FUTUTECH 富德

FUTUTECH BERHAD

(122592-U)

annual report 2013

FORTE KITCHENS

BRITE-LITE

Contents

Corporate **Information**

BOARD OF DIRECTORS

Mr Tee Eng Ho
Executive Chairman

Mr Loo Soo Loong, Evan
Chief Executive Officer

Mdm Toh Siew Chuon
Executive Director

Mr Tee Eng Seng
Executive Director

Mr Khoo Siong Kee
Senior Independent Non-Executive Director

Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof
Independent Non-Executive Director

Mr Lim Kien Lai @ Lim Kean Lai
Independent Non-Executive Director

Company Secretary

Ms Seow Fei San
(MAICSA 7009732)

Ms Mok Mee Kee
(MAICSA 7029343)

Share Registrar

Securities Services (Holdings)
Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel : 603-2084 9000
Fax : 603-2094 9940

Auditors

Ong & Wong
Chartered Accountants Malaysia
Unit C-20-5, Block C
20th Floor, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Tel : 603-2161 1000
Fax : 603-2166 9131

Registered Office

802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 603-7803 1126
Fax : 603-7806 1387

Corporate Office

No. 1, Jalan Wangsa Permai
2nd Floor, Bangunan One Wangsa
Taman Wangsa Permai
52200 Kuala Lumpur

Tel : 03-6277 2480
Fax : 03-6276 2482

Principal Bankers

Hong Leong Bank Berhad
Ambank (M) Berhad
Malayan Banking Berhad
RHB Bank Berhad

Stock Exchange Listing

Main Market of
Bursa Malaysia Securities Berhad

Website

www.fututech.com.my

Profile of **Directors**

TEE ENG HO
Executive Chairman, aged 49, Malaysian

Tee Eng Ho was appointed as an Executive Chairman of Fututech Berhad on 31 March 2011. He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College and has more than 21 years of experience in Civil & Building Construction.

He owns a group of companies involved in construction and property management and has undertaken various construction projects in Malaysia.

LOO SOO LOONG, EVAN
Chief Executive Officer, aged 50, Malaysian

Evan was first appointed as Executive Director of Fututech Berhad on 1 November 2002 and was re-designated as Acting Chief Executive Officer on 9 November 2006. He was subsequently appointed as Chief Executive Officer on 1 March 2010.

Evan obtained his Bachelor of Science degree in Business Administration from California State University, Chico (USA) in 1986 and his Bachelor of Law degree (LLB) from the University of Buckingham, United Kingdom in 1988. He qualified as an advocate and solicitor in Malaysia in 1990.

Evan was involved in managing one of Kuala Lumpur's largest bus companies, which was subsequently amalgamated under the DRB Bhd Group in 1995. After practicing as an advocate and solicitor from 1995 to 2000, Evan departed to Hong Kong to set-up a US based internet company with venture capitalists from Hong Kong until end of 2001.

TEE ENG SENG
Executive Director, aged 44, Malaysian

Tee Eng Seng was appointed as Non-Independent Non-Executive Director of Fututech Berhad on 31 March 2011 and was re-designated as Executive Director on 15 November 2011. He started his career working in construction related companies and has more than 20 years of experience in Civil and Building Construction. He currently owns a group of companies involves in construction and property management and has undertaken various construction projects in Malaysia.

TOH SIEW CHUON
Executive Director, aged 48, Malaysian

Toh Siew Chuon was appointed as an Executive Director of Fututech Berhad on 15 November 2011. She has more than 16 years of experience in a construction company and has experience in taxation and auditing line. She is currently the purchasing director for a group of companies involves in construction and property management. Mdm Toh is a fellow member of the Institute of Chartered Secretary and Administrator and a member of the Malaysian Associate of Certified Chartered Accountants.

KHOO SIONG KEE
Senior Independent Non-Executive Director, aged 64, Malaysian

Khoo Siong Kee, a Charterred Accountant trained in Australia, was appointed as a Director of Fututech Berhad on 25 April 2011. Mr Khoo is a fellow member of the Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants. He is also a fellow member of Chartered Tax Institute of Malaysia.

Mr Khoo is the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Profile of Directors (cont'd)

PROFESSOR DATUK DR. NIK MOHD ZAIN BIN NIK YUSOF
Independent Non-Executive Director, aged 67, Malaysian

Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof was appointed as a Director of Fututech Berhad on 21 April 2008. He obtained a Bachelor of Arts (Honours) from the Universiti Malaya, Malaysia and Master of Arts from the University of Wisconsin, Madison, USA and later gained a PHD in Law from the University of Kent, Canterbury, United Kingdom in 1989. He has vast local and international working experience through his years of involvement in various councils, committees and land settlement schemes. He currently does occasional lectures and provides training at national and international seminars on land and property matters.

Professor Datuk Dr. Nik Mohd Zain was a past-Chairman of the Prime Ministers Quality Award committee for both the public sector and the socio-economy. He has also been the examiner for the Prime Ministers Quality Award and was the alternate chairman to the evaluation committee for public sector from 1996 to 1997. He was the Secretary General, Ministry of Land and Co-operative Development and a board member of Felda Holdings Sdn Bhd from 1995 to 2002. He was a professor of Land Law at Universiti Teknologi Malaysia until January 2005. He is currently the Chairman of Yayasan Peneroka Negara, Malaysia and also an Adjunct Professor for Universiti Putra Malaysia.

Professor Datuk Dr. Nik Mohd Zain also sits on the Board of Directors of Amway (Malaysia) Holdings Berhad.

Professor Datuk Dr. Nik Mohd Zain is also a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

LIM KIEN LAI @ LIM KEAN LAI
Independent Non-Executive Director, aged 62, Malaysian

Lim Kien Lai @ Lim Kean Lai was appointed to the Board of Fututech Berhad on 15 November 2011 as Independent Non-Executive Director. He has a Diploma in Technology (Building) from Tuanku Abdul Rahman College and holds a Degree in Master of Science in Construction Management, Aston University, United Kingdom. He served as a lecturer in Tuanku Abdul Rahman College before venturing into his own practice on project management and construction services in 1983. He was the Managing Director of Macro Resources Sdn Bhd, a subsidiary of Lien Hoe Corporation Bhd and had undertaken and completed many projects in Malaysia. Currently he is the Chief Executive Officer of Integrated Professional Services Sdn. Bhd., a company involved in the construction of medical centres.

Mr Lim is also a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Notes:

1. *Tee Eng Ho and Tee Eng Seng are brothers and substantial shareholders of the Company Toh Siew Chuon is the spouse of Tee Eng Ho and ister-in-law to Tee Eng Seng. None of the other directors has any family relationships with each other and with any substantial shareholders of the Company.*
2. *None of the directors has any conviction for offences other than traffic offences within the past 10 years.*
3. *Other than the related party transactions disclosed in page 16 of the Annual Report, none of the directors has any conflict of interest with the Company.*
4. *The director's shareholdings and warrant holdings in the Company are disclosed in the Analysis of Shareholdings and Warrant holdings of the Annual Report.*

Corporate **Structure**

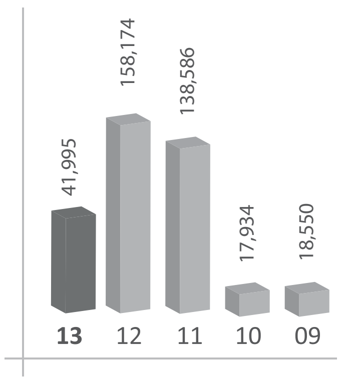
FUTUTECH
FUTUTECH BERHAD

- 100% Acumen Industries Limited, Hong Kong
- 100% Acumen Marketing Sdn. Bhd.
- 100% Advance Industries Sdn. Bhd.
  - 100% Ace Equity Sdn. Bhd.
- 100% Aurizon Investments Limited
- 100% Bazarbayu Sdn. Bhd.
- 100% Futumeds Sdn. Bhd.
- 100% FutuProp Sdn. Bhd.
  - 100% Segi Rancak Sdn. Bhd.
  - 100% Senandung Raya Sdn. Bhd.
- 100% Fututech (Labuan) Ltd.
  - 100% Acumen Design & Development Solutions Limited, Hong Kong
- 100% Lighting Louvres Manufacturing Sdn. Bhd.

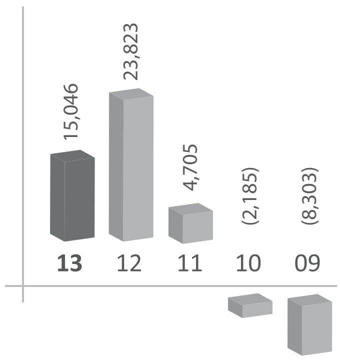
5-Years Group **Financial Summary**

	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Revenue	41,995	158,174	138,586	17,934	18,550
Profit/(Loss) Before Taxation	15,046	23,823	4,705	(2,185)	(8,303)
Profit/(Loss) after taxation and minority interest	11,495	23,422	5,568	(2,453)	(8,302)
Total Assets	107,994	130,657	92,996	35,306	34,938
Shareholder's Fund	81,400	72,631	49,201	27,601	30,011
Net Tangible Assets	81,400	72,631	49,201	27,601	30,011
	sen	sen	sen	sen	sen
Net Tangible Assets per share	89.70	80.05	54.22	47.00	51.10
Profit/(loss) per share	12.67	25.81	8.17	(4.18)	(14.14)
Dividend per share (net of tax)	3.00	–	–	–	–

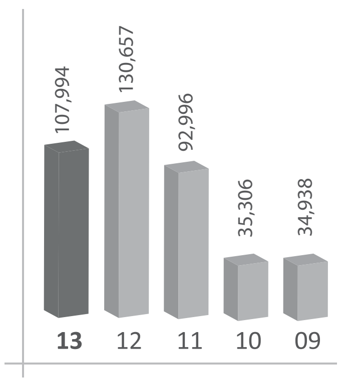
Revenue (RM'000)



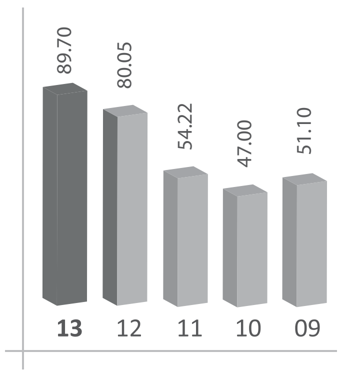
Profit/(Loss) Before Taxation (RM'000)



Total Assets (RM'000)



Net Tangible Assets Per Share (sen)



Chairman's **Statement**

ECONOMIC OVERVIEW

Growth in the global economy generally expanded modestly in 2013 despite an uneven global recovery being recorded across economies. On the local front, domestic demand continued to drive the Malaysian economy last year which provided an expansion of 4.7% in 2013; a decline from 5.6% in 2012, attributed mainly to developments in the external sector particularly in the first half of the year.

On the supply side, all economic sectors continued to grow in 2013, driven mainly by expansion in domestic demand and improving external conditions in the second half of the year. The construction and manufacturing sectors registered positive growth although at a more moderate rate than in 2012. Growth in the construction sector was seen in the residential and civil engineering sub-sectors whereby growth in the former was underpinned by construction of high-end and high-rise properties in the Klang Valley, Penang and Johor. For the manufacturing sector, production in the export-oriented industries was supported by stronger exports in the E&E and primary-clusters, amid a gradual recovery in the global economy whilst domestic demand-oriented industries recorded sustained growth from private consumption and resilient construction activity.

[Source: Annual Report 2013, Bank Negara Malaysia]

GROUP REVIEW

For the financial year ended December 31, 2013, the Group's turnover was at RM41.99 million. This was lower than the turnover registered in the corresponding preceding year of RM158.17 million as completion of few projects outweighed new construction projects undertaken by the Group during the financial year. In line with supporting the construction segment, our manufacturing activities were mostly centered on construction related products for on-going projects and some lighting for export purpose. Notwithstanding a lower turn, the Group nevertheless achieved a profit before tax of RM15.05 million in 2013 as margin improved. Overall, net assets per share had strengthened from 80.0 sen to 89.7 sen. A gross interim ordinary dividend of 4.0 sen per ordinary share was paid at the end of 2013 which marked another positive turning point for the Group. In addition to construction and manufacturing activities, the Group was also concentrating on pre-development efforts of its earlier acquired lands at Genting Permai and Monterez Golf and Country Club respectively. Such efforts marked the maiden venture of the Group into property development. In the absence of any undue delay, the Group is targeting to launch these two projects in 2015 to widen and enhance its revenue and earnings base.

2014 PROSPECTS

Domestic demand in the local economy will remain the key driver of growth albeit at a more moderate pace amid ongoing public sector consolidation. Nevertheless, overall growth is expected to be around 4.5% to 5.5% for 2014 with the manufacturing and construction sectors expected to remain positive. With the series of measures implemented by Bank Negara in 2013, growth in household credit is expected to be slower. Nonetheless, the impact of these measures on private consumption is expected to be marginal as creditworthy households will continue to have access to credit and with inflation hedging and long term value creation, real property will still be seen as the preferred asset class. As an innovative and a value-added manufacturer, builder cum developer, Fututech Group is confident that its resources and expertise will enable it to continue to excel and achieve long term prospects of the Group.

Chairman's Statement (cont'd)

APPRECIATION & ACKNOWLEDGEMENT

On behalf of the Board of Directors and the Senior Management team of the Group, I would like to take this opportunity to thank our valued customers, business partners, associates, bankers, shareholders and the regulatory authorities for their on-going support and collaboration.

To our employees, thank you for your commitment and hard work in meeting new challenges and bringing the Group to greater heights.

TEE ENG HO
Executive Chairman

Date: 20 May 2014

Statement on **Corporate Governance**

The Board of Directors ("the Board") of Fututech Berhad ("Fututech" or "the Company") is pleased to report that for the financial year ended 31st December 2013, the Company has continued to apply good governance practices in managing and directing the business of the Group by adopting the principles and the best practices prescribed in the latest Malaysian Code on Corporate Governance ("the Code") released by the Securities Commission Malaysia in March 2012.

The Board has conducted a review of its current practices and proceedings against the principles and recommendations in the Code. The result of this review has been used as the basis for the Board in describing the application of the Principles and the extent of compliance with the Best Practices advocated therein in compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa").

BOARD OF DIRECTORS

It is the overall governance responsibility of the Board to lead and control the Group. The Board plans the business directions, development and control of the Group and has taken initiatives to embrace the responsibilities listed in the Code, which facilitates the discharge of the Board's stewardship responsibilities. When implementing the business plan, the Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive Directors play an important role in corporate accountability by providing unbiased and independent views, advice and judgment in safeguarding the interests of the shareholders.

The Board has seven (7) members comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. The present number of the Independent Directors exceeds the prescribed number of independent directors provided in the Listing Requirements of Bursa. The Board is of the view that its current composition is able to ensure the balance of power and authority on the Board. The Board Chairman is an Executive Director and remains so after due assessment and reviewed by the Nomination Committee which had taken into consideration of the following justifications:

a) The Chairman's vast experience in managing the Group's main business in the property and construction areas which would enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group;

b) The Chairman has demonstrated his objectivity in deliberating and making decision aligning with the shareholders' interest at large during his tenure as Executive Chairman of the Company.

The Board is supportive of gender diversity policy. Presently, the Board has a female Executive Director. In its selection of board members, the Board provides equal opportunity to candidates who have the relevant skills, experience, competencies and other qualities vi-a-vis the Group present business portfolios and prospective investments.

The Board members consist of members from diverse backgrounds and from various fields. Together they bring a broad range of skills, experience and knowledge in directing and managing the Group's businesses. Descriptions of the background of each director presented previously remain substantially unchanged. The profile of the Directors can be found on page 3 to 4 of this Annual Report. Such information is also available on the corporate website www.fututech.com.my.

