IDEAL
CREATING LEGACY
超越时尚 • 缔造典范

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Website: www.idealsuncity.cc

2013 ANNUAL REPORT

IDEAL SUN CITY HOLDINGS BERHAD (640850-U)

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IDEAL SUN CITY HOLDINGS BERHAD
(640850-U)

2013
ANNUAL REPORT

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at Room 2, Level 1, Vistana Hotel, 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Penang on Thursday, 12 June 2014 at 1.15 p.m. for the following purposes:-

A G E N D A

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. — **Please refer to Note A**

As Ordinary Business

2. To re-elect Mr. Loh Eng Wee retiring under the provision of Article 101 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. — **Ordinary Resolution 1**

3. To re-appoint Dato' Hj. Ismail Bin Din pursuant to Section 129 of the Companies Act, 1965 and to hold office until the conclusion of the Eleventh Annual General Meeting. — **Ordinary Resolution 2**

4. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 3**

As Special Business

To consider and if thought fit, to pass with or without modifications the following resolutions:-

5. **Authority to Issue Shares**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being, and that the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." — **Ordinary Resolution 4**

6. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   "THAT subject always to the provisions of the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company, the Bursa Malaysia Securities Berhad ACE Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the corporations as set out in Section 2.3 of the Circular to Shareholders dated 21 May 2014 ("the Circular"), which are necessary for the day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate"). — **Ordinary Resolution 5**

NOTICE OF ANNUAL GENERAL MEETING (continued)

6. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (continued)**

THAT the Directors be empowered to do all such acts and things considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting;

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the 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 ordinary resolution of the shareholders of the Company at a general meeting;

whichever is earlier.

And THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board,

CHEW SIEW CHENG (MAICSA 7019191)
GUNN CHIT GEOK (MAICSA 0673097)
Secretaries

Date: 21 May 2014
Penang

NOTICE OF ANNUAL GENERAL MEETING (continued)

Note A

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:

1. A member of the Company entitled to attend and vote at a meeting shall be entitled to appoint not more than two (2) persons as his proxies to attend and vote. A proxy need not be a member. There shall be no restrictions as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy or proxies shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Suite 12-02, 12th Floor, Menara Zurich, 170 Jalan Argyll, 10050 Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.

6. Only members registered in the Record of Depositors as at 5 June 2014 shall be eligible to attend the Meeting or appoint a proxy to attend and vote on his behalf.

Explanatory Notes on Special Business

(i) Authority to Issue Shares

This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 12 June 2014, the Board is desirous of seeking a fresh general mandate at the forthcoming AGM.

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

This proposed Ordinary Resolution 4, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total issued capital (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This Authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.

(ii) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Ordinary Resolution 5, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the shareholders of the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 21 May 2014 for more information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement Accompanying Notice of Annual General Meeting pursuant to Rule 8.29(2) of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements

There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' OOI KEE LIANG
Executive Chairman

DATIN PHOR LI WEI
Executive Director

DATO' HJ. ISMAIL BIN DIN
Independent Non-Executive Director

LOH ENG WEE
Independent Non-Executive Director

TAN WOOI CHUON
Independent Non-Executive Director

AUDIT COMMITTEE

TAN WOOI CHUON
Chairman

DATO' HJ. ISMAIL BIN DIN
Member

LOH ENG WEE
Member

NOMINATION COMMITTEE

LOH ENG WEE
Chairman

DATO' HJ. ISMAIL BIN DIN
Member

TAN WOOI CHUON
Member

REMUNERATION COMMITTEE

DATO' HJ. ISMAIL BIN DIN
Chairman

LOH ENG WEE
Member

TAN WOOI CHUON
Member

SECRETARIES

CHEW SIEW CHENG (MAICSA 7019191)
GUNN CHIT GEOK (MAICSA 0673097)

AUDITORS

UHY (AF 1411)
Chartered Accountants

REGISTERED OFFICE

SUITE 12-02, 12th FLOOR, MENARA ZURICH,
170, JALAN ARGYLL, 10050 PENANG
TEL : 04-2296 318
FAX : 04-2282 118

SHARE REGISTRAR

TRICOR INVESTOR SERVICES SDN BHD
LEVEL 17, THE GARDENS NORTH TOWER,
MID VALLEY CITY, LINGKARAN SYED PUTRA,
59200 KUALA LUMPUR
TEL : 03-2264 3883
FAX : 03-2282 1886

SPONSOR

M&A SECURITIES SDN BHD
LEVEL 11, NO. 45 & 47,
THE BOULEVARD, MID VALLEY CITY,
LINGKARAN SYED PUTRA,
59200 KUALA LUMPUR
TEL : 03-2284 2911
FAX : 03-2284 2718

PRINCIPAL BANKER

PUBLIC BANK BERHAD

STOCK EXCHANGE LISTING

ACE MARKET OF
BURSA MALAYSIA SECURITIES BERHAD

CORPORATE PROFILE

IDEAL SUN CITY HOLDINGS BERHAD (640850-U)

Ideal Sun City Holdings Berhad group of companies ("IDEAL Group" or "the Group") was established in 1994 and listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") under the name of Equator Life Science Berhad on 25 May 2005. On 27 October 2011, Equator Life Science Berhad changed its name to Ideal Sun City Holdings Berhad ("IDEAL" or "the Company").

In the first quarter of 2012, the IDEAL Group has started diversification of its business from the propagation of ornamental plants into the Project Management Services business for commercial and residential property development industry to diversify its earnings base.

IDEAL Group's full scope of Project Management Services include Project Design Evaluation, Project Value Engineering and Project Construction Management. Project Design Evaluation Services evaluate the clients' existing project design to increase the net saleable area of the project. Project Value Engineering Services reduce the construction costs and implementation time of the project. Project Construction Management Services ensure that the project's objectives are met and implementation is smooth and timely.

As of the first quarter of the current financial year 2014, the IDEAL Group has six (6) Project Management Services projects which are currently in progress and another there (3) projects which are expected to commence construction during this financial year. Total contract sums for these contracts are approximately RM48 million from a total construction value in excess of RM900 million.

For the IDEAL Group, the Project Management Services business will continue to be the major contributor to the Group's revenue and profit in the future.

CORPORATE STRUCTURE

IDEAL SUN CITY HOLDINGS BERHAD (640850-U)

IDEAL PROPERTY BPO SDN BHD (938077-M)
Percentage of Equity Held: 100 %

IDEAL PROPERTY LEGACY SDN BHD (708816-H)
Percentage of Equity Held: 100 %

IDEAL PROPERTY CONCEPT SDN BHD (426721-D)
Percentage of Equity Held: 100 %

IDEAL CONSORTIUM SDN BHD (939960-H)
Percentage of Equity Held: 100 %

IDEAL CONCEPT BUILDERS SDN BHD (708815-M)
(formerly known as Equator TC Sdn Bhd)
Percentage of Equity Held: 100 %

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present herewith the Annual Report and Audited Financial Statements of Ideal Sun City Holdings Berhad ("IDEAL" or "the Company") and its subsidiaries ("IDEAL Group" or "the Group") for the financial year ended 31 December 2013.

Financial Review

The IDEAL Group achieved a revenue of RM8.58 million for the financial year under review. This represents an increase of approximately 19% from the revenue of RM7.20 million reported for the previous financial year 2012. With the higher revenue recorded for the financial year under review, the IDEAL Group reported an improved profit after tax of RM4.13 million as compared to a profit after tax of RM3.86 million recorded in the previous financial year 2012.

The diversification into the Property Management Services business by the IDEAL Group proves to be a significant and timely decision as the Group has continued to register encouraging financial performance since the Group ventured into this business segment in the financial year 2012.

Corporate Restructuring Exercise

The regularisation scheme undertaken by the Company comprising amongst others the following:

(a) proposed share premium cancellation of RM22,026,619 and proposed cancellation of RM0.09 from every existing ordinary share of RM0.10 each and thereafter the consolidation of ten (10) ordinary shares of RM0.01 each into one (1) ordinary share of RM0.10 each;

(b) proposed renounceable rights issue of 94,003,200 new ordinary shares together with 47,001,600 free detachable warrants at an issue price of RM0.10 per rights share on the basis of four (4) rights shares for every one (1) existing share held after the above proposed share consolidation together with one (1) warrant for every two (2) rights shares subscribed; and

(c) proposed placement of 24,000,000 new ordinary shares of RM0.10 each together with 12,000,000 free detachable warrants on the basis one (1) warrant for every two (2) placement shares

has been successfully completed with the new shares issued pursuant to the above proposals (b) and (c) listed on the ACE Market of Bursa Malaysia Securities Berhad on 8 May 2014. Accordingly, the Company has been uplifted from being classified as a GN3 company with effect from 8 May 2014.

With the completion of the regularisation scheme, the Group is poised to move forward and expand its business undertakings with a much improved financial position.

Prospect

As of the first quarter of the current financial year 2014, the IDEAL Group has six (6) Project Management Services projects which are currently in progress and another there (3) projects which are expected to commence construction during this financial year. Total contract sums for these contracts are approximately RM48 million from a total construction value in excess of RM900 million.

Barring unforeseen circumstances, the Directors anticipate the performance of the IDEAL Group for the financial year ending 31 December 2014 to be favourable as compared to that of the financial year ended 31 December 2013.

Acknowledgement

On behalf of the Board of Directors, I would like to express my heartiest gratitude and appreciation for the continuous efforts, dedication, support and commitment of the management and staff in the performance of their duties.

I also wish to extend my sincere thanks to our shareholders, customers, suppliers, business associates and advisers for their continuous support.

On behalf of the Board of Directors

DATO' OOI KEE LIANG

Executive Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of IDEAL is committed to ensuring that good corporate governance practices are applied throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and to improve the Group's financial performance.

With the introduction of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or "the Code") in March 2012, the Board endeavours to adopt and apply, where practicable, the principles as set out in MCCG 2012 in its quest to enhance shareholders' value.

The Board is pleased to provide the following statements, which outline the corporate governance practices that were put in place throughout the financial year ended 31 December 2013, unless otherwise stated.

