

2012

ANNUAL
REPORT



**MAJUPERAK
HODLINGS
BERHAD**

585389-X

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting (“10th AGM”) of the Company will be held at Kinta Riverfront Hotel & Suites, Level 3, Pusing Hall, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Wednesday, 26th June 2013, at 3.00 p.m. for the purpose of transacting the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2012 together with the Report of the Directors and Auditors thereon. *Resolution 1*
2. To approve the payment of Directors’ Fees for the financial year ended 31 December 2012. *Resolution 2*
3. To re-elect Tan Sri Dato’ Seri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas who retires under Article 84 of the Company’s Articles of Association. *Resolution 3*
4. To re-elect Y.B. Dato’ Mohd Khusairi bin Abdul Talib who retires under Article 91 of the Company’s Articles of Association. *Resolution 4*
5. To re-elect Tan Sri Dato’ (Dr) Abdul Aziz bin Abdul Rahman as Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. *Resolution 5*
6. To re-appoint Messrs AljeffriDean as Auditors of the Company and to authorise the Directors to fix their remuneration. *Resolution 6*

AS SPECIAL BUSINESS

Ordinary Resolution

7. To consider and, if though fit, pass the following Ordinary Resolution:- *Resolution 7*

Authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.

“**THAT** pursuant to Section 132D of the Companies Act, 1965 and subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot 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 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 total issued share capital of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

8. Proposed Renewal Of Existing Shareholder's Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature

Resolution 8

"THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange"), approval be and is hereby given to MHB and its subsidiary companies ("MHB Group") to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions") with the related party set out in Section 2.1 of the circular to shareholders dated 23rd May 2013 ("Circular"), subject to the following:

- (i) the Recurrent Related Party Transactions are or to be entered into in the ordinary course of business on terms not more favorable to the related party than those generally available to the public and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the name of the related party involved in each type of Recurrent Related Party Transactions made and its relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this 10th AGM, at which this shareholders' mandate will lapse, unless the authority is renewed by a resolution passed at the next AGM;
 - (b) the expiration of the period within which the next AGM 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 resolution passed by shareholders in a general meeting before the next AGM;

whichever is earlier;

AND THAT the directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT the estimates given of the Recurrent Related Party Transactions specified in Section 2.1 of the Circular being provisional in nature, the directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.2 of the Circular.”

9. To consider and, if thought fit, pass the following as Special Resolution:-

*Special
Resolution 1*

Proposed Amendment to the Company’s Articles Of Association

“**THAT** the deletions, alteration, modifications and additions to the existing Company’s Articles of Association as set out in Appendix 1 of the Annual Report 2012 dated 23rd May 2013 be approved.”

“**AND THAT** the Directors and Secretary be and hereby authorised to take all such steps as they may deem necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Articles Of Association of the Company”.

10. To transact any other business appropriate to an AGM of which due notice shall have been given in accordance with the Act and the Company’s Articles of Association.

By Order of the Board

Che Indon binti Ilyas (BC/C/445)

Company Secretary
Ipoh
23rd May 2013

NOTICE OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (ICPS) DIVIDEND PAYMENT AND CLOSURE OF REGISTER

A dividend of 1.0% per share will be paid on 23rd July 2013.

Notice is hereby given that the Register of Members of the Company will be closed on 26th June 2013 to determine shareholders’ entitlement to the dividend payment.

A depositor will qualify for entitlement only in respect of:

- a) Share transferred into the Depositors’ Securities account before 3.00 p.m. on 26th June 2013 in respect of ordinary transfers; and
- b) Share bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Notes:

A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1)(b) of the Act shall not apply.

When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.

Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy must be deposited at the Registered Office of the Company at 1st Floor, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

The registration for the above Meeting will commence on **Wednesday, 26th June 2013 at 1.30 p.m.**

Explanatory notes on special business

Ordinary Resolution 7: Authority For The Directors To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965.

Subject to the exceptions provided in the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 26th June 2012 which will lapse at the conclusion of the forthcoming AGM to be held on 26th June 2013.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares, for purposes of funding investment(s), working capital and/or acquisition(s).

Ordinary Resolution 8: Proposed Renewal Of Existing Shareholders' Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature.

The proposed Ordinary Resolution, if passed, will enable the Majuperak Holdings Berhad ("MHB") Group to enter into any of the recurrent transactions of a revenue or trading nature which are necessary for the MHB Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The details of the Proposal are set out in the Circular to the Shareholders dated 23rd May 2013 circulated together with this Annual Report.

Special Resolution 1 : Proposed Amendment to the Company's Articles of Association

The proposed Special Resolution 1 under item 9 if passed, will allow the Company to issue its Annual Report ***in the form of CD-ROM and/or printed copy*** to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles.

NOTIS MESYUARAT AGUNG TAHUNAN

DENGAN INI ADALAH DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan Syarikat yang Kesepuluh (10) akan diadakan di Kinta Riverfront Hotel & Suites, Aras 3, Pusing Hall, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan pada hari Rabu, 26 Jun 2013 jam 3.00 petang untuk melaksanakan urusan-urusan biasa berikut sebagai resolusi biasa:-

AGENDA

URUSAN BIASA

1. Untuk menerima Penyata-Penyata Kewangan Beraudit Syarikat Bagi Tahun Kewangan Berakhir 31 Disember 2012 berserta Laporan para Pengarah dan para Juruaudit ke atasnya. *Resolusi 1*
2. Untuk meluluskan pembayaran yuran para Pengarah bagi tahun kewangan berakhir 31 Disember 2012. *Resolusi 2*
3. Untuk melantik semula Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas sebagai Pengarah Syarikat yang bersara menurut Artikel 84 Tataurus Penubuhan Syarikat. *Resolusi 3*
4. Untuk melantik semula Y.B. Dato' Mohd Khusairi bin Abdul Talib sebagai Pengarah Syarikat yang bersara menurut Artikel 91 Tataurus Penubuhan Syarikat. *Resolusi 4*
5. Untuk melantik semula Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman sebagai Pengarah Syarikat dan menjawat jawatan sehingga penyelesaian Mesyuarat Agung Tahunan yang seterusnya menurut Seksyen 129(6) Akta Syarikat, 1965. *Resolusi 5*
6. Untuk melantik semula Tetuan AljeffriDean sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menetapkan bayaran mereka. *Resolusi 6*

URUSAN LUARBIASA

Resolusi Biasa

7. Untuk mempertimbangkan dan jika difikirkan wajar meluluskan pindaan berikut sebagai Resolusi Biasa:- *Resolusi 7*

Kuasa kepada para-Pengarah untuk mengeluarkan saham-saham menurut Seksyen 132D Akta Syarikat, 1965.

"**BAHAWA** Menurut Seksyen 132D, Akta Syarikat, 1965 dan dengan sentiasa tertakluk kepada Akta Syarikat, 1965, Tataurus Syarikat dan kelulusan daripada pihak-pihak berkuasa kerajaan dan/atau badan-badan perundangan, para Pengarah, dengan ini diberikan kuasa untuk mengeluarkan dan memperuntukkan saham-saham di dalam Syarikat dari masa ke semasa, pada harga tertentu, pada terma-terma dan syarat-syarat tertentu, untuk tujuan tertentu dan kepada pihak/pihak-pihak sebagai Pengarah, di mana menurut budibicara yang difikirkan sesuai, sekiranya agregat bilangan saham-saham yang dikeluarkan menurut Resolusi ini tidak melebihi sepuluh peratus (10%) daripada jumlah keseluruhan modal saham yang dikeluarkan dalam Syarikat ketika ini **DAN BAHAWA** para Pengarah dengan ini diberikan kuasa untuk mendapatkan kelulusan untuk penyenaian dan sebutan untuk tambahan saham-saham yang dikeluarkan di Bursa Malaysia Sekuriti Berhad **DAN BAHAWA** kuasa tersebut akan terus dikuatkuasakan sehingga penggulangan Mesyuarat Agung Tahunan Syarikat yang berikutnya."

8. Cadangan Pembaharuan Mandat Para Pemegang Saham Sedia Ada Bagi Urusniaga-Urusniaga Berulang Berkenaan Pendapatan atau Dalam Bentuk Perniagaan dengan Pihak Berkaitan.

"BAHAWA tertakluk kepada Kehendak-Kehendak Penyenaraian Bursa Malaysia Securities Exchange ("Securities Exchange") kelulusan adalah dan dengan ini diberikan kepada MHB dan anak-anak syarikatnya ("Kumpulan MHB") untuk memasuki urusniaga-urusniaga berulang berkenaan pendapatan atau yang dalam bentuk perniagaan ("Urusniaga-urusniaga Berulang dengan Pihak Berkaitan") dengan Pihak Berkaitan sebagaimana dinyatakan pada Seksyen 2.1 pekeling yang diedarkan kepada para pemegang saham bertarikh 23 Mei 2013 ("Pekeling") tertakluk kepada berikut:

- (i) Urusniaga-urusniaga Berulang dengan Pihak Berkaitan di dalam urusan perniagaan biasa adalah dimasuki di atas terma-terma yang tidak melebihi pihak berkenaan melainkan yang pada dasarnya diterima umum dan Urusniaga-urusniaga Berulang dengan Pihak Berkaitan dilaksanakan atas dasar secara berniaga dan tidak memudaratkan para pemegang saham minoriti Syarikat;
- (ii) pembentangan dibuat di dalam laporan tahunan mengenai pecahan nilai agregat Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dilakukan menurut mandat pemegang-pemegang saham semasa tahun kewangan tersebut, antara lain, berdasarkan kepada maklumat berikut:
 - (a) jenis Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dibuat; dan
 - (b) nama pihak berkenaan yang terlibat di dalam setiap jenis Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dibuat dan hubungannya dengan Syarikat;
- (iii) mandat para pemegang saham adalah tertakluk kepada pembaharuan tahunan dan mandat para pemegang saham ini akan hanya terus berkuatkuasa sehingga:
 - (a) tamatnya Mesyuarat Agung Tahunan Syarikat yang berikutnya selepas Mesyuarat Agung Kesepuluh bilamana mandat para pemegang saham ini akan luput melainkan kuasanya diperbaharui melalui resolusi yang diluluskan pada Mesyuarat Agung yang berikutnya;
 - (b) tempoh tamat di mana Mesyuarat Agung yang sepatutnya diadakan menurut Seksyen 143(1) Akta Syarikat 1965 ("Akta") (tetapi tidak boleh dilanjutkan kepada perlanjutan sebagaimana yang dibenarkan menurut Seksyen 143(2) Akta tersebut); atau
 - (c) dibatalkan atau diubah melalui resolusi yang diluluskan oleh pemegang-pemegang saham di dalam satu mesyuarat sebelum Mesyuarat Agung yang berikutnya;

yang mana terlebih dahulu;

DAN BAHAWA para pengarah dan/atau mana-mana dari mereka adalah dan dengan ini diberikan keizinan untuk menyempurnakan dan melakukan segala tindakan-tindakan dan perkara-perkara yang mereka fikirkan wajar dan suai manfaat (termasuklah menyempurnakan apa-apa suratcara-suratcara sebagaimana yang diperlukan) bagi memberikan kesan kepada Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dicadangkan dan/atau yang diberikuasa oleh Ketetapan Biasa ini;

DAN BAHAWA anggaran-anggaran yang telah diberikan berkenaan Urusniaga-urusniaga Berulang dengan Pihak Berkaitan sebagaimana yang diperuntukkan di dalam Seksyen 2.1 Pengumuman yang bersifat sementara, para pengarah dan/atau mana-mana antara mereka adalah dan dengan ini diberikuasa untuk bersetuju dengan jumlah atau jumlah-jumlah berkenaannya mematuhi prosedur-prosedur yang dinyatakan di dalam Seksyen 2.2 Pekeliling.”

9. Untuk mempertimbangkan, dan jika difikirkan wajar meluluskan Resolusi Khas berikut:-

*Resolusi
Khas 1*

Cadangan Pindaan Kepada Artikel Tataurusan Penubuhan Syarikat

“**BAHAWA** pemansuhan, pengubahsuaian dan penambahan kepada Artikel Tataurusan Penubuhan Syarikat sedia ada seperti mana dinyatakan dalam Lampiran I Laporan Tahunan 2012 bertarikh 23 Mei 2013 adalah diluluskan”.

DAN BAHAWA para Pengarah dan Setiausaha dengan ini diberi kuasa untuk mengambil semua langkah-langkah yang difikirkan perlu dan suai manfaat bagi melaksanakan, memuktamadkan dan memberi kesan sepenuhnya kepada Cadangan Pindaan kepada Artikel Tataurusan Penubuhan Syarikat”.

10. Untuk menjalankan apa-apa perniagaan lain yang bersesuaian dengan Mesyuarat Agung Tahunan Syarikat di mana notis yang sewajarnya telah diberi menurut Akta dan Tataurusan Penubuhan Syarikat.

Dengan arahan Lembaga Pengarah

Che Indon binti Ilyas (BC/C/445)

Setiausaha Syarikat
Ipoh
23 Mei 2013

NOTIS BAYARAN DIVIDEN SAHAM KEUTAMAAN BOLEH TUKAR TIDAK BOLEH TEBUS (“ICPS”) DAN PENUTUPAN DAFTAR PEMEGANG ICPS

Dividen 1% sesaham akan dibayar pada 23 Julai 2013.

DENGAN INI DIMAKLUMKAN bahawa Daftar Pemegang Saham ICPS Syarikat akan di tutup pada 26 Jun 2013 untuk menentukan pemegang saham yang berhak untuk dibayar dividen.