The Board's Charter and Code of Conduct have been established and are available in the corporate website. This charter sets out the roles and responsibilities of the Board and the Board Committees as well as the processes and procedures for convening their meetings. It serves as a reference and primary induction literature to Board members and Senior Management. It will also assist the Board in the assessment of its own performance and its individual directors. The Code of Conduct serves as a guidance to stakeholders on the ethical behaviour to be expected from the Group.

In order to enhance stakeholders' perception and public trust towards the Group, the Board believes that attention shall be given to Environmental, Social and Governance ("ESG") aspects of business which underpin sustainability and relate these aspects to the interests of the various stakeholders. The Board has worked with the Senior Management and has defined its sustainability policy outlining the Board and the Senior Management roles and responsibilities in ensuring the Group's strategies, business ventures and developments promote sustainability.

BOARD COMMITTEES

The Board has delegated specific responsibilities to the respective committees of the Board namely the Audit Committee, Nomination Committee and Remuneration Committee (collectively refer to as "the Board Committees"), in order to enhance business and corporate efficiency and effectiveness. The Board Committees will deliberate and examine issues within the established terms of reference and report to the Board on significant matters that require the Board's attention.

Audit Committee ("AC")

The AC comprises solely Independent Non-Executive Directors. The responsibilities, composition, terms of reference and activities of the AC are outlined in this Annual Report under the section of Audit Committee Report.

Nomination Committee ("NC")

In order to ensure that the selection and evaluation of Board members are done objectively, the NC consists solely of Independent Non-Executive Board members and is chaired by a Senior Independent Director, Mr. Khoo Siong Kee. The members are as follows:

i. Khoo Siong Kee – Chairman / Senior Independent Non-Executive Director
ii. Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof – Member/Independent Non-Executive Director
iii. Lim Kien Lai @ Lim Kean Lai – Member/Independent Non-Executive Director

Functionally, the NC oversees matters relating to the nomination of new Directors, recommends to the Board, candidate for directorship of the Board and membership for the Board Committees. The NC reviews the required mix of skills, experience and other requisites qualities of Directors and thereafter, recommends its findings to the Board. The NC also conducts annual assessments on the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director and ensures that the current composition of the Board functions competently.

Appointment and Re-election of Directors

The Board nominating process is to facilitate and provide a guide for the NC to identify, evaluate, select and recommend to the Board the candidate to be appointed as a Director of the Company.

The Board does not set specific criteria for the assessment and selection of Director candidate. However, the consideration would be taken on the need to meet the regulatory requirement such as Companies Act, 1967 and Listing Requirements of Bursa, integrity, wisdom, and possession of the required skill, qualification and expertise that would add value to the Board and understanding of the business environment.

The NC also reviews the re-election of retiring Directors by rotation on annual basis. The Company's Articles of Association stipulates that all Board members who are appointed by the Board shall be subject to election by shareholders at the first opportunity of their appointment.

The Company's Articles of Association also provides that at least one-third (1/3) of the Directors shall retire by rotation at each Annual General Meeting ("AGM") and that all Directors shall retire once in every three (3) years. A retiring Director shall be eligible for re-election.

Directors who are above seventy (70) years of age are required to offer themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Performance Assessment and Independence of Directors

The NC has developed criteria to assess the effectiveness of the Board, the Board Committees and individual. They are assessed on, amongst others, the required mix of skills, knowledge, integrity and meeting attendance.

The NC also undertakes annual assessment of the independence of its independent Directors based on the guidelines of Bursa Listing Requirements. The roles and responsibilities of the Executive Chairman and Group Chief Executive Officer are separated and are held by separate members of the Board. Presently, the tenure of Independent Directors have not exceeded cummulative nine (9) years.

The Board had identified Mr. Khoo Siong Kee to act as the Senior Independent Director to provide shareholders with an alternative to convey their concerns and seek clarifications from the Board.

During the financial year, NC conducted a meeting on 26th April 2013. In this meeting, the NC:
i. Reviewed the appraisals of individual director, Board Committees and the Board as a whole;
ii. Assessed and recommended the re-election of directors; and
iii. Reviewed and assessed the composition of the Board Committee and the mix of skill and experience and other qualities of the Board.

Remuneration Committee ("RC")

The RC is responsible for reviewing and recommending to the Board the remuneration packages of Directors. The members are as follows:

i. Khoo Siong Kee – Chairman/Senior Independent Non-Executive Director
ii. Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof – Member/Independent Non-Executive Director
iii. Lim Kien Lai @ Lim Kean Lai – Member/Independent Non-Executive Director

The remuneration packages of the Company's Executive and Non-Executive Directors are determined by the Board as a whole, with the Director concerned abstaining from participating in the decision making in respect of his own individual remuneration.

RC meeting is held at least once a year. During the financial year, one (1) RC meeting was held on 26th April 2013, which was attended by all members of the RC.

For the financial year ended 31st December 2013, the number of Directors whose remuneration and fees received/ receivable from the Group falls within the following bands:

Remuneration Bands	**Executive**	**Non-Executive**
RM50,000 and below	–	3
RM100,000 – RM300,000	–	–
RM300,001- RM350,000	2	–
RM350,001- RM400,000	1	–
RM400,001- RM450,000	–	–
RM750,001- RM800,000	1	–

The aggregate remuneration paid or payable to all Directors of the Company are further categorised into the following components:

	Fees* (RM)	Salaries and other emoluments (RM)	EPF and SOCSO (RM)	Total (RM)
Executive Directors	–	1,623,460	189,655	1,813,115
Non-Executive Directors	111,897	8,500	–	120,397

* Subject to the approval of shareholders at the AGM.

The remuneration policies and procedures are as follows:

Remuneration of Executive Directors

Executive Director is remunerated based on the individual performance and Group's performance. The remuneration shall be reviewed by the RC and thereafter recommends the reasonable package to the Board for approval. The remuneration of the Executive Directors is structured to attract, retain and motivate them in order to drive the Group successfully.

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors, which made up of Director fee, meeting allowances and other benefits, if any is determined by the Board. The remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed.

The Directors' fee will be subject to the approval of shareholders at the general meeting.

SUPPLY OF INFORMATION

The agenda for board meetings together with the relevant reports and information for the Board's consideration are forwarded to all members prior to the board meetings. During the meeting, Senior Management provides information and clarification on issues raised by members of the Board during their deliberations and decision makings.

The Board has unrestricted and timely access to all information necessary for the discharge of its responsibilities. All Directors have access to the services and advice of the Company Secretary, management staff and other independent professionals, at the expense of the Group in discharging their duties.

The Directors are being notified of any corporate announcements released to Bursa. They are also being reminded on the impending restriction in dealing with the securities of the Company at least one (1) month prior to the release of the quarterly financial results announcement.

The proceedings and resolutions reached at each Board meeting are recorded in the minutes book kept at the registered office. Besides board meetings, the Board also exercises control on matters that requires its approval through the circulation of Directors' resolutions.

BOARD COMMITMENT

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skillsets.

The Board meets at least every quarter and on other occasions, as and when necessary, to inter-alia approve quaterly financial results, statutory financial statements, annual report, business plans as well as to review the performance of the company and its operating subsidiaries, governance matters and other business development matters. Board papers are circulated to the Board members prior to the board meetings so as to provide the Directors with relevant and timely information to enable them to have proper deliberation on issues raised during board meetings.

During the financial year, five (5) board meetings were held. The details of attendance of the members are as below.

Director	**No. of Meetings Attended/ No of Meeting Held**
Mr. Tee Eng Ho	5/5
Mr. Tee Eng Seng	4/5
Mr. Loo Soo Loong	5/5
Mdm. Toh Siew Chuon	4/5
Mr. Khoo Siong Kee	5/5
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	4/5
Mr. Lim Kien Lai @ Lim Kean Lai	5/5

The Directors recognise the needs to attend training to enable them to discharge their duties effectively. The Directors after assessing and identifying their own training needs, attended the following conferences, seminars and training programmes during the financial year:

Director	**Name of Conferences, seminars and training programmes attended**
Mr. Tee Eng Ho	• Advocacy Sessions On Corporate Disclosure for Directors
Mr. Loo Soo Loong	• Advocacy Sessions On Corporate Disclosure for Directors
Mr. Tee Eng Seng	• Advocacy Sessions On Corporate Disclosure for Directors
Mdm Toh Siew Chuon	• Advocacy Sessions On Corporate Disclosure for Directors • Malaysian Financial Reporting Standards 2013 – A Technical Brief • Financial Analysis for Professional In Construction • Malaysian Import Export Procedures & Documentation • Tax Planning & Issues for Property Developers and Property Investors • 8th Advent Tax & Business Management Seminar
Mr. Khoo Siong Kee	• Advocacy Sessions On Corporate Disclosure for Directors • Workshop On Insights To Malaysia's First Transfer Pricing Litigation : MM Sdn. Bhd. v Ketua Pengarah Hasil Dalam Negeri • Malaysian Financial Reporting Standards 2013 – A Technical Brief • National Tax Conference 2013 • Financial Statement Review Committee (FRSC Mtg) • Seminar Percukaian Kebangsaan 2013

Statement on Corporate Governance (cont'd)

BOARD COMMITMENT (Cont'd)

Director	Name of Conferences, seminars and training programmes attended
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	• Advocacy Sessions On Corporate Disclosure for Directors **Conferences/Seminars/Trainings Conducted** • Selected Land Development Issues and Legal Solutions on:- (1) Amendments to Strata Titles Act, 1985 - The Gated Community Scheme (2) An Overview of Land Acquisition Act, 1960 (3) Revitalising Abandoned Housing Projects and Lands Occupied by Squatters • Cabaran Dan Isu-IsuDalam Pembangunan Perumahan Di Malaysia • FIABCI Malaysia Morning Talk 2013 • Pelupasan Tanah Bawah Tanah, Kanun Tanah Negara 1965, AnjuranPerbadanan Pembangunan Kampong Bharu • Latest Developments in Land & Property Laws and Land Dealings in Malaysia • Land Disposal under the National Land Code, 1965 and Land Alienation Procedures and Opportunities in Malaysia • Latest Development in Land Dealings, Management of High Rise Buildings, Strata Titles and Land Acquisition • Land Development & Investment Professional • Land Development Procedures and Land Conversion and Housing Development Act, 1966 – Latest Amendments 2012 and related issues • Procedures and Approval for Land Development and Housing Development Projects • An Overview of Strata Titles Act and Management of High Rise Buildings • Land Development Procedures, Gated Community and Planning Laws • Fraud in Land Dealings and Land Transactions under the National Land Code • Issues & Problems of Land Development in Selangor and Wilayah Persekutuan • How to expedite Land Development approvals under the National Land Code and Planning under One Stop Centre Division
Mr. Lim Kien Lai @ Lim Kean Lai	• Advocacy Sessions On Corporate Disclosure for Directors

FINANCIAL REPORTING

The Board is responsible to ensure that the quarterly financial reporting of the Group presents a fair and balance view and assessment of the Group's financial position, performance and prospects. The Board ensures that the Group's financial statements are drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards. The Board is assisted by the AC in reviewing and scrutinising the information in terms of the overall accuracy, adequacy and completeness of disclosure and ensuring the Group's financial statements comply with applicable financial reporting standards.

As part of the AC review process, the AC has obtained written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Annually, the AC also reviews the appointment, performance and remuneration of the external auditors before recommending them to the shareholders for re-appointment in the AGM. The AC would convene meeting with the external auditors and internal auditors without the presence of the Executive Directors and employees of the Group as and when necessary.

RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of good management practice. Risk is inherent in all business activities. It is however, not the Group's objective to eliminate risk totally, but to provide structural means to identify, prioritize and manage the risks involved in the Group's activities and to balance between the cost of managing and treating risks, and the anticipated benefits that will be derived.

In order to further strengthening the present risk management and internal control system in the Group, the Board would work with the Management in formalising and approving the Group's risk policy and the Board's risk appetite.

The Board has established an internal audit function which is currently outsourced to a professional firm. Functionally, the internal auditors report to the AC directly and they are responsible for conducting regular reviews and appraisals on the effectiveness of the governance, risk management and internal controls processes within the Group. Further details of the Group's state of risk management and internal control system and processes are reported in the Statement on Risk Management and Internal Control on page 23 to 25 of this Annual Report.

CORPORATE DISCLOSURE

Corporate disclosure and information are important for investors and shareholders. The Board is advised by the Management, the company secretary and the external and internal auditors on the contents and timing of disclosure as stipulated in the Listing Requirements of Bursa for financial result and various announcements. Management is invited to attend the Board and AC meetings and to provide update on the operations of the Group and explanations to any queries raised by the Board.

The Board leverages on its corporate website to disseminate material information to shareholders and add depth to the governance reporting. The board charter was formalised and published in the corporate website.

SHAREHOLDERS' RIGHT

The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Group. This is achieved through timely releases of quarterly financial results, circulars, annual report, announcements and press releases. In addition to various announcements made during the year, information on the Company is available on the Company's website at www.fututech.com.my.

The Company would respond to meetings with institutional shareholders, analysts and members of the press to convey information regarding the Group's performance and strategic direction as and when requested. General meetings are an important avenue through which shareholders can exercise their rights. The Board would ensure suitability of venue and timing of meeting and undertake other measures to encourage shareholders' participation in the meetings. Shareholders are reminded that they have the right to demand a poll vote at general meetings. Also, effective 1st June 2013, poll voting is mandated for related party transactions that require specific shareholders' approval.

COMPLIANCE STATEMENT

This Statement on the Company's corporate governance practices is made in compliance with paragraphs 15.25 and 15.08A of the Bursa Listing Requirements. The Board strives to ensure that the Company complies with the principles and recommendations stipulated in the Code and is satisfied that as at the date of the issuance of this Annual Report, the Company is in compliance with the Code.

Other **Compliance Information**

1. NON-AUDIT FEE

The non-audit fee paid to the external auditor by the Group for the financial year ended 31st December 2013 amounted to RM1,000.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

Transacting Parties	Interested Related Parties	Nature of Transactions	Amount Transacted (RM'000)
Kerjaya Prospek (M) Sdn. Bhd. Group Permatang Bakti Sdn. Bhd. Group Fututech Berhad Group	Tee Eng Ho Tee Eng Seng Toh Siew Chuon Egovision Sdn. Bhd. Kerjaya Prospek (M) Sdn. Bhd. Permatang Bakti Sdn. Bhd.	Supply of light fittings, kitchen cabinetry, provision of interior design works and masonry works, provision of general building and construction works and other related services, which including but not limited to secondment of staffs, renting of machineries by Kerjaya Prospek (M) Sdn. Bhd. Group and Permatang Bakti Sdn. Bhd. Group to Fututech Group and vice versa	37,251
Permatang Bakti Sdn. Bhd. Ace Equity Sdn. Bhd.	Tee Eng Ho Tee Eng Seng Toh Siew Chuon Permatang Bakti Sdn. Bhd.	Renting of the 2nd Floor of No. 1, Jalan Wangsa Permai, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur from Permatang Bakti Sdn. Bhd. measuring approximately 7,000 square feet by Ace Equity Sdn. Bhd. for 2 years with rental of RM8,000 per month commencing from 2 September 2013 to 1 September 2015	96

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and/or major shareholders' interests, that are still subsisting at the end of the financial year or since then.

4. SHARE BUY-BACK

There were no share buy-back exercise undertaken by the Company during the financial year.

5. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no issuance of options, warrants or convertible securities during the financial year.

Other Compliance Information (cont'd)

6. UTILISATION OF PROCEEDS

There was no proceeds raised by the Company during the financial year.