BOARD OF DIRECTORS

Roles and Responsibilities of the Board

The Board assumes full responsibility for the overall performance of the Group. The Board's main responsibilities comprise the following:

(a) review and adopt strategic plans for the Group;

(b) oversee the conduct of the Group's business to ensure it is properly managed;

(c) identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures;

(d) oversee human resource development process including succession planning;

(e) oversee the development and implementation of shareholders communications policy; and

(f) review the adequacy and integrity of the Group's system of internal controls and management information system.

The Board has delegated certain responsibilities to its Board Committees namely Audit Committee, Nomination Committee and Remuneration Committee which operate within clearly defined terms of reference.

Directors' Code of Ethics

The Directors are guided by the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and also observe the Code of Ethics in discharging their duties.

Board Composition and Independence

The Board consists of five (5) members, comprising one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. The Company is therefore in compliance with the ACE Market Listing Requirements ("AMLR") on board composition that at least two (2) directors are independent directors.

The Board collectively has wide and varied financial, legal, technical, management and commercial experience and consists of persons of high caliber and integrity. The composition of the Board reflects not only the broad range of experience, skills and knowledge required to successfully direct and supervise the Group's business activities, but also the importance of independence in decision making at the Board level.

A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

The Independent Non-Executive Directors do not participate in the day-to-day management of the Group and they have no business or other relationship with the Group which could be perceived to materially interfere with their exercise of independent judgment. The Independent Non-Executive Directors remain in a position to fulfil their responsibilities to provide check and balance to the Board.

STATEMENT ON CORPORATE GOVERNANCE (continued)

The Recommendation and Commentary 2.2 of the Code states that the Board should establish a policy formalising its approach to boardroom diversity. The Board has no immediate plan to implement a gender diversity policy or target as it is of the view that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities regardless of gender. Presently, there is one (1) female Director on the Board. Such appointment showed that the Board does not consider gender to be a bar to the Board membership.

The roles of the Chairman and Chief Executive Officer are held by the same Director. This departs from the Recommendation 3.4 of the Code which stipulates that the positions of chairman and chief executive officer should be held by different individuals, and the chairman must be a non-executive member of the board. In view of the Company and the Group undergoing a series of corporate restructuring exercises, the Board is of the view that for the present situation, it is more expedient for the two roles to be held by the same person as long as there are pertinent check and balance to ensure that no one person in the Board has unfettered powers to make major decisions for the Company and the Group unilaterally. Furthermore, the Board which is made up of a majority of Independent Non-Executive Directors is sufficient to ensure appropriate balance of power and authority on the Board.

The appointment of a Senior Independent Non-Executive Director to whom concerns may be conveyed has not been made, given that the Board is open for full deliberation of all matters submitted to the Board or shareholders' meetings. In addition, the Board has strong independent elements within the Board in the form of the Independent Non-Executive Directors. Accordingly, the Board does not consider it necessary at this juncture to identify a Senior Independent Non-Executive Director.

Board Charter

The Board recognises the importance of formalising a Board Charter, which has been approved and adopted by the Board, so as to provide reference for the Directors in relation to the Board's roles, powers, duties, responsibilities and functions.

Board Meetings

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. This is evidenced by the attendance records of the Directors at the Board meetings.

The Board of Directors meets regularly at least four (4) times a year with due notice of matters to be discussed and records its deliberation and conclusion in discharging its duties and responsibilities. Additional meetings will be convened as and when required. In the intervals between Board meetings, for exceptional matters requiring urgent Board's decision, Board's approvals are sought via circular resolutions, which are supported with sufficient information required to make an informed decision.

During the financial year, the Board met four (4) times, where it deliberated and considered various matters including the Group's financial results, strategic decisions and direction of the Group. Details of attendance of each Board member are as follows:

Directors	Attendance
Dato' Ooi Kee Liang	3/4
Datin Phor Li Wei	4/4
Dato' Hj. Ismail Bin Din	4/4
Loh Eng Wee	4/4
Tan Wooi Chuon	4/4

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively and in line with the AMLR, a Director of the Company must not hold directorships of more than five (5) public listed companies and must be able to commit sufficient time to the Company.

Supply of Information

All Directors are provided with an agenda and a set of Board papers containing information relevant to the business of the meeting, including information on financial, operational and corporate matters prior to Board meetings. The Board papers are issued in sufficient time to enable the Directors to review, consider and deliberate knowledgeably on the matters to be tabled.

STATEMENT ON CORPORATE GOVERNANCE (continued)

The Chairman of the Audit Committee would brief the Board on any salient matters discussed at the Audit Committee meetings and which require the Board's notice or direction.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary attends all Board meetings and advises the Board on procedures, the requirements of the Company's Memorandum and Articles of Association, the Companies Act, 1965 and the AMLR. The Company Secretary also ensures that there is good information flow within the Board.

The Board has also put in place a procedure for Directors, whether as a full Board or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

New Appointment, Re-appointment and Re-election of Directors

The Nomination Committee established by the Board is responsible for evaluating and nominating suitable candidates to the Board to ensure proper Board composition and size as well as to fill vacant seats on Board Committees.

The appointment of additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the Nomination Committee with due consideration given to the mix of expertise and experience required for an effective Board.

The Recommendation 3.2 of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years term, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director.

In line with this recommendation, the Nomination Committee has performed an annual review on the independency of Independent Directors and there are no Independent Directors whose tenure exceeds a cumulative term of nine (9) years in the Company.

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

In accordance with the Company's Articles of Association, all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

The performance of the Directors who are subject to re-appointment and re-election at the forthcoming Annual General Meeting ("AGM") has been assessed by the Nomination Committee who has submitted their recommendation to the Board for deliberation and approval.

The Board has determined that the performance of the Directors who are subject to re-appointment and re-election respectively at the forthcoming AGM have continued to demonstrate the necessary commitment to be fully effective members of the Board. Hence, the Board unanimously recommends that the shareholders vote in favour of the re-appointment and re-election of the above Directors at the forthcoming AGM.

Directors' Training

The Board acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, latest regulatory updates and management strategies. In compliance with the AMLR and the relevant Guidance Note issued by Bursa Securities, all Directors have completed their Mandatory Accreditation Programme prescribed by Bursa Securities.

The Directors receive updates on the latest industry trends and developments through participation in various seminars/forums/ conferences, research/expert reports and trade publications as well as online research necessary for them to discharge their duties and responsibilities effectively and diligently. The Board also reviewed and assessed the training needs of the Directors especially on the changes of the various regulatory requirements from time to time. In this regards, the Company Secretary is invited to brief the Board on the amendments to the AMLR, the Companies Act, 1965 as well as other regulatory requirements. The external auditors of the Company also updates the Board on the latest developments on the accounting standards on an on-going basis for the Directors to keep abreast with these changes in order for them to discharge their duties diligently.

STATEMENT ON CORPORATE GOVERNANCE (continued)

The Directors have attended conferences, seminars and courses encompassing various topics which include the following:

- Building an Effective Board for Sustainable Growth
- Effective Corporate Mergers & Acquisitions - from Complexity to Execution Excellence
- Mergers & Acquisitions: the Process and Making Mergers Succeed

Committees Established by the Board

The Board delegates specific responsibilities to three (3) Committees namely Audit Committee, Nomination Committee and Remuneration Committee. All the Committees have clearly defined terms of reference and, where applicable, comply with the recommendations of the Code. The Board receives reports of the Committee's meeting proceedings and deliberations.

(a) Audit Committee

The Audit Committee comprises entirely Independent Non-Executive Directors. The members and the roles and functions of the Audit Committee are set out in details under the Audit Committee Report in this Annual Report.

(b) Nomination Committee

In compliance with the Malaysian Code on Corporate Governance 2000, the Board has established the Nomination Committee on 25 May 2005.

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

- Loh Eng Wee - Chairman
- Dato' Hj. Ismail Bin Din - Member
- Tan Wooi Chuon - Member

The Nomination Committee is responsible for identifying and recommending to the Board suitable nominees for appointment. The Nomination Committee will consider the required mix of skills and core competencies of its members in order to discharge its responsibilities in an effective manner. The Board shall, with the assistance of the Nomination Committee, look into the required mix of skills from time to time in order to identify candidates with the requisite qualification and experience who will complement the Board and be of contribution to the Group.

The Nomination Committee shall meet as and when a need arises for the Committee to perform its functions, and at least once every year in carrying out the annual review of the Board, its Committees and the contribution of individual Directors to the Group.

(c) Remuneration Committee

In compliance with the Malaysian Code on Corporate Governance 2000, the Board has established the Remuneration Committee on 25 May 2005.

The Remuneration Committee comprises the following members who are all Non-Executive Directors which is in compliance with the recommendation by the MCCG 2012 that the remuneration committee should consist exclusively or a majority of non-executive directors:

- Dato' Hj. Ismail Bin Din - Chairman
- Loh Eng Wee - Member
- Tan Wooi Chuon - Member

The Remuneration Committee's primary responsibility is to review and recommend to the Board the remuneration of the Executive Directors in all its forms, drawing advice from experts if necessary. The Directors do not participate in decisions on their own remuneration. The individual Non-Executive Directors concerned shall abstain from all discussions pertaining to their remuneration packages.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Directors' Remuneration

The details of the Directors' remuneration for the financial year ended 31 December 2013 are disclosed in Note 19 to the financial statements. The number of Directors whose remunerations fall within the following bands are set out below:

		Number of Directors	
Range of remuneration	**Executive**	**Non-Executive**	**Total**
RM1 to RM50,000	-	3	3
RM50,001 to RM100,000	2	-	2
Total	2	3	5

INVESTORS RELATIONS AND SHAREHOLDERS COMMUNICATION

The Group appreciates feedback from its valued shareholders and consistent with this, it is the intention of the Board that the shareholders are well informed of the latest developments that have an impact on the Group.

The various channels of communication with the shareholders are as follows:

- the Annual Report;
- the AGM;
- the various disclosures and announcements made to Bursa Securities;
- the Company website, namely **www.idealsuncity.cc**

The AGM is an important forum where communications with shareholders are effectively conducted. Shareholders will be notified of the meeting together with a copy of the Company's Annual Report at least twenty one (21) days before the meeting. The Board will ensure that each item of special businesses included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of the proposed resolution.