Seorang Pendeposit akan layak menerima dividen sekiranya:-

- (a) Saham-saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum jam 3.00 petang pada 26 Jun 2013 bagi pindahan biasa; dan
- (b) Saham-saham yang dibeli di Bursa Malaysia Securities Berhad dengan asas kelayakan menurut peraturan Bursa Malaysia Securities Berhad.

Nota-nota:

Seorang ahli yang layak untuk menghadiri dan mengundi di Mesyuarat Agung adalah berhak untuk melantik proksi/proksi-proksi yang mungkin tetapi tidak semestinya ahli/ahli-ahli Syarikat untuk menghadiri dan mengundi sebagai gantinya dan Seksyen 149(1)(b) tidak akan terpakai.

Apabila seseorang ahli melantik lebih daripada seorang proksi maka perlantikan tersebut adalah tidak sah melainkan ahli berkenaan menyatakan bahagian-bahagian pegangan sahamnya yang akan diwakili oleh proksi-proksi berkenaan.

Bilamana seorang ahli adalah penama yang berkuasa sebagaimana yang ditakrifkan di bawah Akta Industri Sekuriti (Pendeposit Pusat), 1991, boleh melantik sekurang-kurangnya seorang proksi bagi setiap Akaun Sekuriti yang dipegangnya dengan saham biasa Syarikat yang berada dalam kedudukan kredit dalam Akaun Sekuriti tersebut.

Suratcara untuk perlantikan proksi mestilah dibuat secara bertulis oleh orang yang melantik atau wakilnya yang diberikuasa secara bertulis atau sekiranya pelantik adalah sebuah perbadanan, samaada di bawah cop mohor biasa atau melalui pegawainya atau wakilnya yang telah diberi kuasa.

Suratcara perlantikan mestilah diserahkan kepada Pejabat Berdaftar Syarikat di Tingkat 1, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan sekurang-kurangnya empat puluh lapan (48) jam sebelum masa yang ditetapkan untuk mengadakan Mesyuarat Agung Tahunan tersebut ataupun sebarang penangguhannya.

Masa pendaftaran bagi Mesyuarat di atas akan bermula pada hari **Rabu bersamaan 26 Jun 2013 pada jam 1.30 petang.**

Nota Penerangan Mengenai Urusan Luar Biasa

Resolusi Biasa 7: Kuasa kepada pengarah untuk mengeluarkan saham-saham menurut Seksyen 132D Akta Syarikat, 1965.

Tertakluk kepada pengecualian-kecualian yang terkandung di dalam Akta Syarikat, 1965, Pengarah-Pengarah hendaklah memanggil Mesyuarat Agung untuk meluluskan pengeluaran saham-saham baru walaupun bilangan saham yang dikeluarkan adalah kurang daripada sepuluh peratus (10%) daripada modal saham yang dikeluarkan.

Untuk mengelakkan apa-apa penangguhan dan kos-kos yang terlibat di dalam pengendalian Mesyuarat Agung bagi meluluskan pengeluaran saham-saham, dengan ini dianggap bersesuaian supaya Pengarah-Pengarah kini diberikan kuasa untuk mengeluarkan saham-saham di dalam Syarikat sehingga ke satu amaun yang tidak melebihi jumlah sepuluh peratus (10%) daripada modal saham yang dikeluarkan pada masa sekarang. Kuasa ini, kecuali dibatalkan atau diubah pada Mesyuarat Agung, akan luput pada Mesyuarat Agung Tahunan Syarikat yang berikutnya.

Sehingga tarikh Notis ini, tiada saham baru Syarikat diterbitkan menurut mandat yang diberikan kepada para Pengarah pada Mesyuarat Agung Tahunan yang diadakan pada 26 Jun 2012 yang mana akan luput pada pengumpulan Mesyuarat Agung Tahunan yang akan diadakan pada 26 Jun 2013.

Mandat am yang diperolehi akan membolehkan para Pengarah Syarikat untuk mengeluarkan dan menerbitkan saham-saham, termasuk tetapi tidak terhad kepada meletakkan saham-saham seterusnya bagi tujuan membiayai pelaburan, modal kerja dan / atau pengambilalihan.

Resolusi Biasa 8: Cadangan Pembaharuan Mandat Para Pemegang Saham Sedia Ada Bagi Urusniaga-Urusniaga Berulang Berkenaan Pendapatan atau Dalam Bentuk Perniagaan dengan Pihak Berkaitan.

Resolusi Biasa yang dicadangkan, jika diluluskan akan membolehkan Kumpulan MHB untuk memasuki mana-mana urusan-urusan berulang bagi hasil dan jenis perusahaan yang mana perlu bagi operasi seharian Kumpulan MHB, tertakluk kepada urusan-urusan yang menjadi perkara biasa perniagaan menurut terma-terma komersial yang biasa yang mana tidak melebihi pihak-pihak selain daripada apa yang ada pada dasarnya diterima umum dan tidak memudaratkan para pemegang saham Syarikat. Maklumat terperinci Cadangan dimasukkan di dalam Pekeliling kepada Para Pemegang Saham bertarikh 23 Mei 2013 yang diedarkan bersama-sama dengan Laporan Tahunan ini.

Resolusi Khas 1: Cadangan Pindaan kepada Artikel Tataurusan Penubuhan Syarikat

Cadangan Resolusi Khas 1 di bawah perkara 9, sekiranya diluluskan, akan membolehkan Syarikat untuk menerbitkan Laporan Tahunannya ***dalam bentuk CD-ROM dan / atau salinan bercetak*** kepada semua Ahli, dan setiap pemegang debentur Syarikat di bawah peruntukan-peruntukan Akta atau Artikel ini.

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|---|--|
| Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas | <i>Chairman Senior Independent, Non Executive Director</i> |
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman | <i>Independent, Non Executive Director</i> |
| Mustapha bin Mohamed | <i>Independent, Non Executive Director</i> |
| Dato' Haji Mohd Zolkafly bin Haji Harun | <i>Independent, Non Executive Director</i> |
| Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar | <i>Non-Independent, Non Executive Director</i> |
| Y.B. Dato' Mohd Khusairi bin Abdul Talib | <i>Non Independent, Non Executive Director</i> |
| Abdul Aziz bin Subali | <i>Executive Director</i> |

AUDIT COMMITTEE

| | |
|--|---|
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman | <i>Chairman Independent, Non Executive Director</i> |
| Mustapha bin Mohamed | <i>Independent, Non Executive Director</i> |
| Dato' Haji Mohd Zolkafly bin Haji Harun | <i>Independent, Non Executive Director</i> |

NOMINATION COMMITTEE

| | |
|---|--|
| Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas | <i>Chairman Senior Independent, Non Executive Director</i> |
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman | <i>Independent, Non Executive Director</i> |
| Y.B. Dato' Mohd Khusairi bin Abdul Talib | <i>Non-Independent, Non Executive Director</i> |

REMUNERATION COMMITTEE

| | |
|---|--|
| Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas | <i>Chairman Senior Independent, Non Executive Director</i> |
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman | <i>Independent, Non Executive Director</i> |
| Dato' Haji Mohd Zolkafly bin Haji Harun | <i>Independent, Non Executive Director</i> |

Corporate Information *(continued)*

INVESTMENT COMMITTEE

Abdul Aziz bin Subali

*Chairman
Executive Director*

Mustapha bin Mohamed

Independent, Non Executive Director

Abd Karim Nast bin Mohd Alias

Group Chief Executive Officer

MANAGEMENT TEAM

Abd Karim Nast bin Mohd Alias

*Group Chief Executive Officer
Group General Manager, Accounts & Finance*

Abdul Rahim bin Bohari @ Bahari

General Manager, Bio Resources

Izman Kamal bin Ismail

General Manager, Plantation

Kamarul Bahrin bin Baharudin

General Manager, Renewable Energy

Abd Aziz bin Abdul Rahim

General Manager, Property & Utility Management

Ir. Badrol Hisham bin Bakri

General Manager, Engineering & Construction

Mat Radzi bin Awang @ Hanafiah

General Manager, Business & Property Development

Salmah binti Mohamed Isimail

Group Human Resources & Administration Manager

REGISTERED AND PRINCIPAL PLACE OF BUSINESS

1st Floor, Wisma Wan Mohamed
Jalan Panglima Bukit Gantang Wahab
30000 Ipoh, Perak Darul Ridzuan
Tel: (05) 243 8864, 529 6677
Fax: (05) 254 7070
Website: www.majuperak.com.my

COMPANY SECRETARY

Che Indon binti Ilyas (BC/C/445)

AUDITORS

AljeffriDean (AF 1366)
Chartered Accountants (Malaysia)
Level 10, Suite 1, Perak Techno Trade Centre
Bandar Meru Raya, Off Jalan Jelapang
30020 Ipoh, Perak Darul Ridzuan

PRINCIPAL BANKERS

RHB Bank Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
Standard Chartered Bank Malaysia

REGISTRAR

Symphony Share Registrars Sdn Bhd
55 Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan
Tel: (05) 547 4833
Fax: (05) 547 4363

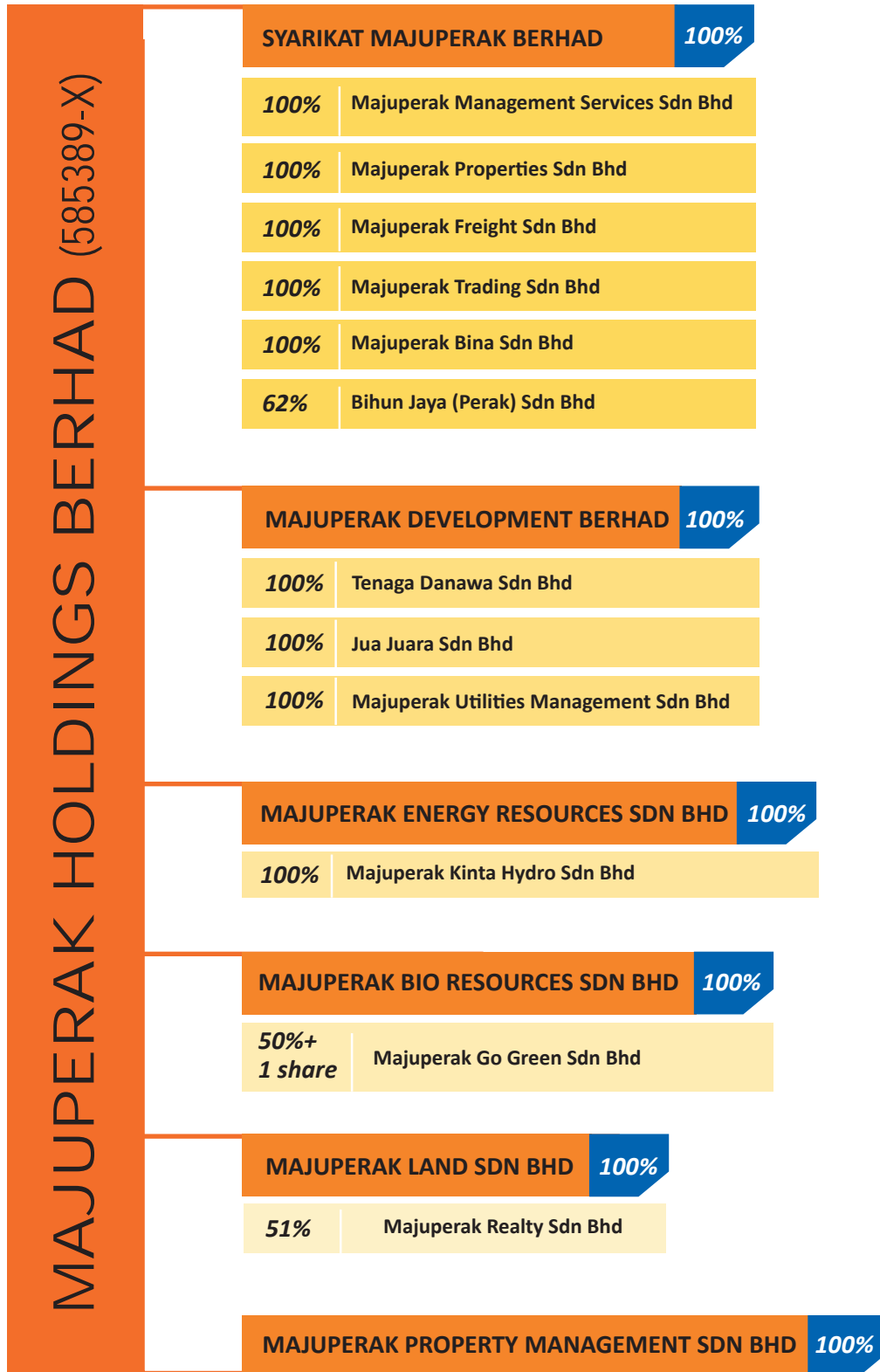
SOLICITORS

Messrs. Rusnah Loh Ng & Co
Messrs. Izhar Haji Saidin & Co.
Messrs. Kamarul Hakimi Ansor & Partners
Messrs. Ong-Hanim & Badrol
Messrs. Lokman Reena & Co.