7. DEPOSITORY RECEIPT PROGRAMME

There was no Depository Receipt Programme sponsored by the Company during the financial year.

8. SANCTIONS AND/OR PENALTIES

There were no other sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by any regulatory bodies during the financial year.

9. PROFIT GUARANTEE

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

10. VARIATION IN RESULTS

There were no variance of 10% or more between the audited results for the financial year and the unaudited results announced.

11. REVALUATION POLICY

The Group has not adopted any revaluation policy during the financial year.

12. CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Company is committed to ensuring that its actions not only benefit its shareholders but also its employees, society and the environment.

In this aspect, the Company strived to maintain high standards of recruitment, development and retention of employees initiatives in the workplace aimed at being a sustainable employer of choice. These include the following:

- Employee volunteerism
- Health, safety and welfare include series of in-house programs on safety and health and training on handling chemical, flammable materials and machineries in work place
- Employee communication channels
- Employee training

Although the Company's overall environment impact is indirect, we strived to reduce our consumption of resources and generation of waste and encouraged paper usage reduction and recycling plans.

The Group recognises the importance of meeting the environmental and social needs of the community that the Group operates in and will endeavor to take appropriate and timely action in addressing corporate social responsibilities issues, if any.

Directors' **Responsibility Statement**

The Directors are required by the Companies Act, 1965 to ensure that financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year is in accordance with the applicable approved accounting standards.

In preparing those financial statements, the Directors of the Company are required to:

- Adopt a suitable accounting policies and then applied them consistently;
- Make judgment and estimates that are prudent and reasonable;
- Ensure applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and that the financial statements comply with the Companies Act, 1965.

Report of **The Audit Committee**

The members of the Audit Committee ("the Committee") during the financial year ended 31st December 2013 are as follows:-

Name	**Designation**	**Directorship**
Mr. Khoo Siong Kee*	Chairman	Senior Independent Non-Executive Director
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	Member	Independent Non-Executive Director
Mr. Lim Kien Lai @ Lim Kean Lai	Member	Independent Non-Executive Director

* *Mr. Khoo Siong Kee is member of the Malaysian Institute of Accountants ("MIA").*

OBJECTIVES

The principle objectives of the Committee are to assist the Board of Directors ("the Board") in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Committee shall assess the suitability and independence of external auditors, evaluate the quality of the audits performed by the internal and external auditors, provide assurance that the financial information presented by Management is relevant, reliable and timely, oversee compliance with laws and regulations and applicable financial reporting standards, observe the proper code of conduct and determine the quality, adequacy and effectiveness of the Group's control environment.

COMPOSITION OF THE COMMITTEE

The Committee shall be appointed by the Board from amongst the Directors of the Company which fulfills Bursa Listing Requirements and its number shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Directors. The members of the Committee shall elect a Chairman from amongst themselves who is an Independent Non-Executive Director. No alternate Director shall be appointed as a member of the Committee.

At least one (1) member of the Committee shall be a member of the MIA or if he/she is not a member of MIA, he/she must have at least three (3) years working experience and;

(i) He/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or

(ii) He/she must be a member of one of the associated of accountants as specified in Part II of the First Schedule of the Accountants Act, 1967; or

(iii) Fulfills such other requirements as prescribed or approved by Bursa.

COMPOSITION OF THE COMMITTEE

In the event of any vacancy on the Audit Committee resulting in the non-compliance with the Listing Requirements of Bursa, the Board shall within three (3) months of the event, appoint such new member as may be required to comply with the requirements.

The Board shall review the terms of reference and performance of the Committee and each of its members at least once every three (3) years. The company secretary or any other person appointed by the Committee shall be the secretary of the Committee.

Report of The Audit Committee (cont'd)

MEETINGS OF THE COMMITTEE

The Committee shall meet at least four times in a year or upon the request of the Chairman at any time at the Chairman's discretion subject to the quorum of at least two (2) Independent Directors discharging their duties and responsibilities at one time. The Executive Directors, Accountants, representatives of the internal and external auditors or any employee of the Company who the Committee thinks fit may attend its meetings upon invitation to assist and to provide pertinent information as necessary. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee.

AUTHORITY OF THE COMMITTEE

- The Committee shall have explicit authority to investigate any matter within its terms of reference. It shall have the authority to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee.
- The Committee shall have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee can seek for external legal or other independent professional advice it considers necessary.
- The Committee shall have direct communication channels with the internal and external auditors and be able to convene meetings with internal and/or external auditors, without the presence of the Executive Directors and employees of the Group whenever deemed necessary.
- Where the 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 Listing Requirements, the Committee shall report such matter to Bursa.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Audit Committee shall review and, where appropriate, report to the Board the following:

(a) External Audit

- The audit plan and scope, including the competency and resources arrangement of the external auditors;
- The external auditors' audit report and their evaluation of the system of internal controls;
- Significant audit findings and related Management responses to ensure that appropriate and prompt remedial actions have been taken;
- The assistance given by the employees to the external auditors, and any difficulties encountered in the course of the audit work.
- The appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- The suitability and independence of the external auditors for re-appointment.

(b) Internal Audit

- The adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- The internal audit programme and processes or investigation undertaken and together with Management's responses to ascertain that appropriate actions are taken on the recommendations of the internal audit function;
- Any appraisal or assessment conducted on the performance of members of the internal audit function and approve any appointment or termination of senior staff of the internal audit function.

AUTHORITY OF THE COMMITTEE (CONT'D)

(c) Risk Management and Internal Control

- The adequacy and effectiveness of risk management, internal control and governance systems instituted in the Company and the Group;

- The Group's risk management policy and implementation of the risk management framework.

(d) Financial Reporting

The quarterly financial results and the year end financial statements of the Group and of the Company and for recommendation to the Board for approval, focusing particularly on:

- Changes in or implementation of accounting policies and practices
- Significant adjustments from the audit
- Significant unusual events
- Compliance with accounting standards and other legal requirements
- Going concern assumption

(e) Related Party Transactions

Any related party transaction and conflict of interest situation that may arise within the Company or the Group.

(f) Share Options

Review and verify on the allocation of share options to ensure compliance with the criteria for allocation of share options (if any).

Apart from the above functions, the Committee may carry out any other function that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Company to ensure the effectiveness discharge of the Committee's duties and responsibilities.

SUMMARY OF ACTIVITIES

The Committee held five (5) meetings during the financial year ended 31st December 2013.

Details of the attendance by the Members are as follows:

Name of Members	Directorship	Number of Meetings Attended
Mr. Khoo Siong Kee	Senior Independent Non-Executive Director	5/5
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	Independent Non-Executive Director	4/5
Mr. Lim Kien Lai @ Lim Kean Lai	Independent Non-Executive Director	5/5

Report of The Audit Committee (cont'd)

SUMMARY OF ACTIVITIES

During the financial year ended 31st December 2013, the Committee carried out its duties as set out in its Terms of Reference, including but not limited to:

- Review the audit plans prepared by external auditors;
- Review the quarterly financial statements during the financial year prior to submission to the Board for consideration and approval;
- Review the audited financial statements for the financial year ended 31st December 2013 and discuss significant audit issues and findings with the external auditors;
- Review the appropriateness and accuracy of various policies and procedures prior to submission to the Board for consideration and approval;
- Review the internal audit reports, audit recommendations made and Management's responses to these recommendations and actions taken to improve the system of internal control and procedures.
- Review the Statement on Risk Management and Internal Control, Statement on Corporate Governance and recommend to the Board for inclusion in the Annual Report;
- Review the procedures for identification of related party transactions and the appropriateness of such transactions, if any, before recommending to the Board for approval;
- Review the recurrent related party transactions of a revenue or trading nature on quarterly basis in accordance with the mandate given by shareholders;
- Meet with the external auditors without the presence of the Executive Director and Management.

In addition to the above, the Committee members also attended training and were briefed on the latest changes in the approved accounting standards by the external auditors.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consultants. The outsourced internal auditors assist the Board and the Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems. They report directly to the Committee.

On annual basis, an internal audit plan is tabled to the Committee for review and approval. The internal auditors execute the audits based on the approved plan. The results of the audit reviews are reported to the Committee. In addition, the internal auditors carry out follow up reviews to ensure that previously reported matters have been adequately addressed by Management and the results of such reviews are also reported to the Committee.

For the financial year ended 31st December 2013, the amount of fees and related expenses incurred in respect of the internal audit reviews performed by the professional service firm was RM6,742.85.

Statement on **Risk Management and Internal Control**

Pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa, the Board of Directors ("the Board") of Fututech Berhad Group ("the Group") is pleased to provide its Statement on Risk Management and Internal Control ("the Statement") of the Group. In producing this Statement, the Board has considered and was guided by the latest "Statement on Risk Management and Internal Control – Guideline for Directors of Listed Issuers" issued by the Task Force on Internal Control with the support and endorsement of Bursa.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group will continuously embed the risk management processes in identifying, evaluating and managing significant risks face by the organisation as part of its operating and business processes.

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

(i) *Documented Policies and Procedures*

- Clearly defined policies, procedures and practices to be complied with are in place for key operating units. These policies and procedures are regularly reviewed and updated to address operational deficiencies and changes of risks.

(ii) *Organisation Structure and Authorisation Procedures*

- The Group maintains a formal organisational structure and structured lines of reporting and responsibilities within the Group including, appropriate authority limits, review and approval procedures in order to enhance the internal control system of the Group's various operations;

(iii) *Budgeting, Monitoring and Reporting*

- Operating companies in the Group prepare budgets or cash flow estimation for major projects or potential collaborations for Management's decision purpose and constantly review the projects' cash inflow and cash outflow to prevent any significant mismatch.

- Periodic meetings between Management and business partners, which include but not limited to project developer, main-contractor, architect and consultant to discuss on the project progression, variation order, defect, resources allocation, with significant variances and delay explained and management action taken, where necessary;

- Regular factory visits by members of senior management team and Executive Directors to monitor the activities in the production.

- Regular internal quality inspection to monitor compliance of the ISO requirements by the relevant operating units;

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

BOARD RESPONSIBILITIES AND ASSURANCE

The Board recognises its responsibilities for the governance of the Group's risk management framework and internal control to safeguard shareholders' investments and the Group's assets.

The key aspects of risk management are set out below.

(i) Risk management is embedded in all aspects of the Group's activities;
(ii) The Board assesses and approves the overall acceptable risk appetite of the Group;
(iii) The risk management framework and processes are reviewed periodically to obtain reasonable assurance that risks are managed in accordance to the risk appetite; and
(iv) Any significant risks that require the Board's attention are escalated to it for deliberation.

The responsibility has been delegated to the Audit Committee, which is empowered by its terms of reference to obtain the necessary assurance from Management, internal audit function and external audit function. However, the Board as a whole remains responsible for all the actions of the committee with regard to the execution of the delegated role.

For the financial year under review, the Chief Executive Officer and Chief Financial Officer assured the Board, to the best of their knowledge, that the Group's risk management and internal control systems are operating adequately and effectively, based on the risk management framework adopted by the Group.

Nonetheless, the Board emphasises that the systems of internal control should be continuously improved in line with the evolving business development. It should also be noted that all risk management framework and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material errors, misstatements, frauds, losses or any irregularities that beyond control.

The Board is of the opinion that the risk management framework and the internal control were adequate for the financial year to address the risks which the Group considers relevant and material to its operations.

THE REVIEW MECHANISMS

There are two review mechanisms of system of internal control in the organisation. The first aspect of the review is undertaken by the Management while the second aspect constitutes the independent review by the Audit Committee with the assistance of internal audit function. The internal audit function provides independent assessment on the adequacy, efficiency and effectiveness of the Group's system of internal control and facilitates enhancement, where appropriate. The results of the audit reviews are reported directly to the Audit Committee. Follow-up reviews are also conducted to ensure that the recommendations for improvement have been implemented by Management on timely basis.

Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports provided by the Management. In this regard, the Audit Committee in consultation with the Management deliberates the integrity of the financial information contained in the quarterly reports, audited financial statements and annual report before recommending the same to the Board for approval and adoption.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement for inclusion in this annual report for the year ended 31st December 2013 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

SUMMARY

The Board is of the view that the existing level of risk management system and the internal controls are satisfactory and have not resulted in any material losses that would require disclosure in the annual report.

The Board will continue to put in place appropriate actions, where necessary, to further improve the risk management system and the internal control to meet the Group's objectives.

Financial Statements

Directors' **Report**
for the year ended 31 December 2013

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2013.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements. There have been no significant changes in the activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	11,491,519	3,656,631

DIVIDEND

Since the end of the previous financial year, the Company paid an interim ordinary dividend of 4.00 sen per ordinary share less tax at 25% totalling to RM2,722,110 (3.00 sen net per ordinary share) in repect of the financial year ended 31st December, 2013 on 5th December, 2013.

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES

There was no issuance of shares during the financial year.

SHARE OPTION

The Company did not grant any option to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS

The directors who served since the date of the last report and at the date of this report are:

Tee Eng Ho
Loo Soo Loong
Tee Eng Seng
Toh Siew Chuon
Khoo Siong Kee
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof
Lim Kien Lai @ Lim Kean Lai

Directors' Report (cont'd)
for the year ended 31 December 2013

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and warrants in the Company during the financial year were as follows:

	Number of Ordinary shares of RM0.50 each			
	Balance at 1.1.2013	**Bought**	**Sold**	**Balance at 31.12.2013**
Direct interest:				
Loo Soo Loong	2,060,000	–	–	2,060,000
Toh Siew Chuon	2,382,700	–	(60,000)	2,322,700
Lim Kien Lai @ Lim Kean Lai	20,000	48,900	–	68,900
Khoo Siong Kee	–	10,100	–	10,100
Indirect interest:				
Tee Eng Ho *	63,173,790	–	–	63,173,790
Tee Eng Seng *	63,173,790	–	–	63,173,790

* *Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.*

	Number of warrants 2007/2017			
	Balance at 1.1.2013	**Bought**	**Sold**	**Balance at 31.12.2013**
Direct interest:				
Loo Soo Loong	27,335	–	–	27,335
Toh Siew Chuon	372,443	–	–	372,443
Indirect interest:				
Tee Eng Ho *	11,247,442	–	–	11,247,442
Tee Eng Seng *	11,247,442	–	–	11,247,442

* *Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.*

Tee Eng Ho and Tee Eng Seng by virtue of their interest in ordinary shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares and warrants in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

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

Directors' Report (cont'd)
for the year ended 31 December 2013

WARRANTS 2007/2017

The movement and salient terms of Warrants 2007/2017 are disclosed in Note 14 to the financial statements.

HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 69.62% of the Company's equity shareholdings.

OTHER STATUTORY INFORMATION

Before the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position of the Group and of the Company were made out, the directors took reasonable steps:

i) 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 have satisfied themselves that there were no known bad or doubtful debts; and

ii) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

i) which would require any amount to be written off as bad debts, or provided for as doubtful debts;

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

iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and

iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

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

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

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

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

Directors' Report (cont'd)
for the year ended 31st December 2013

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the directors:

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 35 to the financial statements.

EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

Detail of event subsequent to the balance sheet date is disclosed in Note 36 to the financial statements.

AUDITORS

The Auditors, ONG & WONG, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

TEE ENG HO
Director

LOO SOO LOONG
Director

Dated: 22 April 2014
Kuala Lumpur

Statement By **Directors**

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

We, **TEE ENG HO** and **LOO SOO LOONG**, being two of the directors of **FUTUTECH BERHAD**, state that, in our opinion, the financial statements set out on pages 34 to 91 are drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2013 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

Further to the Statement by directors pursuant to Section 169[15] of the Companies Act, 1965, the information set out in Note 34 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors.