The Chairman and the Board members are prepared to respond to all queries and undertake to provide sufficient clarification on issues and concerns raised by the shareholders. The external auditors are also present to provide their professional and independent clarification, if required, on issues highlighted by the shareholders. Status of all resolutions proposed at general meetings is submitted to Bursa Securities at the end of the meeting day.

The Recommendation 8.2 of the Code recommends that the board should encourage poll voting for substantive resolutions. The Board is of the view that with the current level of shareholders' attendance at general meetings, voting by way of show of hands continues to be efficient. The Board will evaluate the suitability and feasibility of carrying out electronics polling at its general meetings in future.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Group undertakes various programmes to play its part in contributing to the welfare of the society and communities in the environment it operates. Corporate Social Responsibility ("CSR") activities undertaken by the Group include the following:

Workplace

Safety is our top priority at work. We strive to improve our workplace to ensure that all our employees' and stakeholders' safety and health are duly protected at work. Further, the Group conducts annual review on the employee welfares, and provides relevant on-job training and coaching, and encourages open communication within the organisation for continuous improvement.

Community

The Group continues its social roles to support the communities by contributing to several needy and charitable organisations. Employees are supported and encouraged to participate actively in social works and community services.

STATEMENT ON CORPORATE GOVERNANCE (continued)

ACCOUNTABILITY AND AUDIT

Compliance with Applicable Financial Reporting Standards

It is the Board's commitment to provide a balanced, clear and meaningful assessment of the financial position and prospects of the Group in all the disclosures made to shareholders, investors and the regulatory authorities.

The Directors are responsible to ensure that the financial statements are drawn up in accordance with the requirements of the Companies Act, 1965, International Financial Reporting Standards and Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board.

In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates. The quarterly financial results are reviewed by the Audit Committee and approved by the Board of Directors before releasing to Bursa Securities.

The Company's and the Group's financial statements for the financial year ended 31 December 2013 are set out on page 30 to page 60 of this Annual Report.

Risk Management and Internal Controls

The Board has the overall responsibility for establishing a sound internal control system that covers effective and efficient operations, compliance with laws and regulations and risk management. Its objective is to safeguard shareholders' investment and the Group's assets apart from assuring financial controls.

Risk management is given equal priority by establishing policies to identify, evaluate and manage the Group's corporate risk profile and to mitigate any possible effects arising therefrom.

Detailed information on internal controls is set out in the Statement on Risk Management and Internal Control on page 19 to page 20 of this Annual Report.

Relationship with Auditors

The Company has established a transparent and appropriate relationship with the Company's auditors through the Audit Committee to discuss their audit plan, audit findings and financial statements. Professional advices of the auditors are sought to ensure compliance with the accounting standards. Annual appointment or re-appointment of external auditors is via shareholders' resolution at AGM on the recommendation of the Board.

Directors' Responsibility Statement

The Companies Act, 1965 requires that the Directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at end of the financial year and of the results of the Group and of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been complied with and to disclose and explain any material departure in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group or the Company will continue in business.

The Directors are responsible for keeping proper accounting records that show a true and fair view at any time of the financial position of the Group and of the Company and which enable them to ensure that the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and in compliance with the approved accounting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT ON CORPORATE GOVERNANCE (continued)

ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of Proceeds
The proceeds from the rights issue and private placement completed on 8 May 2014 have yet to be utilised.

(b) Share Buybacks
There was no share buyback during the financial year.

(c) Options, Warrants or Convertible Securities
No options, warrants or convertible securities were issued/exercised during the financial year.

(d) Non-Audit Fee
There was no non-audit fee paid to the external auditors for the financial year.

(e) Variance in Results, Profit Estimate, Forecast or Projection
The Group's audited profit after tax for the financial year ended 31 December 2013 was RM4,131,709, representing a variance of RM197,291 or approximately 4.6% from the profit forecast of RM4,329,000 published in the Circular to Shareholders dated 11 October 2013.

There is no variance between the Group's audited profit after tax and the announced unaudited profit after tax.

(f) Profit Guarantee
The Group's audited profit after tax for the financial year ended 31 December 2013 of RM4,131,709 exceeds the profit guarantee of RM4,000,000 provided by Ideal Sun City Sdn Bhd pursuant to the Profit Guarantee Agreement dated 25 February 2014 between Ideal Sun City Sdn Bhd and the Company.

(g) Material Contracts
None of the Directors or major shareholders has entered into any material contract (not being contract entered into in the ordinary course of business) with the Company and/or its subsidiaries during the financial year.

(h) Recurrent Related Party Transactions ("RRPTs")
RRPTs during the financial year are disclosed in Note 24 to the financial statements.

(i) Depository Receipt Programmes
The Company did not sponsor any Depository Receipt Programmes during the financial year.

(j) Sanctions and Penalties
There were no sanctions or penalties imposed on the Company or its Directors, subsidiaries or management by Bursa Securities or Securities Commission during the financial year.

COMPLIANCE STATEMENT

The Board is satisfied that the Company has complied with the principles and recommendations of the Malaysian Code of Corporate Governance 2012, except otherwise stated above.

This Statement on Corporate Governance is issued in accordance with a resolution of the Directors.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is appointed by the Board of Directors from amongst its members and consists of three (3) members, who are all Independent Directors. The Audit Committee includes one (1) member of the Malaysian Institute of Accountants.

The present members of the Audit Committee of the Company are:

- Tan Wooi Chuon (Chairman) - Independent Non-Executive Director
- Dato' Hj. Ismail Bin Din - Independent Non-Executive Director
- Loh Eng Wee - Independent Non-Executive Director

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met six (6) times during the financial year ended 31 December 2013 with due notice issued, discussed and reviewed the quarterly and annual financial results and corporate proposals, and thereafter recommended to the Board for approval. The details of the attendance of meetings and the summary of the Audit Committee's activities are disclosed on page 18 of this Annual Report. The Audit Committee requires the attendance of any management staff from the Finance/Accounts Department or other departments deemed necessary together with a representative from the external auditors. Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders. The Audit Committee has met once with the external auditors without the presence of the executive members of the Board during the financial year ended 31 December 2013.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

The Audit Committee shall be appointed by the Board from amongst its Directors (except alternate directors) which fulfils the following requirements:

(a) the audit committee must be composed of no fewer than 3 members of whom a majority must be independent directors;

(b) all members of the audit committee should be non-executive directors and financially literate; and

(c) at least one (1) member of the audit 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

   - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

   - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

   (iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which results in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Board shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years.

AUDIT COMMITTEE REPORT (continued)

Procedures of the Audit Committee meetings

(a) The members of the Committee shall elect a Chairman from among their numbers who is an Independent Director.

(b) The Company Secretary shall be the Secretary to the Committee. The Secretary shall circulate minutes of the Committee meeting to all members of the Board.

(c) The Committee shall meet not less than four (4) times a year and report to the Board of Directors.

(d) Written notice of the meeting together with the agenda shall be given to the members of the Committee, the external auditors and any other person invited to attend the meeting, where applicable.

(e) The quorum for meetings of the Committee shall be two (2) members and the majority of members present shall be Independent Directors.

(f) A representative of the external auditors, the head of internal audit and the head of Finance/Accounts Department should normally attend meetings. Any other Directors, employees and any other persons, where applicable, shall attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting.

(g) The Chairman shall convene a meeting of the Committee if requested to do so in writing by any member, the management, or the internal or external auditors to consider any matters within the scope and responsibilities of the Committee.

(h) The Committee should meet with the external auditors without executive Board members present at least once a year.

Rights of the Audit Committee

The Committee shall:

(a) have explicit authority to investigate any matter within its term 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 auditors 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 the external auditors, the internal auditors or both, without the attendance of other Directors and employees of the Company, whenever deemed necessary.

Functions of the Audit Committee

The functions of the Audit Committee shall comprise the following:

(a) To review the following and report the same to the Board of Directors:

- with the external auditors, the audit plan;
- with the external auditors, their evaluation of the system of internal controls;
- with the external auditors, their audit report;
- the assistance given by the employees of the Company to the external auditors;
- the quarterly results and the year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
  - changes in or implementation of major accounting policies;
  - significant and unusual events;
  - compliance with accounting standards and other legal requirements;
- any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- any letter of resignation including the written explanations of the resignation from the external auditors of the Company; and
- whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

AUDIT COMMITTEE REPORT (continued)

(b) To do the following, in relation to the internal audit function:

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

(ii) review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

(iii) review any appraisal or assessment of the performance of the members of internal audit function;

(iv) approve any appointment or termination of senior staff members of the internal audit function; and

(v) take cognizance of resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reason of resignation.

(c) To recommend the nomination of a person or persons as external auditors and the external audit fee.

(d) To carry out other function that may be mutually agreed upon by the Committee and the Board that would be beneficial to the Company.

(e) To verify the criteria for allocation of options, if any, pursuant to a share scheme for employees.

Attendance of the Audit Committee Meetings

The details of the attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 31 December 2013 are as follows:

Members	Attendance
Tan Wooi Chuon	6/6
Dato' Hj. Ismail Bin Din	6/6
Loh Eng Wee	6/6

Activities undertaken by the Audit Committee

The activities undertaken by the Audit Committee during the financial year ended 31 December 2013 include the following:

(a) review the Group's year-end audited financial statements presented by the external auditors and recommend the same to the Board for approval;

(b) review the quarterly financial results and announcement;

(c) review the audit plan of the internal and external auditors;

(d) review related party transactions within the Group;

(e) review the effectiveness of the Group's system of internal controls;

(f) review the Company's compliance with the ACE Market Listing Requirements, the Companies Act, 1965, approved Financial Reporting Standards and other relevant legal and regulatory requirements; and

(g) consider and recommend to the Board for approval the audit fees payable to internal and external auditors.

Internal Audit Function

The Board acknowledges its responsibility for establishing a good system of internal controls for the Group. Accordingly, the Board has appointed KFF Advisory Sdn Bhd as the internal auditors to assist the Group for identifying and evaluating significant exposure to risks and assist the Group in establishing and maintaining effective controls.

This Audit Committee Report is issued in accordance with a resolution of the Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Para 15.26(b) of the ACE Market Listing Requirements ("AMLR"), the Board of Directors of IDEAL is pleased to provide the following statement on risk management and internal control of the Group which has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers ("Internal Control Guidance") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities Berhad ("Bursa Securities").

