MBf CORPORATION BERHAD (575672-X)

ANNUAL REPORT 2012

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(Incorporated in Malaysia)

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MBf Corporation Berhad (575672-X)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of MBf Corporation Berhad ("MBf Corp" or "the Company") will be held at Crown Hall, Level 1, Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 25 June 2013 at 10:00 AM for the purpose of transacting the following businesses :-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon. — Ordinary Resolution 1

2. To approve payment of Director's Fees of RM15,000.00 for the financial year ended 31 December 2012. — Ordinary Resolution 2

3. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965 :- — Ordinary Resolution 3

   "THAT Dato' Nelson Arputham being over the age of 70 years and retiring pursuant to Section 129(6) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

4. To appoint Auditors pursuant to a Notice of Nomination received by the Company, a copy of which is annexed hereto and marked as "Appendix I", for the nomination of Messrs Crowe Horwath for appointment as the auditors of the Company and to consider and if thought fit, to pass the following Ordinary Resolution:- — Ordinary Resolution 4

   "That Messrs Crowe Horwath be and are hereby appointed as the auditors of the Company in place of the retiring auditors, Messrs Ernst & Young and to hold office until the conclusion of the next Annual General Meeting and that directors be authorised to fix their remuneration."

5. **SPECIAL BUSINESSES**

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

   5.1 **Proposed acquisition of 13 office units held under Lot No. 54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor with postal address known as No. 823, Level 8, No. 923, Level 9 & No. 1023, Level 10 of Block B1, B3-3A-13, B3-3A-15 & B3-3A-17 of Level 3A, Block B3, and B3-502, B3-510, B3-512, B3-513, B3-515, B3-516 & B3-517 of Level 5, Block B3, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan measuring approximately 48,502 square feet for a total consideration of RM12,175,000 from Leisure Holidays Bhd ("LHB"), a 76.48% owned subsidiary of the Company ("Proposed Acquisition")** — Ordinary Resolution 5

   "THAT, subject to the approval of the relevant authorities for the purpose of giving effect to the Proposed Acquisition, if required (whether in its original form or with or subject to any modification, addition or condition, or revaluation and/or amendment imposed by such relevant authorities), approval be and is hereby given to the Company to acquire from LHB 13 office units held under Lot No. 54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor with postal address known as No. 823, Level 8, No. 923, Level 9 & No. 1023, Level 10 of Block B1, B3-3A-13, B3-3A-15 & B3-3A-17 of Level 3A, Block B3, and B3-502, B3-510, B3-512, B3-513, B3-515, B3-516 & B3-517 of Level 5, Block B3, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan measuring approximately 48,502 square feet for a total consideration of RM12,175,000 through partial settlement of the principal sum of the inter-company amount due to the Company by LHB and upon the terms and conditions of the Sale and Purchase Agreement to be entered into between the Company and LHB (details as per Appendix II).

   AND THAT the Directors of the Company be and are hereby authorized to do all acts and things to give effect to the Proposed Acquisition with full power to assent to any condition, modification, variation, revaluation and/or amendment (if any) as may be imposed or required by such relevant authorities.

AND FURTHER THAT the Directors are hereby duly authorized to take all steps and do all acts and things in any manner as they may deem necessary of expedient in connection with the Proposed Acquisition."

5.2 **Proposed Amendments to the Company's Articles of Association** Special Resolution 6

"THAT the proposed amendments to the Articles of Association of the Company as contained in Appendix III of the Annual Report 2012 ("Proposed Amendments") be and are hereby approved and adopted."

5.3 **Proposed Authority to issue shares pursuant to Section 132D of the Companies Act, 1965** Ordinary Resolution 7

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the governmental / regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company at any time, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

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

BY ORDER OF THE BOARD

LIM KEAT SEE (MAICSA 7020290)
Company Secretary

Petaling Jaya
3 June 2013

Notes:
A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his / her stead. A proxy may but need not be a member of the Company. A member shall be entitled to appoint more than one proxy subject to Section 149(1)(c) of the Companies Act, 1965. The provision in Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. The Form of Proxy must be deposited at the Registered Office of the Company at Block B1, Level 9, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

Explanatory Notes on Special Businesses

(a) Proposed acquisition of 13 office units held under Lot No. 54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor with postal address known as No. 823, Level 8, No. 923, Level 9 & No. 1023, Level 10 of Block B1, B3-3A-13, B3-3A-15 & B3-3A-17 of Level 3A, Block B3, and B3-502, B3-510, B3-512, B3-513, B3-515, B3-516 & B3-517 of Level 5, Block B3, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan measuring approximately 48,502 square feet for a total consideration of RM12,175,000 from Leisure Holidays Bhd ("LHB"), a 76.48% owned subsidiary of the Company ("Proposed Acquisition")

The Proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to enter into a Sale and Purchase Agreement with LHB to acquire 13 office units held under Lot No. 54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor with postal address known as No. 823, Level 8, No. 923, Level 9 & No. 1023, Level 10 of Block B1, B3-3A-13, B3-3A-15 & B3-3A-17 of Level 3A, Block B3, and B3-502, B3-510, B3-512, B3-513, B3-515, B3-516 & B3-517 of Level 5, Block B3, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan measuring approximately 48,502 square feet.

(b) Proposed Amendments to the Company's Articles of Association

The Proposed Special Resolution 6 under item 5.2 is to amend the Company's Articles of Association to reflect the current status of the Company after delisted from the Bursa Malaysia Securities Berhad.

