non-controlling interests	**-**	(7,200)	**-**	-
Payments for corporate exercise expenses	**(4,431)**	-	**(4,431)**	-
Payments of bonds coupon	**(10,563)**	(10,534)	**(10,563)**	(10,534)
Proceeds from ESOS exercised	**19,136**	13,184	**19,136**	13,184
Proceeds from issuance of shares by a subsidiary company to non-controlling interests	**1,568**	-	**-**	-
Proceeds from Rights Issue	**397,742**	-	**397,742**	-
Repayment of finance lease and hire purchase liabilities	**(1,435)**	(1,692)	**-**	-
Proceeds from short-term borrowings	**37,031**	52,629	**-**	-
Proceeds from term loans	**588,461**	267,771	**20,000**	-
Proceeds from Warrants exercised	**108,013**	-	**108,013**	-
Repayment of short-term borrowings	**(39,721)**	(45,230)	-	-
Repayment of term loans	**(376,922)**	(349,096)	**(15,068)**	(8,211)
Withdrawal/(Placement) of deposits pledged with licensed bank as collateral	**26,126**	(9,267)	**-**	-
Withdrawal/(Placement) of deposits with licensed bank for Escrow Accounts	**5,412**	(4,548)	**-**	-
Net cash generated from/(used in) financing activities	**646,342**	(163,146)	**410,754**	(74,724)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

		The Group		The Company	
	Note	**2013 RM'000**	2012 RM'000	**2013 RM'000**	2012 RM'000
Net increase/(decrease) in cash and cash equivalents		**264,531**	(90,344)	**193,744**	(141,255)
Currency translation differences		**16**	(97)	**-**	-
Cash and cash equivalents at beginning of the financial year		**543,774**	634,215	**239,758**	381,013
Cash and cash equivalents at end of the financial year	35	**808,321**	543,774	**433,502**	239,758

Note: During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

	The Group		The Company	
	2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000
Cash purchase	**23,757**	34,765	**116**	93
Hire purchase financing	**3,191**	1,633	**-**	-
	26,948	36,398	**116**	93

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1. GENERAL INFORMATION

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

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in Note 18. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The registered office and principal place of business of the Company is located at Penthouse Suite 1, Wisma Mah Sing, 163, Jalan Sungai Besi, 57100 Kuala Lumpur.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of Directors on 28 February 2014.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs"), the applicable approved accounting standards in Malaysia issued by the Malaysian Accounting Standards Board ("MASB").

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

Malaysian Financial Reporting Standard

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were given a transitional period of two years, which allowed these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities has been extended for an additional year.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare its first set of MFRS financial statements when the MFRS Framework is mandated by MASB.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") and amendments to FRSs and IC Interpretations issued by MASB that are relevant to their operations and effective for annual financial periods beginning on or after 1 January 2013.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Adoption of New and Revised Financial Reporting Standards (continued)

FRS 7	Financial Instruments: Disclosures (Amendment relating to Disclosures – Offsetting Financial Assets and Liabilities)
FRS 10	Consolidated Financial Statements
FRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
FRS 12	Disclosures of Interests in Other Entities
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Transition Guidance)
FRS 13	Fair Value Measurement
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
FRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
FRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
FRS 128	Investment in Associates and Joint Ventures (IAS 28 as amended by IAS in May 2011)

Annual Improvements to FRSs 2009 – 2011 cycle (issued in July 2012)

The adoption of these new and revised FRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company except as disclosed below.

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group and the Company have applied the amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year and have been applied retrospectively. The amendments to FRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

As the Group and the Company do not have any offsetting arrangements in place, the application of the amendments has no material impact on the disclosures or on the amounts recognised in these financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In November 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising FRS 10 *Consolidated Financial Statements*, FRS 11 *Joint Arrangements*, FRS 12 *Disclosure of Interests in Other Entities*, FRS 127 (IAS 27 as revised by IASB in May 2011) *Separate Financial Statements* and FRS 128 (IAS 28 as revised by IASB in May 2011) *Investment in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to FRS 10, FRS 11 and FRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group and the Company applied for the first time FRS 10, FRS 11 and FRS 12, FRS 127 (IAS 27 as revised by IASB in May 2011) and FRS 128 (IAS 28 as revised by IASB in May 2011) together with the amendments to FRS 10, FRS 11 and FRS 12 regarding the transitional guidance.

The impact of the application of these standards is set out below.

Impact of the application of FRS 10

FRS 10 replaces the parts of FRS 127 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. IC Interpretation 112 *Consolidation – Special Purpose Entities*. FRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) it has the ability to use its power to affect its return. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in FRS 10 to explain when an investor has control over an investee. Some guidance included in FRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee to the Group.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Impact of the application of FRS 10 (continued)

The Directors of the Company reviewed and assesed the classification of the Group's investment in subsidiary companies in accordance with the requirements of FRS 10 and concluded that the adoption of FRS 10 has not affected the amounts reported on the financial statements of the Group and of the Company.

Impact of the application of FRS 12

FRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiary companies, joint arrangements, associated companies and/or unconsolidated structure entities. In general, the application of FRS 12 has resulted in more extensive disclosures in the financial statements.

FRS 13 Fair Value Measurement

The Group and the Company have applied FRS 13 for the first time in the current year. FRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of FRS 13 is broad; the fair value measuremnts of FRS 13 apply to both financial instrument items and non-financial instrument items for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 2 *Share-based Payment*, leasing transactions that are within the scope of FRS 117 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under FRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, FRS 13 includes extensive disclosure requirements.

FRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The Group and the Company have applied the amendments to FRS 101 *Presentation of Items of Other Comprehensive Income* for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to FRS 101, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to FRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to FRS 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to FRS 101 has not resulted in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

FRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)

In the current year, the Group and the Company have applied FRS 119 *Employee Benefits* (IAS 19 as amended by IASB in June 2011) and the related consequential amendments for the first time.

FRS 119 (IAS 19 as amended by IASB in June 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and in the fair value of plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. Further, the interest cost and expected return on plan assets used in the previous version of FRS 119 are replaced with a "net-interest" amount under FRS 119 (IAS 19 as amended by IASB in June 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. In addition, FRS 119 (IAS 19 as amended by IASB in June 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of FRS 119 (IAS 19 as amended by IASB in June 2011). The Group and the Company have applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

Standards and IC Interpretations in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

FRS 7	Financial Instruments : Disclosures (Amendments relating to Mandatory Effective Date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures)[1]
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)[1]
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)[1]
FRS 9	Financial Instruments (Hedge Accounting and amendments relating to FRS 9, FRS 7 and FRS 139)[1]
FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities)[2]
FRS 12	Disclosure of Interests in Other Entities (Amendments relating to Investment Entities)[2]
FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)[3]
FRS 127	Separate Financial Statements (Amendments relating to Investment Entities)[2]
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[2]
FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)[2]
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)[2]
IC Interpretation 21	Levies[2]

Annual Improvements to FRSs 2010 – 2012 cycle (issued in December 2013)[3]
Annual Improvements to FRSs 2011 – 2013 cycle (issued in December 2013)[3]

1 The mandatory effective date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual period beginning on or after 1 January 2015 has been removed with the issuance of FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139. The effective date of FRS 9 will be decided when IASB's IFRS 9 project is closer to completion. However, each version of the FRS 9 is available for early adoption

2 Effective for annual periods beginning on or after 1 January 2014

3 Effective for annual periods beginning on or after 1 July 2014

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Standards and IC Interpretations in Issue But Not Yet Effective (continued)

The Directors anticipate that abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as explained in the significant accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transaction that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 *Inventories* or value in use in FRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group

(a) Subsidiary companies and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(a) Subsidiary companies and basis of consolidation (continued)

When the Group loses control of a subsidiary company, a gain or loss is recognised and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Business combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(b) Business combinations (continued)

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with FRS 139 or FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

(c) Associated companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associated companies are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 5. Under the equity method, an investment in an associated company is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company. When the Group's share of losses of an associated company exceeds the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

An investment in an associated company is accounted for using the equity method from the date on which the investee becomes an associated company. On acquisition of the investment in an associated company, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(c) Associated companies (continued)

The Group discontinues the use of the equity method from the date when investment ceases to be an associated company, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of the associated company at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associated company is included in the determination of the gain or loss on disposal of the associated company. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company or joint venture on the same basis as would be required if that associated company had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associated company but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associated company of the Group, profits or losses resulting from the transactions with the associated company are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associated company that are not related to the Group.

Foreign Currencies

(a) 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 entities operate (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the presentation currency of the financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

Assets and liabilities of foreign subsidiary companies are translated to Ringgit Malaysia at rates of exchange ruling at the reporting date and the results of foreign subsidiary companies are translated at the average rate of exchange for the financial year. Exchange differences arising from the translation are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income and accumulated in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of business.

Revenue from property development projects is accounted for using the percentage of completion method where the outcome of the development can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the financial year. The percentage/stage of completion is measured by reference to the property development costs incurred to date compared to the estimated total costs of the development.

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreements by the end of the financial year and when the risks and rewards of ownership have been passed to the customers.

Sales of goods are recognised upon delivery of products and where the risks and rewards of ownership have been passed to the customers, or performance of services, net of sales taxes and discounts.

Other revenue earned by the Group is recognised on the following bases:

Dividend income	- when the right to receive payment is established
Interest income	- recognised on a time proportion basis that reflects the effective yield on asset
Rental income	- accrued on a time basis, by reference to the agreements entered into
Management fee	- upon performance of services

Employee Benefits

(a) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences for paid annual leave when services are rendered by employees that increase their entitlement to future compensated absences are recognised based on the experience that absences will occur.

(b) Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in salaries and wages.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

(c) Defined benefit plan

A foreign subsidiary company operates an unfunded defined Retirement Benefit Scheme ("RBS") for its eligible employees. The foreign subsidiary company's obligations under RBS are determined based on external actuarial valuation in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be classified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost and past service cost);
- net interest expense or income; and
- remeasurement.

The amount recognised at the end of the reporting period represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Plan assets resulting from this calculation are to be used only to settle the employee benefit obligations and only can be returned to the Group if the remaining assets of the fund are sufficient to meet the plan's obligation to pay the related employee benefits directly.

(d) Employees' share option scheme ("ESOS")

The Group operates an ESOS plan for the employees of the Group as set out in Note 24. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get them ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in profit or loss in the financial year in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax

Income tax expense comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at tax rates that are expected to apply in the period when the asset realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current assets and liabilities on a net basis.

Unutilised reinvestment allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

Financial Instruments

(a) Initial recognition and measurement

Financial instruments 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 instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(b) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified into the following specified categories: financial assets at "fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

(i) Financial assets at FVTPL

Financial assets at FVTPL are non-derivative financial assets that are specifically designated into this category upon initial recognition. Financial assets at FVTPL are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (including fixed deposits with financial institutions). Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as FVTPL.

Financial liabilities

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities". The Group's and the Company's significant financial liabilities include trade and other payables, redeemable convertible secured bonds, terms loans, long-term and deferred payables and short-term borrowings which are initially measured at fair value and subsequently measured at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(b) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL comprise derivatives.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(ii) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. No derivative was designated as hedging instrument during the current financial year.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

During the year, the Group enters into a derivative financial instruments to manage its exposure to foreign exchange rate via foreign exchange forward contracts and recorded a gain of RM29,700 (2012: RM238,000). There is no outstanding derivative financial instrument reported by the Group at the end of the current and previous financial years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

(a) Recognition and measurement

Buildings are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The costs of property, plant and equipment comprise their purchase costs and any expenditure that is directly attributable to the acquisition of the assets.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Certain leasehold buildings were revalued by the Directors based on valuations carried out by independent professional valuers. The Directors applied the transitional provisions when MASB first adopted IAS 16 *Property, Plant and Equipment*. By virtue of this transitional provision, upon implementation in 1998 of MASB Approved Accounting Standard IAS 16 for the first time, an enterprise was allowed to continue carrying those assets at their previous valuations subject to continuity in depreciation policy to write an asset down to its recoverable amount. Accordingly, these valuations have not been updated.

Surpluses arising on revaluation are credited to the revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

(c) Depreciation and impairment

Depreciation of property, plant and equipment is calculated so as to write off the costs or valuations of the assets to their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates are as follows:

Buildings	2% - 10%
Renovations	3.33% - 10%
Plant, machinery and factory equipment	10% - 25%
Motor vehicles	12.5% - 20%
Furniture, fittings, office and IT related equipment	8% - 33.33%

Certain moulds of a foreign subsidiary company for specific projects are depreciated over the respective project life time with expected years ranging from 2 to 10 years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

(c) Depreciation and impairment (continued)

In the previous financial year ended 31 December 2012, the Group revised the depreciation rates for buildings, motor vehicles, office and IT related equipment from 3.33% - 10%, 12.5% - 15% and 8% - 25% to 2% - 10%, 12.5% - 20% and 8% - 33.33% respectively. The effect of this accounting change was an increase in the depreciation charge and correspondingly a decrease in the profit before tax by RM1,148,516 in the previous financial year ended 31 December 2012.

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The residual value and the useful life of an asset are reviewed at the end of each reporting period and, if expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) Operating leases – the Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(b) Finance leases – the Group as lessee

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

Property, plant and equipment under finance leases are capitalised and the capital element of the lease commitments is reflected as lease payables. The capital element of the lease installments is applied to reduce the outstanding obligations whereas the interest element is charged against profit or loss so as to give a constant periodic rate of charge on the remaining balance outstanding at the end of each reporting period.

Property, plant and equipment acquired under finance lease are capitalised and depreciated over the same useful economic lives as similar equivalent owned property, plant and equipment.

(c) Operating leases – the Group as lessee

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss over the lease period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

(d) Prepaid lease payments

Leasehold land that has an indefinite economic life and title that is not expected to be passed to the Group by the end of the lease period is classified as operating lease. The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less accumulated amortisation.

Certain leasehold land of a subsidiary company was last revalued in 1992. As allowed by the transitional provision of FRS 117, the prepaid lease payments at valuation are stated on the basis of its 1992 valuation and the said valuation has not been updated.

Leasehold land recognised as prepaid lease payments are amortised in equal instalments over the respective lease periods.

Investment Properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

A property under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Intangible Assets

(a) License fee

All costs incurred in the acquisition of license for assembly of certain plastic products are capitalised and amortised on a straight line basis over a period of 10 years and they will be written off when, in the opinion of the Directors, the future economic benefits are uncertain.

Where an indication of impairment exists, the carrying amount of the intangible assets are assessed and written down immediately to its recoverable amount.

(b) Goodwill on consolidation

Goodwill is identified as any excess of the consideration paid over the Group's share of fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets (continued)

(b) Goodwill on consolidation (continued)

Where the consideration is lower than the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised as negative goodwill. Negative goodwill is recognised immediately in profit or loss.

Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each assets in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

Property Development Activities

(a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at a revalued amount it continues to retain this amount as its surrogate cost as allowed by FRS 201_{2004}. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

(b) Property Development costs

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

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the property development costs incurred to date compared to the estimated total costs of the development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that are probable of recovery.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected foreseeable loss is recognised as an expense immediately.

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

Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories of completed properties are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

Inventories of raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present location and condition. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset or cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use. For the purpose of assessing impairment, the Group estimates the recoverable amount of the CGU to which the assets belongs.

Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal is recognised in profit or loss, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

Impairment of Financial Assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Financial Assets (continued)

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is 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 carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows. Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

Equity Instruments

(a) Classification as Debt or Equity

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

(b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the par value and the excess of proceeds over par value is recognised in the share premium.

Convertible Secured Bonds

Convertible secured bonds are separated into the equity and liability components at the date of issue.

The liability component is recognised initially at its fair value. Subsequent to initial recognition, it is carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The equity component is the residual amount of the convertible bonds after deducting the fair value of the liability component. This is recognised and included in equity, net of transaction costs and deferred tax effect, and is not subsequently remeasured.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that related to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The management is of the opinion that there are no instances of application of critical judgements in applying the Group's accounting policies which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) Property development revenue

The Group recognised property development revenue based on percentage of completion method. The percentage of completion is measured by reference to the property development costs incurred to date compared to the estimated total costs of the development. The percentage of completion method requires the Group to make reasonably dependable estimates of progress towards completion of property development projects and costs in determining the percentage of completion, and the recoverability of development projects. In making the estimate, management relies on opinion/service of experts, past experience and a continuous monitoring mechanism.

(ii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which all deductible temporary differences, unused tax losses and unused tax credits can be utilised. Management judgement is required in determining the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Impairment of goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating units from which goodwill arises. The value in use calculation requires the management to estimate the future cash flows reflected by the remaining proportion of the gross development value of unrecognised revenue from the related property development project on which the goodwill arises.

(iv) Valuation of investment properties

The Group determines the fair value of its investment properties in reference to the selling prices of recent transactions of similar properties of nearby location except for investment properties under construction in which their fair values are not reliably determinable, investment properties under construction are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the Group's investment properties.