TEE ENG HO
Director

LOO SOO LOONG
Director

Dated: 22 April 2014
Kuala Lumpur

Statutory **Declaration**

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

I, **TEE ENG HO**, being the director primarily responsible for the financial management of **FUTUTECH BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 34 to 91 are drawn up, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in Wilayah Persekutuan)
on 22 April 2014) TEE ENG HO

Before me,

LEONG SEE KEONG
License No. W 494
Commissioner of Oaths
Kuala Lumpur

Independent **Auditors' Report**

To The Members of Fututech Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Fututech Berhad, which comprise the statements of financial position as at 31st December, 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 91.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December, 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and 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 the following:

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

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

c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report (cont'd)
to the Members of Fututech Berhad

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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 Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ONG & WONG
AF 0241
Chartered Accountants

ONG KONG LAI
494/06/14(J/PH)
Partner of Firm

Dated: 22 April 2014
Kuala Lumpur

Statements of **Financial Position**
as at 31st December 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	**6,721,731**	7,074,987	**–**	–
Investment in subsidiaries	4	**–**	–	**4,614,483**	4,614,483
Other investments	5	**43,000**	43,000	**–**	–
Intangible assets	6	**37,154**	50,709	**–**	–
Deferred tax assets	7(a)	**333,801**	2,183,812	**–**	–
Trade and other receivables	8	**7,666,873**	6,853,387	**–**	–
		14,802,559	16,205,895	**4,614,483**	4,614,483
Current assets					
Inventories	9	**2,769,020**	2,389,306	**–**	–
Property development costs	10	**10,606,650**	–	**–**	–
Trade and other receivables	8	**14,390,667**	50,419,344	**29,896,563**	29,051,325
Tax recoverable		**706,839**	804,973	**129,507**	129,507
Other current assets	11(a)	**5,604,627**	78,238	**–**	–
Cash and bank balances	13	**59,113,846**	60,759,279	**193,994**	99,772
		93,191,649	114,451,140	**30,220,064**	29,280,604
TOTAL ASSETS		**107,994,208**	130,657,035	**34,834,547**	33,895,087
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	14	**45,368,506**	45,368,506	**45,368,506**	45,368,506
Other reserves	15	**307,210**	310,573	**–**	–
Retained profit/(accumulated losses)		**35,723,893**	26,951,484	**(10,684,959)**	(11,619,480)
Total equity		**81,399,609**	72,630,563	**34,683,547**	33,749,026
Non-current liabilities					
Provisions	16	**–**	20,000	**–**	–
Deferred tax liabilities	7(b)	**368,086**	–	**–**	–
Trade and other payables	17	**4,155,078**	3,616,039	**–**	–
		4,523,164	3,636,039	**–**	–
Current liabilities					
Trade and other payables	17	**9,112,961**	21,250,306	**151,000**	146,061
Income tax payable		–	23,395	**–**	–
Other current liabilities	11(b)	**12,958,474**	33,116,732	**–**	–
		22,071,435	54,390,433	**151,000**	146,061
Total liabilities		**26,594,599**	58,026,472	**151,000**	146,061
TOTAL EQUITY AND LIABILITIES		**107,994,208**	130,657,035	**34,834,547**	33,895,087

The annexed notes form an integral part of these financial statements

Statements of **Profit or Loss and Other Comprehensive Income**

for the year ended 31st December 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	18	**41,995,486**	158,173,904	**–**	–
Cost of sales		**(25,941,272)**	(127,507,937)	**–**	–
Gross profit		**16,054,214**	30,665,967	**–**	–
Other operating income	19	**2,610,266**	1,968,033	**5,453,658**	1,559
		18,664,480	32,634,000	**5,453,658**	1,559
Selling and distribution expenses		**–**	(16,997)	**–**	–
Administrative expenses		**(3,244,844)**	(6,311,635)	**(444,059)**	(477,900)
Other operating expenses		**(36,511)**	(1,477,501)	**–**	–
Profit/(loss) from operations		**15,383,125**	24,827,867	**5,009,599**	(476,341)
Finance costs	20	**(336,694)**	(1,005,229)	**–**	–
Profit/(loss) before taxation	21	**15,046,431**	23,822,638	**5,009,599**	(476,341)
Taxation	24	**(3,551,912)**	(400,780)	**(1,352,968)**	(14,835)
Profit/(loss) after taxation		**11,494,519**	23,421,858	**3,656,631**	(491,176)
Other comprehensive (expenses)/ income:					
Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	15	**(3,363)**	8,005	**–**	–
Total comprehensive income/ (losses) for the year		**11,491,156**	23,429,863	**3,656,631**	(491,176)

	Note	Group 2013 RM	Group 2012 RM
Attributable to:			
Equity holders of the Company		**11,491,156**	23,429,863
Earnings per share attributable to equity holders of the Company (sen)	25	12.67	25.81

The annexed notes form an integral part of these financial statements

Statements of **Changes in Equity**

for the year ended 31st December 2013

	Note	< --- Non-distributable --- > Share capital RM	Other reserves RM	Distributable Retained profit/ (accumulated losses) RM	Total RM
Group					
At 1st January, 2012		45,368,506	302,568	3,529,626	49,200,700
Total comprehensive income for the year		–	8,005	23,421,858	23,429,863
At 31st December, 2012		45,368,506	310,573	26,951,484	72,630,563
Total comprehensive income for the year		–	(3,363)	11,494,519	11,491,156
Dividend paid	26	–	–	(2,722,110)	(2,722,110)
At 31st December, 2013		45,368,506	307,210	35,723,893	81,399,609
Company					
At 1st January, 2012		45,368,506	–	(11,128,304)	34,240,202
Total comprehensive loss for the year		–	–	(491,176)	(491,176)
At 31st December, 2012		45,368,506	–	(11,619,480)	33,749,026
Total comprehensive income for the year		–	–	3,656,631	3,656,631
Dividend paid	26	–	–	(2,722,110)	(2,722,110)
At 31st December, 2013		45,368,506	–	(10,684,959)	34,683,547

The annexed notes form an integral part of these financial statements

Statements of **Cash Flows**

for the year ended 31st December 2013

	Note	Group		Company	
		2013	**2012**	**2013**	**2012**
		RM	**RM**	**RM**	**RM**
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		**15,046,431**	23,822,638	**5,009,599**	(476,341)
Adjustments for:					
Amortisation of intangible asset		**13,555**	10,601	**–**	–
Allowance for obsolete inventories		**–**	61,289	**–**	–
Allowance for impairment losses on					
- property, plant and equipment		**–**	1,385,539	**–**	–
- other investments		**–**	10,810	**–**	–
- trade receivables		**61,420**	–	**–**	–
Depreciation of property, plant and equipment		**1,004,596**	1,286,534	**–**	228
Dividend income		–	–	**(5,400,000)**	–
Interest income		**(1,753,816)**	(790,213)	**(53,658)**	(1,559)
Inventories written off		**181,055**	10,505	**–**	–
Loss/(gain) on disposal of property, plant and equipment		**87,245**	(17,000)	**–**	–
Net fair value adjustments		**80,934**	(57,944)	**–**	–
Reversal of impairment losses - trade receivables		**(60,578)**	–	**–**	–
Reversal of provision		**(20,000)**	(204,750)	**–**	–
Unrealised foreign exchange loss		**29,731**	–	**–**	–
Operating profit/(loss) before working capital changes		**14,670,573**	25,518,009	**(444,059)**	(477,672)
(Increase)/decrease in inventories		**(560,769)**	962,701	**–**	–
Decrease/(increase) in trade and other receivables		**34,847,924**	4,576,393	**(845,238)**	71,059
Increase in property development costs		**(10,606,650)**	–	**–**	–
(Increase)/decrease in other current assets		**(5,526,389)**	15,024	**–**	–
(Decrease)/increase in trade and other payables		**(11,342,546)**	8,556,060	**4,939**	(45,392)
(Decrease)/increase in other current liabilities		**(20,158,258)**	8,189,404	**–**	–
Cash generated from/(used in) operations		**1,323,885**	47,817,591	**(1,284,358)**	(452,005)
Interest received		**1,753,816**	790,213	**53,658**	1,559
Income taxes refund		**479,839**	517,570	**–**	–
Income taxes paid		**(1,738,915)**	(1,800,846)	**(2,968)**	(14,835)
Net cash generated from/(used in) operating activities		**1,818,625**	47,324,528	**(1,233,668)**	(465,281)

Statements of Cash Flows (cont'd)

for the year ended 31st December 2013

	Note	Group		Company	
		2013	**2012**	**2013**	**2012**
		RM	**RM**	**RM**	**RM**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(738,585)**	(207,242)	**–**	–
Purchase of intangible asset		**–**	(35,448)	**–**	–
Net proceeds from disposal of property, plant and equipment		**–**	17,000	**–**	–
Net proceeds from disposal of subsidiary company		**–**	–	**2**	–
Acquisition of subsidiary company		**–**	–	**(2)**	(4)
Dividend received, net		**–**	–	**4,050,000**	–
Net cash (used in)/generated from investing activities		**(738,585)**	(225,690)	**4,050,000**	(4)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividend paid		**(2,722,110)**	–	**(2,722,110)**	–
Net cash used in financing activity		**(2,722,110)**	–	**(2,722,110)**	–
Net (decrease)/increase in cash and cash equivalents		**(1,642,070)**	47,098,838	**94,222**	(465,285)
Effect of foreign exchange rate changes		**(3,363)**	8,005	**–**	–
Cash and cash equivalents at beginning of year		**60,759,279**	13,652,436	**99,772**	565,057
Cash and cash equivalents at end of year	A	**59,113,846**	60,759,279	**193,994**	99,772

NOTE

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	**18,114,420**	23,183,630	**193,994**	99,772
Deposits with licensed banks	**40,999,426**	37,575,649	**–**	–
	59,113,846	60,759,279	**193,994**	99,772

Notes to **the Financial Statements**

31st December 2013

1. GENERAL INFORMATION

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

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

The registered office is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Interpretations

The financial statements for the financial year ended 31st December, 2013 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs").

The accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial year except for the adoption of the following new, revised MFRSs and amendments which are effective for annual period beginning on or after 1st January, 2013.

Description		**Effective for annual period beginning on or after**
MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)	1st January, 2013
MFRS 10	Consolidated Financial Statements	1st January, 2013
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)	1st January, 2013
MFRS 11	Joint Arrangements	1st January, 2013
MFRS 11	Joint Arrangements (Amendments relating to Transition Guidance)	1st January, 2013
MFRS 12	Disclosures of Interests in Other Entities	1st January, 2013
MFRS 12	Disclosures of Interests in Other Entities (Amendments relating to Transition Guidance)	1st January, 2013
MFRS 13	Fair Value Measurement	1st January, 2013
MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)	1st July, 2012
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1st January, 2013
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1st January, 2013
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1st January, 2013
Amendments to MFRSs contained in the document entitled Annual Improvements 2009 - 2011 Cycle		1st January, 2013

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Interpretations (Cont'd)

The adoption of the above Standards and Amendments has no material impact on the financial statements of the Group and of the Company, except as discussed below:

(i) Amendments to MFRS 7: Offsetting Financial Assets and Financial Liabilities and the related disclosures

The Group and the Company have applied the amendments to MFRS 7: Offsetting Financial Assets and Financial Liabilities and the related disclosures for the first time in the current year. The amendments to MFRS 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.

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

(ii) 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 MFRS 10 *Consolidated Financial Statements,* MFRS 11 *Joint Arrangements,* MFRS 12 *Disclosures of Interests in Other Entities,* MFRS 127 (IAS 27 as revised by IASB in May 2011) *Separate Financial Statements* and MFRS 128 (IAS 28 as revised by IASB in May 2011) *Investments in Associates and Joint Ventures.* Subsequent to the issue of these standards, amendments to MFRS 10, MFRS 11 and MFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

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

As the Group and the Company do not have any joint arrangement, associates and interest in other entities, the application of the amendments has had no impact on the disclosures or on the amounts recognised in these financial statements.

(iv) MFRS 13 Fair Value Measurement

The Group and the Company have applied MFRS 13 for the first time in the current year. MFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

MFRS 13 defines fair value as the price that would be received to sell all assets 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 MFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another technique. Also MFRS 13 includes extensive disclosure requirements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Interpretations (Cont'd)

(iv) MFRS 13 Fair Value Measurement (Cont'd)

MFRS 13 requires prospective from 1st 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. Other than additional disclosures, the application of MFRS 13 has not had any material impact on the amounts recognised in these financial statements.

(v) Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The Group and the Company have applied the amendments to MFRS 101 P*resentation 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 MFRS 101, the "statement of comprehensive income" is renamed "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 MFRS 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 MFRS 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 will 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 accordingly to reflect the changes. Other than the abovementioned presentation changes, the application of the amendments to MFRS 101 has not resulted in any impact on profit or loss, other comprehensive income and total comprehensive income.

(vi) Amendments to MFRS 101 Presentation of Financial Statements (as part of the Annual Improvements to MFRSs 2009 - 2011 Cycle issued in July 2012)

The Annual Improvements to MFRSs 2009 – 2011 have made a number of amendments to MFRSs. The amendments that are relevant to the Group and the Company are the amendments to MFRS 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statements of financial position is required when (a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and (b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

In the current year, the Group and the Company did not applies any accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, hence no third statements of financial position required.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards and IC Interpretations in Issue But Not Yet Effective

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

Description		Effective for annual period beginning on or after
MFRS 7	Financial Instruments: Disclosures [Amendments relating to Mandatory Effective Date of MFRS 9 and Transition Disclosures (IFRS 9 issued by IASB in November 2009 and October 2010 respectively)]	to be announced
MFRS 9	Financial Instruments	to be announced
MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)	1st July, 2014
MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)	1st January, 2014
MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)	1st January, 2014
MFRS 139	Financial Instruments: Recognition and Measurement *(Novation of Derivatives and Continuation of Hedge Accounting)*	1st January, 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127		1st January, 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127 relating to Investment Entities		1st January, 2014
Amendments to MFRSs contained in the document entitled Annual Improvements 2010 - 2012 Cycle		1st July, 2014
Amendments to MFRSs contained in the document entitled Annual Improvements 2011 - 2013 Cycle		1st July, 2014

The directors anticipate that abovementioned Standards and Amendments 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 Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except as discussed below:

(i) Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The directors do not anticipate that the application of these amendments to MFRS 132 will have significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards and IC Interpretations in Issue But Not Yet Effective (Cont'd)

(ii) MFRS 9 and Amendments relating to Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRS 9 (IFRS issued by IASB in November 2009) introduces new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS issued by IASB in October 2010) includes the requirements for the classification and measurement of financial liabilities and for derecognition.

The amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) ("MFRS 9") relating to "Mandatory Effective Date of MFRS 9 and Transition Disclosures" which became immediately effective on the issuance date of 1st March 2012 amended the mandatory effective date of MFRS 9 to annual periods beginning on or after 1st January 2015 instead of on or after 1st January 2013, which ealier application still permitted as well as modified the relief from restating prior periods. MFRS 7 which was also amended in tandem with the issuance of the aforementioned amendments introduces new disclosure requirements that are either permitted or required on the basis of the entity's date of adoption and whether the entity chooses to restate prior periods.

Key requirements of MFRS 9:

- all recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

(iii) MFRS 9 and Amendments relating to Mandatory Effective Date of MFRS 9 and Transition Disclosures

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the application of MFRS 9 in the future may have impact on amounts reported in respect of the Group's financial assets and financial liabilities that classified as available-for-sales investments (if any) as they are to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards and IC Interpretations in Issue But Not Yet Effective (Cont'd)

(iv) Amendments to MFRSs: Annual Improvements 2010 - 2012 Cycle

The Annual Improvements 2010 - 2012 Cycle include a number of amendments to various MFRSs. The amendments to MFRSs include:

- Amendments to MFRS 2 Share-based Payment;
- Amendments to MFRS 3 Business Combinations;
- Amendments to MFRS 8 Operating Segments;
- Amendments to MFRS 116 Property, Plant and Equipment;
- Amendments to MFRS 124 Related Party Disclosures; and
- Amendments to MFRS 138 Intangible Assets.