(c) Proposed Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Proposed Ordinary Resolution 7, if passed, will give the Directors of the Company the power to issue shares up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in General Meeting, will expire at the next Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' LOY TEIK NGAN, D.I.M.P.
Managing Director and Chief Executive Officer

DATO' NELSON ARPUTHAM, D.S.P.N.
Independent Non-Executive Director

COMPANY SECRETARY

Lim Keat See (MAICSA 7020290)

AUDITORS

Ernst & Young
Chartered Accountants
License No.: AF 0039
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 603 7495 8000
Fax: 603 2095 5332

PRINCIPAL BANKER

Malayan Banking Berhad

REGISTERED OFFICE

Block B1 Level 9
Pusat Dagang Setia Jaya
(Leisure Commerce Square)
No. 9 Jalan PJS 8/9
46150 Petaling Jaya
Selangor Darul Ehsan
Tel : 603 7875 1200
Fax : 603 7875 0200

REGISTRAR

Insurban Corporate Services Sdn Bhd
149-A Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 603 7729 5529 / 7727 3873
Fax : 603 7728 5948

Message From The Managing Director/Chief Executive Officer

Dear Shareholders,

On behalf of the Board of Directors, I would like to present the Annual Report and Audited Financial Statements of MBf Corporation Berhad ("MBfC") and its Group for the financial year ended 31 December 2012

Group Financial Performance

The Group recorded lower revenue of RM14.92 million for the financial year as compared to RM15.78 million for the previous financial year, a decrease of RM0.86 million or 5.46%. The decrease in revenue was due to the challenges facing the Group's remaining core businesses which are in leisure and timeshare as well as managing / leasing of office lots.

During the year, the Group also registered other income of RM14.19 million as compared to RM36.05 million for the previous financial year, mainly due to the reversal of provision for commitments and contingencies which are no longer required to the sum of RM10.02 million, recovery of bad debts of RM1.42 million, out of court settlement of RM0.50 million on the aborted sale in an associated company, interest income of RM0.51 million and allowance for doubtful debt of RM1.07 million written back. In the previous financial year, other income were mainly derived from the gain of RM15.92 million on the disposal of investment in an associate company ,waiver of interest arising from settlement with financial institutions totaling RM16.11 million, recovery of bad debts of RM6.02 million and interest income of RM0.39 million.

The Group recorded a net profit after taxation before non-controlling interest of RM16.80 million as compared to the previous year profit of RM6.42 million. Profit for the year attributable to equity holders of the company is RM20.89 million as compared to the profit of RM13.67 million for the previous year. The basic earnings per share for the current year is 7.41 sen per share as compared to previous year of 4.85 sen per share.

As mentioned in the previous years, the Group had ceased the property development activities in Rompin. During the year, Summerset Resort Sdn Bhd ("SRSB"), was put into Creditors Voluntary Liquidation on 17 July 2012 by a creditor of SRSB. In addition, as part of the Group's streamlining exercise , Leisure Golf Beach Resort (Rompin) Sdn Bhd (70% owned subsidiary), Summerset D' Rantau Sdn Bhd (60% owned subsidiary), MBf Unit Trust Management Berhad (70% owned subsidiary) were also put into liquidation on 19 April 2012, 21 September 2012 and 24 December 2012 respectively. These discontinued operations contributed to a profit after tax for the year of RM10.15 million, mainly from gain arising from deconsolidation of RM7.74 million.

The Group's net profit for the year was also affected primarily by the allowance for impairment of plant and machinery of RM4.13 million due to the proposed shut down of the timeshare resort in Malacca Village Paradise and allowance for doubtful debts of RM2.86 million for timeshare members.

Prospects

As mentioned above, the Group's remaining core businesses are in leisure and timeshare as well as managing / letting of office lots. The leisure and timeshare business was affected by the negative opinions on the industry as well as the poor conditions of the resorts due to lack of upgrading and refurbishments work. However, steps have been taken and are presently continuing to upgrade the resorts. In addition, approvals from timeshare members and the regulatory authority have also been obtained to remove 65 out of 281 timeshare units for rental business as alternative revenue. Furthermore, approvals have also been obtained to shut down the timeshare resort in Malacca Village Paradise with the view to reduce the uneconomical operating overheads.

The managing and letting of office lots are for the properties located in Leisure Commerce Square where presently the anchor tenant is a local university. The lease rental for the anchor tenant is due for renewal on 1st August 2013 and verbal indication has been given that they will not be renewing the lease. As such, this will have a significant

Message From The Managing Director/Chief Executive Officer

impact for the Group's financial performance moving forward unless new tenants can be found in a timely manner. In addition, the Group will continue to source for buyers for inventories and investment properties as well as sourcing for viable business opportunities that can enhance the Group's financial performance.

Appreciation

On behalf of the Board of Directors, I would like to convey our thanks and appreciation to our valued shareholders, customers, bankers, business associates and regulatory authorities for their support, assistance and co-operation. I would also like to commend the management and staff who have demonstrated their dedication, commitment and undivided loyalty to the Group.

Dato' Loy Teik Ngan,
Managing Director / Chief Executive Officer

17 May 2013

MBf CORPORATION BERHAD
(575672-X)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2012

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Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

Principal activities

The principal activities of the Company are investment holding, property management and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year except for the discontinuance as hotel operator and property developer as disclosed in Note 14 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(loss) from continuing operations	6,657	(23,666)
Gain from discontinued operations	10,146	-
Profit/(loss) for the year	16,803	(23,666)
Attributable to:		
Equity holders of the Company	20,887	(23,666)
Non-controlling interests	(4,084)	-
	16,803	(23,666)

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

In the opinion of the directors, 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, other than the gain arising from deconsolidation of certain subsidiaries as disclosed in Note 14 (b) to the financial statements.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Loy Teik Ngan
Dato' Nelson Arputham
Tan Sri Dato' Chong Chin Shoong (resigned on 11 May 2012)

Directors' benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests in shares

According to the register of directors' shareholdings, the interest of a director in office at the end of the financial year in the shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary share of RM1 each			
	1 January 2012	Bought	Sold	31 December 2012
The Company				
Dato' Loy Teik Ngan - indirect	111,380,600	-	-	111,380,600

Directors' interests in shares (Cont'd)

Dato' Loy Teik Ngan by virtue of his indirect interest in shares in the Company through Leisure Holidays Holdings Sdn Bhd is also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

The other director in office at the end of the financial year had no interest in shares in the Company or its related corporations during or at the end of the financial year.