5. REVENUE

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Property development revenue	**1,709,912**	1,535,271	**-**	-
Sales of completed properties	**11,684**	18,683	**-**	-
Sales of goods	**271,730**	211,287	**-**	-
Dividend income from subsidiary companies	**-**	-	**132,600**	107,733
Interest income from:				
- advances to subsidiary companies	**-**	-	**41,777**	41,446
- bank deposits	**5,042**	9,381	**5,042**	9,381
- investment in short-term funds	**6,396**	33	**6,396**	33
Rental income	**372**	534	**-**	-
Others	**460**	71	**-**	-
	2,005,596	1,775,260	**185,815**	158,593

6. COST OF SALES

	The Group	
	2013	2012
	RM'000	RM'000
Property development costs	**1,149,366**	1,058,950
Cost of completed properties sold	**5,918**	11,542
Cost of goods sold	**241,568**	181,417
Maintenance fees	**84**	92
	1,396,936	1,252,001

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

6. COST OF SALES (continued)

	The Group	
	2013	2012
	RM'000	RM'000
Included in cost of goods sold are the followings:		
Raw materials and consumables used	**193,535**	152,938
Changes in inventories of finished goods and work in progress	**(235)**	(2,028)
	193,300	150,910

7. PROFIT BEFORE TAX

		The Group		The Company	
		2013	2012	**2013**	2012
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Profit before tax is arrived at after charging:					
Allowance for doubtful debts					
- trade and other receivables	22	**407**	4	**1**	-
- subsidiary companies	22	**-**	-	**7**	85
Allowance for slow-moving inventories		**518**	1,043	**-**	-
Amortisation of prepaid lease payments	15	**516**	410	**-**	-
Amortised cost adjustments:					
- trade and other receivables		**1,261**	1,483	**-**	-
- long term and deferred payables		**-**	358	**-**	-
		1,261	1,841	**-**	-
Amount due from subsidiary companies written off		**-**	-	**-**	92
Auditors' remuneration:					
Statutory:					
- current year		**477**	422	**40**	36
- underprovision in prior year		**73**	61	**4**	12
Others		**66**	8	**5**	5
Bad debts written off		**-**	761	**-**	-
Foreign exchange loss:					
- realised		**1,728**	4,364	**-**	3,342
Amortisation of intangible assets	17	**1,042**	427	**-**	-
Impairment loss on investment in a subsidiary company		**-**	-	**1,490**	-
Interest expense in development costs		**27,173**	16,763	**-**	-
Lease rental expense	40	**5,104**	30,581	**-**	-
Loss on foreign exchange forward contract		**14**	-	**-**	-
Preliminary and incorporation expenses		**12**	147	**-**	-
Property, plant and equipment:					
- depreciation	14	**15,905**	13,522	**190**	137
- loss on disposal		**8**	-	**-**	-
- written-off		**164**	17	**-**	-
Provision for future operating lease commitment	32	**-**	1,636	**-**	-

7. PROFIT BEFORE TAX (continued)

		The Group		The Company	
		2013	2012	**2013**	2012
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Profit before tax is arrived at after charging:					
Provision for liquidated damages		**4,601**	-	**-**	-
Provision for post-employment benefits	30	**881**	919	**-**	-
Rental of premises		**5,775**	2,131	**-**	5
Waiver on late payment charges		**2,686**	2,983	**-**	-
And crediting:					
Amortised cost adjustments:					
- trade and other payables		**2,539**	792	**-**	-
Bad debts recovered		**19**	-	**-**	-
Foreign exchange gain					
- realised		**637**	254	**-**	-
- unrealised		**2,905**	922	**-**	-
Fair value adjustment on investment in short term funds		**126**	-	**126**	-
Forfeiture income		**851**	1,197	**-**	-
Gain on changes in fair value of investment properties	16	**530**	2,094	**-**	-
Gain on disposal of property, plant and equipment		**1,272**	779	**-**	-
Gain on foreign exchange forward contracts		**44**	238	**-**	-
Gain on redemption of investment in short term funds		**1,024**	-	**1,024**	-
Lease rental income*	40	**5,126**	21,263	**-**	-
Rental income		**465**	390	**-**	-
Reversal of allowance for doubtful debts	22	**319**	136	**-**	-
Reversal of allowance for slow-moving inventories		**64**	419	**-**	-
Reversal of impairment loss on property, plant and equipment	14	**6**	6	**-**	-

* Excluding those classified as revenue in Note 5.

8. STAFF COSTS

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Wages, salaries and bonus	**92,272**	74,119	**670**	3,337
Employees Provident Fund and social security costs	**10,064**	7,602	**83**	381
Short-term accumulating compensated absences:				
- current year	**694**	708	**8**	8
- overprovision in prior year	**(596)**	(601)	**(8)**	(120)
Provision for post-employment benefits (Note 30)	**881**	919	**-**	-
Other staff related expenses	**5,360**	4,149	**40**	34
Options granted under ESOS	**4,507**	5,218	**59**	510
	113,182	92,114	**852**	4,150

Included in staff costs are directors' remuneration of the Group and of the Company as further disclosed in Note 42.

9. INTEREST INCOME

	The Group	
	2013	2012
	RM'000	RM'000
Interest income from:		
- bank deposits	**1,569**	1,932
- project accounts	**4,444**	2,499
	6,013	4,431

10. FINANCE COSTS

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Interest expenses on:				
- advances from subsidiary companies	**-**	-	**9,155**	17,086
- bank overdrafts	**32**	27	**-**	-
- hire purchase	**168**	161	**-**	-
- others	**3,243**	433	**66**	124
- redeemable convertible secured bonds (Note 27)	**18,498**	18,021	**18,498**	18,021
- term loans	**38,824**	30,256	**375**	104
	60,765	48,898	**28,094**	35,335
Less: Interest expense capitalised in:				
- investment properties (Note 16)	**(58)**	(685)	**-**	-
- development properties (Note 20b)	**(57,450)**	(46,011)	**-**	-
	(57,508)	(46,696)	**-**	-
	3,257	2,202	**28,094**	35,335

11. INCOME TAX EXPENSE

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Estimated income tax payable:				
Current year				
- Local	**102,953**	119,951	**5,977**	4,917
- Foreign	**43**	677	**-**	-
Under/(Over)provision in prior years	**3,100**	61	**(144)**	1,254
	106,096	120,689	**5,833**	6,171
Deferred tax (Note 31):				
Current year	**(12,045)**	(37,376)	**(2,016)**	(1,895)
(Over)/Under provision in prior years	**(1,808)**	442	**-**	-
	(13,853)	(36,934)	**(2,016)**	(1,895)
Income tax expense	**92,243**	83,755	**3,817**	4,276

11. INCOME TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Profit before tax	**371,504**	315,523	**151,456**	108,111
Tax at statutory tax rate of 25% (2012: 25%)	**92,876**	78,881	**37,864**	27,028
Tax effects of:				
Income exempted from tax	**(2,747)**	-	**(34,963)**	(26,771)
Expenses not deductible for tax purposes	**7,064**	4,845	**1,060**	2,765
Utilisation of deferred tax assets not previously recognised	**(14,410)**	(14,573)	**-**	-
Deferred tax assets not recognised	**8,168**	14,107	**-**	-
Reinvestment allowances utilised	**-**	(8)	**-**	-
Under/(Over) provision of estimated tax payable in prior years	**3,100**	61	**(144)**	1,254
(Over)/Under provision of deferred tax in prior years	**(1,808)**	442	**-**	-
Income tax expense	**92,243**	83,755	**3,817**	4,276

12. EARNINGS PER ORDINARY SHARE

(a) Basic

The basic earnings per ordinary share for the financial year has been calculated based on the profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue.

	The Group	
	2013	2012
Profit attributable to equity holders of the Company (RM'000)	**280,616**	230,617
Weighted average number of ordinary shares in issue (Unit'000)**	**1,303,917**	1,107,571
Basic earnings per ordinary share (sen)	**21.52**	20.82

12. EARNINGS PER ORDINARY SHARE (continued)

(b) Diluted

The diluted earnings per share has been calculated by dividing the Group's profit attributable to equity holders of the Company for the year by the weighted average number of ordinary shares that would have been in issue assuming full exercise of the remaining options under the ESOS and warrants and conversion of bonds, adjusted for the number of such ordinary shares that would have been issued at fair value.

	The Group	
	2013	2012
Profit attributable to equity holders of the Company (RM'000)	**280,616**	230,617
Weighted average number of ordinary shares in issue (Unit'000)**	**1,303,917**	1,107,571
Weighted average number of ordinary shares deemed issued at no consideration (Unit'000)		
- ESOS	**23,553**	10,739
- Bonds conversion	**62,668**	3,869
- Warrants	**23,510**	-
Adjusted weighted average number of ordinary shares (Unit'000)	**1,413,648**	1,122,179
Diluted earnings per ordinary share (sen)	**19.85**	20.55

** Comparative figures for the weighted average number of ordinary shares for both the basic and fully diluted earnings per ordinary share computations have been restated to reflect the adjustments arising from the Rights and Bonus Issues, which were completed on 22 March 2013 and 9 July 2013 respectively.

13. DIVIDEND PAID/PROPOSED

	The Group and The Company	
	2013	2012
	RM'000	RM'000
Recognised during the financial year: Dividends on ordinary shares		
- First and final dividend for 2012: 7.6 sen per ordinary share of RM0.50 each, comprising 0.4 sen per share, less income tax of 25% and single-tier dividend of 7.2 sen per share, paid on 20 September 2013	**104,075**	-
- First and final dividend for 2011: 11.0 sen per ordinary share of RM0.50 each, less income tax of 25%, paid on 26 September 2012	**-**	69,163
	104,075	69,163

The Directors have proposed a first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend, when approved by shareholders, will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2014.

14. PROPERTY, PLANT AND EQUIPMENT

	At Cost/ Valuation	At Cost					
The Group 2013	**Buildings RM'000**	**Renovations RM'000**	**Plant machinery and factory equipment RM'000**	**Motor vehicles RM'000**	**Furniture fittings office and IT related equipment RM'000**	**Construction in progress RM'000**	**Total RM'000**
Cost/Valuation							
At 1 January	39,774	6,479	153,125	15,282	14,304	1,496	230,460
Currency translation differences	1,079	9	3,807	85	114	123	5,217
Additions	4,766	3,517	11,342	4,459	2,361	503	26,948
Disposals	-	(5)	(8,343)	(1,625)	(122)	-	(10,095)
Write offs	-	-	(290)	-	(42)	-	(332)
At 31 December	45,619	10,000	159,641	18,201	16,615	2,122	252,198
Accumulated depreciation							
At 1 January	20,022	1,937	89,308	8,913	8,750	-	128,930
Currency translation differences	400	-	2,803	72	84	-	3,359
Charge for the financial year	1,589	1,041	8,984	2,524	1,767	-	15,905
Disposals	-	(1)	(8,318)	(1,616)	(80)	-	(10,015)
Write offs	-	-	(126)	-	(42)	-	(168)
At 31 December	22,011	2,977	92,651	9,893	10,479	-	138,011
Accumulated impairment loss							
At 1 January	-	-	47	-	-	-	47
Reversal during the financial year	-	-	(6)	-	-	-	(6)
At 31 December	-	-	41	-	-	-	41
Net book value							
31 December	23,608	7,023	66,949	8,308	6,136	2,122	114,146

14. PROPERTY, PLANT AND EQUIPMENT (continued)

	At Cost/ Valuation	At Cost					
The Group 2012	**Buildings RM'000**	**Renovations RM'000**	**Plant machinery and factory equipment RM'000**	**Motor vehicles RM'000**	**Furniture fittings office and IT related equipment RM'000**	**Construction in progress RM'000**	**Total RM'000**
Cost/Valuation							
At 1 January	33,589	4,984	135,113	14,190	12,735	7,755	208,366
Currency translation differences	(419)	-	(1,890)	(49)	(56)	(251)	(2,665)
Arose from the acquisition of a subsidiary company (Note 18)	-	34	5	-	21	-	60
Additions	1,282	1,461	25,203	2,354	1,914	4,184	36,398
Disposals	-	-	(5,196)	(1,213)	(282)	-	(6,691)
Write offs	-	-	(110)	-	(28)	-	(138)
Reclassification	5,322	-	-	-	-	(5,322)	-
Transferred to prepaid lease payments (Note 15)	-	-	-	-	-	(4,870)	(4,870)
At 31 December	39,774	6,479	153,125	15,282	14,304	1,496	230,460
Accumulated depreciation							
At 1 January	18,828	1,171	88,360	7,372	7,257	-	122,988
Currency translation differences	(150)	-	(1,540)	(30)	(29)	-	(1,749)
Arose from the acquisition of a subsidiary company (Note 18)	-	3	5	-	8	-	16
Charge for the financial year	1,344	763	7,399	2,217	1,799	-	13,522
Disposals	-	-	(4,821)	(646)	(259)	-	(5,726)
Write offs	-	-	(95)	-	(26)	-	(121)
At 31 December	20,022	1,937	89,308	8,913	8,750	-	128,930
Accumulated impairment loss							
At 1 January	-	-	53	-	-	-	53
Reversal during the financial year	-	-	(6)	-	-	-	(6)
At 31 December	-	-	47	-	-	-	47
Net book value							
31 December	19,752	4,542	63,770	6,369	5,554	1,496	101,483

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Analysis of buildings

The Group 2013	At Valuation Leasehold RM'000	At Cost Leasehold RM'000	At Cost Freehold RM'000	Total RM'000
Cost/Valuation				
At 1 January	**6,297**	**22,441**	**11,036**	**39,774**
Currency translation differences	**-**	**1,079**	**-**	**1,079**
Additions	**-**	**355**	**4,411**	**4,766**
At 31 December	**6,297**	**23,875**	**15,447**	**45,619**
Accumulated depreciation				
At 1 January	**4,785**	**10,549**	**4,688**	**20,022**
Currency translation differences	**-**	**400**	**-**	**400**
Charge for the financial year	**240**	**1,137**	**212**	**1,589**
At 31 December	**5,025**	**12,086**	**4,900**	**22,011**
Net book value				
At 31 December	**1,272**	**11,789**	**10,547**	**23,608**

2012	At Valuation Leasehold RM'000	At Cost Leasehold RM'000	At Cost Freehold RM'000	Total RM'000
Cost/Valuation				
At 1 January	6,297	17,416	9,876	33,589
Currency translation differences	-	(419)	-	(419)
Additions	-	122	1,160	1,282
Reclassification	-	5,322	-	5,322
At 31 December	6,297	22,441	11,036	39,774
Accumulated depreciation				
At 1 January	4,546	9,726	4,556	18,828
Currency translation differences	-	(150)	-	(150)
Charge for the financial year	239	973	132	1,344
At 31 December	4,785	10,549	4,688	20,022
Net book value				
At 31 December	1,512	11,892	6,348	19,752

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company **2013**	**Furniture and fittings RM'000**	**Office equipment RM'000**	**Total RM'000**
Cost			
At 1 January	**122**	**1,381**	**1,503**
Additions	**56**	**60**	**116**
At 31 December	**178**	**1,441**	**1,619**
Accumulated depreciation			
At 1 January	**32**	**586**	**618**
Charge for the financial year	**17**	**173**	**190**
At 31 December	**49**	**759**	**808**
Net book value			
At 31 December	**129**	**682**	**811**
2012			
Cost			
At 1 January	48	1,362	1,410
Additions	74	19	93
At 31 December	122	1,381	1,503
Accumulated depreciation			
At 1 January	21	460	481
Charge for the financial year	11	126	137
At 31 December	32	586	618
Net book value			
At 31 December	90	795	885

Valuation

The leasehold buildings of a subsidiary company were valued in 1992 based on a valuation carried out by independent professional valuers on the open market value basis. The surplus arising from the revaluation amounting to RM2,040,529 has been credited to the revaluation reserve account and eliminated upon consolidation.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Valuation (continued)

The net book values of revalued leasehold buildings of the subsidiary company that would have been included in the financial statements had these assets been carried at cost less accumulated depreciation, are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Net book value		
Leasehold buildings	**699**	831

Assets with restricted title

At the end of the reporting period, the net book values of property, plant and equipment of the Group pledged to financial institutions as security for term loans, short-term borrowings and bank overdrafts as disclosed in Notes 28, 33 and 34, respectively are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Net book value		
Freehold buildings	**3,929**	4,054
Leasehold buildings	**9,334**	9,747
Plant, machinery and factory equipment	**10,298**	8,190
	23,561	21,991

Assets held under finance lease and hire purchase agreements

At the end of the reporting period, the net book values of property, plant and equipment of the Group held under finance lease and hire purchase are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Net book value		
Motor vehicles	**6,641**	4,943

15. PREPAID LEASE PAYMENTS

	The Group	
	2013	2012
	RM'000	RM'000
Leasehold land		
Cost/Valuation		
At 1 January	**13,003**	8,340
Currency translation differences	**663**	(207)
Transferred from property, plant and equipment (Note 14)	**-**	4,870
At 31 December	**13,666**	13,003
Accumulated amortisation		
At 1 January	**5,754**	5,450
Amortisation for the year (Note 7)	**516**	410
Currency translation differences	**223**	(106)
At 31 December	**6,493**	5,754
Net book value at 31 December	**7,173**	7,249

The unexpired portions of the leasehold land as at 31 December 2013 are within the range of 6 to 24 years (2012: 7 to 25 years).

Certain parcels of leasehold land of the Group with a carrying value of RM1,569,839 (2012: RM1,638,021) are pledged to financial institutions to secure term loans, short-term borrowings and bank overdrafts as disclosed in Notes 28, 33 and 34, respectively.