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities
Berhad
(Name: MJPERAK, stock code: 8141)
ICPS, stock code: 8141A)

CORPORATE STRUCTURE



Board of Directors' Profiles



From left to right :

ABDUL AZIZ BIN SUBALI
Executive Director

MUSTAPHA BIN MOHAMED
Independent Non Executive

TAN SRI DATO' (DR) ABDUL AZIZ BIN ABDUL RAHMAN
Independent Non Executive

TAN SRI DATO' SERI MEGAT NAJMUDDIN BIN DATUK SERI DR HAJI MEGAT KHAS
*Chairman
Senior Independent, Non Executive*

Y.B. DATO' MOHD KHUSAIRI BIN ABDUL TALIB
Non Independent Non Executive

Y.B.M. DATO' SERI RAJA AHMAD ZAINUDDIN BIN RAJA HAJI OMAR
Non Independent Non Executive

DATO' HAJI MOHD ZOLKAFLY BIN HAJI HARUN
Independent Non Executive

Board of Directors' Profiles *(continued)*

TAN SRI DATO' SERI MEGAT NAJMUDDIN BIN DATUK SERI DR HAJI MEGAT KHAS

Chairman, Senior Independent, Non Executive



Malaysian aged

69

Date of Appointment

17 August 2006

Length of Service (as at 30 April 2013)

6 years 8 months

Date of Last Re-appointment

17 June 2010

Academic/ Professional Qualification

- Bachelor of Law (Hon), University of Singapore

Present Directorship(s)

- Asian Pac Holdings Berhad
- Formis Resources Berhad
- Tradewinds Corporation Berhad
- SEG International Berhad
- Petrolia Nasional Berhad ("PETRONAS")

Present Appointment(s)

- President, Federation of Public Listed Companies Berhad ("FPLC")
- Malaysian Institute of Corporate Governance ("MICG")
- UMNO Malaysia's Disciplinary Committee
- Institute of Integrity Malaysia ("IIM")
- Transparency International Malaysia ("TIM")
- Committee member of Bank Negara Malaysia's Financial Directors' Education Steering Committee ("FIDE")
- Advisory Board of Malaysian Anti-Corruption Commission ("MACC")

Past Directorship(s) and/or Appointment(s)

- Member of the High Level Finance Committee of the Ministry of Finance
- Capital Market Advisory Council of the Securities Commission ("CMAC")
- Adjunct Professor at Faculty of Law, University of Utara Malaysia

Board of Directors' Profiles *(continued)*

Malaysian aged
80

Date of Appointment
06 June 2006

Length of Service (as at 30 April 2013)
6 years 10 months

Date of Last Re-appointment
26 June 2012
(pursuant to section 129(6) of the Companies Act, 1965)

Academic/ Professional Qualification(s)

- Barrister at- Law, Lincoln's London
- Hon. Doctor of Philosophy Degree, University of Utara Malaysia
- Doctor of Business Administration (H.C.) Degree, International Management Centre Buckingham, United Kingdom
- Advanced Management Programme, Harvard University, United States of America.

Present Directorship(s)

- BTM Resources Berhad
- Nagamas Berhad

Present Appointment(s)

- Partners in Messrs Nik Saghir & Ismail

Past Directorship(s) and/or Appointment(s)

- Kelantan Administrative Service
- Malaysian Judicial and Legal Service
- Magistrate
- President, Sessions Courts
- Assistant Parliamentary Draftsman
- Federal Counsel
- Legal Officer, National Operations Council during the 13th May 1969 Emergency.
- Secretary and Legal Affairs Director, Malaysian Airline System Berhad (1971-1982)
- Managing Director and Chief Executive, Malaysian Airline System Berhad (1982-November 1991)



TAN SRI DATO' (DR) ABDUL AZIZ BIN ABDUL RAHMAN
Independent Non Executive

Malaysian aged
67

Date of Appointment
30 September 2008

Length of Service (as at 30 April 2013)
4 years 7 months

Date of Last Re-appointment
28 June 2011

Academic/ Professional Qualification(s)

- Fellow Member, Association of Chartered Certified Accountants,
- Chartered Accountant, Malaysian Institute of Accountants
- Member, Malaysian Association of Certified Public Accountants.

Present Directorship(s)

- Rubberex Corporation (M) Berhad
- MBM Resources Berhad

Past Directorship(s) and/or Appointment(s)

- Partner, Coopers & Lybrand Malaysia (now PricewaterhouseCoopers), (1971 to 1993)
- Director, Gadek Berhad
- Director, Gadek Capital Berhad
- Director, Ipmuda Berhad
- Director, Credit Corporation of Malaysia Berhad,
- Director, MHC Plantations Berhad
- Director, Ho Hup Construction Company Berhad



MUSTAPHA BIN MOHAMED
Independent Non Executive

Board of Directors' Profiles *(continued)*

Malaysian aged
56

Date of Appointment
04 September 2009

Length of Service (as at 30 April 2013)
3 years 7 months

Date of Last Re-appointment
26 June 2012

Academic/ Professional Qualification

- Sijil Tinggi Agama (5 Thanawi)

Present Directorship(s)

- Executive Chairman, Setia Wajib Sdn Bhd, Class A ("PKK") Bumiputera Construction company
- Executive Chairman, SSF Properties Sdn Bhd
- Chairman, ZC Construction Sdn Bhd
- Chairman, Yayasan Sungai Siput

Present Appointment(s)

- President, Petanque Negeri Perak

Past Directorship(s) and/or Appointment(s)

- Councillor, Majlis Daerah Kuala Kangsar & Majlis Perbandaran Kuala Kangsar

Malaysian aged
58

Date of Appointment
28 August 2009

Length of Service (as at 30 April 2013)
3 years 8 months

Date of Last Re-appointment
26 June 2012

Academic/ Professional Qualification

- Diploma In Political Science

Present Directorship(s)

- Ken Holdings Berhad
- Muhibbah Engineering (M) Bhd

Past Directorship(s) and/or Appointment(s)

- Chairman, Lembaga Perlesenan Kenderaan Perdagangan
- Director, Lembaga Urusan Tabung Haji and its Subsidiaries (2001-2004)
- Chief Editor, Berita Perak (1988-1999)



DATO' HAJI MOHD ZOLKAFLY BIN HAJI HARUN
Independent Non Executive



**Y.B.M. DATO' SERI RAJA AHMAD ZAINUDDIN BIN
RAJA HAJI OMAR**
Non Independent Non Executive

Board of Directors' Profiles *(continued)*

Malaysian aged

52

Date of Appointment

14 August 2012

Length of Service (as at 30 April 2013)

8 months

Academic/ Professional Qualification

- B.A.(Hon), University Kebangsaan Malaysia

Present Directorship(s)

- Chairman, Ladang Lekir Sdn Bhd (a subsidiary of State Agriculture Development Corporation)
- Lembaga Air Perak ("LAP")
- Yayasan Perak

Present Appointment(s)

- Deputy Chairman, Biro Penerangan UMNO Negeri Perak
- Chief, UMNO Tanjung Malim
- Chief, UMNO Felda Sungai Behrang
- Member, Jawatankuasa Kira-kira Wang Negeri Perak

Past Directorship(s) and/or Appointment(s)

- Managing Director, Goldana Corporation Sdn Bhd (Publishing/Landscaping) (1990 -1998)
 - Gedung Karya (M) Sdn Bhd (Publishing) (1995-1997)
 - Director, Tentiew (M) Sdn Bhd (Publishing & Management) (1999-2000)



Y.B. DATO' MOHD KHUSAIRI BIN ABDUL TALIB

Non Independent Non Executive

Malaysian aged

58

Date of Appointment

06 June 2006

Length of Service (as at 30 April 2013)

6 years 10 months

Date of Last Re-appointment

28 June 2011

Academic/ Professional Qualification(s)

- Master's Degree in Business Administration, University of Technology MARA (2005)
- Bachelor's Degree in Accountancy (Hon), University of Kebangsaan Malaysia (1985)
- Diploma in Banking, University of Technology MARA (1977)
- Member, Malaysian Institute of Accountants

Present Appointment(s)

- Deputy Chief Executive (Finance and Management Support), Perbadanan Kemajuan Negeri Perak

Past Directorship(s) and/or Appointment(s)

- Finance and Accounts Director, Perbadanan Kemajuan Negeri Perak
- Director of Finance, Accounts, Administration and Public Relation, Perbadanan Kemajuan Negeri Perak
- Accounts Officer, Bank Pertanian (now Agro Bank) (1977)
- Accountant, Bank Pertanian (now Agro Bank) (1985)
- Manager various managerial, Bank Pertanian (now Agro bank) (1995)
- Manager, Bank Pertanian (now Agro bank) (1995)



ABDUL AZIZ BIN SUBALI

Executive Director

Board of Directors' Profiles *(continued)*

Family Relationship

None of the Directors has any family relationship with other Directors and/or major shareholders of the Company or any personal interest in any, business arrangement involving the company.

Securities holdings by the directors in the Company

- **Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman**
He holds 32 ordinary shares in the company.
- **Abdul Aziz bin Subali**
He holds 17,844 ordinary shares in the company.
- **Mustapha b. Mohamed**
He holds 922 ordinary shares and 371 ICPS in the company.

Convictions of offences

None of the Directors has been convicted for any offence within the past 10 years.

Group Chief Executive Officer's Profile

Malaysian aged

52

Date of Appointment

1 March 2012

Length of Service (as at 30 April 2013)

1 year 2 months

Academic/ Professional Qualification(s)

- Bachelor's Degree in Accountancy (Hon), University of Technology MARA
- Diploma in Accountancy, University of Technology MARA
- Member, Malaysian Institute of Accountants

Present Appointment(s)

- Group Chief Executive Office

Past Appointment(s)

- Sub-Accountant, Perak State Development Corporation ("PKNP")
- Accountant, PKNP
- Accounts Manager, PKNP

Family Relationship

He has no family relationship with other Directors and/or major shareholders of the Company or any personal interest in any, business arrangement involving the company.

Securities holdings in the Company

He holds 402 ordinary shares in the company.

Convictions of offences

He has not been convicted for any offence within the past 10 years.



ABD KARIM NAST BIN MOHD ALIAS

Group Chief Executive Officer



Management Team

Front (from left to right) :

Salmah binti Mohamed Isimail
Group Human Resources & Administration Manager

Mat Radzi bin Awang @ Hanafiah
General Manager, Business Development & Property Development

Abdul Rahim bin Bohari @ Bahari
General Manager, Bio Resources

Abd Aziz bin Abd Rahim
General Manager, Property Management & Utility

Abd Karim Nast bin Mohd Alias
Group Chief Executive Officer
Group General Manager, Accounts & Finance

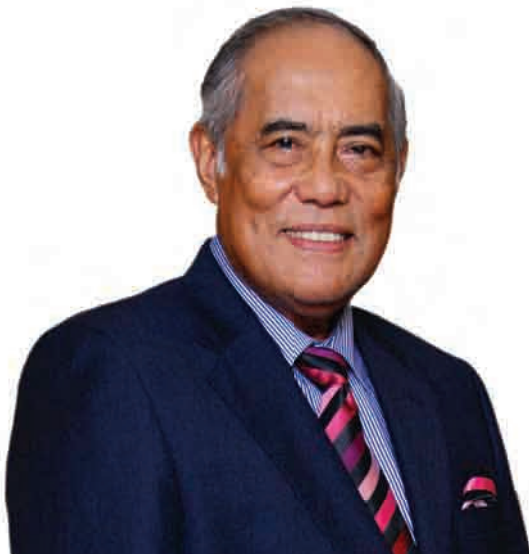
Back (from left to right) :

Izman Kamal bin Ismail
General Manager, Plantation

Kamarul Bahrin bin Baharudin
General Manager, Renewable Energy

Not in the picture :

Ir. Badrol Hisham bin Bakri
General Manager, Engineering & Construction



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

In the name of Allah, the Most Compassionate, the Most Merciful. Assalamualaikum Warahmatullahi Wabarakatuh.

I hereby present the Annual Report and Audited Financial Statements for the financial year ended 31st December 2012.

The world economy recovered slightly in 2012 after the turbulence of the previous year, driven by credit easing by European Union member countries and an improving US labour market. However, growth remained weak, hampered by the continuing Eurozone crisis as well as tighter monetary policies adopted by India and China during the year. Taking all relevant factors into consideration, the international Monetary Fund predicted the global economic output to expand by a marginal 3.3%. Nonetheless, Malaysia managed to record better than expected growth with the economy expanding by 5.6% in 2012 supported by continued strength in domestic demand and increased government spending on infrastructure.

Against this backdrop, I am happy to report that MHB for the financial year ('FY') ended 31 December 2012, the Group made a record profit after tax of RM2.382 million resulting from the higher contribution from our subsidiary companies. This achievement represents a continuing record of profitability for the Group for the first year since its transformation into a focused property, oil palm plantation and bamboo.

STRATEGY AND OPERATIONS REVIEW

Property Development

The Group targeting to launch its mixed development

project at Batu Gajah, Perak with the joint venture with Extreme New Sdn Bhd with a gross development value ('GDV') of RM800 million comprising units of terrace houses, villas, commercial units and water theme park. The Group's joint venture mixed development project in Batu Gajah, Perak is expected to commence in the 4th quarter of FY 2013 and the on-going mixed development project at Tapah Perak with the joint venture with Caely Holdings Berhad is also progressing well with the commencement of 304 units terrace houses and bungalows and the in-progress 181 units shops offices and 1 unit budget hotel with a GDV of RM140 million. The progress made has enhanced the overall landscape and breadth of the area.

Renewable Energy

The Renewable Energy division continues to identify and explore the possibilities of developing and creating value using the groups resources and asset to profits under the Feed In Tariff Scheme (FiT) as stated in the Renewable Energy Act 2011. Recently in April 2013, it secured a quota from Sustainable Energy Development Authority of 500kw under FiT with some conditions precedent to be met. The development cost of this project is RM5.0 million and expected to generate RM0.6 million of recurring revenue a year for a concession period of 21 years.

The divisions is expected to be a project manager for two (2) other third party sites with a cumulative capacity of 650kw and with an expected revenue of RM0.5 million annually for 21 years.

Bamboo

The operations at Factory No. 3 by Majuperak Go Green Sdn Bhd, a joint venture company between Majuperak Bio Resources Sdn Bhd and Tetap Murni Sdn Bhd, are expected to commence in May 2013. The first phase will begin with the production of bamboo-based products such as bamboo chopsticks, bamboo skewers, bamboo toothpicks and bamboo blinds. Next, the production of bamboo incenses will also be carried out as a side product at the said factory pending a more suitable factory location for such operation.