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

   (ii) to ensure that any current assets which were unlikely to realise their value 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 or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Other statutory information (Cont'd)

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

   (i) any charge on the assets of the Group or 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 of the Group or of the Company which has arisen since the end of the financial year.

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

Significant events

Details of the significant events are disclosed in Note 14 to the financial statements.

Subsequent event

Details of the subsequent event are disclosed in Note 32 to the financial statements.

Auditors

The auditors, Ernst & Young, retire at the forthcoming Annual General Meeting and Messrs Crowe Horwath has been nominated in place of the retiring auditors.

Signed in accordance with a resolution of the directors dated 17 May 2013.

Dato’ Loy Teik Ngan　　　　Dato' Nelson Arputham

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MBf Corporation Berhad
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Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Loy Teik Ngan and Dato' Nelson Arputham, being the two directors of MBf Corporation Berhad, do hereby state that, in our opinion, the accompanying financial statements set out on pages 9 to 73 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 at 31 December 2012 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Signed in accordance with a resolution of the directors dated 17 May 2013.

Dato’ Loy Teik Ngan

Dato' Nelson Arputham

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

I, Ding Lien Bing, being the officer primarily responsible for the financial management of MBf Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 73 are in my opinion 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 Ding Lien Bing
at Kuala Lumpur in Wilayah Persekutuan
dated 17 May 2013

Ding Lien Bing

Before me,

575672-X

Independent auditors' report to the members of MBf Corporation Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of MBf Corporation Berhad, which comprise the statements of financial position as at 31 December 2012 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 73.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independent auditors' report to the members of
MBf Corporation Berhad (Cont'd)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the 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 following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

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

Independent auditors' report to the members of
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Other matters

As stated in Note 2.1 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

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.

Ernst & Young	Teoh Soo Hock
AF: 0039	No. 2477/10/13 (J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
17 May 2013

MBf Corporation Berhad
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Statements of comprehensive income
For the year ended 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000 (restated)	Company 2012 RM'000	Company 2011 RM'000
Continuing operations					
Revenue	3	14,915	15,776	7,617	47,444
Cost of sales	4	(7,869)	(5,995)	(4,762)	(4,377)
		7,046	9,781	2,855	43,067
Other income	5	14,193	36,051	14,782	681
Staff costs	6(b)	(2,297)	(2,787)	(663)	(197)
Depreciation	11	(1,765)	(1,883)	(5)	(4)
Other expenses	7	(10,268)	(20,483)	(40,635)	(11,091)
Profit/(loss) from operations		6,909	20,679	(23,666)	32,456
Finance costs	8	(16)	(2,475)	-	(880)
Share of results of associates		-	1,286	-	-
Profit/(loss) before tax		6,893	19,490	(23,666)	31,576
Income tax (expense)/credit	9	(236)	983	-	1,623
Profit/(loss) after tax for the year		6,657	20,473	(23,666)	33,199
Discontinued operations					
Gain/(loss) net of tax from discontinued operations for the year	14(b)	10,146	(14,050)	-	-
Total comprehensive income/ (expense) for the year		16,803	6,423	(23,666)	33,199
Profit/(loss) for the year attributable to:					
Equity holders of the Company		20,887	13,671	(23,666)	33,199
Non-controlling interests		(4,084)	(7,248)	-	-
		16,803	6,423	(23,666)	33,199
Continuing operations attributable to:					
Equity holders of the Company		11,496	24,570	(23,666)	33,199
Non-controlling interests		(4,839)	(4,097)	-	-
		6,657	20,473	(23,666)	33,199
Discontinued operations attributable to:					
Equity holders of the Company		9,391	(10,899)	-	-
Non-controlling interests		755	(3,151)	-	-
		10,146	(14,050)	-	-

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Statements of comprehensive income
For the year ended 31 December 2012 (Cont'd)

	Note	Group 2012 Sen	Group 2011 Sen (restated)
Earnings per share attributable to equity holders of the Company:			
Basic, for the year (sen)	10	7.41	4.85
Earnings per share from continuing operations attributable to equity holders of the Company:			
Basic, for the year (sen)	10	4.08	8.71
Earnings/(loss) per share from discontinued operations attributable to equity holders of the Company:			
Basic, for the year (sen)	10	3.33	(3.86)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Statements of financial position as at 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000 (restated)	Group As at 1.1.2011 RM'000
Assets				
Non-current assets				
Property, plant and equipment	11	46,549	52,771	55,076
Land held for future development	12	-	14,364	27,500
Investment properties	13	7,897	8,489	8,489
Investment in an associate		-	-	77,296
Unconsolidated subsidiary	16	8,655	-	-
Trade receivables	17	2,348	4,981	16,760
Other receivables	18	-	636	55
		65,449	81,241	185,176
Current assets				
Property development costs	19	-	1,692	3,240
Inventories	20	25,487	26,855	28,312
Trade receivables	17	1,599	1,686	5,966
Other receivables	18	13,076	7,665	8,755
Due from associates		-	-	16
Tax recoverable		126	-	-
Cash and bank balances	22	17,215	21,084	1,432
		57,503	58,982	47,721
Assets classified as held for sale	23	592	-	-
		58,095	58,982	47,721
Total assets		123,544	140,223	232,897

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Statements of financial position as at 31 December 2012 (Cont'd)