(v) Amendments to MFRSs: Annual Improvements 2010 - 2012 Cycle

<u>Amendments to MFRS 3</u>

The amendments to MFRS 3 clarify the treatment of changes in fair value of contingent consideration. The directors do not anticipate that the amendments to MFRS 3 will have a significant effect on the Group and on the Company's financial statements.

<u>Amendments to MFRS 8</u>

The amendments to MFRS 8 require the disclosure of judgements made by management in applying the aggregation criteria in MFRS 8. The directors anticipate that the amendments to MFRS 8 may result in more disclosures being made with regard to operating segments.

<u>Amendments to MFRS 116</u>

The amendments to MFRS 116 stipulate the treatment of an asset at the date of revaluation under revaluation model. The directors do not anticipate that the amendments to MFRS 116 will have a significant effect on the Group and on the Company's financial statements.

<u>Amendments to MFRS 124</u>

The amendments to MFRS 124 added a new condition in which an entity is related to a reporting entity. The directors anticipate that the amendments to MFRS 124 may result in more disclosures being made with regard to related party transactions.

<u>Amendments to MFRS 138</u>

The amendments to MFRS 138 clarify the treatment of the carrying amount of intangible assets upon revaluation. The directors do not anticipate that the amendments to MFRS 138 will have a significant effect on the Group and on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards and IC Interpretations in Issue But Not Yet Effective (Cont'd)

(vi) Amendments to MFRSs: Annual Improvements 2011 - 2013 Cycle

The Annual Improvements 2011 - 2013 Cycle include a number of amendments to various MFRSs. The amendments to MFRSs include:
- Amendments to MFRS 3 Business Combinations;
- Amendments to MFRS 13 Fair Value Measurement; and
- Amendments to MFRS 140 Investment Property.

Amendments to MFRS 3

The amendments to MFRS 3 clarify that this Standard does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The directors do not anticipate that the amendments to MFRS 3 will have a significant effect on the Group and on the Company's financial statements.

Amendments to MFRS 13

The amendments to MFRS 13 allow other contracts within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* or MFRS 9 *Financial Instruments* to have similar application as financial assets and financial liabilities. The directors do not anticipate that the amendments to MFRS 13 will have a significant effect on the Group and on the Company's financial statements.

Amendments to MFRS 140

The amendments to MFRS 140 added that in applying this Standard, an entity has to exercise judgements in determine whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of MFRS 3 *Business Combinations*. These amendments are to be applied prospectively.

2.3. Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRSs and the provisions of the Companies Act, 1965 in Malaysia. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM").

2.4. Basis of Consolidation

(i) Business Combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4. Basis of Consolidation (Cont'd)

(i) Business Combinations (Cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 Financial Instrument: Recognition and Measurement, either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for the goodwill is set out in Note 2.7(i) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(ii) Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, if any, separately from equity attributable to owners of the Company.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5. Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6. Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, property, plant and equipment except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2% - 3%
Plant and machinery	7.5% - 10%
Office equipment, furniture, fittings, motor vehicles, and renovations	10% - 20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7. Intangible Assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7. Intangible Assets (Cont'd)

(i) Goodwill (Cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1st January, 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.5 to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1st January, 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

(ii) Computer Software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

Gain or losses arising from derecognition of computer software is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

2.8. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8. Impairment of Non-Financial Assets (Cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.9. Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses, if any.

2.10. Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets at Fair Value through Profit or Loss

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10. Financial Assets (Cont'd)

(i) Financial Assets at Fair Value through Profit or Loss (Cont'd)

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

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

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

(ii) Loans and Receivables

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

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-Maturity Investments

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

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

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

The Group and the Company have not designated any financial assets as held-to-maturity investments.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10. Financial Assets (Cont'd)

(iv) Available-for-Sale Financial Assets

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

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

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

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

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

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

2.11. Impairment of Financial Assets

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

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11. Impairment of Financial Assets (Cont'd)

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost (Cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-Sale Financial Assets

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

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

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

2.12. Cash and Cash Equivalents

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

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13. Construction Contract

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

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

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

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.14. Land Held for Property Development and Property Under Development

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any impairment losses.

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

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

(ii) Property under development

Property under development comprise all costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Cost of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

2.16. Provisions

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

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

2.17. Financial Liabilities

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

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

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17. Financial Liabilities

(b) Other Financial Liabilities

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

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

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

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

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

2.18. Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.19. Borrowing Costs

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20. Employee Benefits

Defined Contribution Plans

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

2.21. Leases

As Lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.22. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion methods as described in Note 2.13 to the financial statements.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23. Income Taxes

(i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23. Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24. Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25. Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26. Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.27. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Notes to the Financial Statements (cont'd)
31st December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27. Significant Accounting Judgements and Estimates (Cont'd)

(i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

(ii) Key Sources of Estimation Uncertainty

The key assumptions 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 are discussed below.

(a) Impairment of Investment in Subsidiaries

The management determines whether the carrying amounts of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation or based on total shareholders' equity of the subsidiaries.

The carrying amount of investment in subsidiaries as at 31st December, 2013 were RM4,614,483 (2012: RM4,614,483). Further details are disclosed in Note 4 to the financial statements. Based on management's review, no further adjustment for impairment is required for the investment in subsidiaries by the Company during the current year.

(b) Impairment of Loans and Receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables' at the reporting date is disclosed in Note 8 to the financial statements.

(c) Useful Lives of Property, Plant and Equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 10 to 15 years. These are common life expectancies applied in the manufacturing industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 3 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27. Significant Accounting Judgements and Estimates (Cont'd)

(ii) Key Sources of Estimation Uncertainty (Cont'd)

(d) Deferred Tax Assets

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

The total carrying value of recognised tax losses, capital allowances and other deductible temporary differences of the Group were approximately RM3,983,000 (2012: RM13,222,000). The unrecognised tax losses, capital allowances and provisions of the Group and of the Company were approximately RM23,564,000 (2012: RM25,050,000) and RM2,034,000 (2012: RM706,000) respectively.

(e) Construction Contracts

The Group recognises construction contracts revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction contracts costs incurred for work performed to date bear to the estimated total construction contracts costs, respectively or by reference to physical stage of completion.

Significant judgement is required in determining the stage of completion, the extent of the construction contracts costs incurred, the estimated total construction contracts revenue and costs, the physical completion, as well as the recoverability of the construction contracts costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Notes to the Financial Statements (cont'd)
31st December 2013

3. PROPERTY, PLANT AND EQUIPMENT

	As at 1.1.2013 RM	Addition RM	Disposal/ Retirement RM	Written off RM	As at 31.12.2013 RM
Group					
2013					
COST					
Long term leasehold land	**1,051,975**	**–**	**–**	**–**	**1,051,975**
Buildings	**3,292,729**	**–**	**–**	**–**	**3,292,729**
Plant and machinery	**22,949,121**	**188,310**	**–**	**–**	**23,137,431**
Other assets *	**6,324,315**	**550,275**	**(184,882)**	**(65,000)**	**6,624,708**
	33,618,140	**738,585**	**(184,882)**	**(65,000)**	**34,106,843**

	As at 1.1.2013 RM	Charge for the year RM	Disposal/ Retirement RM	Written off RM	As at 31.12.2013 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT					
Long term leasehold land	**177,574**	**14,195**	**–**	**–**	**191,769**
Buildings	**491,216**	**65,855**	**–**	**–**	**557,071**
Plant and machinery	**21,209,038**	**506,771**	**–**	**–**	**21,715,809**
Other assets *	**4,665,325**	**417,775**	**(97,637)**	**(65,000)**	**4,920,463**
	26,543,153	**1,004,596**	**(97,637)**	**(65,000)**	**27,385,112**

	As at 31.12.2013 RM
NET BOOK VALUE	
Long term leasehold land	**860,206**
Buildings	**2,735,658**
Plant and machinery	**1,421,622**
Other assets *	**1,704,245**
	6,721,731

* Other assets consist of office equipment, furniture, fittings, motor vehicles and renovations.

Notes to the Financial Statements (cont'd)
31st December 2013

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

	As at 1.1.2012 RM	**Addition RM**	**Disposal/ Retirement RM**	**Written off RM**	**As at 31.12.2012 RM**
Group					
2012					
COST					
Long term leasehold land	1,051,975	–	–	–	1,051,975
Buildings	3,292,729	–	–	–	3,292,729
Plant and machinery	22,875,595	73,526	–	–	22,949,121
Other assets *	6,295,883	133,716	(105,284)	–	6,324,315
	33,516,182	207,242	(105,284)	–	33,618,140

	As at 1.1.2012 RM	**Charge for the year RM**	**Disposal/ Retirement RM**	**Impairment RM**	**As at 31.12.2012 RM**
ACCUMULATED DEPRECIATION/ IMPAIRMENT					
Long term leasehold land	163,378	14,196	–	–	177,574
Buildings	425,361	65,855	–	–	491,216
Plant and machinery	19,021,309	802,190	–	1,385,539	21,209,038
Other assets *	4,366,316	404,293	(105,284)	–	4,665,325
	23,976,364	1,286,534	(105,284)	1,385,539	26,543,153

	As at 31.12.2012 RM
NET BOOK VALUE	
Long term leasehold land	874,401
Buildings	2,801,513
Plant and machinery	1,740,083
Other assets *	1,658,990
	7,074,987

* Other assets consist of office equipment, furniture, fittings, motor vehicles and renovations

Notes to the Financial Statements (cont'd)
31st December 2013

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

	As at 1.1.2013/31.12.2013 RM
Company	
COST	
Office equipment	**57,022**
Furniture and fittings	**2,376**
	59,398

	As at 1.1.2013/31.12.2013 RM
ACCUMULATED DEPRECIATION	
Office equipment	**57,022**
Furniture and fittings	**2,376**
	59,398

	As at 1.1.2013/31.12.2013 RM
NET BOOK VALUE	
Office equipment	–
Furniture and fittings	–
	–

* Depreciation charged during the financial year ended 31st December 2012 amounted to RM228.

4. INVESTMENT IN SUBSIDIARIES

	Company 2013 RM	Company 2012 RM
Unquoted shares, at costs	**28,952,007**	28,952,007
Accumulated impairment	**(24,337,524)**	(24,337,524)
	4,614,483	4,614,483

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2013	Proportion (%) of Ownership Interest 2012
Held by the Company:				
Advance Industries Sdn. Bhd.	Malaysia	Construction, sub-contractors, manufacturing, assembly, installation and sales of light fittings, advertising point-of-sale, furniture and related products.	**100**	100
Acumen Marketing Sdn. Bhd.	Malaysia	Supply of lightings, light fittings, outdoor fittings advertising point-of-sale, furniture and related products.	**100**	100
Lighting Louvres Manufacturing Sdn. Bhd.	Malaysia	Manufacturing and sale of aluminium lighting louvres.	**100**	100
Futumeds Sdn. Bhd.	Malaysia	Construction, sub-contractors, installation and sale of light fittings, advertising point-of-sale, furniture and related products.	**100**	100
Fututech (Labuan) Limited	Malaysia	Investment holding.	**100**	100
Acumen Industries Limited *	Hong Kong	Dormant. Intended principal activity is investment holding.	**100**	100
Bazarbayu Sdn. Bhd.	Malaysia	Property development.	**100**	100
Senandung Raya Sdn. Bhd.	Malaysia	Property development.	**–**	100
FutuProp Sdn. Bhd.	Malaysia	Investment holding and has not commenced business since the date of incorporation.	**100**	–
Aurizon Investments Limited	British Virgin Islands	Investment holding and has not commenced business since the date of incorporation.	**100**	–

Notes to the Financial Statements (cont'd)
31st December 2013

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2013	2012
Held by Advance Industries Sdn. Bhd.:				
Ace Equity Sdn. Bhd.	Malaysia	Supply and installation of aluminium and glazing works, stones works, interior fixtures, fittings, lightings, cabinetry and related products and provision of contract workmanship and other related services.	**100**	100
Held by Fututech (Labuan) Limited.:				
Acumen Design & Development Solutions Limited *	Hong Kong	Provision of consultancy services and supply of advertising point-of-sale products.	**100**	100
Held by FutuProp Sdn. Bhd.:				
Senandung Raya Sdn. Bhd.	Malaysia	Property development.	**100**	–
Segi Rancak Sdn. Bhd.	Malaysia	Investment holding and has not commenced business since the date of incorporation.	**100**	–

* Audited by firms of auditors other than Ong & Wong

During the year, the Company has acquired 3 subsidiaries, directly or indirectly, as disclosed in Note 35 to the financial statements. These acquisitions have not had significant impact on the financial results and cash flows of the Group. The effect of these acquisitions on the financial position of the Group at the end of the financial year is as follow:

	Group 2013 RM
Other receivables and deposits	1,002
Other payables and accruals	(2,470)
	(1,468)

5. OTHER INVESTMENTS

	Group 2013 RM	Group 2012 RM
Available for sale financial assets:		
(a) Equity instuments	**2,310**	2,310
Allowance for impairment	**(2,310)**	(2,310)
	–	–
(b) Club membership	**93,500**	93,500
Allowance for impairment	**(50,500)**	(50,500)
	43,000	43,000

Movement of allowance for impairment accounts:

	Group 2013 RM	Group 2012 RM
At 1st January	**52,810**	42,000
Charge for the year	**–**	10,810
At 31st December	**52,810**	52,810

6. INTANGIBLE ASSETS

	Group 2013 RM	Group 2012 RM
Computer Software		
COST		
At beginning of financial year	**67,776**	32,328
Addition	**–**	35,448
At end of financial year	**67,776**	67,776
ACCUMULATED AMORTISATION		
At beginning of financial year	**17,067**	6,466
Amortisation charged	**13,555**	10,601
At end of financial year	**30,622**	17,067
Net carrying amount		
At beginning of financial year	**50,709**	25,862
At end of financial year	**37,154**	50,709

Notes to the Financial Statements (cont'd)
31st December 2013

7. DEFERRED TAX (LIABILITIES)/ ASSETS

	Group 2013 RM	Group 2012 RM
At beginning of financial year	**2,183,812**	2,447,237
Transfer to statement of profit or loss and other comprehensive income (Note 24)	**(2,218,097)**	(263,425)
At end of financial year	**(34,285)**	2,183,812

Presenting after appropriate offsetting as follows:

	Group 2013 RM	Group 2012 RM
(a) Deferred tax assets	**333,801**	2,183,812
(b) Deferred tax liabilities	**(368,086)**	–
	(34,285)	2,183,812

	Group 2013 RM	Group 2012 RM
The deferred tax (liabilities)/assets recognised is in respect of the followings:		
- Temporary difference between depreciation and capital allowance	**(1,030,060)**	(1,121,687)
- Unused tax losses and unabsorbed capital allowances	**263,835**	2,605,443
- Provision and others	**731,940**	700,056
	(34,285)	2,183,812

The deferred tax assets which are not been recognised in the financial statements are as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Unused tax losses	**5,644,191**	7,149,431	**2,034,114**	705,781
Unabsorbed capital allowances	**13,542,965**	13,525,966	**–**	–
Other deductible temporary differences	**4,376,746**	4,374,732	**–**	–
	23,563,902	25,050,129	**2,034,114**	705,781

The unused tax losses and unabsorbed capital allowances of the Group and of the Company are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

8. TRADE AND OTHER RECEIVABLES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-Current				
Trade Receivables				
Retention sum receivables	**7,666,873**	6,853,387	**–**	–
Current				
Trade Receivables				
Third parties	**10,574,708**	48,811,257	**–**	–
Retention sum receivables	**5,186,438**	5,127,799	**–**	–
	15,761,146	53,939,056	**–**	–
Less: Allowance for impairment				
- Third parties	**(5,725,338)**	(5,724,496)	**–**	–
	10,035,808	48,214,560	**–**	–
Other Receivables				
Amount due from subsidiaries	**–**	–	**52,658,883**	51,811,958
Prepayment	**18,882**	146,562	**6,121**	7,808
Deposits	**1,842,590**	1,989,755	**–**	–
Other receivables	**2,493,387**	68,467	**–**	–
	4,354,859	2,204,784	**52,665,004**	51,819,766
Less: Allowance for impairment				
- Amount due from subsidiaries	**–**	–	**(22,768,441)**	(22,768,441)
	4,354,859	2,204,784	**29,896,563**	29,051,325
Total - current	**14,390,667**	50,419,344	**29,896,563**	29,051,325
Total trade and other receivables	**22,057,540**	57,272,731	**29,896,563**	29,051,325
Add: Cash and bank balances	**59,113,846**	60,759,279	**193,994**	99,772
Total loans and receivables	**81,171,386**	118,032,010	**30,090,557**	29,151,097

Notes to the Financial Statements (cont'd)
31st December 2013

8. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2012: 30 to 90) days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Retention sum receivables are monies withheld by contract customers and will be released to the Group upon expiry of 30 months from the date of completion of construction contracts.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2013	**2012**
	RM	**RM**
Neither past due nor impaired	**16,959,264**	27,304,742
1 to 30 days past due not impaired	**196,628**	–
31 to 60 days past due not impaired	**96,997**	6,995,928
61 to 90 days past due not impaired	**–**	12,211,376
More than 90 days past due not impaired	**–**	7,738,664
More than 365 days past due not impaired	**449,792**	817,237
	743,417	27,763,205
Impaired	**5,725,338**	5,724,496
	23,428,019	60,792,443

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM743,417 (2012: RM27,763,205) that are past due at the reporting date but not impaired. Based on their payment history, the Group believes that no allowance for impairment is necessary. These receivables are unsecured.

8. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables (Cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired as at the reporting date and the movement of the allowance for impairment accounts are as follows:

	Group	
	2013	**2012**
	RM	**RM**
At 1st January	**5,724,496**	5,724,496
Charge for the year (Note 21)	**61,420**	–
Reversal of impairment losses (Note 19)	**(60,578)**	–
At 31st December	**5,725,338**	5,724,496

Trade receivables that are collectively and individually determined to be impaired at the reporting date mainly relate to balances which have been significantly long outstanding. These receivables are not secured by any collateral or credit enhancements.

(b) Other Receivables

Other receivables that are impaired

The Company's other receivables that are impaired is as follow and there is no movement in the allowance for impairment account during the financial year.

	Company	
	2013	**2012**
	RM	**RM**
At beginning/end of financial year	**22,768,441**	22,768,441

(c) Amounts Due From Subsidiaries

These amounts are unsecured, non-interest bearing and are repayable on demand.

Notes to the Financial Statements (cont'd)
31st December 2013

9. INVENTORIES

	Group 2013 RM	Group 2012 RM
At cost/ realisable value		
Raw materials	**2,397,056**	1,977,815
Work-in-progress	**336,345**	299,262
Finished goods	**35,619**	112,229
	2,769,020	2,389,306

During the financial year, inventories amounted to RM3,786,551 (2012: RM2,535,428) has been recognised in the cost of sales of the Group.

Inventories amounted to RM181,055 (2012: RM10,505) has been written off during the financial year.

10. PROPERTY DEVELOPMENT COSTS

	Leasehold Land RM	Development Costs RM	Total RM
Group			
2013			
Cumulative Property Development Costs			
At 1st January	–	–	–
Costs incurred during the year	8,437,221	2,169,429	10,606,650
At 31st December	8,437,221	2,169,429	10,606,650

11. OTHER CURRENT ASSETS AND OTHER CURRENT LIABILITIES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
(a) Other Current Assets				
Prepayments	**86,349**	78,238	–	–
Amount due from customers for contract works (Note 12)	**5,518,278**	–	**–**	–
	5,604,627	78,238	**–**	–
(b) Other Current Liabilities				
Amount due to customers for contract works (Note 12)	**(12,958,474)**	(33,116,732)	**–**	–

Notes to the Financial Statements (cont'd)
31st December 2013

12. AMOUNT DUE TO CUSTOMERS FOR CONTRACT WORKS

	Group 2013 RM	Group 2012 RM
Construction contract costs incurred to date	**256,484,467**	219,201,907
Attributable profits	**58,871,671**	39,669,558
	315,356,138	258,871,465
Less: Progress billings	**(322,796,334)**	(291,988,197)
	(7,440,196)	(33,116,732)

Presenting after appropriate offsetting as follows:

	2013 RM	2012 RM
Amount due from customers for contract works	**5,518,278**	–
Amount due to customers for contract works	**(12,958,474)**	(33,116,732)
	(7,440,196)	(33,116,732)

13. CASH AND BANK BALANCES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash in hand and at bank	**18,114,420**	23,183,630	**193,994**	99,772
Deposits with licensed banks	**40,999,426**	37,575,649	**–**	–
	59,113,846	60,759,279	**193,994**	99,772

The fixed deposits earned interest rates ranging from 3.06% to 3.25% (2012: 3.06% to 3.25%) per annum and have average maturities of 30 (2012: 16 to 30) days.

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares 2013	Number of ordinary shares 2012	Amount 2013 RM	Amount 2012 RM
Authorised				
At 1st January/ 31st December	**300,000,000**	300,000,000	**150,000,000**	150,000,000
Issued and fully paid				
At 1st January/31st December	**90,737,012**	90,737,012	**45,368,506**	45,368,506

Notes to the Financial Statements (cont'd)
31st December 2013

14. SHARE CAPITAL (CONT'D)

Warrants 2007/2017

The Warrants 2007/2017 were constituted under a Deed Poll dated 22nd November, 2007 ("Warrants 2007/2017 Deed Poll") and issued on 21st December, 2007 in conjunction with the issuance of the Company's Rights Issue in 2007. The salient features of the warrants are as follows:

(a) each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM1.00 each at the exercise price during the exercise period; subject to adjustments in accordance with the provisions of the Warrants 2007/2017 Deed Poll;

(b) the exercise price is fixed at RM1.00 per share and the exercise period is ten years commencing on and including the date of issuance which expires on 20th December, 2017;

(c) the new ordinary shares of RM1.00 each to be issued pursuant to the exercise of the warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company; and

(d) the Warrants 2007/2017 holders are not entitled to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares.

The Renounceable Rights Issue during the financial year ended 31st December, 2012 has resulted in adjustments to both the number and exercise price of the Warrants 2007/2017, which were made in accordance with the provisions of the Warrant 2007/2017 Deed Poll. The revised salient features of the warrants are as follows:

(a) each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each at the exercise price during the exercise period; subject to adjustments in accordance with the provisions of the Warrants 2007/2017 Deed Poll;

(b) the exercise price is fixed at RM0.88 per share and the exercise period is ten years commencing on and including the date of issuance which expires on 20th December, 2017;

(c) the new ordinary shares of RM0.50 each to be issued pursuant to the exercise of the warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company; and

(d) the Warrants 2007/2017 holders are not entitled to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares.

The Company's unexercised warrants arising from the adjustments were as follow and there is no movement during the financial year.

	2013 RM	2012 RM
At beginning/end of financial year	**26,754,754**	26,754,754

15. OTHER RESERVES

	Group	
	2013 **RM**	**2012** **RM**
Other reserve	**475,000**	475,000
Foreign currency translation reserve	**(167,790)**	(164,427)
	307,210	310,573

The movements in each category of reserves were as follows:

Other reserve

	2013 **RM**	**2012** **RM**
At beginning/end of financial year	**475,000**	475,000

Foreign currency translation reserve

	2013 **RM**	**2012** **RM**
At beginning of financial year	**(164,427)**	(172,432)
Charged during the year	**(3,363)**	8,005
At end of financial year	**(167,790)**	(164,427)

(a) Other reserve

The other reserve is in respect of capitalisation of retained profits by a subsidiary for a bonus issue.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

16. PROVISIONS

		Group	
	Restoration of office **RM**	**Legal claims** **RM**	**Total** **RM**
At 1st January, 2012	20,000	339,750	359,750
Reversal during the year	–	(204,750)	(204,750)
Payment made	–	(135,000)	(135,000)
At 31st December, 2012	20,000	–	20,000
Reversal during the year	(20,000)	–	(20,000)
At 31st December, 2013	–	–	–

Notes to the Financial Statements (cont'd)
31st December 2013

16. PROVISIONS (CONT'D)

Restoration of office

On 1st May, 2010, the Group entered into an operating lease for an office building for a term of 3 years. The provision made represents Management's best estimate of the restoration cost, being a quotation obtained from a third party as at the reporting date. During the financial year, the balance of the provision has been reversed against property, plant and equipment.

Legal claims

On 25th May, 2010, claims made against competitors of the Group in infringing its intellectual property right failed. The Company was obliged to repay legal costs incurred by the defendant in the suit. The provision made represents proposed claims by the respective solicitors of the defendants. In previous year, payments were made to settle the claims whereas balance of the provision relating to those claims has been reversed to profit or loss.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Non-Current				
Trade Payables				
Retention sum payables	**4,155,078**	3,616,039	**–**	–
Current				
Trade Payables				
Third parties	**6,350,946**	18,314,176	**–**	–
Retention sum payables	**1,709,407**	1,618,094	**–**	–
	8,060,353	19,932,270	**–**	–
Other Payables				
Amount due to subsidiaries	**–**	–	**–**	2
Accruals	**791,931**	1,142,119	**151,000**	133,700
Other payables	**260,677**	175,917	**–**	12,359
	1,052,608	1,318,036	**151,000**	146,061
Total - current	**9,112,961**	21,250,306	**151,000**	146,061
Total trade and other payables	**13,268,039**	24,866,345	**151,000**	146,061

Notes to the Financial Statements (cont'd)
31st December 2013

17. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 (2012: 30 to 90) days term.

Retention sum payables are monies withheld by the Group and will be released to contractors upon expiry of 30 months from the date of completion of work.

(b) Other Payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 (2012: 90) days term.

18. REVENUE

	Group	
	2013	**2012**
	RM	**RM**
Construction revenue	**38,930,652**	155,168,647
Sale of goods	**3,064,834**	3,005,257
	41,995,486	158,173,904

19. OTHER OPERATING INCOME

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Bad debts recovered	**–**	60,319	**–**	–
Dividend income	**–**	–	**5,400,000**	–
Fair value adjustment on discounting of retention sum payables	**255,760**	1,063,173	**–**	–
Interest income from loans and receivables	**1,753,816**	790,213	**53,658**	1,559
Proceeds from disposal of property plant and equipment	**–**	17,000	**–**	–
Proceeds from insurance claims	**61,498**	36,151	**–**	–
Proceeds from legal suit	**437,937**	–	**–**	–
Reversal of impairment losses:				
- trade receivables (Note 8 (a))	**60,578**	–	**–**	–
Sales of scrap	**40,677**	1,177	**–**	–
	2,610,266	1,968,033	**5,453,658**	1,559

Notes to the Financial Statements (cont'd)
31st December 2013

20. FINANCE COSTS

	Group	
	2013	2012
	RM	RM
Fair value adjustment on discounting of retention sum receivables	336,694	1,005,229

21. PROFIT/(LOSS) BEFORE TAXATION

The following items have been included in arriving at profit/ (loss) before taxation:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audits				
- current year	**89,606**	83,836	**30,000**	30,000
- underprovision in previous year	**1,997**	20,354	**–**	20,000
- other services				
- current year	**1,000**	1,000	**1,000**	1,000
- underprovision in previous year	**–**	4,000	**–**	4,000
Allowance for obsolete inventories	**–**	61,289	**–**	–
Allowance for impairment losses:				
- other investments (Note 5)	**–**	10,810	**–**	–
- property, plant and equipment	**–**	1,385,539	**–**	–
- trade receivables (Note 8(a))	**61,420**	–	**–**	–
Amortisation of intangible asset (Note 6)	**13,555**	10,601	**–**	–
Depreciation of property, plant and equipment (Note 3)	**1,004,596**	1,286,534	**–**	228
Employee benefits expense (Note 22)	**5,515,796**	5,486,885	**–**	–
Foreign exchange loss				
- realised	**6,780**	22,320	**–**	271
- unrealised	**29,731**	–	**–**	–
Loss/(gain) on disposal of property, plant and equipment	**87,245**	(17,000)	**–**	–
Inventories written off (Note 9)	**181,055**	10,505	**–**	–
Operating lease, minimum lease payments for office	**194,228**	181,877	**–**	–
Non-executive directors' remuneration (Note 23)	**131,390**	118,939	**131,390**	118,939
Reversal of impairment losses:				
- trade receivables (Note 8(a))	**(60,578)**	–	**–**	–
Reversal of provision (Note 16)	**(20,000)**	(204,750)	**–**	–

Notes to the Financial Statements (cont'd)
31st December 2013

22. EMPLOYEE BENEFITS EXPENSE

	Group	
	2013	**2012**
	RM	**RM**
Wages and salaries	**4,552,668**	4,845,261
Social security contributions	**21,631**	26,573
Contributions to defined contribution plan	**453,758**	439,084
Other benefits	**487,739**	175,967
	5,515,796	5,486,885

Included in employee benefits expense of the Group is executive directors' remuneration amounting to RM1,770,115 (2012: RM1,335,936), as further disclosed in Note 23 below.

23. DIRECTORS' REMUNERATION

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Executive				
- salaries and other emoluments	**1,580,460**	1,192,800	**–**	–
- contributions to defined contribution plan	**189,655**	143,136	**–**	–
	1,770,115	1,335,936	**–**	–
- estimated money value of benefits-in-kind	**43,000**	94,000	**–**	–
Total executive directors' remuneration	**1,813,115**	1,429,936	**–**	–
Non-executive				
- fees	**122,890**	100,939	**122,890**	100,939
- other emoluments	**8,500**	18,000	**8,500**	18,000
Total non-executive directors' remuneration (Note 21)	**131,390**	118,939	**131,390**	118,939
	1,944,505	1,548,875	**131,390**	118,939

Notes to the Financial Statements (cont'd)
31st December 2013

23. DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2013	**2012**
Executive directors		
- RM300,001 - RM350,000	**2**	3
- RM350,001 - RM400,000	**1**	–
- RM500,001 - RM550,000	**–**	–
- RM700,001 - RM750,000	**–**	1
- RM750,001 - RM800,000	**1**	–
Non-executive directors		
- below RM50,000	**3**	3

24. TAXATION

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Current income tax				
- Malaysian income tax	**1,334,221**	407,592	**1,350,000**	–
- (Over)/underprovision in previous year	**(406)**	(270,237)	**2,968**	14,835
	1,333,815	137,355	**1,352,968**	14,835
Deferred income tax (Note 7)				
- relating to origination and reversal of temporary differences	**2,264,261**	1,004,580	**–**	–
- Underprovision of net deferred tax assets in previous year	**(46,164)**	(741,155)	**–**	–
	2,218,097	263,425	**–**	–
Income tax expense recognised in statement of profit or loss and other comprehensive income	**3,551,912**	400,780	**1,352,968**	14,835

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31st December, 2013 and 2012 is as follows:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Profit/(loss) before tax	**15,046,431**	23,822,638	**5,009,599**	(476,341)

24. TAXATION (CONT'D)

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	**3,761,608**	5,955,660	**1,252,400**	(119,085)
Income not subject to tax	**(60,080)**	(203,942)	**–**	–
Non-deductible expenses	**311,937**	1,325,896	**64,289**	119,085
Deferred tax assets not recognised	**53,481**	417,011	**33,311**	–
Deferred tax assets recognised on previously unrecognised tax losses and capital allowance	**(425,038)**	(6,082,453)	**–**	–
Utilisation of current year's capital allowance	**(43,426)**	–	**–**	–
Underprovision of net deferred tax assets in previous year	**(46,164)**	(741,155)	**–**	–
(Over)/underprovision of income tax in previous year	**(406)**	(270,237)	**2,968**	14,835
	3,551,912	400,780	**1,352,968**	14,835

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

25. EARNINGS PER SHARE

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

	Group	
	2013	**2012**
	RM	**RM**
Profit, net of tax attributable to owners of the parent	**11,494,519**	23,421,858
Weighted average number of ordinary shares outstanding	**90,737,012**	90,737,012
Basic earnings per share (sen)	**12.67**	25.81

The outstanding warrants have been excluded from the computation of fully diluted earnings per share as the exercise of warrants to ordinary shares would be anti-dilutive. There were no other transactions involving the potential dilution of ordinary shares outstanding.