The operation of extracting raw bamboos at the Bintang Hijau Concession area, measuring approximately 5,000 hectares in area, is expected to commence anytime soon once the approval of the State Forestry Department is obtained. Based on the follow-up made, the permit for extracting raw bamboos is in the final stage of obtaining the said approval.

Oil Palm Plantation

The development of the oil palm plantation on a land measuring approximately 5,000 acres (2,023 hectares) in area at Mukim of Lenggong, District of Hulu Perak, Perak Darul Ridzuan has obtained the approval of the relevant authority to commence works at the site. The development is divided into four (4) phases wherein Phase 1 is 464.20 ha; Phase 2 is 385.60 ha; Phase 3 is 403.10 ha; and Phase 4 is 230.30 ha. The development of Phase 1 will begin anytime soon. For that purpose, the Company is currently at the stage of finalising the appointment of contractors to carry out the plantation

Chairman's Statement *(Continued)*

development works for Package 2 of 426 hectares. The plantation development preliminary works are expected to begin in May 2013.

Prospect

The new financial year will be full of uncertainties in global economy. As we leap forward to the next phase of growth for the Group, the road ahead is a challenging one. Nevertheless, the Group will continue to focus on its core business in property, palm oil plantation, bamboo and renewable energy. The Board and the management of MHB acknowledge the need to be cautious in various aspects which may disrupt our business and affect the profitability of the Group.

The Group is envisaged that the economy will continue to grow, albeit at a moderate pace. The Group's core business is not expected to be significantly adversely affected barring a drastic change in global economic conditions.

CORPORATE SOCIAL RESPONSIBILITY

The Group will not neglect its corporate social responsibility while carrying out its usual business activities. The Group is committed to continually promote and creating awareness among the employees on the occupational hazard and safety at workplaces/site of the projects. Besides that the Group had in the financial year 2012 either sponsored sports activities and family days of certain organizations and orphanage or contributed donations to various charitable groups.

CORPORATE GOVERNANCE

The Board is committed to the best practices in corporate governance as a crucial step in achieving business sustainability and growth. With this in mind, the board is steadfast in implementing business strategies that are in line with the Group's vision and deemed to be value accretive in order to protect and maximize shareholder's value. These measurements are highlighted in the Statement of Corporate Governance in this Annual Report.

DIVIDEND

A dividend of 1 % per ICPS share, was paid on respect of the financial year ended 31 December 2012. The Board is proposing a final dividend of 1 % per ICPS share per ordinary share, for approval of the shareholders, at the forthcoming Annual General Meeting. If approved by shareholders, the total dividend payout for the financial year ended 31 December 2012 will be 1 % per ICPS share per ordinary share.

OUTLOOK

The Group will continue to focus on its property development, oil palm plantation, bamboo and renewable energy divisions and the continuous development of its existing land banks. The Utilities and Property management divisions are gathering strength

and continues to search out for growth opportunities locally and regionally. With the Group's recent active involvement in property development and renewable energy, the latest division's long term growth prospect are expected to be enhanced. Barring any unforeseen circumstances, the Group can look forward to another profitable year ahead and create value for shareholders.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend our appreciation and gratitude to our shareholders, customers, bankers, business associates and various government authorities for the support and continued trust in us throughout the years. I also wish to express our sincere appreciation to the staff of MHB for their tireless dedication and commitment and their consummated professionalism during the year under review. Without a doubt, their contributions have been a key component of our growth during the year under review. Last but not least, I would like to extend my sincere gratitude to my fellow Board members for their contribution and guidance and appreciation to our dedicated management team and committed staff for their hard work and continuous effort over the years.

**TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATUK SERI DR HAJI MEGAT KHAS**
Chairman

Penyataan Pengerusi *(Sambungan)*

Para pemegang saham yang dihargai,

Dengan nama Allah Yang Maha Pemurah lagi Maha Mengasihani. Assalamualaikum warahmatullahi warabakatuh.

Saya dengan ini membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Bagi Tahun Kewangan Berakhir 31 Disember 2012 Majuperak Holdings Berhad ("MHB" atau "Syarikat") dan Kumpulan.

Ekonomi dunia yang telah pulih pada tahun 2012 selepas bergolak pada tahun sebelumnya telah dipacu oleh kemudahan kredit oleh negara-negara anggota Kesatuan Eropah dan penambahbaikan pasaran buruh Amerika Syarikat.

Walaupun bagaimanapun, pertumbuhan masih agak lemah dihalang oleh krisis zon Eropah serta polisi matawang yang lebih ketat yang digunapakai oleh Negara China dan India sepanjang tahun berkenaan. Dengan mengambil kira faktor-faktor relevan, Dana Matawang Antarabangsa meramalkan pengeluaran ekonomi global mengembang sebanyak 3.3%. Sungguhpun begitu, Malaysia menjangkakan dapat merekod pertumbuhan yang lebih baik daripada yang dijangkakan dengan perkembangan ekonomi sebanyak 5.6% pada tahun 2012 yang disokong oleh kekuatan dalam permintaan domestik yang berterusan serta peningkatan perbelanjaan kerajaan ke atas infrastruktur.

Saya, dengan rasa berbesar hati membentangkan bahawa bagi tahun kewangan berakhir 31 Disember 2012, Kumpulan telah merekodkan keuntungan selepas cukai sebanyak RM2.382 juta hasil daripada sumbangan yang lebih besar daripada syarikat-syarikat subsidiari. Pencapaian ini menggambarkan rekod keuntungan berterusan bagi Kumpulan untuk tahun pertama sejak proses transformasi Kumpulan kepada penumpuan dalam sektor pembangunan hartanah, tenaga boleh dibaharui, buluh dan perladangan kelapa sawit.

ULASAN OPERASI DAN STRATEGI

Pembangunan Hartanah

Kumpulan mensasarkan untuk melancarkan pembangunan bercampur di Batu Gajah, Perak melalui perjanjian usahasama dengan Extreme New Sdn Bhd dengan Nilai Pembangunan Kasar ("NPK") sebanyak RM800 juta yang terdiri daripada unit-unit rumah teres, vila, unit-unit perniagaan dan taman tema air. Usahasama projek pembangunan bercampur di Batu Gajah, Perak dijangka dapat dilaksanakan dalam suku keempat 2013 serta projek pembangunan bercampur di Tapah, Perak secara usahasama dengan Caely Holdings Berhad yang sedang giat untuk melaksanakan 304 unit rumah teres dan banglo dan 181 unit kedai pejabat beserta 1 unit hotel bajet yang sedang dalam kemajuan dengan NPK sebanyak RM140 juta. Kemajuan yang dilaksanakan telah memberi nafas dan meningkatkan lanskap keseluruhan kawasan terbabit.

Tenaga Boleh Dibaharui

Divisyen Tenaga Boleh Dibaharui terus dikenalpasti

dan diterokai kebarangkalian untuk dibangunkan dan menghasilkan nilai melalui sumber-sumber serta aset sedia ada yang membawa keuntungan di bawah skim Feed In Tariff ("FiT") seperti dinyatakan dalam Akta Tenaga Boleh Baharui 2011. Baru-baru ini, pada April 2013, Kumpulan telah diluluskan kuota oleh Badan Pembangunan Tenaga Boleh Kekal ("SEDA") sebanyak 500kw di bawah FiT dengan syarat-syarat awal untuk dicapai. Kos pembangunan projek tersebut adalah RM5.0 juta dan dijangka menjana pendapatan berulang sebanyak RM0.6 juta setahun bagi tempoh konsesi selama 21 tahun.

Divisyen Tenaga Boleh Dibaharui juga akan bertindak sebagai pengurus projek kepada dua (2) pihak ketiga dengan kapasiti terkumpul 650kw dengan jangkaan pendapatan sebanyak RM0.5 juta setiap tahun bagi tempoh selama 21 tahun.

Buluh

Operasi perusahaan buluh di Kilang No.3 di kawasan perindustrian Bandariang, Gerik, Perak oleh Majuperak Go Green Sdn Bhd, iaitu sebuah syarikat usahasama di antara subsidiari MHB, Majuperak Bio Resources Sdn Bhd dan Tetap Murni Sdn Bhd dijangka mula beroperasi dalam bulan Mei 2013. Fasa pertama akan bermula dengan pengeluaran produk berasaskan buluh seperti chopstick, bamboo skewers, toothpicks dan bamboo blinds. Pengeluaran setinggi buluh juga akan dilaksanakan sebagai produk sampingan di kilang tersebut sementara Syarikat mengenalpasti lokasi kilang yang sesuai bagi operasi berkenaan.

Operasi pengeluaran buluh mentah di kawasan konsesi Hutan Bintang Hijau di Gerik, Perak seluas kira-kira 5,000 hektar, dijangka dimulakan pada bila-bila masa sebaik sahaja mendapat kelulusan daripada Pejabat Hutan Negeri. Berdasarkan susulan yang dibuat, Syarikat kini di peringkat akhir untuk mendapatkan kelulusan daripada pihak berkuasa berkaitan untuk kerja-kerja mengeluarkan buluh mentah.

Perladangan Kelapa Sawit

Pembangunan ladang kelapa sawit di atas tanah seluas kira-kira 5,000 ekar (2,023 hektar) di Mukim Lenggong, Daerah Hulu Perak, Perak Darul Ridzuan telah mendapat kelulusan daripada pihak berkuasa berkaitan untuk memulakan kerja-kerja di tapak projek. Pembangunan dibahagikan kepada empat (4) fasa, di mana Fasa 1 seluas 464.20 ha; Fasa 2 seluas 385.60 ha; Fasa 3 seluas 403.10 ha; dan Fasa 4 seluas 230.30 ha. Pembangunan Fasa 1 akan dimulakan pada bila-bila masa. Bagi tujuan tersebut, Syarikat kini di peringkat untuk memuktamadkan perlantikan kontaktor bagi melaksanakan kerja-kerja pembangunan ladang bagi Pakej 2 seluas 426 hektar. Kerja-kerja awalan pembangunan ladang dijangkakan bermula Mei 2013.

Prospek

Tahun kewangan baru dijangkakan penuh ketidaktentuan ekonomi global. Dengan kemaraan ke peringkat pertumbuhan seterusnya, perjalanan di hadapan adalah sangat mencabar dan getir. Sungguhpun begitu, Kumpulan akan terus fokus kepada perniagaan teras dalam sektor pembangunan hartanah,

Penyataan Pengerusi *(Sambungan)*

perladangan kelapa sawit, buluh dan tenaga boleh dibaharui. Lembaga dan pengurusan MHB mengakui perlunya untuk berwaspada di dalam pelbagai aspek yang dikhuatiri boleh mengendalakan perniagaan dan menjejaskan keuntungan Kumpulan.

Kumpulan membayangkan ekonomi akan terus tumbuh, jika tidak pun, di tahap sederhana. Perniagaan teras Kumpulan dijangka tidak ketara terjejas dengan sekatan perubahan drastik dalam ekonomi global.

TANGGUNGJAWAB SOSIAL KORPORAT

Dalam kesibukan menjalankan tanggungjawab korporatnya, Kumpulan tidak pernah cuai dalam memenuhi tanggungjawab sosialnya kepada kakitangan maupun masyarakat amnya. Kumpulan komited untuk terus mempromosi dan mewujudkan rasa prihatin di kalangan kakitangan terhadap isu keselamatan dan bahaya di tempat bekerja atau tapak projek. Selain daripada itu, Kumpulan dalam tahun kewangan 2012 telah menyumbang sama ada dalam aktiviti-aktiviti kesukuan, Hari Keluarga Organisasi, rumah-rumah anak yatim serta pelbagai badan kebajikan.

TADBIRURUS KORPORAT

Lembaga Pengarah komited terhadap amalan terbaik di dalam tadbirurus korporat sebagai langkah penting dalam mencapai pertumbuhan perniagaan dan kekal bertahan. Lembaga Pengarah juga teguh melaksanakan strategi perniagaan yang menjadi visi Kumpulan serta dipercayai dapat menambah nilai kepada pemegang saham dalam melindungi dan memaksimumkan nilai para pemegang sahamnya. Pengukuran ini disorotkan di dalam Penyata Tadbir Urus Korporat dalam buku Laporan Tahunan ini.

DIVIDEN

Kumpulan dengan berbesar hati mengumumkan bayaran dividen sebanyak 1% akan dibayar kepada pemegang saham "Irredeemable Convertible Preference Shares ("ICPS") bagi tahun kewangan berakhir 31 Disember 2012. Lembaga Pengarah mencadangkan dividen akhir 1% setiap saham ICPS untuk diluluskan pemegang saham pada mesyuarat agung tahunan yang akan datang. Sekiranya diluluskan, jumlah dividen yang dibayar bagi tahun kewangan berakhir 31 Disember 2012 adalah sebanyak 1% bagi setiap saham ICPS.