		Group		
				As at
	Note	**2012**	**2011**	**1.1.2011**
		RM'000	**RM'000**	**RM'000**
			(restated)	
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	24	282,033	282,033	282,033
Accumulated losses		(244,512)	(265,399)	(283,246)
Redeemable Convertible Secured Loan Stocks	25	-	-	4,176
		37,521	16,634	2,963
Non-controlling interests		15,065	20,384	27,632
Total equity		52,586	37,018	30,595
Non-current liabilities				
Borrowings	26	85	210	4,896
Refundable security deposits	27	9,021	9,972	10,923
Timeshare development account	28	40,844	41,403	46,013
Deferred tax liabilities	29	-	861	1,952
		49,950	52,446	63,784
Current liabilities				
Borrowings	26	78	550	74,428
Refundable security deposits	27	946	946	948
Timeshare development account	28	1,550	1,550	1,686
Trade payables	30	9	7,886	8,473
Other payables	31	18,202	37,987	50,656
Due to associate		-	-	74
Tax payable		223	1,840	2,253
		21,008	50,759	138,518
Total liabilities		70,958	103,205	202,302
Total equity and liabilities		123,544	140,223	232,897

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company No. 575672-X

MBf Corporation Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 December 2012

		Company		
	Note	**2012**	**2011**	**As at 1.1.2011**
		RM'000	**RM'000**	**RM'000**
Assets				
Non-current assets				
Property, plant and equipment	11	7	17	11
Investment in subsidiaries	14	85,050	112,692	112,692
Investment in a jointly controlled entity	15	-	-	-
Unconsolidated subsidiary	16	4,210	-	-
		89,267	112,709	112,703
Current assets				
Other receivables	18	1,274	1,219	1,178
Due from related companies	21	2,432	23,261	20,176
Cash and bank balances	22	150	159	129
		3,856	24,639	21,483
Total assets		93,123	137,348	134,186
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	24	282,033	282,033	282,033
Accumulated losses		(248,697)	(225,031)	(262,406)
Redeemable Convertible Secured Loan Stocks	25	-	-	4,176
Total equity		33,336	57,002	23,803
Non-current liabilities				
Deferred tax liabilities	29	-	-	1,623
Current liabilities				
Borrowings		-	-	28,508
Other payables	31	10,094	12,127	12,373
Due to related companies	21	49,693	68,219	67,879
		59,787	80,346	108,760
Total liabilities		59,787	80,346	110,383
Total equity and liabilities		93,123	137,348	134,186

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MBf Corporation Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the year ended 31 December 2012

		<-- Attributable to Equity Holders of the Company -->					
	Note	**Share capital RM'000**	**Redeemable Convertible Secured Loan Stocks RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Group							
At 1 January 2011		282,033	4,176	(283,246)	2,963	27,632	30,595
Settlement of Redeemable Convertible Secured Loan Stocks		-	(4,176)	4,176	-	-	-
Total comprehensive profit/(loss) for the year - as previously stated		-	-	8,450	8,450	(2,027)	6,423
Prior year adjustment	38	-	-	5,221	5,221	(5,221)	-
Total comprehensive profit/(loss) for the year (restated)		-	-	13,671	13,671	(7,248)	6,423
At 31 December 2011 (restated)		282,033	-	(265,399)	16,634	20,384	37,018
At 1 January 2012 - as previously stated		282,033	-	(270,620)	11,413	25,605	37,018
Prior year adjustment	38	-	-	5,221	5,221	(5,221)	-
At 1 January 2012 (restated)		282,033	-	(265,399)	16,634	20,384	37,018
Total comprehensive profit / (loss) for the year		-	-	20,887	20,887	(4,084)	16,803
Deconsolidation of subsidiaries (Note 14(a))		-	-	-	-	(230)	(230)
Dividend paid to non-controlling interest		-	-	-	-	(1,005)	(1,005)
At 31 December 2012		282,033	-	(244,512)	37,521	15,065	52,586

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MBf Corporation Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the year ended 31 December 2012

	Share capital RM'000	Redeemable Convertible Secured Loan Stocks RM'000	Accumulated losses RM'000	Total RM'000
Company				
At 1 January 2011	282,033	4,176	(262,406)	23,803
Total comprehensive profit for the year	-	-	33,199	33,199
Settlement of Redeemable Convertible Secured Loan Stocks	-	(4,176)	4,176	-
At 31 December 2011	282,033	-	(225,031)	57,002
At 1 January 2012	282,033	-	(225,031)	57,002
Total comprehensive loss for the year	-	-	(23,666)	(23,666)
At 31 December 2012	282,033	-	(248,697)	33,336

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MBf Corporation Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the year ended 31 December 2012

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
Profit/(loss) before tax from continuing operations	6,893	19,490	(23,666)	31,576
Gain/(loss) before tax from discontinued operation	10,146	(14,050)	-	-
Profit/(loss) before tax, total	17,039	5,440	(23,666)	31,576
Adjustments for:				
Share of results of associates	-	(1,286)	-	-
Gain on disposal of investment in an associate	-	(15,916)	-	-
Gain on disposal of property, plant and equipment	(34)	-	-	-
Gain on deconsolidation of subsidiaries	(7,736)	(2,178)	-	-
Allowance for impairment of financial assets:				
- related companies	-	-	12,701	10,373
- trade receivables	2,861	9,749	-	-
- other receivables	-	184	-	-
Write back of contingent liabilities of a former subsidiary	-	(4,204)	-	-
Allowance for doubtful debts written back:				
- Continuing operations	(1,073)	(120)	-	-
- Discontinued operation	(3,750)	(687)	-	-
Property, plant and equipment written off	5	23	5	-
Depreciation	1,765	1,883	5	4
Waiver of interest	-	(16,115)	-	-
Bad debts written off	42	387	-	-
Interest income	(513)	(385)	(873)	(342)
Interest expenses	16	2,475	-	880
Allowance for impairment losses:				
- Investment in subsidiaries	-	-	27,642	-
- Inventories	-	1,450	-	-
- Land held for future development	-	13,136	-	-
- Property development costs	-	1,548	-	-
- Property, plant and equipment	4,127	375	-	-