Notes to the Financial Statements (cont'd)
31st December 2013

26. DIVIDEND

	Company Net per share RM	Amount RM
2013		
Interim dividend in respect of		
- financial year ended 31st December 2013	0.03	2,722,110

27. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group 2013 RM	2012 RM
Rental expenses		
- A company related to directors	**96,000**	98,400
Staff secondment expenses		
- A company related to directors	**262,210**	292,107
Construction contract revenue		
- A company related to directors	**9,206,975**	133,909,452
Sub-construction contracts		
- A company related to directors	**321,066**	13,542,167
Sale of finished goods		
- A company related to directors	**268,552**	260,000

A company related to directors during the financial year under the construction contract revenue and rental expenses refers to Permatang Bakti Sdn. Bhd., a company in which two of the directors of the Company, Tee Eng Ho and Toh Siew Chuon are the directors.

A company related to directors during the financial year under the sub-construction contracts, staff secondment expenses and sale of finished goods refers to Kerjaya Prospek (M) Sdn. Bhd., a company in which three of the directors of the Company, Tee Eng Ho, Tee Eng Seng and Toh Siew Chuon are the directors.

(b) Compensation of key management personnel

The key management personnel comprised mainly executive and non-executive directors of the Group and of the Company. The directors' remuneration is disclosed in Note 23.

28. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group has entered into commercial lease on office buildings. The lease have an average tenure of two years with two-year renewal option with contingent rent provision included in the contract. There are no restrictions placed upon the Group by entering into the lease.

Future minimum rentals payable under non-cancellable operating lease at the reporting date are as follows:

	Group	
	2013	**2012**
	RM	**RM**
Not later than one year	**96,000**	64,000
Later than one year and not later than five years	**72,000**	–
	168,000	64,000

29. HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 69.62% of the Company's equity shareholdings.

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of Fair Value

<u>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</u>

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	8
Deposits with licensed banks	13
Trade and other payables (current)	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are re-priced to market interest rates on or near the reporting date.

<u>Non-current trade receivables and payables</u>

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

Notes to the Financial Statements (cont'd)
31st December 2013

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

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

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 8 to the financial statements.

<u>Credit Risk Concentration Profile</u>

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are mainly arising from the construction segment.

At the reporting date, the Group has significant concentration of credit risk in the form of outstanding balances due from 3 (2012: 2) debtors in the construction segment representing 93% (2012: 97%) of the gross trade receivables.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 8 to the financial statements.

<u>Financial assets that are either past due or impaired</u>

Information regarding financial assets that are either past due or impaired is disclosed in Note 8 to the financial statements.

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

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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 reporting date based on contractual undiscounted repayment obligations.

	<------------------------------31.12.2013--------------------------->			
	On demand or within one year RM	**One to five years RM**	**Over five years RM**	**Total RM**
Group				
Financial Liabilities				
Trade and other payables	**9,112,961**	**4,155,078**	**–**	**13,268,039**
Company				
Financial Liabilities				
Trade and other payables	**151,000**	**–**	**–**	**151,000**

	<------------------------------31.12.2012--------------------------->			
	On demand or within one year RM	**One to five years RM**	**Over five years RM**	**Total RM**
Group				
Financial Liabilities				
Trade and other payables	**21,250,306**	**3,616,039**	**–**	**24,866,345**
Company				
Financial Liabilities				
Trade and other payables	**146,061**	**–**	**–**	**146,061**

Notes to the Financial Statements (cont'd)
31st December 2013

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

(c) Interest Rate Risk

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

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

Borrowings at floating rates shall expose the Group to cash flow interest rate risk whereas borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage its interest rate exposure by maintaining a mix of fix and floating rate of borrowings when the need arise.

As at the balance sheet date, the Group has no financial liabilities that expose to interest rate risk.

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD") and Hong Kong Dollar ("HKD"). Foreign exchange exposures in these transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The unhedged financial assets of the Group that are not denominated in the functional currency are as follows:

	Group	
	2013	**2012**
	RM	**RM**
USD	**1,737,328**	2,070,573
AUD	**148,531**	124,447
HKD	**41,872**	202,660
	1,927,731	2,397,680

As at the balance sheet date, the Group has no unhedged financial liabilities that are not denominated in the functional currency.

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

(d) Foreign Currency Risk (Cont'd)

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible change in the USD, AUD and HKD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2013 RM	2012 RM
USD/RM	- strengthened 10%	**173,733**	207,057
	- weakened 10%	**(173,733)**	(207,057)
AUD/RM	- strengthened 2%	**2,971**	2,489
	- weakened 2%	**(2,971)**	(2,489)
HKD/RM	- strengthened 2%	**837**	4,053
	- weakened 2%	**(837)**	(4,053)

32. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31st December, 2013 and 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an acceptable limit. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade and other payables	**13,268,039**	24,866,345	**151,000**	146,061
Less: Cash and bank balances	**(59,113,846)**	(60,759,279)	**(193,994)**	(99,772)
	(45,845,807)	(35,892,934)	**(42,994)**	46,289
Equity attributable to the owners of the parent, representing total capital	**81,399,609**	72,630,563	**34,683,547**	33,749,026
Capital and net debt, excluding net credit	**81,399,609**	72,630,563	**34,683,547**	33,795,315
Gearing ratio	**0%**	0%	**0%**	0%

Notes to the Financial Statements (cont'd)
31st December 2013

33. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Manufacturing segment - Manufacturing, supply and installation of light fitting and kitchen cabinetry and related products.

(ii) Construction segment - Supply and installation of aluminium works, interior fixtures and provision of contract workmanship.

(iii) Properties – Development of residential or commercial properties.

(iv) Investments and others.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Construction RM	Manufacturing RM	Properties RM	Investments and others RM	Elimination RM	Total RM
31st December, 2013						
Revenue						
External sales	36,070,529	5,924,957	–	–	–	41,995,486
Inter-segment sales	28,523,526	6,076,042	–	–	(34,599,568)	–
Total revenue	64,594,055	12,000,999	–	–	(34,599,568)	41,995,486
Results						
Segment results	16,988,130	855,310	(9,157)	4,980,842	(7,432,000)	15,383,125
Finance costs						(336,694)
Profit before tax						15,046,431
Taxation						(3,551,912)
Profit for the year						11,494,519
Assets						
Segment assets	64,408,948	87,317,076	12,260,194	34,700,742	(91,399,591)	107,287,369
Unallocated assets						706,839
Consolidated total assets						107,994,208
Liabilities						
Segment liabilities	(66,095,390)	(60,731,532)	(12,277,206)	(41,245,300)	153,754,829	(26,594,599)
Unallocated liabilities						–
Consolidated total liabilities						(26,594,599)
Other information						
Depreciation of property, plant and equipment	330,716	673,880	–	–	–	1,004,596
Amortisation of intangible assets	13,555	–	–	–	–	13,555

33. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Investments and others RM	Elimination RM	Total RM
31st December, 2012					
Revenue					
External sales	155,309,372	2,864,532	–	–	158,173,904
Inter-segment sales	116,486,532	14,750,190	–	(131,236,722)	–
Total revenue	271,795,904	17,614,722	–	(131,236,722)	158,173,904
Results					
Segment results	26,099,085	(821,435)	(449,783)	–	24,827,867
Finance costs					(1,005,229)
Profit before tax					23,822,638
Taxation					(400,780)
Profit for the year					23,421,858
Assets					
Segment assets	95,206,004	112,204,239	36,147,705	(113,705,886)	129,852,062
Unallocated assets					804,973
Consolidated total assets					130,657,035
Liabilities					
Segment liabilities	(128,637,479)	(62,333,556)	(42,191,365)	175,159,323	(58,003,077)
Unallocated liabilities					(23,395)
Consolidated total liabilities					(58,026,472)
Other information					
Depreciation of property, plant and equipment	647,680	638,626	228	–	1,286,534
Amortisation of intangible assets	10,601	–	–	–	10,601

Notes to the Financial Statements (cont'd)
31st December 2013

34. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFIT/ (ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

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

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Total retained profit/ (accumulated losses) of the Company and its subsidiaries				
- Realised	**(26,596,563)**	(38,295,690)	**(10,684,959)**	(11,619,480)
- Unrealised	**2,328,762**	205,481	**–**	–
	(24,267,801)	(38,090,209)	**(10,684,959)**	(11,619,480)
Less: Consolidation adjustments	**59,991,694**	65,041,693	**–**	–
Retained profit/ (accumulated losses)	**35,723,893**	26,951,484	**(10,684,959)**	(11,619,480)

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 21st January, 2013, Bazarbayu Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into a Conditional Sale & Purchase Agreement with KYM Leisure Sdn. Bhd. to acquire 3 pieces of leasehold land measuring in area approximately 1,932.6 square metres each aggregating to 5,797.8 square metres all in Tempat Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang for a total purchase consideration of RM8,000,000. The acquisition has been completed on 20th August, 2013.

(b) On 28th March, 2013, the shareholders of the Company have at the Extraordinary General Meeting passed the resolution to allow Senandung Raya Sdn Bhd, a wholly-owned sub-subsidiary of the Company, to enter into a Conditional Sales & Purchase Agreement with Creative Interlink Sdn. Bhd. to acquire a piece of land measuring in area approximately 35,310 square metres held under Mukim Bukit Raja, Daerah Petaling Negeri Selangor for a total purchase consideration of RM16,500,000 ("Proposed Acquisition").

(c) On 2nd July, 2013, the Company has acquired two (2) ordinary shares of USD1.00 each in Aurizon Investments Limited ("Aurizon") that incorporated and domiciled in British Virgin Islands, representing 100% of the issued and paid-up share capital of Aurizon for a total consideration of USD2.00. The intended principal activity of Aurizon was disclosed in Note 4.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(d) On 28th August, 2013, the Company has incorporated its wholly-owned subsidiary namely, FutuProp Sdn Bhd ("FutuProp"). The authorised share capital of FutuProp is RM400,000 divided into 400,000 ordinary shares of RM1.00 each with a total issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. On the same day, FutuProp has acquired two (2) ordinary shares of RM1.00 each in Segi Rancak Sdn Bhd ("SRSB"), representing 100% of the issued and paid-up share capital of SRSB for a total consideration of RM2.00.The intended principal activity of FutuProp and SRSB were disclosed in Note 4 to the financial statements.

36. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

The Proposed Acquisition has been completed on 31st January, 2014 and the title has been duly registered under Senandung Raya Sdn Bhd.

37. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31st December, 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 22 April 2014.

List of **Property Owned by the Group**

as at 31st December 2013

Address/Location	Tenure	Area (square metre)	Description/ Existing use	Approximate Age of	Net Carrying Amount (RM'000)	Date of Last Revaluation (R)/Acquisition (A)
Pajakan Mukim PM640 Lot No. 10492 Tempat Batu 28 Ijok Mukim Ijok District Kuala Selangor Negeri Selangor	Leasehold Expiring In 2077	13,961	Factory	11 years	3,596	R: 11.05.2011

Analysis of **Shareholdings**

As at 30 April 2014

Authorised Share Capital	:	RM150,000,000.00
Paid-up Share Capital	:	RM45,368,504.50
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per shareholder on a show of hands or one vote per ordinary share on a poll

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 APRIL 2014
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issue Share Capital
1 – 99	296	19.99	7,545	0.01
100 – 1,000	538	36.33	334,821	0.37
1,001 – 10,000	454	30.65	1,628,019	1.79
10,001 – 100,000	148	9.99	5,235,634	5.77
100,001 – 4,536,849 (*)	43	2.90	20,357,200	22.44
4,536,850 and above (**)	2	0.14	63,173,790	69.62
Total	1,481	100.00	90,737,009	100.00

REMARKS : * – LESS THAN 5% OF ISSUED HOLDINGS
: **– 5% AND ABOVE OF ISSUED HOLDINGS

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014

No.	Holder Name	No. of Shares	% of Issued Share Capital
1	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN. BHD. (ESS2. 7189-9) LEVEL 5, WISMA HONG LEONG 18 JALAN PERAK 50450 KUALA LUMPUR	46,269,783	50.99
2	EGOVISION SDN BHD 1 JALAN WANGSA PERMAI, 3RD FLOOR BANGUNAN ONE WANGSA, TMN WANGSA PERMAI 52200 KUALA LUMPUR	16,904,007	18.63
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON 14TH FLOOR, MENARA MAYBANK 100, JALAN TUN PERAK 50050 KUALA LUMPUR	2,322,700	2.56
4	LOO SOO LOONG 12 JALAN PJU 7/20 MUTIARA DAMANSARA 47810 PETALING JAYA	2,000,000	2.20
5	LUM KWOK WENG @ LUM KOK WENG 96 JALAN HUJAN GERIMIS 2, TAMAN OVERSEAS UNION GARDEN, OLD KLANG ROAD 58200 KUALA LUMPUR	1,358,200	1.50

Analysis of Shareholdings (cont'd)
As at 30 April 2014

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014 (CONT'D)

No.	Holder Name	No. of Shares	% of Issued Share Capital
6	TEE SUN EE 1 JALAN MIDAH TENGAH TAMAN MIDAH 56000 KUALA LUMPUR	1,331,000	1.47
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEE TONG LAI 14TH FLOOR, MENARA MAYBANK 100, JALAN TUN PERAK 50050 KUALA LUMPUR	1,000,000	1.10
8	SEE BOON YONG D-3-13 JALAN AMAN DESA AMAN PURI SRI PURI APARTMENT KEPONG 52100 KUALA LUMPUR	1,000,000	1.10
9	TAI KOK WEI 2A-10-11 MENARA JADE LENGKONGAN 3/14 BUKIT INDAH 68000 AMPANG	736,300	0.81
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD HO KOK LAM 14TH FLOOR, MENARA MAYBANK 100, JALAN TUN PERAK 50050 KUALA LUMPUR	699,600	0.77
11	SOONG CHEE KEONG 1A-1-1 SRI KASTURINA JALAN MEDANG SERAI BANGSAR 59100 KUALA LUMPUR	655,400	0.72
12	HUANG PHANG LYE 109B JALAN DEDAP BATIK SIERRA MAS 47000 SUNGAI BULOH	520,000	0.57
13	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP SWEE HANG (CCTS) LEVEL 10, 1 FIRST AVENUE BANDAR UTAMA 47800 PETALING JAYA	519,000	0.57
14	HO WEI FUN 1 JALAN PJU1A/52A DAMANSARA IDAMAN 47301 PETALING JAYA	497,400	0.55
15	LOH LEE FONG 317 TAMAN ACACIA JALAN S2 D12, GARDEN CITY HOMES 70300 SEREMBAN	456,100	0.50