TINJAUAN

Kumpulan akan terus menumpukan aktiviti pembangunan hartanah, perladangan kelapa sawit, buluh dan tenaga boleh dibaharui serta meneruskan pembangunan bank tanah sedia ada. Divisyen pengurusan Hartanah dan Utiliti sedang mengumpul kekuatan untuk mencari peluang-peluang pembangunan di peringkat tempatan maupun rantau luar. Dengan penglibatan aktif Kumpulan dalam sektor hartanah dan tenaga boleh dibaharui, prospek pertumbuhan jangka masa panjang divisyen dijangka meningkat. Dengan halangan, ketidakpastian dan luar jangka, Kumpulan mampu mara ke satu lagi tahun keuntungan di hadapan dan memberi nilai kepada para pemegang sahamnya.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya dengan hormatnya menyatakan penghargaan dan ucapan terima kasih kepada para pemegang saham, para pelanggan, rakan perniagaan, badan-badan kerajaan dan berkanun serta rakan kongsi terhadap sumbangan, sokongan dan kepercayaan berterusan kepada Kumpulan. Saya juga ingin menyampaikan penghargaan kepada semua kakitangan MHB terhadap dedikasi, komitmen dan profesionalisme sepanjang tahun ini. Tidak dapat diragui lagi, segala sumbangan menjadi komponen utama bagi pertumbuhan dan kejayaan Kumpulan. Penghargaan ini juga didedikasikan kepada rakan ahli lembaga pengarah terhadap sumbangan dan panduan yang diberikan serta ucapan terima kasih juga ditujukan kepada pasukan pengurusan dan semua kakitangan Kumpulan terhadap usaha keras dan berterusan sepanjang tahun.

**TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATUK SERI DR HAJI MEGAT KHAS**
Pengerusi

23 Mei 2013

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors recognizes the importance of safeguarding and promoting the interests of shareholders. The Board is committed to uphold the value of good corporate governance by continuously advocating transparency, accountability, integrity and responsibility to enhance long term shareholders' values and safeguarding the stakeholders' values. The Board is pleased to report on the corporate governance practices of the company and the in which the company has complied with the principles as set out in the Malaysian Code on Corporate Governance (Revised 2007) ("Code").

BOARD OF DIRECTORS

Board Composition and Balance

The Group is helmed by an effective and experienced Board comprising individuals of caliber and credibility from a diverse professional backgrounds with a wealth of experience, skills and expertise. The Directors together as a team set a values and standard of the company and ensures that the Group's business is properly managed to safeguard the Group's assets and shareholders' investment. A brief profile of each Director is set out in the Profile of Directors section of this Annual Report.

The Board's composition of seven (7) members, comprising one (1) Executive Directors, two (2) Non-Independent Non-Executive Directors and four (4) Independent Directors is in compliance with paragraph 15.02 of Bursa Malaysia Security Berhad Main Market Listing Requirements ("Listing Requirements"). The independent directors which make up more than half the Board play a crucial role in the exercise of independent assessment and objective participation in Board deliberations and the decision-making process.

The independent directors do not participate in the day-to-day management of the Company and do not engage in any business dealing and are not involved in any other relationship with the Company which could materially interfere with the exercise of their independent judgement. The role of the Chairman, Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas and the Executive Director, Abdul Aziz bin Subali are separate with clear distinction of responsibility between them. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Executive Director is responsible for the day-to-day running of the business and implementation of Board's policies and decisions.

The Board has also identified the Chairman, whom is the independent director as the senior independent director. Any concerns relating to the Group may be conveyed by the stakeholders to the senior independent director. The Board through the Nomination Committee and Remuneration Committee conducts an annual review of the performance of the Board to ensure that it is continuously effective. The review conducted via a set of questionnaires to assist the reviewer in his assessment and is spread over the following three (3) key areas:

- The effectiveness of the Board as a whole;
- Board size, composition and balance; and
- Contributions of individual Directors/Managing Director to the Board.

Duties and Responsibilities

The Board's principal focus is the overall strategic direction, development and control of the Group. In support of this focus, the Board maps out and reviews the Group's medium and long term strategic plans on an basis, so as to align the Group 's business directions and goals with the prevailing economic and market conditions. It also reviews the management's performance and ensures that necessary financial and human resources are available to meet the Group's objectives. The Board's other main duties include regular oversight of the

Statement On Corporate Governance *(Continued)*

Group's business performance, and ensuring that the internal controls and risk management processes of the Group are well in implemented consistently to safeguard the assets of the Group.

On-going succession planning and training which is aligned to the organisation's objectives are put in place to ensure orderly management transition in the Group.

Board Meetings and Supply of Information

The Board meets at least four (4) times annually with additional meetings convened as and when deemed necessary. During the financial year, the Board met eight (8) times where deliberated and considered a variety of matters including the Group's financial results, budget and strategy, corporate proposals and strategic issues that affect the Group's business operations.

The Board and Board Committees meeting are planned in advance prior to the commencement of a new year and the schedule is circulated to the Directors and Committee members well in advance to enable them to plan ahead. Board members are given at least seven (7) day's notice before any Board meeting is held. The agenda for each Board meeting and papers relating to the matters to be deliberated at the meeting are forwarded to all Directors for perusal prior to the date of the Board meeting. The Board papers are comprehensive covering agenda items to facilitate informed decision-making. In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board will be table for notation at next Board meeting.

The Board also peruse the decisions deliberated by Board Committees through minutes of these Committees. The Chairman of the Board Committees is responsible to inform the Directors at Board meeting of any salient matters noted by the Committees and which require the Board's notice or direction. All proceeding of Board meetings are minuted and signed by the Chairman of the meeting in accordance with provision of Companies Act, 1965.

The Directors are notified of any corporate announcements released to Bursa Malaysia Security Berhad. They are also notified of the impending restriction in dealing with the securities of the Company at least thirty (30) days prior to the targeted released date of the quarterly financial results announcement. All Directors have direct access to the advice and services of the Company Secretary. The Company Secretary is responsible in ensuring that Board procedures are met and constantly advise the Directors on compliance issues.

Details of attendance of Directors at Board meeting during the financial year are as follows:

| Name of Directors | No of Meetings Attended | Percentage |
|---|--------------------------------|-------------------|
| Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas Chairman, Independent Non Executive Director | 8 of 8 | 100% |
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman Independent Non Executive Director | 8 of 8 | 100% |
| Abdul Aziz bin Subali Executive Director | 8 of 8 | 100% |
| Haji Mustapha bin Mohamed Independent, Non Executive Director | 7 of 8 | 88% |

Statement On Corporate Governance (Continued)

| | | |
|--|--------|------|
| Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar Non Independent, Non Executive Director | 7 of 8 | 88% |
| Dato' Haji Mohd Zolkafly bin Haji Harun Independent, Non Executive Director | 6 of 8 | 75% |
| Y.B. Dato' Mohd Khusairi bin Abdul Talib Non Independent , Non Executive Director | 4 of 4 | 100% |

Appointment to the Board

The proposed appointment of new Board members as well as the proposed re-election/re-appointment of existing Directors who are seeking re-election/re-appointment at the annual general are first considered and evaluated by the Nomination Committee. Upon its evaluation, the Nomination Committee will make recommendations on the proposal(s) to the Board for approval. The Board makes the final decision on the proposed appointment or re-election/re-appointment to be presented to shareholders for approval.

Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors are subject to retirement by rotation at every annual general meeting and provided always that all Directors shall retire at least once every three (3) years but shall be eligible for re-election. Directors who are appointed by the Board are subject to re-election by the shareholders at the annual general meeting held following their appointments. Directors of or over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of Companies Act, 1965.

Directors' Training

The Board acknowledges the importance of continuous education and training broaden one's perspective and to keep abreast with the current and future developments in the industry and global markets, regulatory updates as well as management strategies to enhance the Board's skills and knowledge in discharging their duties. Orientation programme is initiated for newly appointed Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the financial year under review, the company had organized in-house seminar on KPI conducted by external consultants for the Directors and senior management. The Directors also continued to attend and participate in various training programmes, briefings, conferences and seminars, which they have individually considered as relevant and useful to further enhance their business acumen and professionalism in discharging their stewardship responsibilities.

Some of the programmes attended by the Directors during the financial year ended 31 December 2012 are as follows:

Key Areas

- Corporate Governance
- Directors' Duties & Obligations
- Leadership
- Financial, Taxation & Investment
- Laws & Regulations

Statement On Corporate Governance *(Continued)*

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas

- MTU (M) Services Sdn Bhd – What Directors & Senior Management should know by MICG
- SSM Conference- “Management of Corporate Governance, Creating Value, Transforming Economy” by SSM.
- Seminar on Regulatory Updates, Governance and Current Issues For Directors on PLC’s 2012 by MICG
- Conference on “ Enhancing Organisational Sustainability Through Effective Leadership”
- COSEC Conference
- National Enterprise Risk Management Conference For Public and Private Sector
- MICG Director Duties Seminar
- Directors Remuneration Seminar 2013 – The Best Practices
- AWS Corporate Governance Conference

Abdul Aziz bin Subali

- 5th Annual Corporate Governance Summit
- World Interest Conference
- The Malaysian Corporate Governance Code 2012
 - ▶ The implication and Challenges To Public Listed Companies
- 4th Annual Corporate Governance KL 2012

YB Dato' Mohd Zolkafly bin Haji Harun

- National Enterprise Risk Management Conference For The Public & Private Sector

Mustapha bin Mohamed

- Seminar on Budget 2013
 - ▶ Highlights on Tax Changes And Its Implications On Business
- Seminar on Effective Audit Committees
- Seminar on Effective AGM & EGM

Statement On Corporate Governance *(Continued)*

Directors' Remuneration

All Non-Executive Directors are paid Directors' fees as approved by the shareholders at the annual general meeting based on the recommendation of the Board. The determination of the level of fees of the Non-Executive Directors is a matter decided by the Board as a whole to ensure that is sufficient to attract and retain the services of the Non-Executive Directors which are vital to the Company. Meetings attendance allowance are paid to Non-Executive Directors in accordance with the number of meeting attended during the financial year. Individual Directors will abstain from participating in the discussion and decision of their own remuneration. For the Executive Director, the remuneration packages link rewards to individual as well as corporate performance and achievement of key performance indicators, taking into consideration the market and industry practice.

Details of the remuneration of the Company for the financial year ended 31 December 2012 are as follows:

- **Aggregate of Remuneration**

| Category | Executive Director (RM) | Non-Executive Directors (RM) | Total (RM) |
|-----------------------|-------------------------|------------------------------|------------|
| Fees | - | 233,250 | 233,250 |
| Other Emoluments | 108,348 | - | 108,348 |
| Defined contributions | - | - | - |
| Benefits-in-kind | - | - | - |

- **Analysis of Remuneration**

| Range of Remuneration | No. of Executive Director (RM) | No. of Non-Executive Directors (RM) |
|-----------------------|--------------------------------|-------------------------------------|
| RM50,000 & below | - | 4 |
| RM50,001 & Above | 1 | 2 |

The disclosure of Directors' remuneration is made in accordance with Appendix 9C, Part A, item 11 of the Listing Requirements. The Board is of the opinion that the disclosure of Directors' remuneration through 'band disclosure' is sufficient to meet the objectives of the Code. Separate and detailed disclosure of individual Directors remuneration would not add significantly to the understanding of shareholders and other interested persons in this aspect.

WHISTLE BLOWING POLICY

The Group in its effort to enhance corporate governance has put in place a whistle blowing policy to provide an avenue for employees and stakeholders to report genuine concern about malpractices, unethical behavior, misconduct or failure to comply with regulatory requirements without fear of reprisal. Any concern raised will be investigated and a report and update is provided to the Audit Committee. (if any)

BOARD COMMITTEES

The Group has delegated certain responsibilities to the Board Committees which operate within defined terms of reference approved by Board to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee, Nomination Committee, Remuneration Committee, Risk Committee and Investment Committee.

Statement On Corporate Governance *(Continued)*

The Board Committees exercise transparency and full disclosure in their proceedings. Where necessary, issues deliberated by the Board Committees are presented to the Board with the appropriate recommendations. The ultimate responsibility for the final decision on all matters however, lies with Board.

The Board Committees in MHB are as follows:

Audit Committee

The Audit Committee comprises three (3) independent Non-Executive Directors and is in compliance with the Listing Requirements. The members of the Audit Committee are as follows:

1. Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman
(Independent Director)- Chairman
2. Dato' Haji Mohd Zolkafly bin Haji Harun
(Independent Director)
3. Tuan Hj. Mustapha bin Mohamed
(Independent Director)

Nomination Committee

1. Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas
(Independent Non Executive Director)
2. Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman
(Independent Non Executive Director)
3. Y.B. Dato' Mohd Khusairi bin Abdul Talib
(Non Independent Non Executive Director)

Remuneration Committee,

1. Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas
(Independent Non Executive Director)
2. Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman
(Independent Non Executive Director)
3. Dato' Haji Mohd Zolkafly bin Haji Harun
(Independent Director)

Risk Management Committee

1. Abdul Aziz bin Subali
(Executive Director)
2. Abd Karim Nast bin Mohd Alias
(Group Chief Executive Officer)
3. All General Managers
4. Managers

Statement On Corporate Governance *(Continued)*

Investment Committee

1. Abdul Aziz bin Subali
(Executive Director)
2. Mustapha bin Mohamed
(Independent Director)
3. Abd Karim Nast bin Mohd Alias
(Group Chief Executive Officer)

The Audit Committee's principal role is to reduce conflicts of interest particularly between and shareholders and to ensure that the Group's assets are utilised efficiently. As part of the Audit Committee's responsibilities, they would review the Company's financial statements, related party transaction and the system of internal controls. They may also consider whether procedures on internal audit are effect at monitoring adherence to the Company's standard and values. During the financial year, the Audit Committee held meetings whereby the external auditors attended two (2) of the meetings and also met with the Committee members without the presence of the management and Executive Directors at one (1) of the meeting. A full Audit Committee Report enumerating its membership, summary of terms of reference and a summary of activities during the year are set out in the Audit Committee Report.

The role of the Nomination Committee and Remuneration Committee, set out in its terms of reference, includes among others, the following:

(a) Appointment and Evaluation

- (i) To consider and recommend candidates for directorship to the Board and to Board Committees based on the following broad criteria:
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;and
 - for independent non-executive directors, the ability to discharge their duties.
- (ii) Reviewing annually the required mix of skills, experience and other qualities, Including core competencies, which Directors should bring to the Board.
- (iii) Assessing annually the effectiveness of the Board as a whole, including its size and composition, the committees of the contribution of each individual Director.
- (iv) Reviewing the training needs of Directors.