16. INVESTMENT PROPERTIES

	The Group	
	2013	2012
	RM'000	RM'000
At 1 January	**71,126**	56,076
Additions	**13,592**	12,956
Gain on changes in fair value (Note 7)	**530**	2,094
Transferred from property development costs (Note 20(b))	**946**	-
At 31 December	**86,194**	71,126
Included in the above are:		
Investment properties under construction, at cost	**80,354**	65,816
Freehold commercial properties, at fair value	**5,840**	5,310
	86,194	71,126

Included in additions to investment properties is interest expense capitalised during the financial year amounting to RM57,785 (2012: RM684,748) as disclosed in Note 10.

16. INVESTMENT PROPERTIES (continued)

Freehold commercial properties are leased to third parties. Each of the leases contains an initial non-cancellable lease period of 2 to 3 years (2012: 1 to 3 years) (Note 40). Subsequent renewals are negotiated with the lessee and average renewal periods are for 1 to 3 years (2012: 1 to 3 years).

Rental income earned by the Group from its freehold commercial properties, all of which are leased out under operating leases, amounted to RM371,553 (2012: RM444,422). Direct operating expenses incurred on the investment properties amounted to RM84,261 (2012: RM91,551).

Investment properties of the Group amounting to RM42,247,824 (2012: RM65,816,503) are pledged to a financial institution to secure term loan facilities as disclosed in Note 28.

Fair value information

The fair value of investment properties are determined in reference to the selling price of recent transactions of similar properties of nearby location except for investment properties under construction in which its fair value is not reliably determinable, the investment properties under construction are measured at cost until either the fair value becomes reliably determinable or construction is complete, whichever is earlier.

Accordingly, the fair values of freehold commercial properties fall under Level 2 of the fair value hierarchy for financial years ended 31 December 2013 and 31 December 2012.

Transfer between Level 1 and Level 2 fair values

There was no transfer between Level 1 and 2 fair values during the financial year.

17. INTANGIBLE ASSETS

The Group 2013	License fees RM'000	Goodwill RM'000	Total RM'000
Cost			
At 1 January and 31 December	82	12,968	13,050
Accumulated amortisation			
At 1 January and 31 December	82	-	82
Accumulated impairment			
At 1 January	-	427	427
Charge for the year (Note 7)	-	1,042	1,042
At 31 December	-	1,469	1,469
Carrying amount			
At 31 December	-	11,499	11,499

17. INTANGIBLE ASSETS (continued)

The Group 2012	**License fees RM'000**	**Goodwill RM'000**	**Total RM'000**
Cost			
At 1 January	82	70	152
Arose from the acquisition of a subsidiary company (Note 18)	-	12,898	12,898
At 31 December	82	12,968	13,050
Accumulated amortisation			
At 1 January and 31 December	82	-	82
Accumulated impairment			
At 1 January	-	-	-
Charge for the year (Note 7)	-	427	427
At 31 December	-	427	427
Carrying amount			
At 31 December	-	12,541	12,541

Goodwill arose in the previous financial year relates to a premium paid over the fair value of identifiable net assets, at the acquisition date, of a subsidiary company due to the expected high revenue and profitability growth following development of the freehold land owned by the subsidiary company into a planned mix development township.

18. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	**207,458**	198,326
Less: Accumulated impairment loss	**(10,720)**	(9,230)
	196,738	189,096

(a) Acquisition of non-controlling interests

In the previous financial year ended 31 December 2012, the Company acquired all the remaining ordinary shares not already owned by the Company in the following subsidiary companies:

Name of company	**Number of ordinary shares of RM1 each**	**Cash consideration RM'000**
Enrich Property Development Sdn Bhd	300,000	300
Vienna Home Sdn Bhd	300,000	6,000

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(a) Acquisition of non-controlling interests (continued)

Details on the effects of the acquisitions of the remaining equity interest in the existing subsidiary companies were as follows:

	RM'000
Net debit balance acquired from non-controlling interests	(1,188)
Premium paid on acquisition from non-controlling interests	7,488
Purchase consideration	6,300
Less: Non-cash consideration given	(4,472)
Net cash outflow from acquisition of balance of equity in subsidiary companies	1,828
Remaining payment made arising from acquisition of balance of equity in previous year	5,000
Total net cash outflow from the purchase of balance of equity in subsidiary companies	6,828

(b) Non-controlling interests in subsidiary companies

The Group's subsidiary companies that have material non-controlling interests ("NCI") are as follows:

	P.T. Mah Sing Indonesia	Other individual immaterial subsidiary companies	Total
2013			
NCI percentage of ownership interest and voting interest	**35%**		
Carrying amount of NCI (RM'000)	**9,665**	**1,322**	**10,987**
Total comprehensive loss for the year attributable to NCI (RM'000)	**(124)**	**(561)**	**(685)**
2012			
NCI percentage of ownership interest and voting interest	**35%**		
Carrying amount of NCI (RM'000)	**9,789**	**315**	**10,104**
Total comprehensive income for the year attributable to NCI (RM'000)	**92**	**686**	**778**

Summarised financial information of the Group's subsidiary company that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Non-controlling interests in subsidiary companies (continued)

	P.T. Mah Sing Indonesia	
	2013	2012
	RM'000	RM'000
Non-current assets	**33,765**	32,832
Current assets	**34,431**	37,530
Non-current liabilities	**(9,832)**	(12,152)
Current liabilities	**(30,749)**	(30,241)
Net assets	**27,615**	27,969
Revenue	**98,935**	87,260
(Loss)/Profit for the year	**(2,267)**	802
Total comprehensive (loss)/income for the year	**(2,267)**	802
Cash flows from operating activities	**6,113**	533
Cash flows used in investing activities	**(1,757)**	(11,609)
Cash flows (used)/from in financing activities	**(3,979)**	8,297
Net increase/(decrease) in cash and cash equivalents	**377**	(2,779)
Dividends paid to NCI	**-**	-

(c) Acquisition of subsidiary companies

During the current financial year, the Company completed the following acquisitions of subsidiary companies:

(i) On 22 April 2013, the Company acquired the entire issued and paid-up share capital of Mediterranean View Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM2.00.

(ii) On 22 May 2013, the Company acquired the entire issued and paid-up share capital of Enchanting Heights Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM2.00.

(iii) On 27 May 2013, the Company subscribed for 1,632,000 ordinary shares of RM1.00 each, representing 51% of the total issued and paid-up share capital of Convention City Development Sdn Bhd ("Convention City") for a cash consideration of RM1,632,000. Diverse Capital Sdn Bhd holds 1,568,000 ordinary shares of RM1.00 each, representing 49% of the total issued and paid-up share capital of Convention City.

(iv) On 18 June 2013, the Company acquired the entire issued and paid-up share capital of Tanda Klasik Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM2.00.

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) Acquisition of subsidiary companies (continued)

(v) On 23 August 2013, the Company acquired the entire issued and paid-up share capital of the following companies for a cash consideration of RM2.00 each respectively:

- Nature Legend Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- Sanjung Tropika Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- Meridin Hospitality Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

During the previous financial year ended 31 December 2012, the Company completed the following acquisitions of subsidiary companies:

(i) On 13 January 2012, the Company acquired the entire issued and paid-up share capital of Mah Sing Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each had been issued and fully paid-up, for a cash consideration of RM2.00.

(ii) On 15 February 2012, the Company completed the acquisition of the entire issued and paid-up share capital of Semai Meranti Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 1,800,000 ordinary shares of RM1.00 each had been issued and fully paid-up, for a cash consideration of RM57,000,000.

(iii) On 25 April 2012, the Company acquired the entire issued and paid-up share capital of Tropika Istimewa Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each had been issued and fully paid-up, for a cash consideration of RM2.00.

(iv) On 15 May 2012, the Company acquired the entire issued and paid-up share capital of Nova Indah Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each had been issued and fully paid-up, for a cash consideration of RM2.00.

(v) On 18 May 2012, the Company acquired the entire issued and paid-up share capital of Tristar Acres Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each had been issued and fully paid-up, for a cash consideration of RM2.00.

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) Acquisition of subsidiary companies (continued)

The details of the asset, liabilities and net cash outflow arising from the acquisition of a subsidiary company by the Group in previous financial year ended 31 December 2012 were as follows:

	RM'000
Goodwill (Note 17)	12,898
Property, plant and equipment (Note 14)	44
Property development costs (Note 20(b))	94,286
Deferred tax liability (Note 31)	(15,020)
Other net current liabilities	(35,417)
Purchase consideration	56,791
Less: Cash and bank balances acquired	(33)
Net cash outflow from acquisition of a subsidiary company	56,758

(d) Subscription for additional ordinary shares in existing subsidiary companies

During the financial year, the Company subscribed for additional ordinary shares in the following subsidiary companies:

Name of company	Number of ordinary shares of RM1 each	Cash consideration RM'000
Enchanting Heights Sdn Bhd	2,500,000	2,500
Mediterranean View Development Sdn Bhd	2,500,000	2,500
Sanjung Tropika Development Sdn Bhd	2,500,000	2,500

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective equity interest 2013 %	2012 %	Principal activities
Subsidiary companies of Mah Sing Group Berhad				
Capitol Avenue Development Sdn Bhd	Malaysia	**100**	100	Property development
Convention City Development Sdn Bhd	Malaysia	**51**	-	Property development
Elite Park Development Sdn Bhd	Malaysia	**100**	100	Property development
Enchanting Heights Sdn Bhd	Malaysia	**100**	-	Property development
Enrich Property Development Sdn Bhd	Malaysia	**100**	100	Property development
Gentali Motor Corpn. Sdn Bhd	Malaysia	**60.5**	60.5	Inactive
Golden Venice Development (MM2H) Sdn Bhd	Malaysia	**100**	100	Promote and market Malaysia Mysecond Home Programme and provide related services
Grand Pavilion Development Sdn Bhd	Malaysia	**100**	100	Property development
Grand Prestige Development Sdn Bhd	Malaysia	**100**	100	Property development
Intramewah Development Sdn Bhd	Malaysia	**100**	100	Property development
Jastamax Sdn Bhd	Malaysia	**100**	100	Property development
Klassik Tropika Development Sdn Bhd	Malaysia	**100**	100	Property development
Konsortium Lingkaran Lembah Kinta Sdn Bhd	Malaysia	**51**	51	Dormant
Legend Grand Development Sdn Bhd	Malaysia	**100**	100	Property development
Liberty Property Management Sdn Bhd	Malaysia	**100**	100	Property management
Loyal Sierra Development Sdn Bhd	Malaysia	**100**	100	Property development
Mah Sing Development Sdn Bhd	Malaysia	**100**	100	Property development
Mah Sing Enterprise Sdn Bhd	Malaysia	**100**	100	Trading of plastic and other related products
Mah Sing International (HK) Limited*	Hong Kong	**100**	100	Investment holding

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of company	Country of incorporation	Effective equity interest 2013 %	Effective equity interest 2012 %	Principal activities
Mah Sing International Ltd	British Virgin Islands	**100**	100	Investment holding
Mah Sing Investment Singapore Pte Ltd*	Singapore	**100**	100	Promotion, marketing and provision of services related to property development
Mah Sing Plastics Industries Sendirian Berhad	Malaysia	**100**	100	Manufacture of plastic moulded products and property development
Mah Sing Properties Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mah Sing Trading Sdn Bhd	Malaysia	**100**	100	Trading of building materials
Major Land Development Sdn Bhd	Malaysia	**100**	100	Property development
Marvellous Vantage Sdn Bhd	Malaysia	**100**	100	Property investment
Maxim Heights Sdn Bhd	Malaysia	**100**	100	Property development
Mediterranean View Development Sdn Bhd	Malaysia	**100**	-	Property development
Meridin Hospitality Sdn Bhd	Malaysia	**100**	-	Dormant
Multi Synergy Group Sdn Bhd	Malaysia	**100**	100	Property development
Myvilla Development Sdn Bhd	Malaysia	**100**	100	Property development
Nature Legend Development Sdn Bhd	Malaysia	**100**	-	Property development
Nova Century Development Sdn Bhd	Malaysia	**100**	100	Property development
Nova Indah Development Sdn Bhd	Malaysia	**100**	100	Property development
Nova Legend Development Sdn Bhd	Malaysia	**100**	100	Property development
Oasis Garden Development Sdn Bhd	Malaysia	**100**	100	Property development
Peninsular Connection Sdn Bhd	Malaysia	**100**	100	Inactive
Pleasant Network Sdn Bhd	Malaysia	**100**	100	Inactive
Sanjung Tropika Development Sdn Bhd	Malaysia	**100**	-	Property development

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of company	Country of incorporation	Effective equity interest 2013 %	Effective equity interest 2012 %	Principal activities
Semai Meranti Sdn Bhd	Malaysia	**100**	100	Property development
Sierra Peninsular Development Sdn Bhd	Malaysia	**100**	100	Property development and property investment
Star Residence Sdn Bhd	Malaysia	**100**	100	Property development
Superior Focus Sdn Bhd	Malaysia	**80**	80	Inactive
Supreme Springs Sdn Bhd	Malaysia	**100**	100	Property development
Suria Lagenda Development Sdn Bhd	Malaysia	**100**	100	Dormant
Tanda Klasik Development Sdn Bhd	Malaysia	**100**	-	Dormant
Tristar Acres Sdn Bhd	Malaysia	**100**	100	Property development
Tropika Istimewa Development Sdn Bhd	Malaysia	**100**	100	Property development
Uptrend Housing Development Sdn Bhd	Malaysia	**100**	100	Property development
Venice View Development Sdn Bhd	Malaysia	**100**	100	Property development
Vienna Home Sdn Bhd	Malaysia	**100**	100	Property development
Vienna View Development Sdn Bhd	Malaysia	**100**	100	Property development
Vital Roles Sdn Bhd	Malaysia	**90**	90	Inactive
Vital Routes Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary companies of Mah Sing Properties Sdn Bhd				
Acacia Springs Management Sdn Bhd	Malaysia	**100**	100	Property management
Mestika Bistari Sdn Bhd	Malaysia	**100**	100	Property development
Mestika Kenangan Sdn Bhd	Malaysia	**100**	100	Property management
MS Icon Property Services Sdn Bhd	Malaysia	**100**	100	Property management
Prima Peninsular Development Sdn Bhd	Malaysia	**100**	100	Property management
Quantum Noble Development Sdn Bhd	Malaysia	**100**	100	Property management

18. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of company	Country of incorporation	Effective equity interest 2013 %	2012 %	Principal activities
Subsidiary company of Pleasant Network Sdn Bhd				
Vican Technology Sdn Bhd**	Malaysia	**68**	68	Inactive
Subsidiary company of Vican Technology Sdn Bhd				
Vican Electronics Sdn Bhd#	Malaysia	**68**	68	Inactive
Subsidiary company of Vital Routes Sdn Bhd				
P.T. Mah Sing Indonesia*	Indonesia	**65**	65	Manufacture of plastic moulded products
Subsidiary companies of Mah Sing International Ltd				
Mah Sing Vietnam Ltd	British Virgin Islands	**100**	100	Dormant
Mah Sing Vina Ltd	British Virgin Islands	**100**	100	Dormant
Subsidiary company of Mah Sing Plastics Industries Sendirian Berhad				
Kenwira Sdn Bhd	Malaysia	**100**	100	Assembly of helmets

* Audited by other firms of auditors.

** This subsidiary company is under a court winding-up order and was deconsolidated from the Group results since financial year 2000. The cost of investment in this subsidiary company had been fully impaired.

This subsidiary company has not been consolidated as its immediate holding company was deconsolidated from the Group.

19. INVESTMENT IN ASSOCIATED COMPANY

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Unquoted shares, at cost	**99**	99	**99**	99
Less: Accumulated impairment loss	**(26)**	(26)	**(99)**	(99)
Group's share of post acquisition accumulated losses	**(73)**	(73)	**-**	-
	-	-	**-**	-

The Group's share in the accumulated losses of associated company ceased when the Group's share of losses of associated company exceeded the carrying amount of its investment in the associated company.

Details of associated company are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2013	2012	
		%	%	
Prestige Greenery Sdn Bhd *	Malaysia	**39.5**	39.5	Dormant

* Audited by other firm of auditors.

20. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	The Group	
	2013	2012
	RM'000	RM'000
At cost:		
At 1 January	**419,280**	71,869
Additions	**152,673**	365,848
Transferred to property development costs (Note 20(b))	**(28,159)**	(18,437)
At 31 December	**543,794**	419,280

Included in land held for property development are freehold land of RM490,875,931 (2012: RM71,869,375) charged as security for the redeemable convertible secured bonds and term loan facilities as disclosed in Notes 27 and 28, respectively.

20. PROPERTY DEVELOPMENT ACTIVITIES (continued)

(b) Property development costs

	The Group	
	2013	2012
	RM'000	RM'000
At 1 January		
Land costs	**1,228,764**	1,137,426
Development costs	**656,469**	398,671
	1,885,233	1,536,097
Costs incurred during the financial year:		
Land costs	**273,136**	197,675
Development costs	**1,264,407**	1,097,772
	1,537,543	1,295,447
Transferred from land held for property development:		
Land costs (Note 20(a))	**28,159**	18,437
Arose from acquisition of a subsidiary company:		
Land costs (Note 18(c))	**-**	90,578
Development costs (Note 18(c))	**-**	3,708
	-	94,286
Costs recognised as expense in profit or loss during the financial year:		
Land costs	**(191,801)**	(215,333)
Development costs	**(957,565)**	(843,617)
	(1,149,366)	(1,058,950)
Reclassification/Transferred to:		
Investment properties		
- Land costs (Note 16)	**(946)**	-
Inventories		
- Land costs	**(7,051)**	(19)
- Development costs	**(34,931)**	(65)
	(42,928)	(84)
At 31 December		
Land costs	**1,330,261**	1,228,764
Development costs	**928,380**	656,469
	2,258,641	1,885,233

20. PROPERTY DEVELOPMENT ACTIVITIES (continued)

(b) Property development costs (continued)

Included in property development costs are interests on borrowings capitalised during the financial year amounting to RM57,450,804 (2012: RM46,011,471) as disclosed in Note 10.