MBf Corporation Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the year ended 31 December 2012 (Cont'd)

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities (Cont'd)				
Adjustments for: (Cont'd)				
Write back of impairment for investment in a subsidiary	-	-	(4,210)	-
Provision for guaranteed return written back	(10,015)	-	(9,665)	-
Provision for guaranteed return	744	3,352	-	-
Operating profit before working capital changes	3,478	(889)	1,939	42,491
(Increase)/decrease in trade and other receivables	(10,749)	7,094	(55)	(71)
Increase in amount due to related companies	-	(58)	(901)	(13,086)
Decrease in inventories	659	7	-	-
Decrease in trade and other payables	6,832	(10,226)	(993)	(247)
Decrease in timeshare development fund and refundable security deposits	(1,510)	(5,699)	-	-
Net cash (used in)/generated from operating activities	(1,290)	(9,771)	(10)	29,087
Interest received	513	385	1	-
Interest paid	(16)	(2,475)	-	(539)
Tax paid	(1,979)	(521)	-	-
Net cash (used in)/generated from operating activities	(2,772)	(12,382)	(9)	28,548
Cash flows from investing activities				
Acquisition of property, plant and equipment	(58)	(15)	-	(10)
Proceeds from disposal of property, plant and equipment	109	-	-	-
Dividend paid to non-controlling interest	(1,005)	-	-	-
Proceeds from disposal of an associate	-	94,498	-	-
Net cash (used in)/generated from investing activities	(954)	94,483	-	(10)

MBf Corporation Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the year ended 31 December 2012 (Cont'd)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Repayment of hire purchase	(143)	(96)	-	-
Repayment of term loans	-	(33,845)	-	-
RCSLS redeemed	-	(28,508)	-	(28,508)
Net cash used in financing activities	(143)	(62,449)	-	(28,508)
Net (decrease)/increase in cash and cash equivalents	(3,869)	19,652	(9)	30
Cash and cash equivalents at beginning of year	21,084	1,432	159	129
Cash and cash equivalents at end of year	17,215	21,084	150	159

Cash and cash equivalents comprise:

Deposits with financial institution	15,860	18,186	101	-
Cash and bank balances	1,355	2,898	49	159
	17,215	21,084	150	159

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements - 31 December 2012

1. Corporate information

The principal activities of the Company are investment holding, property management and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 14. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year except for the discontinuance as hotel operator and property developer as disclosed in Note 14.

The registered office and principal place of business of the Company is located at Block B1, Level 9, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 May 2012.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

For all periods up to and including the year ended 31 December 2011, the Group and the Company prepared their financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia. The Group and the Company adopted MFRS on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 December 2011 and related disclosures.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2. Summary of significant accounting policies (Cont'd)

2.2 First time adoption of Malaysian Financial Reporting Standards ("MFRS")

These financial statements, for the year ended 31 December 2012, are the first the Group and the Company have prepared in accordance with MFRS. MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

Accordingly, the Group and the Company have prepared financial statements which comply with MFRS applicable for periods ended on 31 December 2012, together with the comparative period as at and for the year ended 31 December 2011, as described in the accounting policies. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 December 2011 and related disclosures. There is no adjustment on the Group's and the Company's statements of financial position, financial performance and cash flows as at 1 January 2011 and 31 December 2011, arising from the transition from FRS to MFRS.

2.3 Standards and Interpretations issued but not yet effective

The following new and revised MFRS, amendments and IC Interpretations (collectively referred to as “pronouncements”) that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Group and/or the Company:

Effective for annual periods beginning on or after 1 July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

Effective for annual periods beginning on or after 1 January 2013

MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 Employee Benefits (revised)
MFRS 127 Separate Financial Statements (revised)
MFRS 128 Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1 First-time Adoption of MFRS (Government Loans)
Amendments to MFRS 7 Financial Instruments: Disclosures (Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 1 First-time Adoption of MFRS (Annual Improvements 2009-2011 Cycle)

2. Summary of significant accounting policies (Cont'd)

2.3 Standards and Interpretations issued but not yet effective (Cont'd.)

Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10 Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11 Joint Arrangements: Transition Guidance
Amendments to MFRS 12 Disclosure of Interests in Other Entities: Transition Guidance
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 132 Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 10 Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12 Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127 Consolidated and Separate Financial Statements: Investment Entities

Effective for annual periods beginning on or after 1 January 2015

MFRS 9 Financial Instruments (2009)
MFRS 9 Financial Instruments (2010)

Other than as discussed below, the initial applications of the above are expected to have no significant impact on the financial statements of the Group and of the Company in the period of initial application.

<u>MFRS 12 Disclosure of Interests in Other Entities</u>

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group’s financial position or performance.

2. Summary of significant accounting policies (Cont'd)

2.3 Standards and Interpretations issued but not yet effective (Cont'd.)

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted.

Upon adoption of MFRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of MFRS 13 is expected to result in higher fair value of certain properties of the Group.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group’s financial assets but will potentially have no impact on classification and measurements of financial liabilities.

MFRS 119 Employee Benefits

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of MFRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to MFRS 119 require retrospective application with certain exceptions. The directors anticipate that the application of the amendments to MFRS 119 may have impact on amounts reported in respect of the Group's and of the Company's defined benefit plans.

2. Summary of significant accounting policies (Cont'd)

2.3 Standards and Interpretations issued but not yet effective (Cont'd.)

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The amendment affects presentation only and has no impact on the Group’s financial position or performance.

2.4 Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

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

2. Summary of significant accounting policies (Cont'd)

2.4 Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the non-controlling interests' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiaries' equity since then.