(b) Remuneration

- (i) To recommend to the Board on the framework or broad policy for the remuneration of the Company's or Group's Chief Executive and other senior management as the Committee is designated to consider.

The Nomination Committee and Remuneration Committee meets at least once in a financial year and whenever required. The Committee met twice during the financial year. During the financial year, the Nomination and Remuneration Committee undertook the following:

Statement On Corporate Governance *(Continued)*

- Evaluation exercise on the effectiveness, composition and balance of the Board as well as effectiveness of the Committees and contribution of each individual Director of the Company;
- Reviewed all Directors who are due for re-election/re-appointment at the company's 10th Annual General Meeting to determine whether or not to recommend their re-election/re-appointment;
- reviewed the remuneration package for the Executive Director;
- reviewed and recommended the appointment of Y.B. Dato' Mohd Khusairi bin Abdul Talib as an Non-Independent Non-Executive Director.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board endeavours to present a balanced and comprehensive assessment of the Group's performance through the annual audited financial statements and quarterly announcement of financial results to shareholders. The Board is assisted by the Audit Committee to oversee the Group's financial reporting and the quality of its financial reporting.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 to ensure that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the results of their operations and cash flows for the financial year. The Directors consider that in preparing the financial statements, the Directors have consistently used and applied the appropriate and relevant accounting policies and made judgements and estimates that are reasonable and prudent.

The Directors have a general responsibility in ensuring that the Company and the Group keep proper accounting records in accordance with the provisions of the Companies Act, 1965 to enable the preparation of the financial statements with reasonable accuracy. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud other irregularities.

Internal Control

The Board acknowledges its overall responsibility in maintaining an internal control system that provides reasonable assurance of effective and efficient operations, compliance with laws and regulations, as well as internal procedures and guidelines. However, the Group's system of internal control is designed to managed and not eliminate the risk of failure to achieve the Group's objectives, hence the internal control system can only provide reasonable and not absolute assurance against the risk of material errors, fraud or loss.

The Statement on Internal Control, which provides an overview of the state of internal control within the Group, is set out on pages 32 to 33 of this Annual Report.

Audit Committee

The Audit Committee conducts a review of the Internal Audit Function in terms of its authority, resources and scope as defined in the Internal Audit Charter adopted by the Group. The minutes of the Audit Committee meetings are table to the Board for perusal and for action where appropriate.

Relationship with Auditors

The Company, through its Audit Committee, has established a transparent and appropriate relationship with the Company's auditors, both internal and external. It is the policy of the Audit Committee to meet the external auditors to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the external auditors without the presence of the management and executive Board members.

Statement On Corporate Governance *(Continued)*

The roles of both the internal and external auditors are further described in the Audit Committee Report.

RELATIONSHIP AND COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Communication with Shareholders

The Board is committed to provide shareholders and investors accurate, useful and timely information about the Company, its business and its activities. The Company has regularly communicated with shareholders and investors in conformity with the disclosure requirements.

The Company's annual general meeting remains the principal forum for dialogue and interaction with shareholders and provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's business and corporate development.

The Group ensures that timely disclosures are made to the public with regard to the Group's corporate proposals, financial results and other required announcement.

Corporate and financial information of the Group as well as the Company's announcements to Bursa Malaysia Securities Berhad are also made available to the public through the Company's website at www.majuperak.com.my

CORPORATE SOCIAL RESPONSIBILITY

The Group recognizes the importance of corporate social responsibility ('CSR') as an integral part of business and strongly pursue its belief of caring for and sharing with people, business associates and community. In this respect, the Group continued its initiative to strive for a balanced approach in achieving its business profitability and the expectation of its stakeholders and the community thereby creating value to our shareholders and enhancing the long term sustainability of the Group.

In its CSR initiatives, the Group has organized various junctions with the orphanage during the Ramadhan month and donation were given to the orphanage.

The Group recognizes the importance of preserving the natural environment and is committed to achieving good standards of environment performance, preventing pollution and minimizing the impact of its operations. Additionally, the Group also promotes a culture of waste minimization and resource optimization. In our office environment, we ensure that waste is re-used or re-cycled as far as possible.

The Group's employees are the most important asset, the major contributors to the organization's success and growth. Training and career development are conducted to equip employees with the necessary skills and knowledge as well as to achieve their potential. We also take a proactive approach in providing opportunities for our employees to obtain professional and nationally recognized qualifications and in encouraging continuous professional development programmes that are conducted internally and externally.

A great deal of effort and resources are channeled into the Group's CSR programmes and the top management is directly involved in the Group's CSR efforts. We look upon the giving back to society in the hope of making a difference in the many lives we touches.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements require directors of public listed companies to include a statement in their annual reports on the state of their internal control. The Bursa Malaysia Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Internal Control Guidance") provides guidance for compliance with these requirements.

Set out below is the Board's Statement on Internal Control, which has been prepared in accordance with the Internal Control guidance.

BOARD RESPONSIBILITY

The Board of Directors recognises the importance of sound internal control and risk management practices for good corporate governance and has instructed the Management of the Company to design and establish a system of internal control and risk management to be implemented in the Group.

The Board affirms that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives, which has been in place during the year and up to the date of approval of the annual report and financial statements.

The system of internal control is design to manage rather than to eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable, but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board fully supports the contents of the Internal Control Guidance and with the assistance of the internal audit which has been outsourced; a structured risk management framework for the Group has been put in place. The risk framework for adoption by the Group involves the following:

- **Group Risk Management Committee**

Responsible to identify continuously and communicate to the Audit Committee, which in turn would report to the Board, the critical risks the Group faces, their changes and the management action plans to manage the risks. Risk Management Committee chaired by Abdul Aziz bin Subali and the members are Group Chief Executive Officer, Senior Management and General Managers.

- **Key Management Staff**

Nomination of key management staff in each operating unit to prepare action plans, with implementation time-scales to address any risk and control issues.

- **Risk Management Reporting**

Reporting by the head of operating units/management staff to the Group risk. All the General Managers reporting to the Group Risk Management Committee.

Statement On Internal Control *(Continued)*

The Group, via the Internal Auditors provides supports to the Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of internal controls within the Group.

The Internal Auditors carried out audits based on an internal audit plan approved by the Audit Committee. Their reports are table to the Audit Committee meeting, where the Audit Committee members reviewed the findings with management. The internal auditors ensured that recommendations to improve controls were implemented by management.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from key risk management and internal audit, the Group has in place the following key elements of internal control:

- **Organisational Structure**

The Group has in place an organisational structure with clearly defined lines of accountability and delegated authority.

- **Management Financial Report**

Quarterly financial and performance reports are submitted to the Board and reviewed, which include explanation and management action taken for improvement of results.

- **Investment Committee**

Investment proposals covering acquisition of investments and property shall be thoroughly appraised by the Committee and reported to the Board. Likewise, similar action is taken in respect of disposal of investments and property.

- **Management Committee**

The Group Chief Executive Officer meets regularly with the management to review the performance and business issues including internal control matters and risk management.

- **Regular visits** to the subsidiaries by the members of the management to monitor and assess the Group's performance and control.

CONCLUSION

A number of minor structural deficiencies were identified during the period, all of which have been addressed. None of the deficiencies have results in any material losses, contingencies or uncertainties that required disclosure in the Company's annual report.

Management has taken the necessary action to ensure minimum exceptions to be reported in this Statement.

AUDIT COMMITTEE REPORT

In line with the Malaysian Code of Corporate Governance, all members of the Audit Committee are Non-Executive Directors with majority of them being Independent Directors. The Audit Committee was established on 21 May 2007 to act as a Committee for the Board of Directors.

Chairman

Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman
Independent Non-Executive Director

Members

Mustapha bin Mohamed
Independent /Non Executive Director

Dato' Haji Mohd Zolkafly bin Haji Harun
Independent /Non Executive Director

TERMS OF REFERENCE

OBJECTIVES

The objectives of the Audit Committee are:-

1. To ensure compliance with Paragraph 15, Part C of the Listing Requirements of Bursa Malaysia Securities Berhad.
2. To ensure the independence of the External Auditors, the integrity of management and the adequacy of disclosures to shareholders.
3. To assist the board of Directors in fulfilling its fiduciary responsibilities by ensuring that the results of internal and external audit findings are fully considered and properly resolved.
4. To maintain a direct line of communication between the Board and the External and Internal Auditors.
5. To enhance the independence of the External and Internal Audit functions.
6. To create a climate of discipline and control, which will reduce the opportunity for fraud.

Audit Committee Report *(Continued)*

ATTENDANCE

The attendances of the members of the Audit Committee during the financial year 2012 are as follows:

| Members | No of meetings attended during the financial year | Percentage |
|---|---|------------|
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman <i>Chairman, Independent Non-Executive Director</i> | 7 of 7 | 100% |
| Mustapha bin Mohamed <i>Independent/Non Executive Director</i> | 7 of 7 | 100% |
| Dato' Haji Mohd Zolkafly bin Haji Harun <i>Independent/Non Executive Director</i> | 4 of 7 | 57% |

MEMBERSHIP

1. The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:
 - (a) The Committee must be composed of no fewer than 3 members;
 - (b) A majority of the Committee must be independent directors; and
 - (c) At least one member of the Committee:
 - i. Must be a member of the Malaysian Institute of Accountants; or
 - ii. If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (ab) he must be a member of one the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
 - (ac) Fulfills such other requirement as prescribed or approved by Bursa Malaysia Securities Berhad.
2. The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.
3. No alternate director should be appointed as a member of the Committee.
4. If membership for any reason falls below 3 members, the Board of Directors shall, within 3 months of the events, appoint such number of new members as may be required to fulfill the minimum requirement.
5. The Committee Members shall collectively have:
 - (a) Knowledge of the Industries in which the Company and Group operates;

Audit Committee Report *(Continued)*

- (b) The ability to read and understand fundamental financial statements, including a company statement of financial position, statement of comprehensive income and cash flow statement; and
 - (c) The ability to understand key business and financial risk and related controls and control processes.
6. The terms of office and performance of the Committee and its members shall be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

MEETINGS

1. Secretary

The Company Secretary shall be the Secretary of the Committee or his/her appointed nominee with the appropriate qualifications and experience.

2. Frequency

- (a) Meetings shall be held not less than four (4) times a year.
- (b) Upon the request of any member of Committee, the Internal Auditor or External Auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter brought up by them.

3. Quorum

A quorum shall be two(2) members and the majority of the members present shall be independent directors.

4. Agenda

The agenda for the Committee meeting shall be the responsibility of the Committee Chairman with input from the Committee members. The Chairman may also ask the management and others to participate in this process.

5. Attendance

- (a) The Group Executive Officer, Group General Manager of Finance and Accounts, a representative of Internal Auditor and the External Auditor shall normally attend meetings. Other directors and members of senior management attended some of the meetings upon invitation by the Audit Committee.
- (b) During the financial year ended 31 December 2012 the Audit Committee held a total of seven (7) meetings. The details of attendance of the Audit Committee Members are as per table on page 35.

6. Reporting Procedure

The minute of each Committee meeting shall be circulated to all members of the Board of Directors. The Committee through its Chairman, shall report to the Board after each meeting. Additionally, the Chairman of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

Audit Committee Report *(Continued)*

7. Meeting Procedure

The Committee shall formulate, implement and regulate its own procedure, with respect to :

- (a) the calling of meeting
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

RIGHTS

The Committee in performing its duties in accordance with procedure to be determined by the Board of Directors shall:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditor and person (s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with external auditor, including the attendance of the executive members of the Committee, whenever deemed necessary.

DUTIES AND RESPONSIBILITIES

The Committee shall carry out the following responsibilities:

Financial Statements

- (a) Review and recommend acceptance or otherwise of major accounting policies, principles and practices.
- (b) Review the Group's quarterly results and annual financial statements of the Company and the Group before submission to the Board, focusing particularly on:
 - (i) the going concern assumption;
 - (ii) changes in or implementation of major accounting policy changes;
 - (iii) significant adjustments resulting from audit;
 - (iv) major judgmental areas, significant and unusual events; and
 - (v) compliance with accounting standards and other legal requirements.
- (c) Review with the Group's Counsel, any legal matter that could have a significant impact on the Company and Group financial statements.

Audit Committee Report *(Continued)*

Internal Control

- (a) Asses the quality and effectiveness of the systems of internal control and the efficiency of the Company's and Group's Operations, particularly those relating to areas of significant risks.
- (b) Assess the internal processes for determining and managing key risk other than those that are dealt with by other specific Board committers.
- (c) Review the scope of the Internal and External Auditors' review of internal controls at Company and Group levels.
- (d) Review Internal/External Audit reports and the management's response and ensure that appropriate action is taken in respect of these reports and the Committee's resolutions.

Internal/External Audit

- (a) Review Internal/External Audit plans and scope of work before the audit commences.
- (b) Discuss problems and reservations arising out of internal/external audits, including assistance given by the employees and any matters the auditors may wish to discuss, in the absence of Management or Executive Directors where necessary.
- (c) Nominate the External Auditors/Internal Auditors (as the internal function is presently outsourced), and recommend for approval of the Board the external/internal audit fees, and consider any questions of resignation or dismissal, experience, resources and capability.

Compliance

- (a) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of the management's investigation and follow-up of any instances of non-compliance.
- (b) Review the findings of any examinations by regulatory authorities.
- (c) Obtain regular updates from the management and Group's legal counsel regarding compliance matters.
- (d) Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (e) Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolve resulting in a breach of the Bursa Malaysia Listing Requirements, the Committee must promptly report such matters to Bursa Malaysia.
- (f) To carry out such other function as may be agreed to by the Committee and the Board of Directors.