The title deeds in respect of certain lands totaling to RM101,815,522 (2012: RM101,270,832) are not registered under the subsidiary companies' names as these title deeds will be transferred directly to purchasers upon completion of the properties.

Freehold and leasehold land of RM692,005,505 (2012: RM661,554,272) and RM261,874,358 (2012: RM269,212,729) respectively are pledged to certain financial institutions as securities for term loan and overdraft facilities of the Group as disclosed in Notes 28 and 34, respectively.

21. INVENTORIES

	The Group	
	2013	2012
	RM'000	RM'000
At cost:		
Completed properties	**50,867**	14,802
Raw materials	**16,104**	15,808
Work-in-progress	**680**	1,004
Finished goods	**11,258**	10,338
	78,909	41,952
Allowance for slow-moving inventories:		
- completed properties	**(740)**	(739)
- raw materials	**(1,023)**	(998)
- work-in-progress	**(19)**	-
- finished goods	**(902)**	(493)
	(2,684)	(2,230)
	76,225	39,722

Inventories of a subsidiary company amounting to RM2,014,618 (2012: RM2,959,452) are pledged to financial institutions as security for term loans, short-term borrowings and bank overdrafts as disclosed in Notes 28, 33 and 34, respectively.

Completed properties of a subsidiary company amounting to RMNil (2012: RM3,754,369) are pledged to financial institutions as securities for term loans of the Company as disclosed in Note 28.

22. TRADE AND OTHER RECEIVABLES

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Trade receivables					
- Property development projects		**304,289**	170,246	**-**	-
- Retention sums		**84,706**	94,784	**-**	-
- Sales of goods		**44,755**	37,333		
- Others		**203**	65	**-**	-
	(a)	**433,953**	302,428	**-**	-
Less: Allowance for doubtful debts		**(1,346)**	(989)	**-**	-
		432,607	301,439	**-**	-
Other receivables	(b)	**16,991**	14,073	**10,389**	10,684
Less: Allowance for doubtful debts		**(11,523)**	(11,492)	**(10,262)**	(10,261)
		5,468	2,581	**127**	423
Accrued billings for property development		**79,857**	63,455	**-**	-
Amounts due from subsidiary companies	(c)	**-**	-	**1,253,955**	833,458
Less: Allowance for doubtful debts		**-**	-	**(92)**	(85)
		-	-	**1,253,863**	833,373
Deposits for land acquisitions/ joint development		**39,320**	7,196	**-**	-
Less: Allowance for doubtful debts		**(800)**	(800)	**-**	-
		38,520	6,396	**-**	-
Deposits for purchase of property, plant and equipment		**5,307**	6,981	**-**	-
Other deposits		**15,997**	14,246	**122**	1,283
Less: Allowance for doubtful debts		**-**	(300)	**-**	-
	(d)	**15,997**	13,946	**122**	1,283
Prepayments		**3,992**	3,233	**-**	-
		581,748	398,031	**1,254,112**	835,079

22. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

The terms for sale of goods range from payment in advance to credit period of 90 days (2012: payment in advance to 90 days) whilst the credit terms for receivables from property development is generally between 14 to 21 days (2012: 14 to 21 days).

Retention sums receivable are trade receivables retained by stakeholders that are due upon expiry of retention periods ranging from 8 to 24 months (2012: 8 to 24 months) as stipulated in the sale and purchase agreements.

Trade receivables of the Group amounting to RM4,695,281 (2012: RM6,851,205) are pledged to financial institutions as securities for term loans, short-term borrowings and bank overdrafts as disclosed in Notes 28, 33 and 34, respectively.

Included in the trade receivables is an amount of RM137,550 (2012: RM1,357,800) owing by a director of subsidiary companies for the purchase of development property from a subsidiary company.

The currency profile of trade receivables is as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Ringgit Malaysia	**410,298**	281,125
Indonesian Rupiah	**15,062**	13,907
United States Dollar	**7,353**	6,164
Singapore Dollar	**876**	896
Australian Dollar	**364**	336
	433,953	302,428

Ageing analysis of trade receivables

	The Group	
	2013	2012
	RM'000	RM'000
Trade receivables not past due	**130,236**	120,533
Retention sums receivable	**84,631**	94,784
Past due < 2 months	**103,693**	51,609
Past due 2 - 4 months	**64,563**	15,395
Past due > 4 months	**49,484**	19,118
	432,607	301,439
Impaired trade receivable		
Past due > 4 months	**1,271**	989
Retention sums	**75**	-
	433,953	302,428

22. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Movement of allowance for doubtful debts - trade receivables

	The Group	
	2013 RM'000	2012 RM'000
At 1 January	**989**	1,125
Allowance during the year (Note 7)	**376**	4
Reversal of allowance (Note 7)	**(19)**	(136)
Write off	**-**	(4)
At 31 December	**1,346**	989

During the financial year, trade receivables of the Group amounting to RMNil (2012: RM4,000) was written off against allowance for doubtful debts.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, which are widely distributed and covers a broad range of end markets. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, the management believes there is no additional credit risk beyond amounts provided for doubtful debts for the Group's trade receivables.

(b) Other receivables

Included in other receivables of the Company is an amount of RM7,976,917 (2012: RM7,976,917) owing by indirect subsidiary companies, Vican Technology Sdn Bhd and Vican Electronics Sdn Bhd, which had been excluded from consolidation as disclosed in Note 18. The amount owing by the said subsidiary companies has been fully provided for.

The currency profile of other receivables is as follows:

	The Group		The Company	
	2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000
Ringgit Malaysia	**16,886**	14,007	**10,389**	10,684
United States Dollar	**-**	39	**-**	-
Indonesian Rupiah	**105**	27	**-**	-
	16,991	14,073	**10,389**	10,684

Movement of allowance for doubtful debts - other receivables

	The Group		The Company	
	2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000
At 1 January	**11,492**	11,492	**10,261**	10,261
Allowance during the year (Note 7)	**31**	-	**1**	-
At 31 December	**11,523**	11,492	**10,262**	10,261

22. TRADE AND OTHER RECEIVABLES (continued)

(c) Amount due from subsidiary companies

Amounts due from subsidiary companies arose mainly from inter-company advances and payments on behalf. They are unsecured and repayable on demand. Advances amounting to RM857,978,905 (2012: RM699,083,791), RM332,845,252 (2012: RM101,229,289) and RM23,495,739 (2012: RM NIL) bear interest at 3%, 6.66% and 8.6% (2012: 3%, 6.66% and Nil) per annum respectively while an amount of RM39,544,087 (2012: RM33,060,042) is interest free.

(d) Other deposits

Movement of allowance for doubtful debts - other deposits

	The Group		The Company	
	2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000
At 1 January	**300**	300	**-**	-
Reversal of allowance (Note 7)	**(300)**	-	**-**	-
At 31 December	**-**	300	**-**	-

23. DEPOSITS, CASH AND BANK BALANCES

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000
Cash and bank balances		**32,471**	19,795	**560**	270
Project accounts	(a)	**343,087**	277,826	**-**	-
Deposits with licensed banks	(b)	**95,012**	291,835	**81,222**	239,484
Investments in short-term funds	(c)	**351,720**	4	**351,720**	4
		822,290	589,460	**433,502**	239,758

(a) Project accounts

Project accounts are bank accounts maintained in accordance with Section 7A of the Housing Developers Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled.

(b) Deposits with licensed banks

Deposits with licensed banks of the Group and of the Company have an average maturity of 85 days (2012: 43 days) and 5 days (2012: 23 days) respectively.

Deposits with licensed banks of the Group amounting to RM11,648,188 (2012: RM37,248,555) has been pledged as collateral for the redeemable convertible secured bonds and term loans as disclosed in Notes 27 and 28, respectively.

Deposits with licensed banks of the Group amounting to RM1,981,366 (2012: RM7,393,492) have been deposited in Escrow Accounts for banking facilities of subsidiary companies.

23. DEPOSITS, CASH AND BANK BALANCES (continued)

(c) Investments in short term funds

The investments in short term funds are placements made in management funds that invest in fixed deposits and short term money market instruments offered by banks or financial institutions licensed under Financial Services Act 2013 or the Islamic Financial Services Act 2013 which allow redemption with notice of 1 business day.

The interest rates per annum during the financial year are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	%	%	**%**	%
Project accounts	**1.80 - 2.05**	1.20 - 2.05	**-**	-
Deposits with licensed banks	**0.73 - 3.42**	2.00 - 3.50	**2.86 - 3.42**	2.86 - 3.50
Investments in short term funds	**2.96 - 3.24**	-	**2.96 - 3.24**	-

The currency profile of deposits, cash and bank balances is as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**820,200**	587,094	**433,481**	239,758
United States Dollar	**1,305**	2,168	**-**	-
Indonesian Rupiah	**238**	185	**-**	-
Singapore Dollar	**508**	-	**-**	-
Others	**39**	13	**21**	-
	822,290	589,460	**433,502**	239,758

24. SHARE CAPITAL

	The Group and The Company		
	Number of shares Unit'000	**Par value RM**	**RM'000**
Ordinary shares			
Authorised:			
2013			
At 1 January and 31 December	**2,000,000**	0.50	**1,000,000**
2012			
At 1 January and 31 December	2,000,000	0.50	1,000,000

24. SHARE CAPITAL (continued)

	The Group and The Company		
	Number of shares Unit'000	Par value RM	RM'000
Issued and paid up:			
2013			
At 1 January	**839,868**	**0.50**	**419,934**
Exercise of ESOS	**12,987**	**0.50**	**6,493**
Exercise of warrants	**54,458**	**0.50**	**27,229**
Rights Issue with warrants	**280,100**	**0.50**	**140,050**
Bonus Issue	**226,202**	**0.50**	**113,101**
At 31 December	**1,413,615**	**0.50**	**706,807**
2012			
At 1 January	831,872	0.50	415,936
Exercise of ESOS	7,996	0.50	3,998
At 31 December	839,868	0.50	419,934

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM419,933,655 to RM706,806,627 by way of:

(a) issuance of 12,986,863 new ordinary shares of RM0.50 each pursuant to the exercise of employees' share options at the following exercise prices;

Exercise price	(RM)	0.50	1.24	1.44	1.49	1.65	1.74
No of shares issued	('000)	6	2,174	229	9,039	432	1,107

(b) issuance of 280,099,803 new ordinary shares of RM0.50 each together with up to 168,059,241 free detachable warrants on the basis of 1 Rights Share for every 3 existing ordinary shares of RM0.50 each held and 3 warrants for every 5 Rights Shares subscribed at an issue price of RM1.42 per Rights Share;

(c) issuance of 53,991,791 and 465,712 new ordinary shares of RM0.50 each at an exercise price of RM1.98 and RM2.38 per ordinary share respectively pursuant to the exercise of Warrants; and

(d) issuance of 226,201,774 new ordinary shares of RM0.50 each pursuant to the Bonus Issue on the basis of 1 new ordinary share for every 5 existing ordinary shares of RM0.50 each held, by way of capitalisation of RM113,100,887 from the share premium account of the Company.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

24. SHARE CAPITAL (continued)

Employees' Share Option Scheme

At the Extraordinary General Meeting held on 8 March 2004, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS" or "Scheme") which is governed by the ESOS By-Laws ("By-Laws").

The salient features of the ESOS are as follows:

(a) The ESOS was implemented on 12 July 2004 and was in force for a period of 5 years ("Initial Period"). On 10 July 2009, the ESOS was extended for another 5 years up to 10 July 2014 in accordance with the terms of the ESOS By-Laws;

(b) The total number of new shares to be offered pursuant to the exercise of options granted under the ESOS ("Option") shall be subject to a maximum of 10% of the Company's issued and paid-up share capital at the time of the offer;

(c) Employees (including Executive Directors) of the Company or its subsidiary companies (other than dormant subsidiary companies) shall be eligible to participate in the ESOS, if as at the date of offer, the employee:

    (i) has attained the age of eighteen (18) years;

    (ii) is employed full-time by and on the payroll of the Company or its subsidiary companies; and

    (iii) is a confirmed employee of the Company or its subsidiary companies.

    The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in a general meeting;

(d) The price payable upon exercise of an Option shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;

(e) Subject to any adjustments which may be made pursuant to the By-Laws, the maximum number of new shares that may be offered to an eligible employee shall be determined at the discretion of the Option Committee after taking into consideration the performance, seniority and length of service of the eligible employees, subject to the following:

    (i) not more than fifty per cent (50%) of the new shares available under the Scheme should be allocated, in aggregate, to the Executive Directors and senior management of the Group; and

    (ii) not more than ten per cent (10%) of the new shares available under the Scheme should be allocated to any eligible employee, who either singly or collectively through his or her associates, holds twenty per cent (20%) or more in the issued and paid-up capital of the Company.

(f) The new ordinary shares to be issued upon exercise of the Options shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, except that they will not be entitled to any dividends, rights, allotments and/or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Options; and

(g) The exercise price and the number of new ordinary shares comprised in the Options are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

24. SHARE CAPITAL (continued)

Employees' Share Option Scheme (continued)

During the financial year ended 31 December 2013, the exercise price and number of options over ordinary shares have been adjusted in accordance with the provisions of the By-Laws (as mentioned in item (g) above) as a result of the Rights and Bonus Issues.

The adjustments to the exercise price of ESOS are as follows:

	Exercise price per Option		
Offer Date	**Before adjustments RM**	**After Rights Issue RM**	**After Bonus Issue RM**
9 Jun 2006	0.64	0.58	0.50
25 Nov 2010	1.65	1.49	1.24
6 Dec 2010	1.65	1.49	1.24
30 July 2012	1.92	1.74	1.44

The movements in the Company's Options are as follows:

	Number of options over ordinary shares of RM0.50 each	
	2013 Unit'000	2012 Unit'000
At 1 January	**50,817**	48,384
Adjustments for:		
- Rights Issue	**5,142**	-
- Bonus Issue	**8,808**	-
Granted	**5,358**	13,257
Exercised	**(12,987)**	(7,995)
Lapsed	**(1,760)**	(2,829)
At 31 December	**55,378**	50,817

Further details of the ESOS are set out in Note 25.

Warrants

During the financial year, the Company issued 168,059,241 free detachable warrants pursuant to the Rights Issue with warrants. The Warrants are constituted by a Deed Poll dated 18 February 2013 ("Deed Poll").

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is 19 March 2013 and the expiry date is 18 March 2018. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM2.38 (adjusted to RM1.98) per ordinary share;

(c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

24. SHARE CAPITAL (continued)

Warrants (continued)

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for new ordinary shares; and

(e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

During the financial year ended 31 December 2013, the exercise price and number of Warrants have been adjusted in accordance with the provisions of the Deed Poll (as mentioned in item (c) above) as a result of the Bonus Issue. The exercise price was adjusted from RM2.38 to RM1.98.

The movements in the Company's Warrants are as follows:

	Number of warrants (Unit' 000)				
	At 1.1.2013	**Granted**	**Adjusted for Bonus Issue**	**Exercised**	**At 31.12.2013**
Number of unexercised Warrants	-	168,059,241	33,518,111	(54,457,503)	147,119,849

25. RESERVES

		The Group		The Company	
	Note	**2013 RM'000**	2012 RM'000	**2013 RM'000**	2012 RM'000
Share premium	(a)	**331,716**	140,287	**331,716**	140,287
Equity-settled employees benefit reserve	(b)	**11,423**	10,614	**11,423**	10,614
Warrant reserve	(c)	**46,589**	-	**46,589**	-
Exchange fluctuation reserve	(d)	**4,602**	3,146	**-**	-
Equity component of convertible bonds	(e)	**17,129**	17,129	**17,129**	17,129
		411,459	171,176	**406,857**	168,030

(a) Share premium

Share premium arose from the exercise of ESOS and warrants, Rights Issue, private placement and other issuance of shares in the current and prior years.

25. RESERVES

(b) Equity-settled employees benefit reserve

Equity-settled employees benefit reserve represents the fair value of the employee services received in exchange for the grant of options which is recognised in equity with a corresponding charge to profit or loss when vested.

Details of share option movement during the financial year are as follows:

	Number of options over ordinary shares of RM0.50 each (Unit' 000)						
Offer Date	**At 1.1.2013**	**Adjusted for Rights Issue**	**Adjusted for Bonus Issue**	**Granted**	**Exercised**	**Lapsed**	**At 31.12.2013**
9 Jun 2006	43	4	9	-	(6)	(1)	49
25 Nov 2010	37,584	3,796	6,304	-	(11,612)	(463)	35,609
6 Dec 2010	465	48	96	-	(33)	-	576
30 July 2012	12,725	1,294	2,399	-	(1,336)	(1,295)	13,787
3 Oct 2013	-	-	-	5,358	-	(1)	5,357
	50,817	5,142	8,808	5,358	(12,987)	(1,760)	55,378

A new option was granted on 3 October 2013 with an estimated fair value of 47.60 sen per option. The option outstanding at the end of the financial year has a remaining contractual life of approximately 7 months (2012: 1.8 years). In the previous financial year, an option with an estimated fair value of 32.10 sen per option was granted on 30 July 2012.