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board affirms its overall responsibility for the Group's systems of internal controls and for reviewing the adequacy and integrity of those systems. The Board and management are responsible and accountable for maintaining a sound system of risk management and internal controls.

The Board continuously evaluates appropriate initiatives to strengthen the transparency and efficiency of the Group's operations taking into account the requirements for sound and appropriate internal controls and management information systems within the Group. In view of the limitations that are inherent in any system of internal controls, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

This process has been in place throughout the financial year and up to the date of approval of the Annual Report. The adequacy and effectiveness of this process are continually reviewed by the Board.

RISK MANAGEMENT

The Board and management believe that risk management is critical for the Group's continued profitability and enhancement of shareholders' value. Thus, it is crucial to achieve a critical balance between risk incurred and potential returns. Although no formal framework is established for risk assessment, potential risks are usually discussed among Directors to assess the performance of the Group, identify new challenges resulting from the changes in business development, industry and overall business environment and formulate appropriate action plans. Accordingly, the Board has reviewed the effectiveness of the system of internal controls and confirms that an ongoing process of identifying, evaluating and managing the Group's risk has operated throughout the financial year covered in this Annual Report.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional firm to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal controls.

The internal auditors' report to the Audit Committee highlights significant findings in respect of any non-compliance and areas for improvement which will be subsequently followed up to determine the extent of the recommendations that have been implemented.

As the Group is still under restructuring exercise, the audit coverage is specific-tailored accordingly. The expenditure incurred for the internal audit function for the financial year ended 31 December 2013 was RM8,730.

INTERNAL CONTROLS

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

- Certain responsibilities are delegated to the Board Committees with clearly defined terms of reference which are reviewed periodically;
- An organisation structure with well-defined scopes of responsibility, clear lines of accountability and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- Comprehensive and timely information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

- A Code of Ethics is established for all employees, which defines the ethical standards and conduct of work required;

- A Confidentiality Policy is established for the control and protection of confidential information used by the Group to avoid leakage and improper use of such information;

- The Audit Committee reviews internal control issues identified by internal auditors, external auditors and management, and evaluates the adequacy and effectiveness of the risk management and internal control system; and

- Quarterly meetings of the Board of Directors are held to discuss quarterly financial results and issues that warrant the Board's attention.

Based on the internal auditors' report for the financial year ended 31 December 2013, there is a reasonable assurance that the Group's systems of internal controls for the areas under review is generally adequate.

The Board is of the view that the system of internal controls and risk management is in place, sound and appear to be working satisfactorily for the financial year under review, and up to the date of approval of this Statement on Risk Management and Internal Control.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management model adopted by the Group.

REVIEW OF THIS STATEMENT

As required by the AMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year under review. Their review was performed in accordance with the Recommended Practice Guide 5: Guidance for Auditors on the Review of Directors' Statement on Internal Control issued by the Malaysian Institute of Accountants. From the review conducted, the external auditors have reported that nothing has come to their attention that might cause them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls of the Group.

This Statement on Risk Management and Internal Control is issued in accordance with a resolution of the Directors.

PROFILE OF DIRECTORS

DATO' OOI KEE LIANG

Executive Chairman | Company Director | Malaysian

Aged 43, and was appointed to the Board of the Company on 30 September 2010.

Dato' Ooi graduated with a Bachelor of Science in Computer Engineering from Ohio State University, USA in 1994.

Dato' Ooi has accumulated over 19 years' experience within the property development and construction industry where he has garnered numerous successes in both, the managing and running of property development business as well as in his property consultancy business.

Dato' Ooi started his career in 1994 as a Process Engineer in a Penang based company principally involved in packaging of semiconductors for multinational companies. In 1995, he joined a renowned property development company in Penang as its Marketing & Finance Director where he is responsible for the company's overall property marketing and finance division. He successfully implemented various innovative marketing programmes which were highly successful with at least 90% sales take up rate. He was later promoted to the position of Chief Executive Officer in 2000. He left the Penang based property developer in 2001 to pursue his own property consultancy business under Ideal Concept Intelligence Sdn Bhd. However, in year 2007, Dato' Ooi scaled down the property consultancy business with the completion of the last project in Cambodia and started focusing on property development for commercial and residential properties on his own.

Dato' Ooi is the Executive Director and Chairman of United Bintang Berhad, a company listed on Bursa Malaysia Securities Berhad.

Dato' Ooi is a substantial shareholder of the Company and the spouse of Datin Phor Li Wei, the Executive Director and substantial shareholder of the Company.

Dato' Ooi does not have any conflict of interest with the Company and has no convictions for any offences over the past 10 years. Please refer to page 63 of this Annual Report for his securities holding.

DATIN PHOR LI WEI

Executive Director | Company Director | Malaysian

Aged 43, and was appointed to the Board of the Company on 30 September 2010. Datin Phor has no directorships in other public companies.

Datin Phor is responsible for overseeing the overall finance, human resource and administrative functions of the Group which include amongst others overseeing the internal control function and corporate planning. She obtained her Bachelor of Science majoring in Accounting from Franklin University, USA in 1995.

Datin Phor started her career in KPMG Peat Marwick as an Audit Assistant in 1995. In 1997, she joined Astarex Sdn Bhd, a company principally involved in trading of gold and jewelleries, as its Finance and Administration Manager. In 2001, she joined Ideal Concept Intelligence Sdn Bhd as its Executive Director. She is among the pioneers of Ideal Concept Intelligence Sdn Bhd and has been instrumental in obtaining the ISO 9001: Quality Management System for Ideal Concept Intelligence Sdn Bhd, Ideal Capital Intelligence Sdn Bhd and Ideal Homes Properties Sdn Bhd. Datin Phor possesses more than 18 years of hands-on experience in finance and administration.

Datin Phor is the spouse of Dato' Ooi Kee Liang and a substantial shareholder of the Company.

Datin Phor does not have any conflict of interest with the Company and has no convictions for any offences over the past 10 years. Please refer to page 63 of this Annual Report for her securities holding.

PROFILE OF DIRECTORS (continued)

TAN WOOI CHUON

Independent Non-Executive Director | Company Director | Malaysian

Aged 45, and was appointed to the Board of the Company on 30 September 2010. He is the Chairman of the Audit Committee and Member of the Nomination Committee and Remuneration Committee.

Mr. Tan has 4 years working experience in audit firm, 5 years working experience as Finance Manager in electronics manufacturing company, 4 years working experience as Finance and MIS manager in consumer products manufacturing company and 3 years working experience as Group Financial Controller of a public company listed on the Nasdaq.

Mr. Tan is presently an Associate Member of the Chartered Institute of Management Accountants UK, ACMA.

Mr. Tan is the Independent Non-Executive Director and Audit Committee Chairman of United Bintang Berhad, a company listed on Bursa Malaysia Securities Berhad.

Mr. Tan does not have any family relationship with any director and/or major shareholder of the Company.

Mr. Tan does not have any conflict of interest with the Company and has no convictions for any offences over the past 10 years. Please refer to page 63 of this Annual Report for his securities holding.

LOH ENG WEE

Independent Non-Executive Director | Legal Practitioner | Malaysian

Aged 45, and was appointed to the Board of the Company on 14 October 2011. He is the Chairman of the Nomination Committee and Member of the Audit Committee and Remuneration Committee.

Mr. Loh graduated from University Malaya in 1994 with a Bachelor of Law (Hons). He was admitted as an advocate and solicitor in 1995 and subsequently joined San & Associate as their advocate and solicitor. In 1997, he was appointed as the partner of the firm. Mr. Loh's legal specialisation includes matters relating to banking, corporate, civil, land and conveyancing. He is an Independent Non-Executive Director and Audit Committee member of Tatt Giap Group Berhad and an Independent Non-Executive Director and Audit Committee Chairman of Pensonic Holdings Berhad, both of which are listed on Bursa Malaysia Securities Berhad. He also sits on the board of directors of several private limited liability companies.

Mr. Loh does not have any family relationship with any director and/or major shareholder of the Company.

Mr. Loh does not have any conflict of interest with the Company and has no convictions for any offences over the past 10 years. Please refer to page 63 of this Annual Report for his securities holding.

PROFILE OF DIRECTORS (continued)

DATO' HJ. ISMAIL BIN DIN

Independent Non-Executive Director | Company Director | Malaysian

Aged 70, and was appointed to the Board of the Company on 24 October 2011. He is the Chairman of the Remuneration Committee and Member of the Audit Committee and Nomination Committee. Dato' has no directorships in other public companies.

Dato' has accumulated more than 40 years of working experience. After completing his Higher School Certificate in 1968, Dato' was attached to Koperasi Tunas Muda Sungai Ara Bhd for 31 years and the last senior management position that he held was the Chairman of the Board. He was on the Board of Hospital Pantai, Pulau Pinang and also the Chairman of Sunway Tunas Sdn Bhd from 2000 to 2003. He was previously a Managing Director of Keris Group of Companies and also held dealerships for EON, Suzuki, Mitsubishi and Fiat. He is active in socio-political circle where he sits in various committees.

Dato' does not have any family relationship with any director and/or major shareholder of the Company.

Dato' does not have any conflict of interest with the Company and has no convictions for any offences over the past 10 years. Please refer to page 63 of this Annual Report for his securities holding.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

Principal Activities

The Company is principally engaged in investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

Financial Results	**Group**	**Company**
	RM	**RM**
Profit/(Loss) for the financial year	4,131,709	(623,935)

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Reserves and Provisions

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

Issue of Shares and Debentures

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

Options Granted over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors who served since the date of the last report are as follows:

Dato' Ooi Kee Liang
Datin Phor Li Wei
Dato' Hj. Ismail Bin Din
Tan Wooi Chuon
Loh Eng Wee

Directors' Interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including their spouses) according to the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares of RM0.10 Each			
	At 1.1.2013	**Bought**	**Sold**	**At 31.12.2013**
Direct Interest				
Dato' Ooi Kee Liang	1,000	-	-	1,000
Datin Phor Li Wei	1,000	-	-	1,000
Indirect Interest				
Dato' Ooi Kee Liang	75,202,600	-	-	75,202,600
Datin Phor Li Wei	75,202,600	-	-	75,202,600

DIRECTORS' REPORT (continued)

Directors' Interests (continued)

By virtue of their interests in shares in the Company, the Directors as disclosed above are also deemed to have an interest in the shares of the subsidiaries to the extent of the shareholdings of the Company.