Analysis of Shareholdings (cont'd)
As at 30 April 2014

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014 (CONT'D)

No.	Holder Name	No. of Shares	% of Issued Share Capital
16	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WYMIN (M09) 2ND FLOOR, BANGUNAN AHP 2 JALAN TUN MOHD FUAD 3 TAMAN TUN DR ISMAIL 60000 KUALA LUMPUR	409,600	0.45
17	LIM KOK WEI 1 JALAN KHALSA DI JALAN IPOH 51200 KUALA LUMPUR	400,000	0.44
18	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YAP CHING LOON (SMART) 15TH FLOOR, BANGUNAN AMBANK GROUP 55 JALAN RAJA CHULAN 50200 KUALA LUMPUR	379,100	0.42
19	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG LEVEL 10, 1 FIRST AVENUE BANDAR UTAMA 47800 PETALING JAYA	375,700	0.41
20	KENANGA NOMINEES (TEMPATAN) SDN BHD DERRICK KONG YING KIT (PCS) GROUND FLOOR, BANGUNAN ECM LIBRA 8 JALAN DAMANSARA ENDAH, DAMANSARA HEIGHTS 50490 KUALA LUMPUR	365,000	0.40
21	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS) LEVEL 7, MENARA MSC CYBERPORT 5 JALAN BUKIT MELDRUM 80300 JOHOR BAHRU	358,600	0.40
22	TAN KIM HENG 46 JALAN PH 2/3 PUCHONG HARTAMAS 47100 PUCHONG	341,300	0.38
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAWRENCE LIM SWEE LIN (470393) SFS-DCC MY, LEVEL 3 CAP SQUARE TOWER 10 JALAN MUNSHI ABDULLAH 50100 KUALA LUMPUR	300,000	0.33

Analysis of Shareholdings (cont'd)
As at 30 April 2014

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014 (CONT'D)

No.	Holder Name	No. of Shares	% of Issued Share Capital
24	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR HWANG INVESTMENT MANAGEMENT BERHAD (TSTAC/CLNT-T) LEVEL 18, MENARA IMC 8 JALAN SULTAN ISMAIL 50250 KUALA LUMPUR	300,000	0.33
25	TAN JOO TIAN 195 JALAN SS 22/27 DAMANSARA JAYA 47400 PETALING JAYA	285,800	0.31
26	CHIM LUANG ENG 109B JALAN DEDAP BATIK SIERRAMAS 47000 SUNGAI BULOH	281,500	0.31
27	CHONG MEEI FEN 2A-10-11 MENARA JADE LENGKONGAN BUKIT INDAH 3/14, BUKIT INDAH 68000 AMPANG	268,000	0.30
28	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF) PHILLIP CAPITAL MANAGEMENT S/B B-3-6 BLK B LEVEL 3, MEGAN AVENUE II 12 JALAN YAP KWAN SENG 50450 KUALA LUMPUR	253,000	0.28
29	TAN TEONG HENG 2 JALAN SD 9/5E, JALAN KENANGA BANDAR SRI DAMANSARA, KEPONG 52100 KUALA LUMPUR	247,600	0.28
30	YAP SWEE HANG 40 JALAN USJ 11/3D, UEP 47620 SUBANG JAYA	246,000	0.28
	TOTAL	81,080,690	89.36

Analysis of Shareholdings (cont'd)
As at 30 April 2014

DIRECTORS' SHAREHOLDINGS IN THE COMPANY
(as per Register of Directors' Shareholdings as at 30 April 2014)

	No. of Shares Held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Tee Eng Ho	–	–	*[1]63,173,790	*[1]69.62
Tee Eng Seng	–	–	*[1]63,173,790	*[1]69.62
Toh Siew Chuon	2,322,700	2.56	–	–
Loo Soo Loong	2,060,000	2.27	–	–
Khoo Siong Kee	10,100	0.01	–	–
Lim Kien Lai @ Lim Kean Lai	68,900	0.08	–	–
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	–	–	–	–

Note:-
*[1] Deemed interested by virtue of his interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(as per Register of Substantial Shareholders' as at 30 April 2014)

	No. of Shares Held			
Name of Substantial Shareholdings	**Direct**	**%**	**Indirect**	**%**
Egovision Sdn. Bhd.	63,173,790	69.62	–	–
Tee Eng Ho	–	–	*[1]65,496,490	*[1]72.18
Tee Eng Seng	–	–	*[2]63,173,790	*[2]69.62

Notes:-
*[1] Deemed interested by virtue of his spouse's direct shareholding and his interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

*[2] Deemed interested by virtue of his interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION
(as per Register of Directors' Shareholdings as at 30 April 2014)

	Direct No. of Ordinary Shares of RM1.00 each in Egovision Sdn. Bhd.	**%**	**Indirect No. of Ordinary Shares of RM1.00 each in Egovision Sdn. Bhd.**	**%**
Tee Eng Ho	30,001	50.00	–	–
Tee Eng Seng	30,001	50.00	–	–

Analysis of **Warrantholdings**

As at 30 April 2014

No. of 2007/2017 Warrants Issued : 26,754,754
No. of 2007/2017 Warrants Outstanding : 26,754,754

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 APRIL 2014
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Holdings	No. of Holders	%	No. of Holdings	%
1 – 99	115	25.44	5,727	0.02
100 – 1,000	77	17.04	44,830	0.17
1,001 – 10,000	157	34.73	593,856	2.22
10,001 – 100,000	67	14.82	2,315,341	8.65
100,001 – 1,337,736 (*)	34	7.52	11,053,330	41.31
1,337,737 and above (**)	2	0.44	12,741,670	47.62
Total	452	100.00	26,754,754	100.00

REMARKS : * – LESS THAN 5% OF ISSUED HOLDINGS
: **– 5% AND ABOVE OF ISSUED HOLDINGS

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014

No.	Holder Name	No. of Holdings	%
1	EGOVISION SDN BHD 1 JALAN WANGSA PERMAI, 3RD FLOOR BANGUNAN ONE WANGSA, TMN WANGSA PERMAI 52200 KUALA LUMPUR	11,247,442	42.04
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YAP CHING LOON (SMART) 15TH FLOOR, BANGUNAN AMBANK GROUP 55 JALAN RAJA CHULAN 50200 KUALA LUMPUR	1,494,228	5.58
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP SWEE HANG (CCTS) LEVEL 10, 1 FIRST AVENUE BANDAR UTAMA 47800 PETALING JAYA	1,208,900	4.52
4	DERRICK KONG YING KIT 10 JALAN SS 20/17 DAMANSARA UTAMA 47400 PETALING JAYA	800,096	2.99
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP GEK @ YEAP POH CHIM GROUND FLOOR, BANGUNAN ECM LIBRA 8 JALAN DAMANSARA ENDAH, DAMANSARA HEIGHTS 50490 KUALA LUMPUR	700,372	2.62

Analysis of Warrantholdings (cont'd)
As at 30 April 2014

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014 (CONT'D)

No.	Holder Name	No. of Holdings	%
6	WONG SIU CHUNG 78 JALAN INDAH TAMAN BUKIT INDAH 14000 BUKIT MERTAJAM	690,000	2.58
7	LEE KOK GUAN 37 JALAN 8/12 46050 PETALING JAYA	583,188	2.18
8	LIM KOK WEI 1 JALAN KHALSA DI JALAN IPOH 51200 KUALA LUMPUR	523,926	1.96
9	CHEW CHOONG SIAM UNIT 26-03 THE NORTHSHORE GARDENS 3 PERSIARAN RESIDEN, DESA PARKCITY 52200 KUALA LUMPUR	514,032	1.92
10	LOH LEE FONG 317 TAMAN ACACIA JALAN S2 D12, GARDEN CITY HOMES 70300 SEREMBAN	450,000	1.68
11	CHIM LUANG ENG 109B JALAN DEDAP BATIK, SIERRAMAS 47000 SUNGAI BULOH	424,507	1.59
12	HUANG PHANG LYE 109B JALAN DEDAP BATIK, SIERRAMAS 47000 SUNGAI BULOH	406,958	1.52
13	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG LEVEL 10, 1 FIRST AVENUE BANDAR UTAMA 47800 PETALING JAYA	381,800	1.43
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON 14TH FLOOR, MENARA MAYBANK 100, JALAN TUN PERAK 50050 KUALA LUMPUR	372,443	1.39
15	HO WEI FUN 1 JALAN PJU1A/52A DAMANSARA IDAMAN 47301 PETALING JAYA	316,800	1.18

Analysis of Warrantholdings (cont'd)

As at 30 April 2014

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014 (CONT'D)

No.	Holder Name	No. of Holdings	%
16	SOONG CHEE KEONG 1A-1-1 SRI KASTURINA JALAN MEDANG SERAI BANGSAR 59100 KUALA LUMPUR	298,560	1.12
17	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAM KWEE LEVEL 10, 1 FIRST AVENUE BANDAR UTAMA 47800 PETALING JAYA	260,074	0.97
18	CHIM LUANG ENG 109B JALAN DEDAP BATIK SIERRAMAS 47000 SUNGAI BULOH	221,558	0.83
19	WONG SEW SONG 65 JALAN INDAH TAMAN BUKIT INDAH 14000 BUKIT MERTAJAM	210,000	0.78
20	KOH SOOI KWANG 20 JALAN USJ 5/3D UEP SUBANG JAYA 47610 SUBANG JAYA	208,773	0.78
21	ANG HONG MAI 22 JALAN BU 11/14 BANDAR UTAMA 47800 PETALING JAYA	197,269	0.74
22	ANDY TAN CHO YEOW 57 A 1ST FLOOR IOI MALL BANDAR PUCHONG JAYA 47100 PUCHONG	191,986	0.72
23	HDM NOMINEES (TEMPATAN) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR YEAP POH CHIM 18TH-20TH FLOOR PLAZA MASALAM 2 JALAN TENGKU AMPUAN ZABEDAH E9/E, SECTION 9 40100 SHAH ALAM	183,855	0.69
24	CHEAH POH KENG 22 JALAN DESA RESIDEN 3 LEVENUE DESA PARKCITY 52200 KUALA LUMPUR	175,500	0.66
25	KING HUAT @ TAN KING HUAT 396 JALAN DESA UTAMA TAMAN DESA, JALAN KELANG LAMA 58100 KUALA LUMPUR	171,200	0.64

Analysis of Warrantholdings (cont'd)
As at 30 April 2014

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2014 (CONT'D)

No.	Holder Name	No. of Holdings	%
26	LIM KOK SENG 679 KAMPUNG SRI INDAH JALAN SG BESI, SALAK SOUTH 57100 KUALA LUMPUR	170,845	0.64
27	MOHAMED NOOR ANAS BIN MOHAMED AZMI 14 JALAN SS 2/87 SEA PARK 47300 PETALING JAYA	169,797	0.63
28	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ALLAN PILLAI A/L V KANAPATHI PILLAI (MY0295) 9TH FLOOR COMMERCE SQUARE JALAN SEMANTAN, DAMANSARA HEIGHTS 50490 KUALA LUMPUR	153,017	0.57
29	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG YANG CHUNG LEVEL 10, 1 FIRST AVENUE BANDAR UTAMA 47800 PETALING JAYA	150,019	0.56
30	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM CHI HOW (013) GROUND FLOOR, BANGUNAN ECM LIBRA 8 JALAN DAMANSARA ENDAH, DAMANSARA HEIGHTS 50490 KUALA LUMPUR	150,000	0.56
	TOTAL	23,027,145	86.07

DIRECTORS' WARRANTHOLDINGS
(as per Register of Directors' Warrantholdings as at 30 April 2014)

	No. of Warrants Held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Tee Eng Ho	–	–	*1 11,247,442	*1 42.04
Tee Eng Seng	–	–	*1 11,247,442	*1 42.04
Toh Siew Chuon	372,443	1.39	–	–
Loo Soo Loong	27,335	0.10	–	–
Khoo Siong Kee	–	–	–	–
Lim Kien Lai @ Lim Kean Lai	–	–	–	–
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	–	–	–	–

Note:-

*1 Deemed interested by virtue of his interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of the Company will be held at No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur on Monday, 23 June 2014 at 10.00 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of Directors and Auditors thereon. *Ordinary Resolution 1*

2. To approve payment of Directors' fees. *Ordinary Resolution 2*

3. To re-elect the following Directors retiring in accordance with Article 89 of the Company's Articles of Association:-

   (i) Mr. Tee Eng Seng *Ordinary Resolution 3*
   (ii) Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof *Ordinary Resolution 4*

4. To appoint Messrs Ong & Wong as Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 5*

5. As Special Business to consider and if thought fit, to pass the following Resolutions, with or without modifications: -

   ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES

   "THAT subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and 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 in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." *Ordinary Resolution 6*

   ORDINARY RESOLUTION - PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries ("Fututech Group") to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group ("Related Parties") as specified in Section 2.2.2 of Proposed Shareholders' Mandate in the Circular to Shareholders dated 30 May 2014 ("Recurrent RPTs") provided that such transactions are:- *Ordinary Resolution 7*

Notice of Annual General Meeting (cont'd)

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders,

("RRPT Mandate").

AND THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
(b) the expiration of the period within which the next Annual General Meeting of the Company 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 shareholders in a general meeting; or

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."

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

BY ORDER OF THE BOARD

SEOW FEI SAN
MOK MEE KEE
Secretaries

Petaling Jaya
30 May 2014

Notice of Annual General Meeting (cont'd)

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 13 June 2014 shall be regarded as members and entitled to attend, speak and vote at the meeting.*

2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

3. *A member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

5. *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.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*

7. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.*

8. *Explanatory notes on Special Business:*

   <u>Ordinary Resolution 6 – Authority to Issue Shares</u>

   The Proposed Ordinary Resolution 6, if passed, will give the Directors of the Company, from the date of the Thirtieth Annual General Meeting, authority to issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Twenty-Ninth Annual General Meeting held on 19 June 2013 and which will lapse at the conclusion of the Thirtieth Annual General Meeting.

   The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

   <u>Ordinary Resolution 7 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature</u>

   The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is set out in the Circular to Shareholders dated 30 May 2014, which is despatched together with the Company's Annual Report 2013.

FUTUTECH

FUTUTECH BERHAD (122592-U)

(Incorporated in Malaysia)

FORM OF PROXY

I/We..

(FULL NAME IN BLOCK)

of ....

(ADDRESSS)

being a member/members of FUTUTECH BERHAD (the "Company") hereby appoint

.... of

(FULL NAME)

....

(ADDRESSS)

or failing him/her ....

(FULL NAME)

of ....

(ADDRESSS)

as *my/our proxy, to vote for *me/us and on *my/our behalf at the Thirtieth Annual General Meeting ("AGM") of the Company to be held at No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur on Monday, 23 June 2014 at 10.00 a.m., or at any adjournment thereof and to vote as indicated below:-

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		
ORDINARY RESOLUTION 7		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this ________ day of __________________ 2014

No. of ordinary shares held

____

Signature of Member / Common Seal

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 13 June 2014 shall be regarded as members and entitled to attend, speak and vote at the meeting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *A member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *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.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*
7. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
FUTUTECH BERHAD (122592-U)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

1st fold here

Fututech Berhad No 1, Jalan Wangsa Permai, 2nd Floor, Bangunan One Wangsa, Taman Wangsa Permai
52200 Kuala Lumpur. Tel : 603-6277 2480 Fax : 603-6276 2482

www.fututech.com.my