The number of granted options which are exercisable by the employees within a specified period is tied to the Group's achievement of its internal target profit after tax and subject to the approval of Option Committee.

The fair values of options granted were calculated using the Black-Scholes Pricing Model. The inputs into the model were as follows:

	Options granted on	
	3 October 2013	30 July 2012
Share price	**RM2.31**	RM2.11
Exercise price	**RM2.03**	RM1.92
Expected volatility	**44.06%**	26.35%
Expected life (days to expiry)	**279**	709
Risk free rate	**3.06%**	2.987%
Expected dividend yield	**3.29%**	5.21%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The expected life used is based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group and the Company recognise total fair value in profit or loss amounting to RM800,786 (2012: RM1,206,434) for the above new option granted on 3 October 2013 (2012: 30 July 2012) during the financial year.

(c) Warrant reserve

Warrant reserve arose from the issuance of free detachable warrants pursuant to the Rights Issue during the financial year. The warrant reserve was arrived at based on the theoretical fair value of RM0.38 per warrant determined based on Black-Scholes Pricing Model.

25. RESERVES (continued)

(d) Exchange fluctuation reserve

Exchange differences arising from translation of the financial statements of foreign operations are taken to the exchange fluctuation reserve account as disclosed in the accounting policies.

(e) Equity component of convertible bonds

The equity component of convertible secured bonds represents the residual amount of the convertible secured bonds after deducting the fair value of the liability component. This amount is presented net of transaction costs and deferred tax liability. Details of the convertible secured bonds are set out in Note 27.

26. RETAINED EARNINGS

At the end of the reporting period, the entire balance of the retained earnings of the Company is available for distribution as dividends under the single tier income tax system.

27. REDEEMABLE CONVERTIBLE SECURED BONDS

On 10 June 2011, the Company issued a 7-year RM325 million nominal value of 3.25% redeemable convertible secured bonds ("the Bonds"). The salient features of the Bonds are inter-alia as follows:

(a) The Bonds may be redeemed on the 5th anniversary of the issue date (10 June 2016) in whole or in part by cash and in one lump sum at par;

(b) All or any part of the Bonds are convertible at a conversion price of RM2.09, which was subsequently adjusted to RM1.89 and RM1.57 pursuant to the Rights and Bonus Issues respectively, into fully paid new shares of the Company at any time between issuance date up to the maturity date;

(c) Unless previously redeemed, converted, purchased and cancelled, the Bonds will be redeemed on the maturity date on 8 June 2018 by cash and in one lump sum at par;

(d) Coupon is at 3.25% per annum based on the nominal value of the Bonds outstanding and is payable semi-annually in arrears; and

(e) The Bonds are secured by inter-alia, legal charges over development land of the Group and deposits with licensed bank as disclosed in Notes 20 and 23, respectively.

The liability component of the Bonds is recognised in the statements of financial position as follows:-

	The Group and the Company	
	2013	2012
	RM'000	RM'000
At 1 January	**275,785**	268,298
Interest expense (Note 10)	**18,498**	18,021
Interest paid	**(10,563)**	(10,534)
At 31 December	**283,720**	275,785

Interest expense on the Bonds is calculated based on the effective interest method by applying the interest rate of 6.5% per annum for an equivalent non-convertible bond of comparable credit status to the liability component of the Bonds.

28. TERM LOANS

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Secured					
Term loans	(a)	**795,170**	603,837	**4,932**	-
Bridging loans	(b)	**26,411**	2,600	**-**	-
Foreign term loans	(c)	**9,811**	12,638	**-**	-
		831,392	619,075	**4,932**	-

The terms loans are repayable as follows:

	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Current:				
Repayable not later than 1 year	**74,922**	28,675	**-**	-
Non-current:				
Repayable later than 1 year and not later than 2 years	**186,023**	185,235	**4,932**	-
Repayable later than 2 years and not later than 5 years	**485,027**	405,165	**-**	-
Repayable more than 5 years	**85,420**	-	**-**	-
	756,470	590,400	**4,932**	-
	831,392	619,075	**4,932**	-

(a) Term Loans

The Group

As at 31 December 2013, the Group has term loans facilities from local licensed banks of RM1,618,029,819 (2012: RM1,304,742,371).

The term loans are secured by way of legal charges, specific debenture and general debenture over the development land, investment properties, legal charges over Escrow Account and deposits with licensed banks and are guaranteed by the Company.

The Company

During the year, the Company had drawdown a term loan facility of RM20,000,000 from a local licensed bank. The term loan has been partially settled with outstanding balance of RM4,932,498 as at 31 December 2013.

The term loan was secured by way of legal charges over Escrow Account.

28. TERM LOANS (continued)

(b) Bridging Loans

As at 31 December 2013, the Group has bridging loans facilities from local licensed banks of RM140,000,000 (2012: RM86,000,000).

The bridging loans are secured by way of legal charges, specific debenture and general debenture over the development land of the subsidiary companies, investment properties and are guaranteed by the Company.

(c) Foreign Term Loans

As at 31 December 2013, a foreign subsidiary company has foreign term loan facilities obtained from foreign licensed banks of RM16,030,986 (2012: RM18,484,079).

The foreign term loans are secured by way of legal charges over certain property, plant and equipment, prepaid leasehold land, inventories and assignment over trade receivables of the subsidiary company.

The currency profile of the term loans is as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**821,581**	606,437	**4,932**	-
Indonesian Rupiah	**9,811**	12,638	**-**	-
	831,392	619,075	**4,932**	-

During the financial year, the interest rates of the term loans are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	%	%	**%**	%
Local currency	**4.4 – 5.1**	4.3 – 5.1	**4.6**	4.9 – 5.0
Foreign currency:				
Indonesian Rupiah	**10.5 – 12.0**	10.5 – 12.0	**-**	-

29. LONG-TERM AND DEFERRED PAYABLES

		The Group	
		2013	2012
	Note	**RM'000**	RM'000
Finance lease and hire purchase liabilities	(a)	**3,670**	2,439
Deferred payables	(b)	**77,537**	52,109
Retirement benefit obligations	30	**3,522**	3,426
		84,729	57,974

29. LONG-TERM AND DEFERRED PAYABLES (continued)

	The Group	
	2013	2012
	RM'000	RM'000
(a) Finance lease and hire purchase liabilities		
Minimum finance lease and hire purchase payments:		
- not later than 1 year	**1,926**	1,311
- later than 1 year and not later than 5 years	**4,115**	2,615
	6,041	3,926
Future finance charges on finance lease and hire purchase liabilities:		
- not later than 1 year	**(191)**	(137)
- later than 1 year and not later than 5 years	**(445)**	(176)
	(636)	(313)
Principal of finance lease and hire purchase liabilities	**5,405**	3,613
Principal of finance lease and hire purchase liabilities:		
- not later than 1 year (Note 32)	**1,735**	1,174
- later than 1 year and not later than 5 years	**3,670**	2,439
	5,405	3,613

The average term for finance lease and hire-purchase is 5 years (2012: 5 years). For the financial year ended 31 December 2013, the average effective borrowing rate was 2.56% (2012: 2.63%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The finance lease and hire purchase liabilities are secured by assets acquired under finance lease and hire purchase agreements as disclosed in Note 14.

	The Group	
	2013	2012
	RM'000	RM'000
(b) Deferred payables at amortised cost		
- not later than 1 year	**44,923**	26,075
- later than 1 year and not later than 5 years	**77,537**	52,109
	122,460	78,184

Included in the deferred payables shown above are payables for acquisition of development land and joint developments on land of RM89,618,179 (2012: RM59,121,831) and RM11,374,069 (2012: RM13,520,148) respectively and development charges of RM21,467,611 (2012: RM5,541,567) made under deferred payment terms. These deferred payables are measured at amortised costs at an imputed interest rate of 4.5% (2012: 4.5%) per annum except for development charges of RM20,392,000 which is measured at amortised costs at an imputed interest rate of 8.0% (2012: Nil).

30. RETIREMENT BENEFIT OBLIGATIONS

A foreign subsidiary company operates an unfunded defined retirement benefit scheme ("the Scheme") for its eligible employees.

The amounts recognised in the statements of financial position are determined as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Present value of retirement benefits obligations (Note 29)	**3,522**	3,426

Movements in the net liability in the current financial year are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
At 1 January	**3,426**	2,828
Net amounts recognised in profit or loss (Note 7)	**881**	919
Benefit paid	**(75)**	(30)
Currency translation differences	**(710)**	(291)
At 31 December	**3,522**	3,426

The amounts recognised in profit or loss are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Current service cost	**591**	552
Interest on obligation	**236**	279
Net actuarial losses recognised in financial year	**49**	81
Accelerate recognition of past service cost	**5**	7
Total included in staff cost (Note 8)	**881**	919

Principal actuarial assumptions used:

	The Group	
	2013	2012
	%	%
Discount rate	**9.0**	6.0
Expected rate of salary increase	**10.0**	10.0

No sensitivity analysis on the principal actuarial assumptions is prepared as the Group does not expect any material effect on the Group's profit or loss and other comprehensive income arising from the effect of reasonably possible changes to the above principal actuarial assumptions at the end of the reporting period.

31. DEFERRED TAX LIABILITIES/(ASSETS)

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	**(42,483)**	(20,569)	**3,612**	5,507
Arose from the acquisition of a subsidiary company (Note 18)	**-**	15,020	**-**	-
Recognised in profit or loss (Note 11)	**(13,853)**	(36,934)	**(2,016)**	(1,895)
At 31 December	**(56,336)**	(42,483)	**1,596**	3,612

Deferred tax assets and liabilities are offset when there is legally enforceable right to set-off current tax assets and current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, presented after appropriate offsetting, are shown in the statements of financial position:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Deferred tax assets	**(75,496)**	(64,456)	**-**	-
Deferred tax liabilities	**19,160**	21,973	**1,596**	3,612
	(56,336)	(42,483)	**1,596**	3,612

The components and movements of deferred tax liabilities during the financial year are as follows:

Deferred tax liabilities

The Group	**Property, plant and equipment RM'000**	**Property development costs RM'000**	**Redeemable convertible bonds RM'000**	**Offsetting RM'000**	**Total RM'000**
At 1 January 2012	4,595	-	5,295	(3,002)	6,888
Arose from the acquisition of a subsidiary company (Note 18)	-	15,020	-	-	15,020
Recognised in profit or loss	2,538	(457)	(1,868)	(148)	65
At 31 December 2012/1 January 2013	7,133	14,563	3,427	(3,150)	21,973
Recognised in profit or loss	**1,237**	**(2,748)**	**(1,988)**	**686**	**(2,813)**
At 31 December 2013	**8,370**	**11,815**	**1,439**	**(2,464)**	**19,160**

31. DEFERRED TAX LIABILITIES/(ASSETS) (continued)

The components and movements of deferred tax assets during the financial year are as follows:

Deferred tax assets

The Group	Property development costs RM'000	Unused tax losses RM'000	Unabsorbed capital allowances and reinvestment allowances RM'000	Other deductible temporary differences RM'000	Offsetting RM'000	Total RM'000
At 1 January 2012	(9,006)	(16,952)	(2,376)	(2,125)	3,002	(27,457)
Recognised in profit or loss	(43,235)	7,348	185	(1,445)	148	(36,999)
At 31 December 2012/ 1 January 2013	(52,241)	(9,604)	(2,191)	(3,570)	3,150	(64,456)
Recognised in profit or loss	**(20,365)**	**7,919**	**1,643**	**449**	**(686)**	**(11,040)**
At 31 December 2013	**(72,606)**	**(1,685)**	**(548)**	**(3,121)**	**2,464**	**(75,496)**

The components and movements of deferred tax liabilities during the financial year are as follows:

Deferred tax liabilities

The Company	Property plant and equipment RM'000	Redeemable convertible bonds RM'000	Total RM'000
At 1 January 2012	212	5,295	5,507
Recognised in profit or loss	(27)	(1,868)	(1,895)
At 31 December 2012/1 January 2013	185	3,427	3,612
Recognised in profit or loss	**(28)**	**(1,988)**	**(2,016)**
At 31 December 2013	**157**	**1,439**	**1,596**

Details of deductible temporary differences, unused tax losses and unused tax credits pertaining to certain subsidiary companies which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	The Group	
	2013 RM'000	2012 RM'000
Deductible temporary differences	**89,711**	149,121
Unused tax losses	**47,145**	12,961
Unabsorbed capital allowances	**1,050**	793
	137,906	162,875

The unused tax losses and unabsorbed capital allowances are available for offset against future taxable profits of the subsidiary companies, subject to the agreement by the tax authorities.

32. TRADE AND OTHER PAYABLES

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Trade payables	(a)	**294,224**	256,583	**-**	-
Payable for acquisition of development land		**210,531**	326,502	**-**	-
Retention sum		**172,358**	122,302	**-**	-
Other payables	(b)	**71,946**	72,108	**1,809**	2,132
Finance lease and hire purchase liabilities (Note 29)		**1,735**	1,174	**-**	-
Amounts due to subsidiary companies	(c)	**-**	-	**293,523**	255,766
Amount due to non-controlling shareholders of subsidiary companies	(d)	**1,823**	714	**-**	-
Payable for acquisition of property, plant and equipment	(e)	**3,130**	6,793	**84**	84
Advances received from customers		**3,845**	21,805	**-**	-
Deposits received from customers		**25,613**	24,906	**-**	-
		785,205	832,887	**295,416**	257,982
Progress billings for property development		**440,297**	331,444	**-**	-
Provision for future operating lease commitment (Note 40)	(f)	**-**	4,889	**-**	-
Provision for affordable housing obligations	(g)	**91,566**	102,647	**-**	-
Accrued operating expenses		**53,194**	42,561	**521**	3,279
		1,370,262	1,314,428	**295,937**	261,261

(a) Trade payables

The credit terms for trade payables of the Group range from cash basis to 90 days (2012: cash basis to 90 days).

(b) Other payables

Included in other payables of the Group are payables for development charges made under deferred payment terms amounting to RM11,895,829 (2012: RM4,512,274).

(c) Amounts due to subsidiary companies

Amounts due to subsidiary companies arose mainly from inter-company advances and payments on behalf. They are unsecured, bear interest at 3% per annum and repayable on demand except for an amount of RM3,179,362 (2012: RM2,637,323) which is interest free. During the financial year, interest expense amounting to RM9,155,431 (2012: RM17,085,381) has been recognised in profit or loss of the Company.

(d) Amount due to non-controlling shareholders of subsidiary companies

Amount due to non-controlling shareholders of subsidiary companies are unsecured, have no fixed terms of repayment and bears interest at rates ranging from 0.3% and 8.6% (2012: 0.28% to 0.45%) per annum. During the financial year, interest expense amounting to RM42,082 (2012: RM3,370) has been recognised in profit or loss of the Group.

(e) Payable for acquisition of property, plant and equipment

Included in payable for acquisition of property, plant and equipment are amounts of RM2,790,674 denominated in United States Dollar and RM9,721 denominated in Japanese Yen (2012: RM5,543,105 denominated in United States Dollar and RM600,000 denominated in Japanese Yen) which are interest-free.

32. TRADE AND OTHER PAYABLES (continued)

(f) Provision for future operating lease commitment

Provision for future operating lease commitment relates to en-bloc sale of a commercial building in 2009 and the Leaseback and Guarantee Rental Return Agreement entered into with the purchaser. The leaseback which commenced in September 2011 has expired in August 2013.

The movements of the provision for future operating lease commitment are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
At 1 January	**4,889**	11,800
Provision made during the year (Note 7)	**-**	1,636
Utilisation of provision during the year	**(4,889)**	(8,547)
At 31 December	**-**	4,889

(g) Provision for affordable housing obligations

The Malaysian Institute of Accountants (MIA) issued Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 17 on Development of Affordable Housing on 24 November 2011. It recommends that the estimated amount of shortfall relating to affordable housing obligation be recognised as a provision. The recognition of such provision would result in the recognition of a corresponding asset in the form of common costs in the development of premium housing as included in Note 20 on Property Development Costs.

The movements of the provision for affordable housing obligations are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
At 1 January	**102,647**	55,589
Provision made during the year	**19**	57,130
Utilisation of provision during the year	**(11,100)**	(10,072)
At 31 December	**91,566**	102,647

The currency profile of trade and other payables is as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**760,829**	816,813	**295,416**	237,982
United States Dollar	**16,591**	10,154	**-**	-
Indonesian Rupiah	**5,600**	5,575	**-**	-
Others	**2,185**	345	**-**	-
	785,205	832,887	**295,416**	237,982

33. SHORT-TERM BORROWINGS

	Note	The Group 2013 RM'000	The Group 2012 RM'000
Secured:			
Foreign revolving credits	(a)	**5,424**	5,425
Local revolving credits	(b)	**-**	3,450
Local bankers acceptances	(c)	**3,564**	2,430
Total		**8,988**	11,305

(a) Foreign revolving credits

The foreign revolving credit facilities obtained from a foreign licensed bank totaling RM5,424,426 (2012: RM5,762,998) by a subsidiary company are secured by legal charges over leasehold land and buildings, plant, machinery and equipment, inventories and trade receivables of the said subsidiary company.