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

Directors' Benefits

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

Neither during nor at the end of the financial year was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Statutory Information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written-off and that no provision for doubtful debts was necessary; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) the amount written-off for bad debts inadequate to any substantial extent or necessary to provide for doubtful debts in the financial statements of the Group and of the Company; or

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

   (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

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

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

DIRECTORS' REPORT (continued)

Other Statutory Information (continued)

(d) In the opinion of the Directors:

(i) no contingent or other liabilities of the Group and of the Company have become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Significant Event

The significant event is disclosed in Note 28 to the financial statements.

Auditors

The auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors
in accordance with a resolution dated 18 April 2014

DATO' OOI KEE LIANG	DATIN PHOR LI WEI

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, DATO' OOI KEE LIANG and DATIN PHOR LI WEI, being two of the Directors of IDEAL SUN CITY HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 30 to 60 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out on page 61 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors
in accordance with a resolution dated 18 April 2014

DATO' OOI KEE LIANG

DATIN PHOR LI WEI

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, TEOH EE KEN, being the Officer primarily responsible for the financial management of IDEAL SUN CITY HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 30 to 60 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed TEOH EE KEN at GEORGETOWN)
in the State of PENANG this 18 April 2014)

TEOH EE KEN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IDEAL SUN CITY HOLDINGS BERHAD

(Company No.: 640850-U)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of IDEAL SUN CITY HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 60.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IDEAL SUN CITY HOLDINGS BERHAD (continued)

(Company No.: 640850-U)
(Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out on page 61 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

Other Matters

The financial statements of the Group and of the Company as at 31 December 2012 were audited by another firm of chartered accountants in which the audit report dated 19 April 2013 expressed an unmodified opinion on the financial statements.

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

UHY
Firm Number: AF 1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/8/14 (J)
Chartered Accountant

PENANG
18 April 2014

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	358,979	4,833,437	-	-
Investments in subsidiaries	5	-	-	100,002	100,002
		358,979	4,833,437	100,002	100,002
Current Assets					
Inventories	6	237,900	617,010	-	-
Trade receivables	7	3,666,947	1,914,381	-	-
Non-trade receivables	8	51,368	38,254	3,385,429	6,719,107
Other financial asset	9	1,401,583	1,302,586	-	-
Tax asset		1,700	1,700	1,700	1,700
Deposits with licensed banks	10	1,600,000	1,460,000	1,000,000	-
Cash and bank balances		1,378,741	86,172	1,065,766	11,622
		8,338,239	5,420,103	5,452,895	6,732,429
TOTAL ASSETS		8,697,218	10,253,540	5,552,897	6,832,431
EQUITY AND LIABILITIES					
Equity attributable to owners					
Share capital	11	23,500,800	23,500,800	23,500,800	23,500,800
Reserves	12	(16,726,441)	(21,313,774)	(18,113,892)	(17,489,957)
TOTAL EQUITY		6,774,359	2,187,026	5,386,908	6,010,843
Non-Current Liabilities					
Deferred tax liabilities	13	90,000	455,624	-	-
Borrowings	14	-	3,819,431	-	-
		90,000	4,275,055	-	-
Current Liabilities					
Trade payables	15	-	510,330	-	-
Non-trade payables	16	820,813	1,522,748	165,989	821,588
Borrowings	14	-	890,335	-	-
Hire purchase payables	17	817,046	817,046	-	-
Tax payable		195,000	51,000	-	-
		1,832,859	3,791,459	165,989	821,588
TOTAL LIABILITIES		1,922,859	8,066,514	165,989	821,588
TOTAL EQUITY AND LIABILITIES		8,697,218	10,253,540	5,552,897	6,832,431

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	18	8,575,734	7,202,163	453,116	292,226
Cost of sales		(2,393,875)	(1,377,775)	-	-
Gross profit		6,181,859	5,824,388	453,116	292,226
Other income		259,417	171,957	-	1,061,608
Distribution and administration expenses		(1,755,952)	(1,677,881)	(1,077,051)	(1,256,571)
Profit/(Loss) from operations	20	4,685,324	4,318,464	(623,935)	97,263
Finance costs	21	(255,862)	(406,846)	-	-
Profit/(Loss) before tax		4,429,462	3,911,618	(623,935)	97,263
Tax expense	22	(297,753)	(51,000)	-	-
Profit/(Loss) for the financial year		4,131,709	3,860,618	(623,935)	97,263
Other comprehensive income, net of tax					
Revaluation of leasehold land	12	-	1,366,871	-	-
Reversal of deferred tax liabilities	13	455,624	-	-	-
Total comprehensive income for the financial year		4,587,333	5,227,489	(623,935)	97,263
Total comprehensive income for the financial year attributable to:					
Owners of the Company		4,587,333	5,227,489	(623,935)	97,263
Earnings per share					
Basic earnings per ordinary share (sen)	23	1.76	1.64		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable to Owners of the Company				
	Non-distributable				
	Share Capital RM	**Share Premium RM**	**Revaluation Reserve RM**	**Accumulated Losses RM**	**Total Equity RM**
Group					
At 1 January 2012	23,500,800	22,026,619	-	(48,567,882)	(3,040,463)
Profit for the financial year	-	-	-	3,860,618	3,860,618
Other comprehensive income	-	-	1,366,871	-	1,366,871
Total comprehensive income for the financial year	-	-	1,366,871	3,860,618	5,227,489
At 31 December 2012	23,500,800	22,026,619	1,366,871	(44,707,264)	2,187,026
At 1 January 2013	23,500,800	22,026,619	1,366,871	(44,707,264)	2,187,026
Transfer of revaluation reserve upon disposal of leasehold land	-	-	(1,366,871)	1,366,871	-
Profit for the financial year	-	-	-	4,131,709	4,131,709
Other comprehensive income	-	-	-	455,624	455,624
Total comprehensive income for the financial year	-	-	-	4,587,333	4,587,333
At 31 December 2013	23,500,800	22,026,619	-	(38,753,060)	6,774,359

	Attributable to Owners of the Company			
	Non-distributable			
	Share Capital RM	**Share Premium RM**	**Accumulated Losses RM**	**Total Equity RM**
Company				
At 1 January 2012	23,500,800	22,026,619	(39,613,839)	5,913,580
Total comprehensive income for the financial year	-	-	97,263	97,263
At 31 December 2012	23,500,800	22,026,619	(39,516,576)	6,010,843
At 1 January 2013	23,500,800	22,026,619	(39,516,576)	6,010,843
Total comprehensive income for the financial year	-	-	(623,935)	(623,935)
At 31 December 2013	23,500,800	22,026,619	(40,140,511)	5,386,908

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Group	
		2013	2012
	Note	RM	RM
Cash Flows From Operating Activities			
Profit before tax		4,429,462	3,911,618
Adjustments for:			
Amortisation of other financial asset		-	149
Depreciation of property, plant and equipment		124,524	81,551
Deposit written off		16,720	-
Finance costs		255,862	406,846
Gain on disposal of property, plant and equipment		(151,243)	-
Interest income on			
- other financial asset carried at amortised cost		(98,997)	(142,161)
- short-term deposits		(160)	(239)
Waiver of bank borrowings		-	(5,075)
Operating profit before working capital changes		4,576,168	4,252,689
Changes in working capital			
Inventories		379,110	306,840
Receivables		(1,782,400)	(1,605,812)
Payables		(632,465)	(1,423,886)
Other financial asset		-	710,113
Related party		(579,800)	(543,587)
		(2,615,555)	(2,556,332)
Cash generated from operations		1,960,613	1,696,357
Interest received		160	239
Income tax paid		(63,753)	-
Interest paid		(255,862)	(363,520)
		(319,455)	(363,281)
Net cash generated from operating activities		1,641,158	1,333,076
Cash Flows From Investing Activities			
Purchase of property, plant and equipment	4	(405,138)	(14,988)
Proceeds from disposal of property, plant and equipment		4,906,315	-
Net cash generated from/ (used in) investing activities		4,501,177	(14,988)
Cash Flows From Financing Activities			
Restructured bank borrowings		-	186,109
Repayment of term loans		(4,709,766)	-
Net cash (used in)/ generated from financing activities		(4,709,766)	186,109
Net increase in cash and cash equivalents		1,432,569	1,504,197
Cash and cash equivalents at beginning of the financial year		1,546,172	41,975
Cash and cash equivalents at end of the financial year		2,978,741	1,546,172
Cash and cash equivalents at end of the financial year comprise:			
Deposits with licensed banks		1,600,000	1,460,000
Cash and bank balances		1,378,741	86,172
		2,978,741	1,546,172

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (continued)

		Company	
		2013	2012
	Note	RM	RM
Cash Flows From Operating Activities			
(Loss)/ Profit before tax		(623,935)	97,263
Changes in working capital			
Receivables		-	15,000
Payables		(82,483)	(123,404)
Subsidiaries		3,333,678	1,583,241
Related party		(573,116)	(427,352)
Provision		-	(1,037,126)
		2,678,079	10,359
Net cash generated from operating activities		2,054,144	107,622
Cash Flows From Investing Activity			
Investments in subsidiaries		-	(99,998)
Net cash used in investing activity		-	(99,998)
Net increase in cash and cash equivalents		2,054,144	7,624
Cash and cash equivalents at beginning of the financial year		11,622	3,998
Cash and cash equivalents at end of the financial year		2,065,766	11,622
Cash and cash equivalents at end of the financial year comprise:			
Deposits with licensed banks		1,000,000	-
Cash and bank balances		1,065,766	11,622
		2,065,766	11,622

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

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013

1. Corporate Information

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

The registered office of the Company is located at Suite 12-02, 12th Floor, Menara Zurich, 170 Jalan Argyll, 10050 Penang.

The principal place of business of the Company is located at 71-2 Ideal @ The One, Jalan Mahsuri, 11950 Bayan Lepas, Penang.

The Company is principally engaged in investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 5.

There have been no significant changes in the nature of these principal activities during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards (''IFRSs'') and the Companies Act, 1965 in Malaysia.