(ii) Associates

Associates are those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in profit or loss. The Group's interest in associates is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

(iii) Jointly controlled entities

A jointly controlled entity is an entity in which the Group has joint control over its economic activity established under a contractual arrangement.

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the jointly controlled entities. Under the equity method of accounting, the Group's share of profits less losses of jointly controlled entities during the financial year is included in profit or loss. The Group's interest in jointly controlled entities is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated unless cost cannot be recovered.

2. Summary of significant accounting policies (Cont'd)

2.5 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.6 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.7 Cash and cash equivalents

For purposes of the cash flow statements, cash and cash equivalents include cash and short term funds and deposits with financial institutions, net of outstanding bank overdrafts.

2.8 Investments in subsidiaries and associates

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

2.9 Property, plant and equipment, and depreciation

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

2. Summary of significant accounting policies (Cont'd)

2.9 Property, plant and equipment, and depreciation (Cont'd)

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

Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Freehold buildings	2%
Leasehold buildings	1.6% - 2%
Renovation and building improvements	10% - 20%
Office equipment, furniture and fittings	5% - 20%
Motor vehicles	20%
Computer equipment	20%
Others	10%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in profit or loss.

2.10 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise. Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

2.11 Land held for development and property development costs

(i) Land held for development

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

2. Summary of significant accounting policies (Cont'd)

2.11 Land held for development and property development costs (Cont'd)

(i) Land held for development (Cont'd)

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

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

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

2.12 Inventories

Inventories comprise completed properties held for resale.

Completed properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction and appropriate development overheads.

2. Summary of significant accounting policies (Cont'd)

2.13 Hire purchase assets

Property, plant and equipment acquired under hire purchase agreements are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 2.9 above.

The corresponding outstanding obligations due under the hire purchase after deducting finance expenses are included as liabilities in the financial statements. Finance expenses are charged to profit or loss over the period of the respective agreements using the effective interest rate.

2.14 Provision for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2.15 Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Company's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2. Summary of significant accounting policies (Cont'd)

2.15 Foreign currencies (Cont'd)

(ii) Foreign currency transactions (Cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

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

2.16 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

2. Summary of significant accounting policies (Cont'd)

2.17 Impairment of non-financial assets

The carrying amounts of non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (Cont'd)

2.18 Revenue recognition

(i) Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.11.

(ii) Revenue from rental of office units are recognised on an accrual basis.

(iii) Enrolment fees are recognised as income upon execution of the Timeshare Agreement.

Annual maintenance charges are recognised as income upon execution and renewal of the Timeshare Agreement.

(iv) Management fees, rental and service charges are recognised on an accrual basis.

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

(vi) Fixed annual fee in relation to the timeshare development account and refundable security deposits are recognised over the remaining period of the related Timeshare Agreement as disclosed in Note 2.26.

2.19 Employee benefits

(i) Short term 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 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense as incurred.

2. Summary of significant accounting policies (Cont'd)

2.20 Financial assets

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

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

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

As at the reporting date, the Group and the Company did not have any financial assets categorised as financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase the asset. 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.

(i) Loans and receivables

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

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

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

2. Summary of significant accounting policies (Cont'd)

2.20 Financial assets (Cont'd)

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

2.21 Financial liabilities

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

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

The Group has not designated any financial liabilities as financial liabilities at fair value through profit or loss.

(i) Other financial liabilities

Trade and other payables, amount due to related companies and refundable security deposits are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

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

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

2. Summary of significant accounting policies (Cont'd)

2.22 Impairment of financial assets

(i) Trade receivables, other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group’s and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

2. Summary of significant accounting policies (Cont'd)

2.23 Equity instruments

Ordinary shares are classified as equity. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Redeemable convertible secured loan ("RCSLS")

RCSLS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible bond. The difference between the proceeds of issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option is included in shareholders' equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible bond to the instrument. The difference between this amount and the interest paid is added to the carrying value of the RCSLS.

2.25 Financial guarantee contracts

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

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

2. Summary of significant accounting policies (Cont'd)

2.26 Timeshare Development Account and Refundable Security Deposits

The Timeshare Development Account and Refundable Security Deposits are credited to profit and loss over the remaining period of the related Timeshare Agreement.

2.27 Significant accounting estimates and judgements

Preparation of the financial statements involves making certain estimates, assumptions concerning the future and applying judgements. They affect the accounting policies applied, amounts of assets, liabilities, income and expenses reported and disclosures made. They 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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of properties

The Group determines whether land and buildings, land held for future development, investment properties and completed properties classified as inventories are impaired when indications of impairment exist. The Group evaluates whether such indications of impairment exist based on reference to indicative market prices of similar properties in the same vicinity or past valuation reports performed by independent valuers. The carrying amount of land and buildings, land held for future development, investment properties and completed properties classified as inventories are as disclosed in Notes 11, 12, 13 and 20, respectively.

2. Summary of significant accounting policies (Cont'd)

2.27 Significant accounting estimates and judgements (Cont'd)

(ii) Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which these temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised temporary differences is disclosed in Notes 9 and 29.

(iii) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group’s trade and other receivables at the reporting date are disclosed in Notes 17, 18 and 21.

(iv) Useful lives of buildings

The costs of freehold and leasehold buildings are depreciated on a straight-line basis over the assets’ estimated economic useful lives. Management estimates the useful lives of these buildings to be within 50 to 60 years. These are common life expectancies applied in the timeshare industry and for commercial properties. Changes in the expected level of usage and the state of upkeep and refurbishment could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group’s freehold and leasehold buildings as at 31 December 2012 is as disclosed in Note 11.

2. Summary of significant accounting policies (Cont'd)

2.27 Significant accounting estimates and judgements (Cont'd)

(v) Property development costs

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. As at the reporting date, the Group's property development activity has ceased and the balance is as disclosed in Note 19.