The currency profile of foreign revolving credits is as follows:

	The Group 2013 RM'000	The Group 2012 RM'000
United States Dollar	**3,276**	2,905
Indonesian Rupiah	**2,148**	2,520
	5,424	5,425

(b) Local revolving credits

As at 31 December 2013, the Group has secured local revolving credit facilities from licensed banks of RM20,000,000 (2012: RM20,000,000). The local revolving credit facilities are secured against negative pledges over present and future assets, a deed of assignment over building and guaranteed by the Company.

As at 31 December 2013, the Company has revolving credit facilities of RM6,000,000 (2012: RM6,000,000) obtained from local licensed bank.

(c) Local bankers acceptances

The local bankers acceptances are secured against on negative pledges over the present and future assets of a subsidiary company and guaranteed by the Company.

The above borrowings bear interest at the following range of floating rates and their fair values approximate their carrying values at the end of the reporting period.

	The Group 2013 %	The Group 2012 %	The Company 2013 %	The Company 2012 %
Foreign revolving credits:				
- United States Dollar	**6.50**	6.50	**-**	-
- Indonesian Rupiah	**10.50**	10.50	**-**	-
Local revolving credits	**-**	4.45 - 4.90	**-**	-
Local bankers acceptances	**3.66 - 3.97**	3.62 - 3.98	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

34. BANK OVERDRAFTS

	The Group	
	2013	2012
	RM'000	RM'000
Secured:		
Foreign - Indonesian Rupiah	**340**	519

The bank overdrafts bear interests at 10.5% (2012: 10.5%) per annum.

As at 31 December 2013, the Group has secured overdraft facilities from local and foreign licensed banks of RM6,450,000 (2012: RM7,950,000) and RM537,231 (2012: RM629,996) respectively.

The foreign bank overdrafts are secured against legal charges over certain property, plant and equipment, prepaid leasehold land, inventories and assignment over trade receivables of a subsidiary company. The local bank overdraft facility is secured by legal charge over a development land and negative pledge over present and future assets of a subsidiary company and guarantees issued by the Company.

35. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Cash and bank balances	**32,471**	19,795	**560**	270
Project accounts	**343,087**	277,826	**-**	-
Deposits with licensed banks	**95,012**	291,835	**81,222**	239,484
Investments in short-term funds	**351,720**	4	**351,720**	4
Bank overdrafts	**(340)**	(519)	**-**	-
	821,950	588,941	**433,502**	239,758
Less: Deposits pledged as collateral	**(11,648)**	(37,774)	**-**	-
Deposits in Escrow Account	**(1,981)**	(7,393)	**-**	-
	808,321	543,774	**433,502**	239,758

36. CONTINGENT LIABILITIES

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to subsidiary companies	**-**	-	**2,123,242**	1,587,450
Corporate guarantees issued to third parties for supply of goods	**8,489**	6,000	**8,489**	6,000
Bank guarantees issued to third parties	**15,602**	8,241	**-**	-
Others	**700**	707	**-**	-
	24,791	14,948	**2,131,731**	1,593,450

37. MATERIAL LITIGATION

In the ordinary course of business, certain companies within the Group are defendants in various legal actions which have no material impact. In the opinion of the Directors, after taking appropriate legal advice, the outcomes of such actions are remote and therefore, no provisions have been made in the financial statements.

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

(a) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy and optimal capital base in order to maintain investors, creditors and market confidence and to sustain future development of the business so that it can continue to maximise returns for shareholders and benefits for other stakeholders. The capital structure of the Group and the Company comprises net debt (borrowings offset by deposit, cash and bank balances as detailed in Notes 23, 27, 28, 33 and 34) and equity (comprising issued capital, reserves and non-controlling interests as detailed in Notes 24 to 26).

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce borrowings. No changes were made in the objectives, policies or processes during the year ended 31 December 2013.

(b) Net Gearing Ratio

The net gearing ratio at the respective reporting dates are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Total borrowings	**1,129,845**	910,297	**288,652**	275,785
Less: Deposit, cash and bank balances	**(822,290)**	(589,460)	**(433,502)**	(239,758)
Net debt/(Net cash)	**307,555**	320,837	**(144,850)**	36,027
Total equity	**1,963,279**	1,255,001	**1,298,872**	725,910
Net debt-to-equity ratio	**0.16**	0.26	**N/A**	0.05

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(c) Categories of Financial Instruments

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Financial assets				
At FVTPL:				
Investment in short-term funds	**351,720**	4	**351,720**	4
Loans and receivables:				
Trade and other receivables	**454,072**	317,966	**1,254,112**	835,079
Deposits, cash and bank balances	**470,570**	589,456	**81,782**	239,754
	1,276,362	907,426	**1,687,614**	1,074,837
Financial liabilities				
At amortised costs:				
Trade and other payables	**797,174**	830,832	**295,937**	261,261
Redeemable convertible secured bonds	**283,720**	275,785	**283,720**	275,785
Loans and borrowings	**846,125**	634,512	**4,932**	-
Long-term and deferred payables	**77,537**	52,109	**-**	-
	2,004,556	1,793,238	**584,589**	537,046

(d) Financial Risk Management Objectives and Policies

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
  - Foreign currency risk
  - Interest rate risk
- Credit risk
- Liquidity risk
- Cash flow risk

Risk management objectives, policies and procedures for managing the risk

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(i) Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign exchange rate risk on certain transactions entered into by subsidiary companies in currencies other than its functional currency.

Exposure to foreign currency risk

The Group's exposures to foreign currency risk (a currency which is other than the functional currency of the subsidiary companies), based on carrying amounts as at the end of the reporting period were as follows:

2013 **The Group**	**RM/AUD** **RM'000**	**RM/SGD** **RM'000**	**RM/USD** **RM'000**	**USD/RP** **RM'000**	**USD/JPY** **RM'000**	**USD/THB** **RM'000**
Trade and other receivables	364	876	6,257	15,439	-	-
Loans and borrowings	-	-	-	(12,299)	-	-
Trade and other payables	-	-	(5,408)	(9,129)	(514)	(1,671)
Net exposure	364	876	849	(5,989)	(514)	(1,671)

2012 **The Group**	**USD/RP** **RM'000**	**USD/JPY** **RM'000**
Trade and other receivables	14,349	-
Loans and borrowings	(15,677)	-
Trade and other payables	(9,049)	(345)
Net exposure	(10,377)	(345)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the exchange rates against the functional currency of the Group entities, with all other variables held constant.

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(i) Market risk (continued)

***Foreign currency risk* (continued)**

The Group	Change in currency rate %	Group profit after tax 2013 RM'000	2012 RM'000
RM/AUD	+ 3.0	(8)	-
RM/SGD	+ 3.0	(20)	-
RM/USD	+ 3.0	(19)	-
USD/RP	+ 3.0	135	233
USD/JPY	+ 3.0	11	8
USD/THB	+ 3.0	38	-

For a 3% (2012: 3%) weakening of RM and USD against the above relevant currencies at the end of the reporting period, there would be a comparable opposite effect on the Group's profit after tax.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from the loans and borrowings. The interest rate management policy is aimed at optimising net interest cost and reducing volatility.

Exposure to interest rate risk

The Group's exposures to interest rate risk, based on carrying amounts as at the end of the reporting period is disclosed in Notes 28, 33 and 34, respectively.

Cash flow sensitivity analysis for variable rate instruments

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax through the impact on interest expense on floating rate loans and borrowings.

	Change in interest rate %	Group profit after tax 2013 RM'000	2012 RM'000
The Group			
Cost of fund	**- 25**	**1,576**	1,183
Cost of fund	**+ 25**	**(1,576)**	(1,183)
The Company			
Cost of fund	**- 25**	**9**	-
Cost of fund	**+ 25**	**(9)**	-

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(ii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Group.

The Group's exposure to credit risk arises principally from trade and other receivables and financial guarantees given to third parties for supply of goods.

Loans and receivables

Risk management objectives, policies and processes for managing the risk

The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk arising from trade and other receivables are represented by the carrying amounts in the statements of financial position.

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide financial guarantee to financial institutions and third parties for credit facilities and supply of goods respectively granted to subsidiary companies. The Company monitors the results of the subsidiary companies regularly and repayments made by the subsidiary companies.

Exposure to credit risk

The Group's and the Company's maximum exposure to credit risk amount to RM24,091,259 and RM2,131,731,117 (2012: RM14,241,134 and RM1,593,449,962) respectively, representing the corporate and bank guarantees issued to financial institutions and third parties as at the end of the reporting period.

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations due to a shortage of funds.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(iii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2013				
Group				
Non-interest bearing				
Trade and other payables	757,746	-	-	757,746
Long term and deferred payables	33,103	74,621	-	107,724
Financial guarantee* (Note 36)	-	-	-	-
Interest bearing				
Redeemable convertible secured bonds	10,563	31,745	330,180	372,488
Trade and other payables	1,823	-	-	1,823
Loans and borrowings	123,999	740,192	87,453	951,644
Long term and deferred payables	12,216	10,705	-	22,921
Total undiscounted financial liabilities	939,450	857,263	417,633	2,214,346
Company				
Non-interest bearing				
Trade and other payables	5,593	-	-	5,593
Financial guarantee* (Note 36)	-	-	-	-
Interest bearing				
Redeemable convertible secured bonds	10,563	31,745	330,180	372,488
Trade and other payables	290,344	-	-	290,344
Total undiscounted financial liabilities	306,500	31,745	330,180	668,425

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(iii) Liquidity risk (continued)

	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2012				
Group				
Non-interest bearing				
Trade and other payables	809,172	-	-	809,172
Long term and deferred payables	22,384	58,862	-	81,246
Financial guarantee* (Note 36)	-	-	-	-
Interest bearing				
Redeemable convertible secured bonds	10,563	42,308	330,180	383,051
Trade and other payables	714	-	-	714
Loans and borrowings	66,689	630,520	-	697,209
Long term and deferred payables	4,512	1,076	-	5,588
Total undiscounted financial liabilities	914,034	732,766	330,180	1,976,980
Company				
Non-interest bearing				
Trade and other payables	8,132	-	-	8,132
Financial guarantee* (Note 36)	-	-	-	-
Interest bearing				
Redeemable convertible secured bonds	10,563	42,308	330,180	383,051
Trade and other payables	253,129	-	-	253,129
Total undiscounted financial liabilities	271,824	42,308	330,180	644,312

* At the end of the reporting period, it was not probable that the counterparties to financial guarantee contracts will claim under the contract. Consequently, the amount included is RMNil.

(iv) Cash flow risk

The Group and the Company review their cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with their monetary financial instruments.

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(v) Fair value

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date. The fair value of long-term financial assets and liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair values and carrying values of these assets and liabilities as of the reporting period. The Group's long-term loans other than the redeemable convertible secured bonds bear interest at floating rate and hence their carrying amount approximates fair value. The liability component of the redeemable convertible secured bonds is recognised initially at fair value and subsequently at amortised cost using effective interest method.

The fair values, together with the carrying amounts of the redeemable convertible secured bonds and long-term deferred payables shown in the statements of financial position are as follows:

	The Group and The Company			
	2013		2012	
	Carrying amount RM'000	**Fair value RM'000**	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Redeemable convertible secured bonds	**283,720**	**284,263**	275,785	276,444

	The Group			
	2013		2012	
	Carrying amount RM'000	**Fair value RM'000**	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Long-term deferred payables	**122,460**	**123,914**	78,184	78,230

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(v) Fair value (continued)

The table below analyses fair value measurement of financial instruments which are categorised into Levels 1 to 3 as disclosed in Note 3.

There is no transfer between Level 1 and 2 fair values during the financial year ended 31 December 2013 and 2012.

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2013				
Group				
Financial assets				
Investment in short-term funds	351,720	-	-	351,720
Company				
Financial assets				
Investment in short-term funds	351,720	-	-	351,720
2012				
Group				
Financial assets				
Investment in short-term funds	4	-	-	4
Company				
Financial assets				
Investment in short-term funds	4	-	-	4

38. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(v) Fair value (continued)

Fair value of financial instruments that are not measured at fair value in the statements of financial position at the end of the reporting period (but fair value disclosures are required)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2013				
Group				
Financial liabilities				
Redeemable convertible loans-secured	-	284,263	-	284,263
Long-term deferred payables	-	123,914	-	123,914
Company				
Financial liabilities				
Redeemable convertible loans-secured	-	284,263	-	284,263
2012				
Group				
Financial liabilities				
Redeemable convertible loans-secured	-	276,444	-	276,444
Long-term deferred payables	-	78,230	-	78,230
Company				
Financial liabilities				
Redeemable convertible loans-secured	-	276,444	-	276,444

39. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments, which reflects the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

(i) Properties - investment and development of residential, commercial and industrial properties

(ii) Plastics - manufacture, assembly and sale of a range of plastic moulded products

(iii) Investment holding and others - investment holding operations, provision of management and property support services and trading of building materials

39. SEGMENT REPORTING (continued)

Inter-segment revenue comprises dividend income and interest charges.

Information regarding the Group's reportable segments is presented below:

(a) Business Segments

2013	Properties RM'000	Plastics RM'000	Investment Holding and Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	1,721,968	235,444	48,184	-	2,005,596
Inter-segment revenue	-	-	174,378	(174,378)	-
	1,721,968	235,444	222,562	(174,378)	2,005,596
Results					
Operating profit	346,341	15,106	179,975	(172,674)	368,748
Interest income					6,013
Finance costs					(3,257)
Income tax expense					(92,243)
Profit for the year					279,261
Other Information					
Additions to non-current assets	178,314	14,338	561	-	193,213
Depreciation and amortisation	4,387	11,786	248	-	16,421
Assets and Liabilities					
Segment assets	3,884,560	171,982	445,168	-	4,501,710
Current and deferred tax assets					82,041
Total assets					4,583,751
Segment liabilities	2,216,798	63,015	299,618		2,579,431
Current and deferred tax liabilities					41,041
Total liabilities					2,620,472

39. SEGMENT REPORTING (continued)

(a) Business Segments (continued)

2012	Properties RM'000	Plastics RM'000	Investment Holding and Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	1,554,494	208,822	11,944	-	1,775,260
Inter-segment revenue	-	-	149,185	(149,185)	-
	1,554,494	208,822	161,129	(149,185)	1,775,260
Results					
Operating profit	302,223	16,192	143,344	(148,465)	313,294
Interest income					4,431
Finance costs					(2,202)
Income tax expense					(83,755)
Profit for the year					231,768
Other Information					
Addition to non-current assets	384,231	30,568	447	-	415,246
Depreciation and amortisation	4,032	9,743	157	-	13,932
Assets and Liabilities					
Segment assets	3,112,870	166,660	244,595	-	3,524,125
Current and deferred tax assets					70,961
Total assets					3,595,086
Segment liabilities	1,924,898	70,871	283,317	-	2,279,086
Current and deferred tax liabilities					60,999
Total liabilities					2,340,085

Segment assets
Segment assets consist of property, plant and equipment, prepaid lease payments, investment properties, land held for property development, intangible assets, property development costs, inventories, other current assets that are used in the operating activities of the segment and excluding current and deferred tax assets.

Segment liabilities
Segment liabilities include loans and borrowings, trade payables and other payables and redeemable convertible secured bonds and excluding current and deferred tax liabilities.

Additions to non-current assets
Additions to non-current assets comprise additions to property, plant and equipment, prepaid lease payments, investment properties and land held for property development.

39. SEGMENT REPORTING (continued)

(b) Geographical information

With the exception of a manufacturing set up for plastics moulded products in Indonesia, the entire Group's active business operations are located in Malaysia.

Revenue by geographical market

The following is an analysis of the Group's external sales by location of customers, irrespective of the origin of the goods/services:

	The Group	
	2013	2012
	RM'000	RM'000
Malaysia	**1,662,741**	1,589,840
Indonesia	**122,336**	98,542
Singapore	**94,679**	25,688
Hong Kong	**35,274**	10,500
Other countries	**90,566**	50,690
	2,005,596	1,775,260

Segment assets and capital expenditure by geographical market

The followings are analysis of the carrying amount of segment assets and capital expenditure by geographical areas in which the assets are located:

	Carrying amount of segment assets		Carrying amount of capital expenditure	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Malaysia	**4,435,427**	3,455,871	**190,515**	403,638
Indonesia	**65,087**	68,150	**2,260**	11,608
China	**92**	100	**-**	-
Singapore	**1,104**	4	**438**	-
	4,501,710	3,524,125	**193,213**	415,246

(c) Major customer

There is no single customer that contributed 10% or more to the Group's revenue for both 2013 and 2012.

40. OPERATING LEASE COMMITMENTS

As Lessee – for the lease of commercial buildings

The operating lease commitments were in respect of leaseback of commercial buildings sold en-bloc i.e. The Icon, Jalan Tun Razak and the Corporate Building Block of Southgate Commercial Centre from the purchasers at 7% and 8% per annum of the respective buildings' sale considerations. The lease was for a period of 3 and 2 years from the commencement date as set out in the respective leaseback agreements. The leaseback of commercial buildings for The Icon, Jalan Tun Razak – West Wing and East Wing and the Corporate Building Block of Southgate Commercial Centre had expired in October 2012, December 2012 and August 2013 respectively.