SUMMARY OF ACTIVITIES

During the period, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference.

The main activities undertaken by Audit Committee were as follows:

1. Review and approve the internal audit findings, report and recommendation plan for the period from 1 October 2011 to 30 September 2012.
2. Review and approve the External Auditors audit findings, the audit report and recommendations in respect of control weakness noted in the course or their audit.
3. Review of the audited financial statements of the Group and Company for the year ended 31 December 2012 before recommending the same to the Board of Directors for approval.
4. Review of the Company's compliance, in particular the quarterly and year end financial statements with the listing requirements of Bursa Malaysia and the applicable approved accounting standards issued by the Malaysian Accounting Standard Board.
5. Review of the quarterly unaudited financial results before recommending them for the Board of Directors' approval.

Audit Committee Report *(Continued)*

6. Reviewed the related party transactions entered into the Group.
7. Review of the extent of the Group's compliance with the relevant provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement and Statement on Internal Control pursuant to Bursa Malaysia's Listing Requirements.

GROUP INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function ("IAF") was outsourced with effect from 7 October 2009. The IAF continues to adopt a risk-based approach, and prepares its audit strategy and plan based on risk profiles of the business units of the Group. The IAF would conduct activities in accordance with its annual internal audit plan and also undertakes special reviews and investigations at the request of the senior management. Its audit functions include:-

- Providing reasonable assurance in relation to the adequacy, efficiency and effectiveness of the internal control systems;
- Independent assessment and systematic review of the operational efficiency of the Group;
- Identifying and evaluating potential risk areas;
- Assessing the reliability of systems and the reported information; and
- Ensuring compliance with the Group's policies/guidelines and with legislation.

During the year, the IAF had performed its roles with impartiality, proficiency and due professional care. The scope of the audit encompassed the corporate governance structure and the control environment focusing on revenue and accounts receivable.

The Management is responsible for ensuring that corrective actions are taken to overcome the reported deficiencies within an appropriate time frame. Audit reports incorporating the audit findings and recommendations for corrective actions on systems and control deficiencies are presented to the management concerned, and thereafter to the Audit Committee for appraisal and review.

The cost incurred during the financial year ended 31 December 2012 for the internal audit function at the Group Corporate Office level was approximately RM50,000 excluding reimbursements and indirect taxes.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (the listing Requirements), the following is provided :-

1. Details of the Recurrent Related Party Transactions

The details of the Recurrent Related Party Transactions are set out in the following table:

| Transacting company within the MHB Group | Related Transacting Party | Nature of transactions | Related Parties | Nature of Relationship | Proposed Renewal Shareholders' Mandate |
|--|---------------------------|--|-----------------|------------------------|--|
| | | | | | Estimated aggregate value to be incurred from the 10 th AGM to the next AGM date (RM) |
| MHB | PKNP | Rental of office space by MHB ¹ | @ | * | 265,000 |
| MHB | PKNP | Management services provided by MHB for managing the bamboo harvesting project | @ | * | 100,800 |
| MHB | PKNP | Pension contribution for PKNP's staff seconded to MHB | @ | * | 112,500 |
| | | | | Total | 478,300 |

Additional Compliance Information *(Continued)*

1. Details of the Recurrent Related Party Transactions (cont'd.)

Notes:

- * *Perbadanan Kemajuan Negeri Perak ("PKNP") is a major shareholder of Majuperak Holdings Berhad ("MHB") with 53.43% equity interest in MHB Shares and 58.77% equity interest in the ICPS of RM0.50 each in MHB as at 30 April 2013. PKNP was formed on 7 October 1967 as a state incorporated body under the Perak State Development Corporation Enactment No.3 of 1967 in Perak Darul Ridzuan. Its principal activities include investment holding, property infrastructure development, tourism, entrepreneur development, manufacturing, industrial development and industrial promotional activities in the state of Perak Darul Ridzuan.*
- @ *The director of MHB who is interested in the Proposed Mandate is Abdul Aziz bin Subali. He is deemed interested in the Proposed Mandate by virtue of him being a person connected to PKNP, the major shareholder. Currently, he is the Deputy Chief Executive of PKNP in charge of Finance and Management Support.*
- ¹ *MHB rents office space from PKNP situated at 1st Floor at Wisma Wan Mohamed located on Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan, measuring approximately 8,117 square feet for a total monthly rental of RM20,293 including general maintenance services. There is no formal rental agreement and the rental is payable yearly subject to biennial review.*

2. Non-audit fee

There were no non-audit fees payables to the external auditors by the company during the financial year under review.

3. Material Contract

During the financial year, there was no material contracts entered into the Group involving directors' and/or major shareholders interests.

LIST OF PROPERTIES AS AT 31 DECEMBER 2012

(ABOVE RM1 MILLION)

| No. | Name of Owner | Title/Location | Tenure / Age of Building | Land Use | Land Area/ Built up Area | Net Book value as at 31.12.2012 (RM) | Acquisition Date |
|----------------------------------|--|--|--|--|--|--------------------------------------|------------------|
| A. INVESTMENT PROPERTIES | | | | | | | |
| 1. | Majuperak Holdings Berhad | PT 829, HS(D) 4413, Hulu Perak, Mukim Lenggong, District of Gerik, Perak | 99 years lease expiring on 2110 | Agriculture | 5,000 acres | 4,485,784 | 2011 |
| 2. | Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad) | PT 4190, HS(D)DGS 11902, Teluk Dalam, Pangkor Mukim Lumut, District of Manjung, Perak | 99 years lease expiring on 2096/6 years | 20 units Apartment | 12,000 sq.ft | 1,260,000 | 1997 |
| 3. | Syarikat Majuperak Berhad | Lot 008051N (PN 31150) Wisma Maju UMNO, Unit Nos 2,3,4 and 5 at Level 1, Unit No 2 at Level 2 and Level 5 to Level 10, Jalan Sultan Idris Shah, 30000 Ipoh | Leasehold of 99 years expiring in year 2086/25yrs | 10-Storey Office Building | 24,089 sq.ft / 72,602 sq.ft | 5,406,653 | 1987 |
| 4. | Syarikat Majuperak Berhad | Lot 9225N (PN 213729) PT 125562, Kompleks Seri Idaman, Jalan Sultan Idris Shah 30000 Ipoh | Leasehold of 99 years expiring in year 2095 /75yrs | Commercial/ Office Building/ Parking | 71,586 sq.ft / 8,085 sq.ft | 3,762,833 | 1996 |
| 5. | Syarikat Majuperak Berhad | Lot 28801 (GRN 59907) Medan Letak Kenderaan, Jalan Sultan Idris Shah, 30000 Ipoh | Freehold (Residential) | Commercial/ Parking | 16,226 sq.ft | 1,228,482 | 2002 |
| B. DEVELOPMENT PROPERTIES | | | | | | | |
| 1. | Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad) | Off 9 th M.S., Jalan Slim Lama, Kampong Sungai Dara, Tanjung Malim, Perak, located in the Mukim of Ulu Bernam, District of Batang Padang, Perak | # 99 years | a) Residential/ Commercial b) Industry c) Agriculture | 143.11 acres (inclusive of 8.89 for road reserved) | 1,298,202 | 2002 |

List Of Properties As At 31 December 2012 *(Continued)*

| No. | Name of Owner | Title/Location | Tenure / Age of Building | Land Use | Land Area/ Built up Area | Net Book value as at 31.12.2012 (RM) | Acquisition Date |
|-----|---|---|---|--|-----------------------------|--------------------------------------|------------------|
| 2. | Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad) | Mukim of Ulu Bernam, District of Batang Padang, Perak, located off the 2 ½ M.S. Jalan Slim Lama and lies adjoining the Bernam Industrial Park, Proton City, Tanjung Malim, Perak | # 99 years | a) Residential/ Commercial b) Industry c) Agriculture | 203.44 acres | 1,919,924 | 2002 |
| 3. | Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad) | PT 1779 [HS(D) 25344] – PT 1783 [HS(D) 25348] Mukim Trong, District of Larut Matang, Perak. | Leasehold of 99 years expiring in year 2107 | Residential/ Commercial | 123.39 acres | 1,355,015 | 2001 |
| 4. | Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad) | PT 1312-1319, PT 1321-1552, PT 1680-1716, HS(D) LM 14102-(4109), HS(D) LM 14111-14342), (HS(D)LM 14470-14506), Taman Trong Bakti, Trong, District of Larut Matang, Perak. (Trong Phase 2 : 277 lot) | Leasehold of 99 years expiring in year 2099 | Commercial / Residential | 7.73 acres | 2,632,012 | 2000 |
| 5. | Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad) | Tapah Road, District of Batang Padang, Perak (UCM) | # 99 years | Residential/ Commercial | 52.79 acres | 13,397,779 | 2006 |
| | | | * 99 years | Residential/ Commercial | 122 acres | | |
| | | Aportion of the above land, title issued PT67488 [HS(D) 17221] | Leasehold of 99 years expiring in 2110 | Residential/ Commercial | 100 acres | | |

List Of Properties As At 31 December 2012 *(Continued)*

| No. | Name of Owner | Title/Location | Tenure / Age of Building | Land Use | Land Area/ Built up Area | Net Book value as at 31.12.2012 (RM) | Acquisition Date |
|-----|---------------------------|---|--|-------------|-----------------------------|--------------------------------------|------------------|
| 6. | Syarikat Majuperak Berhad | Part of Lot no. 127196, 155002, 11450, 35433, 28414 & 35434 Balance of package 1 Bdr Tasik Idaman, locate dalong 2 ½ m.s. Batu Gajah/ Gopeng Road, Batu Gajah, Mukim Sungai Terap, District of Kinta | *99 years | Residential | | 2,029,745 | 2000 |
| | | Lot 310259 - lot 310263 (5 lots) Lot 310279 - lot 310280 (2 lots) | Leasehold of 99 years expiring in year 2102 | | | | |
| | | PT 37487-PT 35546 (60 lots) | Leasehold of 99 years expiring in year 21109 | | 10.07 acres | | |
| | | 286 lots Plot 3 - 4, Plot 113 - 176, Plot 230 - 350, Plot 433 - 464, Plot 506 - 537, Plot 594 - 603, Plot 614 - 624, Plot 647 - 650 | * 99 years | | 15.94 acres | | |
| | | 128 lots Plot 351 - 432, Plot 538 - 551, Plot 701 - 732 | * 99 years | | 10.69 acres | | |
| | | 1 lot – future development | # 99 years | | 5 acres | | 2011 |

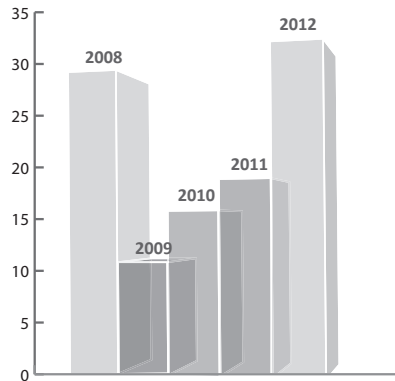
Notes:

- * In the process of issuing individual title
- # In the process of issuing block title

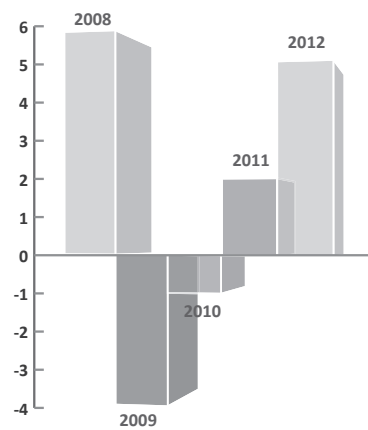
GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS

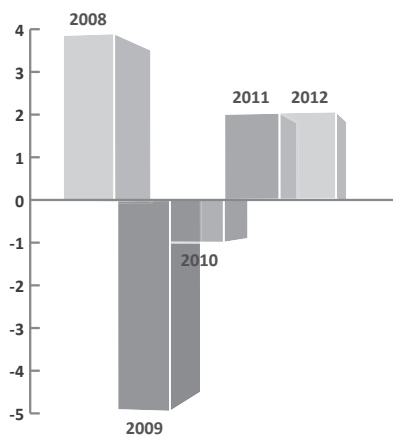
Revenue (RM million)



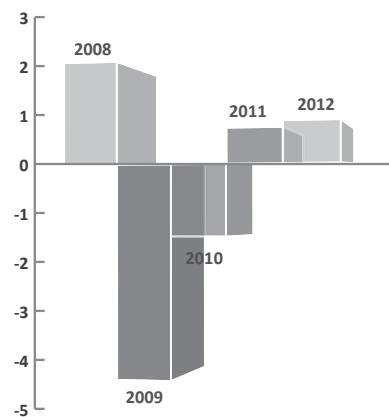
Profit/(loss) before taxation, operation (RM million)



Profit/(loss) attributable to equity holders of Company (RM million)

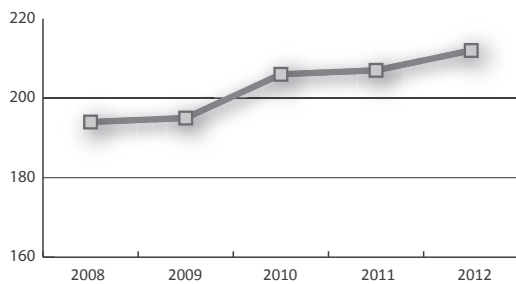


Basic earnings/(loss) per share (sen)