(vi) Timeshare development account and refundable security deposit account

61.25% of the timeshare members' enrolment fees are initially recognised in the timeshare development account and the refundable security deposit account. The carrying amount of the Group's timeshare development account and refundable security deposit account is then recognised as income in profit or loss over a period of between 33 to 49 years. The Group determines this period over which income is recognised based on historical experience and the timeshare industry's practice. The carrying amount of the Group's timeshare development account and refundable security deposit account as at the reporting date is disclosed in Notes 27 and 28, respectively.

Further details of the timeshare development account are disclosed in Note 32.

(vii) Impairment of subsidiaries and amount due from subsidiaries

The Company assesses at each reporting date whether there is any objective evidence for impairment of subsidiaries and the amount due from subsidiaries. In assessing these balances for impairment, the Company will consider factors such as the profitability of existing operations or the significant financial difficulties of the respective subsidiary. The carrying amount of the Company's investment in subsidiaries and the amounts due from subsidiaries are as disclosed in Notes 14 and 21, respectively.

3. Revenue

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Timeshare enrolment fees and annual maintenance fees	9,026	11,161	-	-
Sale of properties	879	-	-	-
Dividend income	-	-	2,345	43,000
Rental income	5,010	4,615	4,842	4,444
Management fees	-	-	430	300
	14,915	15,776	7,617	47,444

4. Cost of sales

Cost of sales of the Group represents timeshare commission, timeshare marketing and other direct timeshare-related expenditure, cost of development properties sold and rental expenses for letting.

Cost of sales of the Company represents expenses incurred in relation to the letting of properties.

5. Other income

Included in other income are:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Rental income	-	57	-	-
Gain on disposal of investment in an associate	-	15,916	-	-
Gain on disposal of property, plant and equipment	34	-	-	-
Waiver of interest	-	13,739	-	-
Interest income	513	385	873	342
Bad debts recovered	1,416	5,697	34	9
Write back of provision for guaranteed return	10,015	- -	9,665	- -
Write back of impairment for investment in a subsidiairy (Note 14)	-	-	4,210	-
Allowance for doubtful debts written back (Note 18)	1,073	120	-	-

6. Directors' remuneration and staff costs

(a) Directors' remuneration

The details of the directors' remuneration of the Company during the year are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive directors: (Note 6(b))				
Salaries and other emoluments	204	674	120	120
Defined contribution plan	24	24	14	14
	228	698	134	134
Non-executive directors: (Note 7)				
Fees	15	30	15	30
Total directors' remuneration	243	728	149	164

(b) Staff costs

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive director's remuneration (Note 6(a))	228	698	134	134
Staff salaries and other benefits	1,833	1,700	446	47
Defined contribution plan	236	389	83	16
	2,297	2,787	663	197

7. Other expenses

Included in other expenses are:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration				
- statutory audit	76	105	22	21
- other services	4	2	-	-
Non-executive directors' fee (Note 6(b))	15	30	15	30
Allowance for impairment of financial assets				
- related companies (Note 21)	-	-	12,701	10,373
- trade receivables (Note 17)	2,861	9,749	-	-
- other receivables (Note 18)	-	184	-	-
Allowance for impairment losses				
- Investment in subsidiaries (Note 14)	-	-	27,642	-
- Inventories	-	801	-	-
- Property, plant and equipment (Note 11)	4,127	-	-	-
Property, plant and equipment written off	5	23	5	-
Bad debts written off	42	387	-	-
Rental of land and building	-	76	8	30
Write back of contingent liabilities of a former subsidiary	-	(4,204)	-	-

8. Finance costs

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense on:				
Hire purchase	16	14	-	-
Term loans	-	1,923	-	-
RCLS	-	538	-	538
Amounts due to subsidiaries	-	-	-	342
	16	2,475	-	880

9. Taxation

Continuing operations

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Tax expense:				
- Current income tax	(94)	(90)	-	-
- Under provision in prior years	(142)	(18)	-	-
	(236)	(108)	-	-
Deferred taxation :				
- Relating to origination and reversal of temporary differences (Note 29)	-	1,091	-	1,623
Tax (expense)/credit	(236)	983	-	1,623

Discontinuing operations

Tax expense	-	-	-	-
Deferred taxation	-	-	-	-
Tax expense	-	-	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

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

	Group		Company	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000
Profit/(loss) before tax from continuing operations	6,893	19,490	(23,666)	31,576
Gain/(loss) before tax from discountinued operations	10,146	(14,050)	-	-
Profit/(loss) before tax	17,039	5,440	(23,666)	31,576

9. Taxation (Cont'd)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Profit/(loss) before tax	17,039	5,440	(23,666)	31,576
Taxation at the Malaysian statutory tax rate of 25% (2011: 25%)	(4,260)	(1,360)	5,917	(7,894)
Income not subject to tax	5,820	10,494	4,302	10,750
Expenses not deductible for tax purposes	(1,272)	(7,774)	(10,091)	(1,233)
Effects of share of associates' and post-tax profits included in Group's profit before taxation	-	321	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	290	73	-	-
Deferred tax assets not recognised	(672)	(753)	(128)	-
Under provision of tax in prior years	(142)	(18)	-	-
Tax (expense)/credit	(236)	983	-	1,623

10. Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) for the year attributed to ordinary equity holders of the Company by the number of ordinary shares in issue during the year.