The future operating lease commitments for rental of commercial buildings (net of lease rentals receivable from sublease) contracted for as at prior year reporting period but not recognised as liabilities were as follows:

	Lease rentals payable		**Lease rentals receivable**		**Net**	
	2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000	**2013 RM'000**	2012 RM'000
Less than one year	**-**	10,000	**-**	(4,972)	**-**	5,028
	-	10,000	**-**	(4,972)	**-**	5,028
Provision for future operating lease (Note 32)					**-**	(4,889)
					-	139

During the financial year, the Group has recognised in profit or loss leaseback rental amounting to RM5.1 million (2012: RM30.6 million) and rental income from sublease amounting to RM5.1 million (2012: RM21.3 million). In prior financial year, the Group made provision of RM1.6 million for future lease commitments based on assessment of expected net outflows.

As Lessor – for the lease of investment properties

The Group leases out its investment properties. The future minimum lease receivables under non-cancellable leases are as follows:

The Group	**Lease rentals receivable**	
	2013 RM'000	2012 RM'000
Less than one year	**159**	339
One to two years	**21**	106
	180	445

41. CAPITAL COMMITMENTS

	The Group	
	2013	2012
	RM'000	RM'000
Approved and contracted for:		
- Acquisition of property, plant and equipment	**6,297**	10,245
- Construction of investment properties	**39,348**	50,808
- Proposed acquisition of development land	**376,904**	-
- Development Agreement for proposed development of land in Kota Kinabalu	**158,740**	-
	581,289	61,053

42. RELATED PARTY DISCLOSURES

(a) Significant related party disclosures during the financial year are as follows:

	The Group	
	2013	2012
	RM'000	RM'000
Transactions with directors of the Company and subsidiary companies		
(i) Rental expenses paid to Principal View Sdn Bhd	**1,481**	1,313
(ii) Maintenance charges paid to Harian Madu Sdn Bhd	**148**	104
(iii) Sales of development properties to Directors of the Company and/or family member(s) and/or to a Company in which the family members of a Director has interest	**3,829**	1,512
(iv) Sales of development properties to Directors of subsidiary companies and/or family member(s)	**-**	3,786
(v) Professional fees paid to MPS Services (Pte) Ltd	**9**	17
(vi) Consultancy fees paid to M. Kiandee Architect	**795**	-
Transactions with non-controlling interests		
(i) Interests payable to:		
- PT Kingsanindo Perkasa Indah	**3**	3
- Diverse Capital Sdn Bhd	**39**	-

42. RELATED PARTY DISCLOSURES (continued)

(a) Significant related party disclosures during the financial year are as follows (continued):

	The Company	
	2013	2012
	RM'000	RM'000
Transactions with subsidiary companies		
(i) Finance costs charged on amount owing to subsidiary companies, which bears interest at 3% per annum (2012: 3% per annum)	**9,155**	17,086
(ii) Interest income on amount owing by subsidiary companies, which bears interest at 3%, 6.66% and 8.6% per annum (2012: 3% to 6.66% per annum)	**(41,777)**	(41,446)

Related party and relationship

	Name of related party		Relationship
(i)	Principal View Sdn Bhd	-	Company in which Tan Sri Dato' Sri Leong Hoy Kum has substantial financial interest
(ii)	Harian Madu Sdn Bhd	-	Company in which the directors and shareholders are brothers-in-law to Tan Sri Dato' Sri Leong Hoy Kum
(iii)	MPS Services (Pte) Ltd	-	A firm in which Alison See Lay Eng, director of a subsidiary company, is a director of the firm
(iv)	M. Kiandee Architect	-	A firm in which Melvinyeo Kiandee, director of a subsidiary company, is a director of the firm
(v)	PT Kingsanindo Perkasa Indah	-	Non-controlling interest of P.T. Mah Sing Indonesia
(vi)	Diverse Capital Sdn Bhd	-	Non-controlling interest of Convention City Development Sdn Bhd

(b) Key management personnel compensation

Directors of the Company

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Directors' fees	**150**	150	**150**	150
Other emoluments	**18,703**	15,377	**-**	1,562
Benefits-in-kind	**136**	124	**25**	58
Total short-term employment benefits	**18,989**	15,651	**175**	1,770
Post employment benefits				
- EPF	**2,090**	1,209	**-**	187
Options under ESOS	**415**	897	**-**	301
	21,494	17,757	**175**	2,258

42. RELATED PARTY DISCLOSURES (continued)

(b) Key management personnel compensation (continued)

Other key management personnel (including Directors of the subsidiary companies)

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Remuneration	**7,874**	6,225	**-**	271
Benefits-in-kind	**256**	197	**-**	10
Total short-term employment benefits	**8,130**	6,422	**-**	281
Post employment benefits				
- EPF	**915**	699	**-**	32
Options under ESOS	**689**	1,197	**-**	56
	9,734	8,318	**-**	369
Total compensation	**31,228**	26,075	**175**	2,627

Movements in share options granted under the ESOS to key management personnel during the financial year are as follows:

	2013	2012
	Unit'000	Unit'000
Directors of the Company		
At 1 January	**9,300**	10,800
Adjustments		
- Rights Issue	**952**	-
- Bonus Issue	**1,803**	-
Exercised	**(1,737)**	(1,500)
At 31 December	**10,318**	9,300
Other key management personnel (including Directors of the subsidiary companies)		
At 1 January	**12,784**	13,605
Addition of key management personnel	**1,890**	-
Granted	**455**	490
Adjustments		
- Rights Issue	**1,499**	-
- Bonus Issue	**2,433**	-
Exercised	**(5,103)**	(1,311)
At 31 December	**13,958**	12,784

43. SUBSEQUENT EVENTS

(a) On 23 January 2014, the Group has offered 1,730,700 new options under the Employees' Share Options Scheme at the exercise price of RM2.00 per option.

(b) On 23 January 2014, the Company completed the following acquisitions of subsidiary companies:

(i) Enchanting View Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM2.00.

(ii) Garden Vista Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM2.00.

44. COMPARATIVE FIGURES

Certain comparative figures in the statement of profit or loss of the Group have been reclassified to conform with the current year's presentation as follows:

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
Statement of profit or loss			
Other income	30,409	5,566	35,975
Interest income	9,997	(5,566)	4,431

45. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or credit to profit or loss of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

The breakdowns of the retained earnings of the Group and of the Company into realised and unrealised profits or losses, pursuant to the directive, are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Total retained earnings of the Group and the Company				
- Realised	**744,271**	616,308	**185,240**	138,132
- Unrealised	**73,025**	60,464	**(32)**	(186)
	817,296	676,772	**185,208**	137,946
Total share of accumulated losses from associated company				
- Realised	**(73)**	(73)	**-**	-
	817,223	676,699	**185,208**	137,946
Less: Consolidation adjustments	**16,803**	(22,912)	**-**	-
Total retained earnings as per statement of financial position	**834,026**	653,787	**185,208**	137,946

This supplementary information has been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

STATEMENT BY DIRECTORS

We, Jen. Tan Sri Yaacob Bin Mat Zain (R) and Tan Sri Dato' Sri Leong Hoy Kum, being two of the Directors of Mah Sing Group Berhad, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 100 to 195 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The supplementary information set out on page 196, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
In accordance with a resolution of the Board of Directors dated 28 February 2014.

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Director

TAN SRI DATO' SRI LEONG HOY KUM
Director

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Dato' Ng Poh Seng, being the Director primarily responsible for the financial management of Mah Sing Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 100 to 195 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' NG POH SENG

Subscribed and solemnly declared at Kuala Lumpur this 28 February 2014.

Before me:

SHAFIE B. DAUD
NO. W350
COMMISSIONER FOR OATHS

PROPERTIES OWNED

BY THE GROUP AS AT 31.12.2013

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Lot 9, Lingkaran Sultan Mohamed 1 Kawasan Perindustrian Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Industrial Building (Age: 22 years)	8-Aug-1992	Leasehold (expiring on 2-Mar-2019)	7.00	3,791,898
Wisma Mah Sing 163 Jalan Sungai Besi 57100 Kuala Lumpur	44 units office lots and 58 units of parking lots (Age: 17 years)	1995, 2012 and 2013	Freehold	-	9,406,014
Kawasan Industri Jababeka J1 Jababeka XIIB, Blok W17-20 Cikarang Industrial Estate Bekasi, Indonesia	Industrial Building (Age: 16 years)	25-Jun-1997	Leasehold (expiring on 29-Jun-2022)	5.16	5,853,391
Mah Sing Integrated Industrial Park Mukim Sungai Buloh Daerah Petaling Negeri Selangor	Residential Development	18-Oct-1999	Leasehold (expiring on 11-Dec-2096)	3.18	3,754,369
Sri Pulai Perdana Mukim Pulai Daerah Johor Bahru Johor Darul Takzim	Mixed Development	23-Feb-2000	Freehold	53.03	2,112,062
Austin Perdana Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Mixed Development	30-Jun-2003	Freehold	27.83	34,955,574
Aman Perdana Mukim Kapar Daerah Klang Selangor Darul Ehsan	Mixed Development	2-Apr-2004	Freehold	54.04	36,668,814
Sierra Perdana Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Mixed Development	21-Dec-2005	Freehold	105.65	51,584,868
One Legenda Mukim Pekan Cheras Daerah Hulu Langat Selangor Darul Ehsan	Residential Development	20-Mar-2006	Freehold	-	24,053,531

PROPERTIES OWNED

BY THE GROUP AS AT 31.12.2013 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Hijauan Residence & Bayu Sekamat, Cheras Lot 3442, Lot 670 & Lot 671 Mukim Cheras Daerah Hulu Langat Selangor Darul Ehsan	Residential Development	30-Oct-2006 and 29-Sep-2008	Freehold	27.48	37,325,958
Icon Residence, Mont' Kiara Lot 55331, Mukim Batu Daerah Kuala Lumpur Wilayah Persekutuan	Residential Development	28-Feb-2007	Freehold	-	88,213,984
Southbay Penang Mukim 12, Daerah Barat Daya Negeri Pulau Pinang	Mixed Development	13-Jun-2007	Freehold	32.55	235,487,943
Southgate Commercial Centre Seksyen 92 Bandar Kuala Lumpur	Commercial Development	27-Jul-2007	Freehold	-	1,662,327
Sri Pulai Perdana 2 (SPP2) Mukim Kulai, Tempat Kangkar Pulai Daerah Kulaijaya Johor Darul Takzim	Mixed Development	13-Jun-2008	Freehold	11.09	22,545,232
StarParc Point GM2018, Lot 21717, Mukim Setapak Tempat Kampong Pasir Werdieburn Jalan Genting Klang, Daerah KL State of Wilayah Persekutuan KL	Commercial Development	10-Nov-2008 (JV date)	Freehold (JV)	-	6,763,123
Garden Residence, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Residential Development	12-Aug-2009	Freehold	12.82	103,579,783
Perdana Residence 2, Selayang Mukim Batu, Bandar Selayang Daerah Gombak Selangor Darul Ehsan	Residential Development	28-Oct-2009	Freehold	3.73	4,698,762
Petaling Jaya Commercial Hub Lot No.P.T.245 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	Residential & Mixed Development	28-Oct-2009	Leasehold (expiring on 29-Sep-2111)	10.27	237,540,246

PROPERTIES OWNED

BY THE GROUP AS AT 31.12.2013 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Icon Residence, Georgetown, Penang Lot No.951, Seksyen 13 Bandar Georgetown Daerah Timur Laut Pulau Pinang	Residential Development	2-Dec-2009	Freehold	3.38	50,171,405
Garden Plaza, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Commercial Development	22-Feb-2010	Freehold	-	44,983,205
M-Suites GRN 71445 Lot 293, Seksyen 89 Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Commercial Development	22-Apr-2010	Freehold	-	8,727,289
Kinrara Residence - 2B Mukim of Petaling Daerah Petaling Selangor Darul Ehsan	Residential Development	5-Jul-2010	Leasehold (expiring on 7-Sep-2108)	-	590,467
Kinrara Residence Mukim of Petaling Daerah Petaling Selangor Darul Ehsan	Residential Development	9-Jul-2010	Leasehold (expiring on 31-Aug-2108 & 12-Apr-2111)	13.82	108,645,998
i-Parc 3, Bukit Jelutong Geran 20999, Lot 1115 Mukim of Damansara, District of Petaling Selangor Darul Ehsan	Industrial Development	9-Jul-2010	Freehold	-	1,525,085
Star Avenue @ D'sara Pekan Baru Subang Daerah Petaling Selangor Darul Ehsan	Commercial Development	9-Jul-2010	Leasehold (expiring in September 2102)	-	73,186,414
Clover, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Residential Development	3-Oct-2010	Freehold	-	38,492,350

PROPERTIES OWNED

BY THE GROUP AS AT 31.12.2013 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
M-City Mukim Ampang Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Mixed Development	3-Nov-2010	Freehold	-	225,959,360
Ferringhi Residence, Penang Mukim 17 Daerah Timur Laut Batu Ferringhi Pulau Pinang	Residential Development	23-Nov-2010	Freehold	46.55	191,260,733
Mah Sing i-Parc Mukim Tanjung Kupang Daerah Johor Bahru Johor Darul Ta'zim	Industrial Development	12-Apr-2011	Freehold	88.09	140,828,660
M Residence @ Rawang Lot 1950,1316,1952 & 1266 Mukim Rawang Daerah Gombak Negeri Selangor	Residential Development	5-Oct-2011	Freehold	147.74	134,362,080
Marvellous Vantage 5 units at Southgate commercial centre Seksyen 92 Bandar Kuala Lumpur	Commercial (5units) (Age: 3 years)	15-Apr-2011	Freehold	-	5,840,560
Kawasan Industrik Mitrakarawng Jalan Mitra Timur II Plot D-18-20 & 37-39 Karawang 41361 Indonesia	Industrial Building (Age: 2 years)	1-Nov-2011	Leasehold (expiring on 12-Dec-2037)	6.00	10,590,104
M Residence 2 @ Rawang Bandar Kundang Daerah Gombak Negeri Selangor	Residential Development	29-Feb-2012	Leasehold (expiring on 15-Feb-2104)	111.48	68,902,066
Sutera Avenue Lot 37, Harbour City Kota Kinabalu Negeri Sabah	Mixed Development	26-Mar-2012	Leasehold (expiring on 31-Dec-2096)	1.52	47,760,517

PROPERTIES OWNED

BY THE GROUP AS AT 31.12.2013 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Southville City Mukim Dengkil Daerah Sepang Negeri Selangor	Mixed Development	21-May-2012	Freehold	424.84	462,929,237
The Meridin @ Medini Medini, Iskandar Malaysia Mukim Pulai, Daerah Johor Bahru Negeri Johor	Iconic Integrated Development	18-Oct-2012	Leasehold (expiring on 14-Apr-2142 & 25-June-2142)	-	98,584,007
D'sara Sentral H.S.(D) 291822, No. PT 4629 Pekan Baru Sungai Buluh Daerah Petaling Negeri Selangor	Mixed Development	3-Apr-2013	Leasehold (expiring on 14-Aug-2112)	6.55	98,557,264
Lakeville Residence PN 9350, Lot 35373 & HSD 103481, PT18309 Mukim Batu Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Mixed Development	28-May-2013	Leasehold (expiring on 25-Dec-2078 & 24-Apr-2102)	12.59	108,408,887
Kota Kinabalu Convention City Tanjung Lipat District of Kota Kinabalu Negeri Sabah	Mixed Development	29-May-2013	Leasehold (expiring on 31-Dec-2110 and 14-Apr-2064)	9.33	23,297,748
M Residence 3@ Rawang HSD 35626, PT23373 Mukim Rawang, Daerah Gombak Negeri Selangor	Mixed Development	27-Aug-2013	Leasehold (expiring on 7-May-2099)	96.71	69,159,760
Southbay East Mukim 07, District of Seberang Perai Selatan, Pulau Pinang	Residential Development	10-Dec-2013	Freehold	76.38	41,396,917

STATISTICS OF SHAREHOLDINGS

AS AT 5 MAY 2014

Authorised Share Capital	:	RM1,000,000,000
Issued and Fully Paid Share Capital	:	RM713,723,906.50
Class of Shares	:	Ordianry shares of RM0.50 each
Voting Rights	:	One vote per ordianary share on a poll

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
1 - 99	436	15,429	0.001
100 - 1,000	1,019	706,170	0.050
1,001 - 10,000	6,611	29,395,027	2.059
10,001 - 100,000	2,190	58,027,530	4.065
100,001 - 71,372,389*	289	559,644,108	39.206
71,372,390 and above **	7	779,659,549	54.619
Total	10,552	1,427,447,813	100.000

Remark:
* Less than 5% of issued shares
** 5% and above of issued shares

Substantial Shareholders

	No. of Ordinary Shares Held			
Name	Direct	%	Indirect	%
Mayang Teratai Sdn Bhd	500,446,640	35.059	-	-
Employees Provident Fund Board	125,277,292	8.776	-	-
Koperasi Permodalan FELDA Malaysia Berhad	94,799,480	6.641	-	-
Tan Sri Dato' Sri Leong Hoy Kum	-	-	[a] 500,446,640	35.059

Notes:
[a] Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd

STATISTICS OF SHAREHOLDINGS

AS AT 5 MAY 2014 (CONT'D)

Directors' Shareholdings

	No. of Ordinary Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Jen Tan Sri Yaacob Bin Mat Zain (R)	-	-	* 40,556	0.003
Tan Sri Dato' Sri Leong Hoy Kum	-	-	# 502,030,171	35.170
Dato' Ng Poh Seng	500,000	0.035	-	-
Dato' Lim Kiu Hock	600,000	0.042	-	-
Leong Yuet Mei	-	-	* 352,755	0.025