The Group and the Company have adopted all applicable accounting standards, amendments or interpretations that have been issued by the Malaysian Accounting Standards Board (''MASB'') for the financial period beginning 1 January 2013 except for the following which are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendments to MFRS 3, MFRS 13 and MFRS 140	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
MFRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced by MASB
MFRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB
MFRS 9 (Mandatory Effective Date of MFRS 9 and Transition Disclosures)	Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7	To be announced by MASB
MFRS 9 Financial Instruments	Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced by MASB

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

2. Basis of Preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company intend to adopt the abovementioned accounting standards, amendments or interpretations when they become effective.

The initial application of the accounting standards, amendments or interpretations which will be applied prospectively or which requires extended disclosures, are not expected to have any financial impacts to the current and prior year's financial statements upon the first adoption.

The possible financial impacts of initial application of accounting standards, amendments or interpretations, which will be applied retrospectively is as follows:

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at fair value or amortised cost. It is expected that the Group's and the Company's investments in unquoted shares will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (''RM''), which is the Group's and the Company's functional currency.

(c) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 is essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by directors, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its plant and equipment will be insignificant. As a result, residual values are not taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

2. Basis of Preparation (continued)

(c) Significant accounting estimates and judgements (continued)

Impairment of investments in subsidiaries

The carrying values of investments in subsidiaries are reviewed for impairment. In the determination of the value in use of the investments, the Company is required to estimate the expected cash flows to be generated by the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of loans and receivables

The Group and the Company assess at end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

Income taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the company-wide provision for income taxes. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will have impact on the income tax and deferred tax provisions in the financial year in which such determination is made.

Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While director's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the statements of comprehensive income in the period in which actual realisation or settlement occurs.

3. Significant Accounting Policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gain arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(b) Property, plant and equipment (continued)

Leasehold land is revalued periodically, at least once in every 5 periods or earlier if circumstances indicate that the carrying amount may differ significantly from the market value.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Leasehold land is depreciated over lease period of 60 years. Depreciation of other property, plant and equipment is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

Office equipment	20%

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

The residual values, useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, as appropriate.

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

(c) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company classify their financial assets depending on the purpose for which it was acquired at initial recognition, into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading, including derivative or financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(c) Financial assets (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than twelve months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchase or sale of financial assets

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

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

(d) Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying value of these liabilities are recognised in profit or loss.

The Group and the Company classify their financial liabilities at initial recognition, into the following category:

Other financial liabilities measured at amortised cost

Other financial liabilities are non-derivative financial liabilities. The Group's and the Company's other financial liabilities comprise trade and non-trade payables and borrowings. Other financial liabilities are classified as current liabilities; except for maturities more than twelve months after the end of the reporting period, in which case they are classified as non-current liabilities.

Other liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(d) Financial liabilities (continued)

Offsetting of financial instruments

A financial asset and financial liability are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(e) Inventories

Inventories are stated at the lower of cost and net realiasable value. Cost is determined on the weighted average basis. Cost of finished goods and work-in-progress consists of cost of raw material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

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

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(g) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives, they are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment loss is recognised immediately in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(g) Impairment of assets (continued)

(ii) Financial assets

All financial assets, other than those at fair value through profit or loss and investments in subsidiaries are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

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

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

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss.

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

(h) Share capital

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

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

(i) Revenue and other income recognition

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the revenue and other income can be reliably measured.

(i) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of return and provisions, trade discounts and volume rebates.

Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be reliably estimated, and there is no continuing measurement involvement with the goods.

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(i) Revenue and other income recognition (continued)

(ii) Services rendered

Revenue from services rendered is recognised upon rendering of services and acceptance by customers.

(iii) Interest income

Interest income is recognised on accruals basis, based on effective yield on the investment.

(j) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in profit or loss in the period to which they relate.

(k) Borrowing costs

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

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

The capitalisation of borrowing costs as part of the cost of qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualified asset for its intended use or sale are interrupted or completed.

(l) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

3. Significant Accounting Policies (continued)

(l) Income tax (continued)

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (''EPS'').

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, adjusted for owns shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(n) Segment reporting

An operating segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker and Group's board of directors who are responsible for allocating and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

4. Property, Plant and Equipment

Group	At Valuation Leasehold Land RM	At Cost Office Equipment RM	Total RM
2013			
At 1 January 2013	5,076,291	14,988	5,091,279
Additions	-	405,138	405,138
Disposals	(5,076,291)	-	(5,076,291)
At 31 December 2013	-	420,126	420,126
Accumulated depreciation			
At 1 January 2013	255,594	2,248	257,842
Charge for the financial year	65,625	58,899	124,524
Disposals	(321,219)	-	(321,219)
At 31 December 2013	-	61,147	61,147
Net carrying amount			
At 31 December 2013	-	358,979	358,979
2012			
At 1 January 2012	-	-	-
Additions	-	14,988	14,988
Reclassification from asset held for sale	3,253,796	-	3,253,796
Revaluation	1,822,495	-	1,822,495
At 31 December 2012	5,076,291	14,988	5,091,279
Accumulated depreciation			
At 1 January 2012	-	-	-
Reclassification from asset held for sale	176,291	-	176,291
Charge for the financial year	79,303	2,248	81,551
At 31 December 2012	255,594	2,248	257,842
Net carrying amount			
At 31 December 2012	4,820,697	12,740	4,833,437

On 28 February 2013, the Group entered into a sale and purchase agreement to dispose the leasehold land to a third party for a total consideration of RM4,906,315. The disposal has been completed during the financial year.

At 31 December 2013, the leasehold land with the carrying amount of Nil (2012: RM4,820,697) are pledged to secure bank loans granted to the Group as mentioned in Note 14.

Had the leasehold land been carried at historical cost less accumulated depreciation, their net carrying amounts would have been Nil (2012: RM2,998,202).

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

5. Investments in Subsidiaries

	Company 2013 RM	Company 2012 RM
Unquoted shares, at cost	17,600,804	17,500,806
Acquisition during the financial year	-	99,998
	17,600,804	17,600,804
Less: Impairment losses	(17,500,802)	(17,500,802)
Carrying amount	100,002	100,002

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest (%) 2013	Effective interest (%) 2012	Principal activities
Ideal Property Concept Sdn. Bhd.	Malaysia	100	100	Provision of project management services
Ideal Property Legacy Sdn. Bhd.	Malaysia	100	100	Dormant
Ideal Concept Builders Sdn. Bhd. (f.k.a. Equator TC Sdn. Bhd.)	Malaysia	100	100	Dormant
Ideal Property BPO Sdn. Bhd.	Malaysia	100	100	Sale of ornamental plants and provision of project management services
Ideal Consortium Sdn. Bhd.	Malaysia	100	100	Dormant

The above subsidiaries are audited by UHY.

6. Inventories

	Group 2013 RM	Group 2012 RM
At net realisable value:		
Finished goods	237,900	617,010

7. Trade Receivables

	Group 2013 RM	Group 2012 RM
Trade receivables	3,666,947	2,036,514
Less: Impairment losses	-	(122,133)
Trade receivables, net	3,666,947	1,914,381

Movements in impairment losses are as follows:

	Group 2013 RM	Group 2012 RM
At 1 January	122,133	122,133
Amount written off	(122,133)	-
At 31 December	-	122,133

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

7. Trade Receivables (continued)

The Group's normal trade credit term is 90 days (2012: 90 days). Other credit terms are assessed and approved on a case by case basis.

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Group 2013 RM	2012 RM
Neither past due nor impaired	2,872,600	1,390,600
Past due but not impaired		
1 to 30 days	675,000	500
31 to 60 days	119,347	305,347
More than 120 days	-	217,934
Total past due but not impaired	794,347	523,781
Impaired	-	122,133
Trade receivables, gross	3,666,947	2,036,514

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

As at 31 December 2013, trade receivables of RM794,347 (2012: RM523,781) were past due but not impaired. These trade receivables comprise a number of independent customers from whom there is no recent history of default.

8. Non-trade Receivables

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-trade receivables	21,368	21,534	7,555	7,555
Deposits	30,000	16,720	-	-
Amounts owing by subsidiaries	-	-	3,377,874	6,711,552
	51,368	38,254	3,385,429	6,719,107

Amounts owing by subsidiaries with non-interest bearing are unsecured and repayable on demand.

9. Other Financial Asset

	Group 2013 RM	2012 RM
Other financial asset carried at amortised cost	1,401,583	1,302,586

The receivable is secured by the properties owned by the debtor and expected to be repaid by cash or disposal of the properties within one year.

10. Deposits with Licensed Banks

The deposits with licensed banks of the Group and of the Company earned effective interest at rate of 2% (2012: 2%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

11. Share Capital

	Group/Company			
	Number of Ordinary Shares of RM0.10 Each		Amount	
	2013 Units	2012 Units	2013 RM	2012 RM
Authorised:				
At 1 January/31 December	500,000,000	500,000,000	50,000,000	50,000,000
Issued and fully paid:				
At 1 January/31 December	235,008,000	235,008,000	23,500,800	23,500,800

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

12. Reserves

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-distributable reserves:				
Share premium	22,026,619	22,026,619	22,026,619	22,026,619
Revaluation reserve	-	1,366,871	-	-
	22,026,619	23,393,490	22,026,619	22,026,619
Accumulated losses	(38,753,060)	(44,707,264)	(40,140,511)	(39,516,576)
	(16,726,441)	(21,313,774)	(18,113,892)	(17,489,957)

(i) Share premium

The share premium arose from the issuance of ordinary shares and can be utilised for distribution to the members of the Company by way of bonus share issue.

(ii) Revaluation reserve

The revaluation reserve represents the increase in the fair value of the leasehold land, net of deferred tax liabilities. The revaluation reserve has been transferred to accumulated losses account upon disposal of the leasehold land.