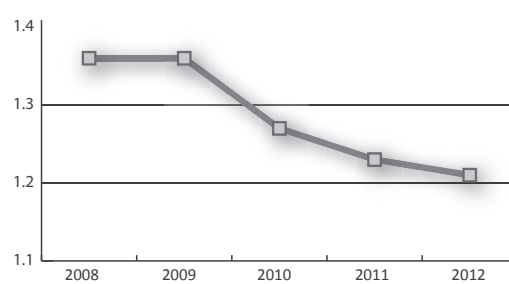


FINANCIAL POSITIONS

Net assets attributable to equity holders of the Company (RM million)



Net assets per share (RM)



Group Five-Year Financial Highlights *(Continued)*

Financial Results

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------|--------|---------|---------|--------|
| Revenue (RM'000) | 32,056 | 19,279 | 15,863 | 10,641 | 29,715 |
| Profit/(loss) before taxation, operation (RM'000) | 4,721 | 2,166 | (998) | (3,647) | 6,434 |
| Profit/(loss) attributable to equity holders of the Company (RM'000) | 2,388 | 1,741 | (1,497) | (5,336) | 4,083 |
| Basic earnings/(loss) per share (sen) | 0.86 | 0.73 | (1.48) | (4.46) | 2.15 |

Financial Positions

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------|---------|---------|---------|---------|
| Total assets (RM'000) | 278,874 | 278,469 | 278,223 | 290,827 | 300,398 |
| Total liabilities (RM'000) | 67,084 | 70,205 | 71,940 | 95,097 | 105,584 |
| Net assets attributable to equity holders of the Company (RM'000) | 211,791 | 207,687 | 205,710 | 195,180 | 194,327 |
| Number of ordinary shares issued and fully paid ('000 shares) | 175,176 | 169,372 | 161,957 | 143,164 | 143,164 |
| Net assets per share (RM) | 1.21 | 1.23 | 1.27 | 1.36 | 1.36 |

ANALYSIS OF SHAREHOLDINGS

ORDINARY SHARES

| | | |
|--------------------------|---|--------------------------------|
| Authorised Share Capital | : | RM425,000,000 |
| Issued and Fully Paid | : | RM87, 831, 998 |
| Class of Shares | : | Ordinary Shares of RM0.50 each |
| Voting Rights | : | One vote per RM0.50 share |

Distribution of Shareholdings as at 30 April 2013

| No of Holders | Holdings | Total Holdings | % |
|---------------|-------------------------|--------------------|---------------|
| 552 | Less than 100 | 17,671 | 0.01 |
| 1,500 | 100 - 1,000 | 909,350 | 0.52 |
| 1,619 | 1,001 – 10,000 | 5,523,747 | 3.14 |
| 449 | 10,001 – 100,000 | 16,662,781 | 9.49 |
| 80 | 100,001 – 8,783,198(*) | 45,147,279 | 25.70 |
| 3 | 8,783,199 and above(**) | 107,403,168 | 61.14 |
| <u>4,203</u> | | <u>175,663,996</u> | <u>100.00</u> |

(*) Less than 5% issued holdings (***) 5% and above of issued holdings

Substantial Shareholder in the Company as at 30 April 2013

| | Direct | No. of Shares held | |
|----------------------------------|------------|--------------------|----------|
| | | % | Deemed % |
| Perbadanan Kemajuan Negeri Perak | 93,853,594 | 53.43 | |

Directors Shareholdings in the Company as at 30 April 2013

| | Direct | No. of Shares held | |
|--|--------|--------------------|----------|
| | | % | Deemed % |
| Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman | 32 | negligible | - |
| Abdul Aziz bin Subali | 17,844 | 0.011 | - |
| Mustapha bin Mohamed | 922 | negligible | - |

Director's Shareholdings In Related Corporation as at 30 April 2013

The Directors' shareholdings in related corporation are as disclosed in the Directors' Report on **page 1 to 5**.

Analysis Of Shareholdings *(Continued)*

Thirty (30) Largest Registered Shareholders as at 30 April 2013

| | Name | No. of Shares | % |
|----|--|----------------------|----------|
| 1 | Perbadanan Kemajuan Negeri Perak | 80,853,594 | 46.03 |
| 2 | BI Credit & Leasing Berhad | 13,549,574 | 7.71 |
| 3 | Perbadanan Kemajuan Negeri Perak | 13,000,000 | 7.40 |
| 4 | ABB Nominee (Tempatan) Sdn Bhd | 5,393,371 | 3.07 |
| 5 | SJ Sec Nominees (Tempatan) Sdn Bhd | 4,668,600 | 2.66 |
| 6 | KUB Malaysia Berhad | 4,328,707 | 2.46 |
| 7 | Cherry Blossom Sdn Bhd | 4,038,686 | 2.30 |
| 8 | SSF Venture Sdn Bhd | 2,906,000 | 1.65 |
| 9 | Lim Han Kong | 1,559,200 | 0.89 |
| 10 | Amsec Nominees (Tempatan) Sdn Bhd | 1,425,200 | 0.81 |
| 11 | Chan Wan Moi | 1,322,429 | 0.75 |
| 12 | UOBM Nominees (Tempatan) Sdn Bhd | 1,146,606 | 0.65 |
| 13 | Zainorazua binti Zainun | 830,000 | 0.47 |
| 14 | Sikap Utama Sdn Bhd | 821,850 | 0.47 |
| 15 | Chee Phooi Phooi | 666,000 | 0.38 |
| 16 | Cimsec Nominees (Asing) Sdn Bhd | 600,000 | 0.34 |
| 17 | Chuah Hun Leong | 589,100 | 0.34 |
| 18 | Tan Ching Ching | 544,872 | 0.31 |
| 19 | Fast Continent Sdn Bhd | 523,774 | 0.30 |
| 20 | Cimsec Nominees (Tempatan) Sdn Bhd | 522,200 | 0.30 |
| 21 | Lim Tuan | 500,000 | 0.28 |
| 22 | Liew Pov Lan | 474,100 | 0.27 |
| 23 | SJ Sec Nominees (Tempatan) Sdn Bhd | 457,500 | 0.26 |
| 24 | Koh Kwee Hooi | 389,500 | 0.22 |
| 25 | Tee Yam | 357,150 | 0.20 |
| 26 | Nong Poh Tee | 354,500 | 0.20 |
| 27 | Liew Thong | 345,800 | 0.20 |
| 28 | Malacca Equity Nominees (Tempatan) Sdn Bhd | 339,500 | 0.19 |
| 29 | Lee Keong Fatt | 335,733 | 0.19 |
| 30 | Behrang 2020 Sdn Bhd | 327,150 | 0.19 |
| | Total | 143,170,696 | 81.50 |

Analysis Of Shareholdings *(Continued)*

IRREDEEMABLE CUMULATIVE PREFERENCE SHARE (“ICPS”)

| | | |
|--------------------------|---|---------------------|
| Authorised Share Capital | : | RM75,000,000 |
| Issued and Fully Paid | : | RM58, 134, 821 |
| Class of Shares | : | ICPS of RM0.50 each |
| Voting Rights | : | No voting rights |

Distribution of Shareholdings as at 30 April 2013

| No of Holders | Holdings | Total Holdings | % |
|---------------|--------------------------|--------------------|---------------|
| 197 | Less than 100 | 7,363 | 0.01 |
| 80 | 100 - 1,000 | 41,719 | 0.04 |
| 300 | 1,001 – 10,000 | 1,505,834 | 1.29 |
| 450 | 10,001 – 100,000 | 14,005,752 | 12.05 |
| 70 | 100,001 – 5,813,481 (*) | 17,953,042 | 15.44 |
| 2 | 5,813,482 and above (**) | 82,755,932 | 71.17 |
| <u>1,099</u> | | <u>116,269,642</u> | <u>100.00</u> |

(*) Less than 5% issued holdings (***) 5% and above of issued holdings

Substantial Shareholder in the Company as at 30 April 2013

| | No. of Shares held | | | |
|----------------------------------|--------------------|-------|--------|---|
| | Direct | % | Deemed | % |
| Perbadanan Kemajuan Negeri Perak | 68,326,737 | 58.77 | - | - |

Director’s Shareholdings in the Company as at 30 April 2013

| | No. of Shares held | | | |
|----------------------|--------------------|------------|--------|---|
| | Direct | % | Deemed | % |
| Mustapha bin Mohamed | 371 | negligible | - | - |

Director’s Shareholdings In Related Corporation as at 30 April 2013

The Directors’ shareholdings in related corporation are as disclosed in the Directors’ Report on **page 1 to 5**.

Analysis Of Shareholdings *(Continued)*

Thirty (30) Largest Registered Shareholders as at 30 April 2013

| | Name | No Of Shares | % |
|----|-------------------------------------|---------------------|----------|
| 1 | Perbadanan Kemajuan Negeri Perak | 68,326,737 | 58.77 |
| 2 | KUB Malaysia Berhad | 14,429,195 | 12.41 |
| 3 | Lim Han Kong | 1,135,900 | 0.98 |
| 4 | Chong Siow Fah | 1,090,000 | 0.94 |
| 5 | Kek Tian Wan@ Kek Tong Chor | 1,000,000 | 0.86 |
| 6 | Chua Siow Yee | 935,000 | 0.80 |
| 7 | Seraya Sdn Bhd | 647,579 | 0.56 |
| 8 | Lum Fook Seng | 630,000 | 0.54 |
| 9 | Chong Tho Chin @ Chong Jho Chin | 600,000 | 0.52 |
| 10 | Koh Sooi Kwang | 550,000 | 0.47 |
| 11 | Public Nominees (Tempatan) Sdn Bhd | 446,940 | 0.38 |
| 12 | SJ Sec Nominees (Tempatan) Sdn Bhd | 408,000 | 0.35 |
| 13 | Chong Siow Fah | 386,000 | 0.33 |
| 14 | HDM Nominees (Tempatan) Sdn Bhd | 380,000 | 0.33 |
| 15 | Lau Joo Seng | 361,000 | 0.31 |
| 16 | Maybank Nominees (Tempatan) Sdn Bhd | 360,000 | 0.31 |
| 17 | Adam bin Mohd Taib | 336,741 | 0.29 |
| 18 | Tan Eng Hai | 317,000 | 0.27 |
| 19 | Yap Kok Wai | 313,400 | 0.27 |
| 20 | Affin Nominees (Tempatan) Sdn Bhd | 303,000 | 0.26 |
| 21 | Teoh Cha Boo | 295,000 | 0.25 |
| 22 | Bek Thiam Hong | 260,000 | 0.22 |
| 23 | Cheah Ching Mooi | 260,000 | 0.22 |
| 24 | Hoo Ah Bee @ Hor Peng Huat | 250,000 | 0.22 |
| 25 | Liew Thong | 250,000 | 0.22 |
| 26 | Kam Wei Foon | 240,000 | 0.21 |
| 27 | Tiew Sze Kiat @ Chang Sze Kiat | 200,000 | 0.17 |
| 28 | Sai Yee @ Sia Say Yee | 200,000 | 0.17 |
| 29 | Lee Chuan Hong | 200,000 | 0.17 |
| 30 | Mohd Hassin @ Mohd Hashim bin Daud | 187,225 | 0.16 |
| | Total | 95,298,717 | 81.96 |

DIRECTORS' STATEMENT OF RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.27(A) OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

The Directors are required by the Companies Act, 1965 to prepare financial statements and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, the results and cash flows of the Group and of the Company for that financial year.

In preparing these financial statements, the Directors have:

- ❖ adopted suitable accounting policies and applied them consistently;
- ❖ made judgements and estimates that are prudent and reasonable;
- ❖ ensured applicable accounting standards have been followed; and
- ❖ prepared the financial statements on the going concern.

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

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Appendix 1

DETAILS OF THE PROPOSED AMENDMENT TO THE COMPANY’S ARTICLES OF ASSOCIATION (“PROPOSED AMENDMENT”)

The existing Articles of Association which are affected by the Proposed Amendment are reproduced herewith with the proposed amendment alongside it as follows:

| Article No. | Existing Provision | Proposed Amendment |
|-------------|--|--|
| 138 | A copy of each such document shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 156), be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles. | <p style="text-align: center;"><u>New Article 138</u></p> <p>A copy of each such document shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 156), be sent <u>in the form of CD-ROM and/or printed copy</u> to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles.</p> |

Lampiran 1

BUTIRAN CADANGAN PINDAAN ARTIKEL TATAURUSAN PENUBUHAN SYARIKAT (“CADANGAN PINDAAN”)

Artikel Tataurusan Penubuhan Syarikat yang terlibat dengan Cadangan Pindaan diterbitkan semula bersama-sama dengan Cadangan Pindaan seperti butiran berikut:-

| Artikel No | Peruntukan sediaada | Cadangan Peruntukan |
|------------|---|--|
| 138 | Satu salinan setiap dokumen itu tidak boleh kurang daripada dua puluh satu (21) hari sebelum tarikh mesyuarat itu (atau apa-apa tempoh yang lebih singkat sebagaimana yang dipersetujui di dalam mana-mana tahun yang menerima notis mesyuarat menurut Artikel 156), boleh dihantar kepada semua ahli, dan kepada setiap pemegang debentur Syarikat di bawah peruntukan-peruntukan Akta atau Artikel ini. | <p style="text-align: center;"><u>Artikel Baru 138</u></p> Satu salinan setiap dokumen itu tidak boleh kurang daripada dua puluh satu (21) hari sebelum tarikh mesyuarat itu (atau apa-apa tempoh yang lebih singkat sebagaimana yang dipersetujui di dalam mana-mana tahun yang menerima notis mesyuarat menurut Artikel 156), boleh dihantar <u>dalam bentuk CD-ROM dan / atau salinan bercetak</u> kepada setiap Ahli, dan kepada setiap pemegang debentur Syarikat di bawah peruntukan-peruntukan Akta atau Artikel ini. |

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