Notes:
* Deemed interested by virtue of shareholdings of family member(s)
# Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd and his family member(s)

LIST OF TOP THIRTY HOLDERS

NO.	NAME	No. of Shares	%
1	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Mayang Teratai Sdn Bhd	132,309,000	9.269
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	120,667,292	8.453
3	HSBC Nominees (Asing) Sdn Bhd Exempt AN For Credit Suisse (SG BR-TST-Asing)	115,919,737	8.121
4	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mayang Teratai Sdn Bhd (49643 JPLE)	109,236,600	7.653
5	Mayang Teratai Sdn Bhd	108,327,440	7.589
6	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mayang Teratai Sdn Bhd	98,400,000	6.894
7	Koperasi Permodalan FELDA Malaysia Berhad	86,299,561	6.046
8	Kumpulan Wang Persaraan (Diperbadankan)	53,162,860	3.724
9	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Mayang Teratai Sdn Bhd (CSC)	52,173,600	3.655
10	AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	42,221,620	2.958
11	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.K.)	26,688,736	1.870
12	AmanahRaya Trustees Berhad As 1Malaysia	25,133,000	1.761
13	AmanahRaya Trustees Berhad Amanah Saham Malaysia	24,365,300	1.707

STATISTICS OF SHAREHOLDINGS

AS AT 5 MAY 2014 (CONT'D)

NO.	NAME	No. of Shares	%
14	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	21,466,335	1.504
15	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Lynas Asia Fund	18,583,400	1.302
16	Cartaban Nominees (Tempatan) Sdn Bhd Exempt AN for Eastspring Invesments Berhad	16,838,859	1.180
17	AmanahRaya Trustees Berhad Amanah Saham Didik	13,937,800	0.976
18	Lembaga Tabung Haji	13,675,200	0.958
19	Cartaban Nominees (Asing) Sdn Bhd RBC Inverstor Services Bank For Macquarie Asia New Stars Fund (Macquarie FD S)	12,545,599	0.879
20	AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	10,044,040	0.704
21	HLB Nominees (Asing) Sdn Bhd Pledged Securities Account For Silverspring Finance Limited (SIN 91235-7)	9,759,620	0.684
22	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (Taiwan)	8,481,861	0.594
23	Koperasi Permodalan FELDA Malaysia Berhad	7,999,999	0.560
24	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (I-VCAP)	7,360,200	0.516
25	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small CAP Series	7,301,023	0.511
26	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund	7,217,656	0.505
27	Citigroup Nominees (Asing) Sdn Bhd CBNY For Dimensional Emerging Markets Value Fund	7,186,639	0.503
28	Citigroup Nominees (Asing) Sdn Bhd CB LDN For Aegon Custody B.V.	7,002,294	0.490
29	HSBC Nominees (Asing) Sdn Bhd TNTC For Saudi Arabian Monetary Agency	6,981,759	0.489
30	AmanahRaya Trustees Berhad Sekim Amanah Saham Nasional	6,611,100	0.463
	Total	1,177,898,130	82.518

STATISTICS OF WARRANT HOLDINGS

AS AT 5 MAY 2014

No. of Outstanding Warrants	: 147,118,841
Exercise Price of Warrants	: RM1.98
Exercise Period of Warrants	: 19 March 2013 to 18 March 2018
Exercise Rights	: Each warrant entitles the holder to subcribe for one new ordinary shares of RM0.50 each
Voting Rights at Meeting of Warrant Holders	: One vote per warrant on a poll

ANALYSIS OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	No. of Warrants	%
1 - 99	283	13,615	0.009
100 - 1,000	1,133	585,526	0.398
1,001 - 10,000	1,584	6,128,689	4.166
10,001 - 100,000	804	24,029,541	16.333
100,001 - 7,355,941*	151	57,405,494	39.020
7,355,942 and above **	3	58,955,976	40.074
Total	3,958	147,118,841	100.000

Remark :
* Less than 5% of issued warrants
** 5% and above of issued warrants

DIRECTORS' WARRANT HOLDINGS

	No. of Warrants Held			
Name	Direct	%	Indirect	%
Jen Tan Sri Yaacob Bin Mat Zain (R)	-	-	* 6,082	0.004
Tan Sri Dato' Sri Leong Hoy Kum	-	-	# 46,901,503	31.880
Dato' Lim Kiu Hock	135,360	0.092	-	-
Leong Yuet Mei	-	-	* 37,674	0.026

Notes:
* Deemed interested by virtue of warrant holdings of family member(s)
# Deemed interested by virtue of warrant holdings of Mayang Teratai Sdn Bhd and his family member(s)

STATISTICS OF WARRANT HOLDINGS

AS AT 5 MAY 2014 (CONT'D)

LIST OF TOP THIRTY HOLDERS AS AT 5 MAY 2014

NO.	NAME	No. of Warrants	%
1	Mayang Teratai Sdn Bhd	38,687,816	26.297
2	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kong Goon Khing (E-BTR)	12,292,000	8.355
3	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Mayang Teratai Sdn Bhd (CSC)	7,976,160	5.422
4	Voon Chong Kian	6,950,000	4.724
5	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.K)	3,300,171	2.243
6	CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Bhd For BIMB 1 Dividend Fund	2,280,500	1.550
7	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Chen Yat Lee (MM1133)	2,150,000	1.462
8	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For BIBM 1 Growth Fund (940160)	1,156,000	0.786
9	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Siew Bey (8026817)	1,136,054	0.772
10	Citigroup Nominees (Asing) Sdn Bhd CB LDN For Aegon Custody B.V.	1,083,776	0.737
11	Tung Chow Thye	1,048,200	0.713
12	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Lembaga Tabung Haji (CAFM)	830,940	0.565
13	Seow Kok Seng	780,000	0.530
14	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yee Wai Fong (021)	770,000	0.523
15	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Siew Cheng (E-IMO)	756,900	0.515
16	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Poh Seng Hee (8073193)	745,800	0.507
17	HDM Nominees (Asing) Sdn Bhd DBS Vickers SECS (S) Pte Ltd for Optimus Capital International Limited	700,000	0.476
18	Tan Hui Ming	682,000	0.464

STATISTICS OF WARRANT HOLDINGS

AS AT 5 MAY 2014 (CONT'D)

NO.	NAME	No. of Warrants	%
19	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Teoh Ewe Jin (MY0829)	666,358	0.453
20	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ting Leong Hieng	655,000	0.445
21	Lam Peng Ho	646,000	0.439
22	Peh Lai Yian	616,400	0.419
23	Leong May Chan	600,000	0.408
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Siew Bey (E-SS2)	596,099	0.405
25	ABB Nominee (Tempatan) Sdn Bhd ABB Trustee Berhad For BIMB Dana Al-Falah	592,700	0.403
26	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Cheang Wai Kett (MM1156)	588,000	0.399
27	Chai Koon Khow	585,000	0.397
28	Siew Lip Sung	574,800	0.391
29	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd For Loh Ah Peng	523,352	0.355
30	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.S.A)	521,665	0.354
	Total	90,491,691	61.509

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of Mah Sing Group Berhad ("Mah Sing" or "the Company") will be held at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Friday, 27 June 2014 at 10.00 a.m., for the following purposes:-

AGENDA

As Ordinary Businesses:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Directors' and Auditors' Reports thereon.
   (Please refer to Note A)

2. To approve the declaration of a first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013. *(Resolution 1)*

3. To approve the Directors' fees for the financial year ended 31 December 2013. *(Resolution 2)*

4. To re-elect the following Directors who retire pursuant to Article 102 of the Company's Articles of Association:-

   (i) Dato' Ng Poh Seng *(Resolution 3)*
   (ii) Ms Leong Yuet Mei *(Resolution 4)*

5. To re-appoint Messrs Deloitte (formerly known as Messrs Deloitte KassimChan) as Auditors of the Company for the financial year ending 31 December 2014 and to authorise the Directors to fix their remuneration. *(Resolution 5)*

As Special Businesses:-

6. To consider and if thought fit, to pass the following ordinary resolution pursuant to Section 129(6) of the Companies Act, 1965:-

   "THAT Jen. Tan Sri Yaacob Bin Mat Zain (R) who is over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of next Annual General Meeting of the Company." *(Resolution 6)*

To consider and if thought fit, to pass the following ordinary resolutions of the Company:-

7. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY**

   (i) "THAT subject to the passing of the Resolution 6, Jen. Tan Sri Yaacob Bin Mat Zain (R), who has served as an Independent Non-Executive Director for more than 9 years, shall continue to act as an Independent Non-Executive Director of the Company." *(Resolution 7)*

   (ii) "THAT Captain Izaham Bin Abd. Rani (R), who has served as an Independent Non-Executive Director for more than 9 years, shall continue to act as an Independent Non-Executive Director of the Company." *(Resolution 8)*

   (iii) "THAT Mr Loh Kok Leong, who has served as an Independent Non-Executive Director for more than 9 years, shall continue to act as an Independent Non-Executive Director of the Company." *(Resolution 9)*

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

8. **AUTHORITY TO ISSUE SHARES**

"THAT subject always to the Companies Act, 1965, and the approval of the regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for listing of and quotation for the additional shares so issued AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." *(Resolution 10)*

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 (a) AND (b) OF THE CIRCULAR TO SHAREHOLDERS DATED 3 JUNE 2014 ("CIRCULAR")**

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("Mah Sing Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of Mah Sing Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as specified in Section 2.3.1 (a) and (b) of the Circular, which are necessary for the day-to-day operations of Mah Sing Group provided that:-

(a) the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of Mah Sing Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship.

AND THAT such approval, shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting; or

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." *(Resolution 11)*

10. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 (c) OF THE CIRCULAR TO SHAREHOLDERS DATED 3 JUNE 2014 ("CIRCULAR")**

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("Mah Sing Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of Mah Sing Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as specified in Section 2.3.1 (c) of the Circular, which are necessary for the day-to-day operations of Mah Sing Group provided that:-

(a) the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of Mah Sing Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship.

AND THAT such approval, shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting; or

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." *(Resolution 12)*

11. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to the Companies Act, 1965, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any applicable laws, regulations and guidelines issued by other regulatory authorities, and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of its ordinary shares on the market of Bursa Securities at any time upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company ("Proposed Share Buy-Back") provided that:-

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

(a) the aggregate number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company;

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and/or share premium account of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available up to the transaction date of the Proposed Share Buy-Back;

(c) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:

(i) to cancel the shares so purchased; or
(ii) to retain the shares so purchased in treasury, either to be distributed as dividends to the shareholders of the Company and/or to be resold on the market of Bursa Securities; or
(iii) to retain part of the shares so purchased as treasury shares and cancel the remainder; or
(iv) any combination of the three.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities, relevant requirements and guidelines.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, variation, modification and/or amendment as may be required by any relevant authorities and to deal with all matters relating thereto and take all steps and do all acts and things in any manner as they may deem necessary in connection with the Proposed Share Buy-Back in the best interest of the Company." *(Resolution 13)*

12. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

YANG BAO LING (MAICSA 7041240)
KUAN HUI FANG (MIA 16876)
Company Secretaries

Kuala Lumpur
3 June 2014

NOTES:

i. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her place. A proxy may but need not be a member of the Company and provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.

ii. The power of attorney or a notarially certified copy thereof or the Form of Proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its seal or under the hand of its officer or its attorney duly authorised on its behalf.

iii. Where a member or the authorised nominee appoints more than one (1) proxy (subject always to a maximum of two (2) proxies of each meeting), or where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

iv. The Form of Proxy together with the power of attorney (if any) under which it is signed or a duly notarially certified copy thereof must be deposited at the registered office of the Company at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof.

v. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

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

vii. Depositors whose name appear in the Record of Depositors as at 20 June 2014 shall be regarded as members of the Company entitled to attend the AGM or appoint proxies to attend and vote on his/her behalf.

viii. **Note A:**

This Agenda item is meant for discussion only as under the provision of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require a formal approval of the shareholders. Hence, this Agenda item will not be put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESSES

1. ***Resolution 6***

The re-appointment of Jen. Tan Sri Yaacob Bin Mat Zain (R), a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next Annual General Meeting ("AGM") of the Company shall take effect if the proposed Resolution 6 has been passed by a majority of not less than three-fourths ($^3/_4$) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

2. ***Resolutions 7, 8 and 9***

   Resolutions 7, 8 and 9 are proposed to enable Jen. Tan Sri Yaacob Bin Mat Zain (R), Captain Izaham Bin Abd. Rani (R) and Mr Loh Kok Leong to continue serving as Independent Directors of the Company to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012.

   The Nomination Committee and the Board have assessed the independence of all its Independent Directors, who have served as Independent Non-Executive Directors for more than 9 years and recommended them to continue to act as Independent Non-Executive Directors of the Company. The justifications of the Board of Directors for recommending and supporting resolutions for their continuing in office as Independent Directors are set out under the Statement of Corporate Governance in the Company's Annual Report.

3. ***Resolution 10***

   The proposed Resolution 10 will give powers to the Directors to issue up to a maximum of 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

   The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders at the Twenty-First AGM held on 25 June 2013. As at the date of this notice, no new shares were issued pursuant to the general mandate which was approved by the shareholders at the Twenty-First AGM.

   The renewed mandate will enable the Directors to take swift action in case of a need for corporate exercises or in the event business opportunities arise which involve the issue/placing of shares and to avoid delay and cost in convening general meetings to approve such issue of shares.

4. ***Resolutions 11 and 12***

   The proposed Resolutions 11 and 12, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business carried out on an arm's length basis on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposals are set out in the Circular to Shareholders dated 3 June 2014, accompanying the Company's Annual Report for the financial year ended 31 December 2013.

5. ***Resolution 13***

   The proposed Resolution 10, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company's shares up to 10% of the total issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits and/or share premium account of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. The details of the proposal are set out in the Share Buy-Back Statement dated 3 June 2014, accompanying the Company's Annual Report for the financial year ended 31 December 2013.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, there is no person seeking election as Director of the Company at this Twenty-Second Annual General Meeting.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013, if approved at the Twenty-Second Annual General Meeting, will be paid on 25 September 2014 to Depositors of ordinary shares registered in the Record of Depositors on 12 September 2014.

A Depositor shall qualify for entitlement to the dividend only in respect of:

a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 12 September 2014 in respect of transfers; and

b) Shares bought on the Bursa Malaysia Securities Berhad up to 5.00 p.m. on 9 September 2014 i.e. on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

YANG BAO LING (MAICSA 7041240)
KUAN HUI FANG (MIA 16876)
Company Secretaries

Kuala Lumpur
3 June 2014

FORM OF PROXY

(Before completing the form please refer to notes below)

No. of ordinary shares held

I/We .... Telephone No: ....
(FULL NAME IN CAPITAL LETTERS)

I.C. or Company No. .... CDS Account No: ....
(NEW I.C. NO. OR COMPANY NO.)

of ....
(FULL ADDRESS)

being a member/members of MAH SING GROUP BERHAD hereby appoint* the Chairman of the Meeting or failing him

…... I.C. No: ....
(FULL NAME IN CAPITAL LETTERS)

of ....
(FULL ADDRESS)

or failing him, ………………...……....……………………….. I.C. No: ....
(FULL NAME IN CAPITAL LETTERS)

of ....
(FULL ADDRESS)

as my/our proxy, to vote for me/us on my/our behalf, at the Twenty-Second Annual General Meeting of the Company (**"AGM"**), to be held at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Friday, 27 June 2014 at 10.00 a.m. on the following resolutions referred to in the notice of the AGM:

My/our proxy is to vote as indicated below:

NO	RESOLUTIONS	FOR	AGAINST
1	Declaration of first and final dividend		
2	Payment of Directors' fees		
3	Re-election of Dato' Ng Poh Seng as Director		
4	Re-election of Ms Leong Yuet Mei as Director		
5	Re-appointment of Deloitte (formerly known as Deloitte KassimChan) as Auditors		
6	Re-appointment of Jen. Tan Sri Yaacob Bin Mat Zain (R) as Director		
7	Retention of Jen. Tan Sri Yaacob Bin Mat Zain (R) as Independent Non-Executive Director		
8	Retention of Captain Izaham Bin Abd. Rani (R) as Independent Non-Executive Director		
9	Retention of Mr Loh Kok Leong as Independent Non-Executive Director		
10	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
11	Proposed renewal of Shareholders' Mandate as specified in Sections 2.3.1 (a) and (b) of the Circular to Shareholders dated 3 June 2014		
12	Proposed renewal of Shareholders' Mandate as specified in Section 2.3.1 (c) of the Circular to Shareholders dated 3 June 2014		
13	Proposed renewal of share buy-back authority		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit).

Dated this .... day of 2014

....
Signature: Shareholder or
Common Seal of Appointor

* Delete the words "the Chairman of the Meeting or" if you wish to appoint some other person to be your proxy.

Notes:

i. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her place. A proxy may but need not be a member of the Company and provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
ii. The power of attorney or a notarially certified copy thereof or the Form of Proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its seal or under the hand of its officer or its attorney duly authorised on its behalf.
iii. Where a member or the authorised nominee appoints more than one (1) proxy (subject always to a maximum of two (2) proxies of each meeting), or where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
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Fold this flap for sealing

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AFFIX
STAMP

THE COMPANY SECRETARY
MAH SING GROUP BERHAD
Penthouse Suite 1
Wisma Mah Sing
No. 163, Jalan Sungai Besi
57100 Kuala Lumpur

Then fold here

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