13. Deferred Tax Liabilities

	Group	
	2013 RM	2012 RM
At beginning of financial year	455,624	-
Recognised in profit or loss	90,000	-
Deferred tax liabilities on revaluation reserve	-	455,624
Reversal of deferred tax liabilities upon disposal of leasehold land	(455,624)	-
At end of financial year	90,000	455,624

This is in respect of temporary differences arose as a result of the differences between the carrying amounts of property, plant and equipment and their tax base.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

13. Deferred Tax Liabilities (continued)

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unabsorbed capital allowances	3,309,540	3,309,540	-	-
Unutilised tax losses	13,176,974	16,818,133	110,012	78,677
	16,486,514	20,127,673	110,012	78,677

14. Borrowings

	Group	
	2013 RM	2012 RM
Non-current		
Secured term loans	-	3,819,431
Current		
Secured term loans	-	890,335
	-	4,709,766

The term loans are denominated in RM and have been fully repaid during the financial year.

The average effective interest rate per annum is as follows:

	2013 %	2012 %
Term loans	-	7.85

The term loans are secured by the following:

(i) pledge over leasehold land as mentioned in Note 4;

(ii) facility agreement of RM5,100,000 as principal instrument; and

(iii) corporate guarantee of the Company.

15. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 60 days (2012: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

16. Non-trade Payables

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-trade payables	371,291	362,554	110,633	130,763
Accruals	449,170	580,042	55,004	117,357
Amount owing to related party	352	580,152	352	573,468
	820,813	1,522,748	165,989	821,588

Amount owing to related party is unsecured, non-interest bearing and repayable on demand.

17. Hire Purchase Payables

	Group	
	2013 RM	2012 RM
Principal outstanding	817,046	817,046
Less: Amount due within 12 months (shown under current liabilities)	(817,046)	(817,046)
Non-current portion	-	-

Legal action was instituted by the lease creditor in prior year for the recovery of the principal, interest and other costs. However, the High Court of Johore Bahru had on 9 January 2012 dismissed the claim of the lease creditor. Subsequently, the lease creditor filed an appeal to the Appeal Court on 1 February 2012. On 27 November 2013, the High Court of Johore Bahru dismissed the appeal of the lease creditor. As such, the Group will no longer be considered in default of payments to the financial institution since the lease creditor's appeal has been dismissed by the High Court.

The average effective interest rate was 9.07% (2012: 9.07%) per annum.

18. Revenue

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Sale of goods	1,010,960	818,240	-	-
Project management services	7,564,774	6,383,923	-	-
Management fees	-	-	453,116	292,226
	8,575,734	7,202,163	453,116	292,226

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

19. Employee Benefits Expenses

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
(a) Empoyee benefits expenses				
- Direct costs				
Salaries, wages, allowances and overtime	1,830,063	971,507	-	-
Contribution to defined contribution plan	173,008	93,029	-	-
Social security contributions	10,994	6,309	-	-
	2,014,065	1,070,845	-	-
- Administration costs				
Salaries, wages, allowances and overtime	317,368	231,097	269,400	151,500
Contribution to defined contribution plan	32,534	20,777	27,144	15,948
Social security contributions	1,239	1,050	619	465
	351,141	252,924	297,163	167,913
(b) Directors' remuneration				
Salaries, wages, allowances and overtime	136,000	108,000	136,000	108,000
Contribution to defined contribution plan	15,200	10,800	15,200	10,800
Social security contributions	1,240	930	1,240	930
	152,440	119,730	152,440	119,730
Total employee benefits expenses	2,517,646	1,443,499	449,603	287,643
Executive directors:				
Salaries, wages, allowances and overtime	126,000	96,000	126,000	96,000
Contribution to defined contribution plan	15,200	10,800	15,200	10,800
Social security contributions	1,240	930	1,240	930
	142,440	107,730	142,440	107,730
Non-executive directors:				
Allowances	10,000	12,000	10,000	12,000
	152,440	119,730	152,440	119,730

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

20. Profit/(Loss) from Operations

Profit/(Loss) from operations is arrived at after charging/(crediting) amongst others, the following items:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Amortisation of other financial asset	-	149	-	-
Auditors' remuneration				
- current year	37,000	37,000	16,000	16,000
- non-audit services	-	15,000	-	15,000
- overprovision in prior year	-	(12,000)	-	-
Depreciation of property, plant and equipment	124,524	81,551	-	-
Deposit written off	16,720	-	-	-
Employee benefits expenses	2,517,646	1,443,499	449,603	287,643
Rental of premises	180,000	75,000	-	-
Gain on disposal of property, plant and equipment	(151,243)	-	-	-
Interest income on				
- other financial asset carried at amortised cost	(98,997)	(142,161)	-	-
- short-term deposits	(160)	(239)	-	-
Waiver of bank borrowings	-	(5,075)	-	-

21. Finance Costs

	Group 2013 RM	Group 2012 RM
Interest expense on:		
Bankers' acceptance	-	100,448
Term loans	255,862	263,072
Hire purchase	-	43,326
	255,862	406,846

22. Tax Expense

	Group 2013 RM	Group 2012 RM
Current tax:		
Provision for current year	250,000	51,000
Overprovision in prior year	(42,247)	-
	207,753	51,000
Deferred tax liabilities		
Origination and reversal of temporary differences	90,000	-
	297,753	51,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

22. Tax Expense (continued)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) before tax	4,429,462	3,911,618	(623,935)	97,263
Tax at Malaysia statutory tax rate of 25% (2012: 25%)	1,107,366	977,904	(155,984)	24,316
Effect of income not subject to tax	(139,408)	(113,646)	-	(259,282)
Effect of expenses not deductible for tax purpose	282,332	249,346	148,150	215,297
Deferred tax assets not recognised	7,834	19,669	7,834	19,669
Utilisation of deferred tax assets previously not recognised	(918,124)	(1,082,273)	-	-
Overprovision of income tax expense in prior year	(42,247)	-	-	-
Income tax expense for the year	297,753	51,000	-	-

The Group had a tax saving of RM918,124 (2012: RM1,082,273) against the income tax expense arising from the utilisation of unutilised tax losses.

23. Earnings per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2013 RM	2012 RM
Earnings		
Profit attributable to owners of the Company for the computation of basic earnings per share	4,131,709	3,860,618
Number of shares		
Weighted average number of ordinary shares in issue for basic earnings per share computation	235,008,000	235,008,000
Earnings per share		
- Basic (sen)	1.76	1.64

(b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

24. Related Party Disclosures

(a) Identifying related parties

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

The Group and the Company have related party relationships with its related party and key management personnel.

(b) Related party transactions

The related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
With subsidiaries:				
Management fees	-	-	453,116	292,226
With related party:				
Rental paid	180,000	75,000	-	-

(c) Transactions with key management personnel

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group. There are no other transactions with the key management personnel of the Group and of the Company other than the remuneration package in accordance with the terms and conditions of their appointment as disclosed in Note 19.

25. Segment Information - Group

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

(a) Business Segments

The Group comprises the following three reportable operating segments:

(i) Project Management Services - Provision of project management services including project design evaluation, project value engineering and project construction management.

(ii) Sale of Ornamental Plants - Trading of ornamental plants.

(iii) Others - Investment holding and management fees.

Segment revenue and expenses are those amounts from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

25. Segment Information – Group (continued)

(a) Business Segments (continued)

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

	Project Management Services RM	Sale of Ornamental Plants RM	Others RM	Eliminations RM	Consolidated RM
2013					
Revenue					
External revenue	7,564,774	1,010,960	-	-	8,575,734
Inter-segment revenue	-	-	453,116	(453,116)	-
Total revenue	7,564,774	1,010,960	453,116	(453,116)	8,575,734
Results					
Interest income	99,157	-	-	-	99,157
Interest expense	(255,862)	-	-	-	(255,862)
Depreciation of property, plant and equipment	(124,524)	-	-	-	(124,524)
Other non-cash expenses	(16,720)	-	-	-	(16,720)
Segment profit before tax	3,826,738	602,724	-	-	4,429,462
Income tax expense	(243,562)	(54,191)	-	-	(297,753)
2012					
Revenue					
External revenue	6,383,923	818,240	-	-	7,202,163
Inter-segment revenue	-	-	292,226	(292,226)	-
Total revenue	6,383,923	818,240	292,226	(292,226)	7,202,163
Results					
Interest income	142,400	-	-	-	142,400
Interest expense	(406,846)	-	-	-	(406,846)
Depreciation of property, plant and equipment	(81,700)	-	-	-	(81,700)
Segment profit before tax	3,402,170	509,448	-	-	3,911,618
Income tax expense	(51,000)	-	-	-	(51,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

25. Segment Information – Group (continued)

(b) Geographical Information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

(c) Major customers

Revenue from 6 (2012: 4) customers of the Group's project management services segment represents approximately 88% (2012: 89%) of the Group's total revenue.

Revenue from 1 (2012: 3) customer of the Group's sale of ornamental plants segment represents approximately 12% (2012: 11%) of the Group's total revenue.

26. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expenses including their fair value gain or loss are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
Group			
2013			
Financial Assets			
Trade receivables	3,666,947	-	3,666,947
Non-trade receivables	51,368	-	51,368
Other financial asset	1,401,583	-	1,401,583
Deposits with licensed banks	1,600,000	-	1,600,000
Cash and bank balances	1,378,741	-	1,378,741
	8,098,639	-	8,098,639
Financial Liabilities			
Non-trade payables	-	820,813	820,813
Hire purchase payables	-	817,046	817,046
	-	1,637,859	1,637,859
2012			
Financial Assets			
Trade receivables	1,914,381	-	1,914,381
Non-trade receivables	38,254	-	38,254
Other financial asset	1,302,586	-	1,302,586
Deposits with licensed banks	1,460,000	-	1,460,000
Cash and bank balances	86,172	-	86,172
	4,801,393	-	4,801,393

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

26. Financial Instruments (continued)

(a) Classification of financial instruments (continued)

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
Financial Liabilities			
Trade payables	-	510,330	510,330
Non-trade payables	-	1,522,748	1,522,748
Hire purchase payables	-	817,046	817,046
Borrowings	-	4,709,766	4,709,766
	-	7,559,890	7,559,890
Company			
2013			
Financial Assets			
Non-trade receivables	3,385,429	-	3,385,429
Deposits with licensed banks	1,000,000	-	1,000,000
Cash and bank balances	1,065,766	-	1,065,766
	5,451,195	-	5,451,195
Financial Liability			
Non-trade payables	-	165,989	165,989
2012			
Financial Assets			
Non-trade receivables	6,719,107	-	6,719,107
Cash and bank balances	11,622	-	11,622
	6,730,729	-	6,730,729
Financial Liability			
Non-trade payables	-	821,588	821,588

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including interest rate risk, credit risk, and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

(i) Credit risk

Financial assets that are primarily exposed to credit risks are receivables, inter-company balances, deposits with licensed banks and cash and bank balances.

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the inability of its customers or counterparties to make payments when due. The Company's exposure to credit risk arises principally from advances to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31 DECEMBER 2013

26. Financial Instruments (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Group's maximum exposure to credit risk arises from the carrying amounts of the financial assets presented in the statements of financial position.

The Group determines concentrations of credit risk by monitoring its trade receivables profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date relates to the amount owing by 2 customers which constituted approximately 67% of its trade receivables as at the end of the reporting period.

The ageing analysis of the Group's trade receivables as at 31 December 2013 is disclosed in Note 7.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and based on the earliest date on which the Group and the Company are required to pay.

	Less than 1 year RM	**Between 1 year to 5 years RM**	**Total RM**
Group			
2013			
Financial liabilities			
Non-trade payables	820,813	-	820,813
Hire purchase payables	817,046	-	817,046
	1,637,859	-	1,637,859
2012			
Financial liabilities			
Trade payables	510,330	-	510,330
Non-trade payables	1,522,748	-	1,522,748
Hire purchase payables	817,046	-	817,046
Borrowings	890,335	3,819,431	4,709,766
	3,740,459	3,819,431	7,559,890

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

26. Financial Instruments (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Market risk

Interest rate risk

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

The Group's and the Company's exposure to interest rate risk relates to interest bearing financial liabilities and financial assets. Interest bearing financial liabilities comprise finance lease payable and term loans. Interest bearing financial assets include deposits with licensed banks which are short term in nature, placed with licensed financial institutions for better yield returns than cash at banks.

Borrowings at floating rate amounting to Nil (2012: RM4,709,766) expose the Group to cash flow interest rate risk and fair value interest rate risk. The Group manages its interest rate risk exposure by reviewing its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of assets.

Sensitivity analysis for interest rate risk

A change in 0.1% on the interest rate on financial assets and liabilities of the Group which have variable interest rate at the end of the financial year would have increased/(decreased) profit before tax and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

	2013		**2012**	
	Effect to profit or loss RM	**Effect to equity RM**	**Effect to profit or loss RM**	**Effect to equity RM**
Group				
Interest rate increased by 0.1%	-	-	(4,710)	(3,532)
Interest rate decreased by 0.1%	-	-	4,710	3,532

Deposit interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group.

(c) Fair values of financial instruments

(i) Financial instruments at fair value

The carrying amounts of financial assets and financial liabilities maturing within twelve months approximate their fair values due to the relatively short-term maturity of the financial instruments.

(ii) Financial instruments other than those carried at fair value

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

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

Borrowings

The carrying amount of non-current borrowings are reasonable approximate of fair value as they are floating rate instruments that are repriced to market interest rate on or near reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued) AT 31 DECEMBER 2013

27. Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' value. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012.

The Group monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise total debts (borrowings, trade payables, hire purchase payables and non-trade payables) less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

The gearing ratios are as follows:

	Group	
	2013	**2012**
	RM	**RM**
Borrowings	-	4,709,766
Hire purchase payables	817,046	817,046
Trade payables	-	510,330
Non-trade payables	820,813	1,522,748
Total debts	1,637,859	7,559,890
Less: Cash and cash equivalents	(2,978,741)	(1,546,172)
Net debts	(1,340,882)	6,013,718
Equity attributable to the owner of the Company, representing total capital	6,774,359	2,187,026
Capital and net debts	5,433,477	8,200,744
Gearing ratio	N/A	0.73

No gearing ratio was shown for 2013 as the cash and cash equivalents of the Group are sufficient to repay the total debts outstanding as at year end.

There were no changes in the Group's approach to capital management during the financial year.

28. Significant Event during the Financial Year

Regularisation Plan

The Group has embarked on a regularisation plan which includes fund raising and restructuring on the defaulted principal and interest repayments and to achieve profitable business operations in the new business venture with the continued support from its shareholders, bankers and creditors. The Group expects that the said regularisation plan will be completed in the financial year ending 31 December 2014.

29. Comparatives

The financial statements of the Group and of the Company as at 31 December 2012 were audited by another firm of chartered accountants.

30. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 18 April 2014.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group and of the Company at 31 December 2013 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 20 December 2010 and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses of the Group and of the Company as at 31 December 2013 are analysed as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total accumulated losses of the Group and of the Company				
- realised	(38,398,460)	(44,442,664)	(40,140,511)	(39,516,576)
- unrealised	(354,600)	(264,600)	-	-
Accumulated losses as per statements of financial position	(38,753,060)	(44,707,264)	(40,140,511)	(39,516,576)

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

ANALYSIS OF SHAREHOLDINGS AS AT 5 MAY 2014

SHARE CAPITAL

Authorised	:	RM50,000,000
Issued and fully paid-up	:	RM2,350,080
Class of shares	:	Ordinary shares of RM0.10 each
Voting right	:	One voting right for one ordinary share

DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Holders	%	Total Holdings	%
1 - 99	76	5.344	1,690	0.007
100 - 1,000	728	51.195	309,508	1.317
1,001 - 10,000	378	26.582	1,883,690	8.015
10,001 - 100,000	214	15.049	7,071,320	30.089
100,001 - 1,175,039 (*)	25	1.758	6,714,332	28.570
1,175,040 and above (**)	1	0.070	7,520,260	32.000
Total	1,422	100.000	23,500,800	100.000

* - Less than 5% of issued shares
** - 5% and above of issued shares

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

	Name	Shareholdings	%
1	Ideal Sun City Sdn Bhd	7,520,260	32.000
2	Wang, Ting Peng	850,689	3.619
3	Yang Wen-Shiung	792,540	3.372
4	Loo Geok Lee	615,700	2.619
5	Lim Jit Haw	480,000	2.042
6	Wong Ah Kum	400,000	1.702
7	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank NA, Singapore (Julius Baer)	328,000	1.395
8	Phnuah Farn Farn	320,000	1.361
9	Lee,Yen-Chuan	304,630	1.296
10	Ng Chin Huat	258,000	1.097
11	Lin, Fu-Mei	228,461	0.972
12	Goh Hong Lean	218,200	0.928
13	Lee Syi Harn	200,000	0.851
14	Weng, Chin-Fan	169,612	0.721
15	Ng Chua Bee	160,000	0.680
16	Yeong Khay Choong	145,000	0.617
17	Goo Moi	137,700	0.585
18	Chang Seng Han	136,900	0.582
19	G. Krishna Dass A/L G. Pillai	130,000	0.553
20	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teddy Ho Pang Hin (CCTS)	130,000	0.553
21	Kweok Te Te	130,000	0.553
22	Teh Hock Seong	129,000	0.548
23	Mansor Bin Ahmad	120,000	0.510
24	Sew Pick Choo	115,000	0.489
25	Ng Chee Cheng	110,000	0.468
26	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phnuah Farn Farn (474003)	104,900	0.446

ANALYSIS OF SHAREHOLDINGS AS AT 5 MAY 2014 (continued)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (continued)

	Name	Shareholdings	%
27	Goh Sau Ming	100,000	0.425
28	Lim Heng Loong	100,000	0.425
29	Teo Swee Chye	90,000	0.382
30	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Foong Kok Chuin (CCTS)	88,000	0.374
	Total	14,612,592	62.179

SUBSTANTIAL SHAREHOLDERS

		Shareholdings		%	
	Name	Direct	Indirect	Direct	Indirect
1.	Ideal Sun City Sdn Bhd	7,520,260	-	32.00	-
2.	Dato' Ooi Kee Liang	100	7,520,260*	0.00	32.00
3.	Datin Phor Li Wei	100	7,520,260*	0.00	32.00

DIRECTORS' SHAREHOLDINGS

		Direct		Indirect	
	Name	No. of Shares Held	%	No. of Shares Held	%
1.	Dato' Ooi Kee Liang	100	0.00	7,520,260*	32.00
2.	Datin Phor Li Wei	100	0.00	7,520,260*	32.00
3.	Tan Wooi Chuon	-	-	-	-
4.	Loh Eng Wee	-	-	-	-
5.	Dato' Hj. Ismail Bin Din	-	-	-	-

Note:

* Deemed interested through Ideal Sun City Sdn Bhd

CDS Account No.

IDEAL SUN CITY HOLDINGS BERHAD
(Company No. 640850-U)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held

I/We.. Tel: ....
[Full name in block, NRIC No./Company No. and telephone number]

of ....

....

being a member/members of **Ideal Sun City Holdings Berhad**, hereby appoint:-

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 10th Annual General Meeting of the Company to be held at Room 2, Level 1, Vistana Hotel, 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Penang on Thursday, 12 June 2014 at 1.15 p.m. or any adjournment thereof, and to vote as indicated below:-

		For	Against
Ordinary Resolution 1	Re-election of Mr. Loh Eng Wee		
Ordinary Resolution 2	Re-appointment of Dato' Hj. Ismail Bin Din		
Ordinary Resolution 3	Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix their remuneration		
Ordinary Resolution 4	Authority to Issue Shares		
Ordinary Resolution 5	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _______ day of _____________________________, 2014

____
Signature of Shareholder/Common Seal

Notes:

1. *A member of the Company entitled to attend and vote at a meeting shall be entitled to appoint not more than two (2) persons as his proxies to attend and vote. A proxy need not be a member. There shall be no restrictions as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

4. *The instrument appointing a proxy or proxies shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

5. *The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Suite 12-02, 12th Floor, Menara Zurich, 170 Jalan Argyll, 10050 Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.*

6. *Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.*

7. *Only members registered in the Record of Depositors as at 5 June 2014 shall be eligible to attend the Meeting or appoint a proxy to attend and vote on his behalf.*

Fold this flap for sealing

Then fold here

Affix stamp

The Secretary
IDEAL SUN CITY HOLDINGS BERHAD
(Company No: 640850-U)

Suite 12-02,12th Floor,
Menara Zurich,
170, Jalan Argyll,
10050 Penang
Malaysia

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