	Group 2012 RM'000	Group 2011 RM'000 (restated)
Profit/(loss) attributable to ordinary equity holders of the Company		
- Continuing operations	11,496	24,570
- Discontinued operations	9,391	(10,899)
	20,887	13,671
Number of ordinary shares in issue	282,033	282,033
Basic earnings/(loss) per share (sen)		
- Continuing operations	4.08	8.71
- Discontinued operations	3.33	(3.86)
	7.41	4.85

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11. Property, plant and equipment

	Land and buildings* RM'000	Renovation and building improvements RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment RM'000	Others RM'000	Total RM'000
Group								
Cost								
As at 1 January 2012	77,614	1,334	2,168	7,702	793	299	2,909	92,819
Additions	-	-	57	1	-	-	-	58
Disposals	-	-	-	-	(155)	-	-	(155)
Written off	-	-	(5)	(3)	-	-	-	(8)
Attributable to discontinued operations (Note 14(a))	(844)	-	-	-	(157)	(245)	(2,902)	(4,148)
As at 31 December 2012	76,770	1,334	2,220	7,700	481	54	7	88,566
Accumulated depreciation and impairment								
As at 1 January 2012	25,731	1,258	1,846	7,593	412	299	2,909	40,048
Charge for the year	1,492	4	54	101	114	-	-	1,765
Disposals	-	-	-	-	(80)	-	-	(80)
Impairment (Note 7)	4,127	-	-	-	-	-	-	4,127
Written off	-	-	(3)	-	-	-	-	(3)
Attributable to discontinued operations (Note 14(a))	(536)	-	-	-	(157)	(245)	(2,902)	(3,840)
As at 31 December 2012	30,814	1,262	1,897	7,694	289	54	7	42,017
Net carrying amount								
As at 31 December 2012	45,956	72	323	6	192	-	-	46,549

11. Property, plant and equipment (Cont'd)

	Land and buildings* RM'000	Renovation and building improvements RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment RM'000	Others RM'000	Total RM'000
Group (Cont'd)								
Cost								
As at 1 January 2011	77,614	4,483	2,778	8,317	934	499	2,917	97,542
Additions	-	-	5	9	-	1	-	15
Written off	-	(3,149)	(613)	(619)	(141)	(156)	-	(4,678)
Attributable to discontinued operations	-	-	(2)	(5)	-	(45)	(8)	(60)
As at 31 December 2011	77,614	1,334	2,168	7,702	793	299	2,909	92,819
Accumulated depreciation and impairment								
As at 1 January 2011	23,862	4,349	2,381	8,069	421	469	2,915	42,466
Charge for the year	1,494	50	67	144	127	1		1,883
Impairment	375	-	-	-	-	-	-	375
Reclassification	-	-	-	-	5	-	(5)	-
Written off	-	(3,141)	(601)	(617)	(141)	(155)	-	(4,655)
Attributable to discontinued operations	-	-	(1)	(3)	-	(16)	(1)	(21)
As at 31 December 2011	25,731	1,258	1,846	7,593	412	299	2,909	40,048
Net carrying amount								
As at 31 December 2011	51,883	76	322	109	381	-	-	52,771

11. Property, plant and equipment (Cont'd)

	Office equipment RM'000	Furniture and fittings RM'000	Computer equipment RM'000	Total RM'000
Company				
Cost				
As at 1 January 2012	15	8	16	39
Written off	(5)	(3)	-	(8)
As at 31 December 2012	10	5	16	31
Accumulated depreciation				
As at 1 January 2012	6	1	15	22
Charge for the year	3	2	-	5
Written off	(2)	(1)	-	(3)
As at 31 December 2012	7	2	15	24
Net carrying amount				
As at 31 December 2012	3	3	1	7
Cost				
As at 1 January 2011	14	-	15	29
Additions	1	8	1	10
As at 31 December 2011	15	8	16	39
Accumulated depreciation				
As at 1 January 2011	3	-	15	18
Charge for the year	3	1	-	4
As at 31 December 2011	6	1	15	22
Net carrying amount				
As at 31 December 2011	9	7	1	17

11. Property, plant and equipment (Cont'd)

* Land and buildings of the Group comprise:

	Freehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Total RM'000
Group				
Cost				
As at 1 January 2012	1,787	53,605	22,222	77,614
Deconsolidated during the year (Note 14(a))	-	-	(844)	(844)
As at 31 December 2012	1,787	53,605	21,378	76,770
Accumulated depreciation				
As at 1 January 2012	421	18,682	6,628	25,731
Charge for the year	-	1,010	482	1,492
Impairment (Note 7)	-	-	4,127	4,127
Deconsolidated during the year (Note 14(a))	-	-	(536)	(536)
As at 31 December 2012	421	19,692	10,701	30,814
Net carrying amount				
As at 31 December 2012	1,366	33,913	10,677	45,956
Cost				
As at 1 January 2011/31 December 2011	1,787	53,605	22,222	77,614
Accumulated depreciation				
As at 1 January 2011	421	17,723	5,718	23,862
Charge for the year	-	959	535	1,494
Impairment	-	-	375	375
As at 31 December 2011	421	18,682	6,628	25,731
Net carrying amount				
As at 31 December 2011	1,366	34,923	15,594	51,883

11. Property, plant and equipment (Cont'd)

(a) The net book values of property, plant and equipment under hire purchase as disclosed in Note 26 are as follows:

	Group	
	2012 RM'000	2011 RM'000
Motor vehicles	193	381

12. Land held for future development

	Long term leasehold land RM'000
Group	
As at 1 January 2012	14,364
Deconsolidated during the year (Note 14(a))	(14,364)
As at 31 December 2012	-
As at 1 January 2011	27,500
Impairment for the year	(13,136)
As at 31 December 2011	14,364

13. Investment properties

		Group	
	Freehold buildings RM'000	Leasehold buildings RM'000	Total RM'000
At fair value			
As at 1 January 2012	140	8,349	8,489
Transfer to asset classified as held for sale (Note 23)	-	(592)	(592)
As at 31 December 2012	140	7,757	7,897
As at 1 January 2011/31 December 2011	140	8,349	8,489

14. Investment in subsidiaries

	2012 RM'000	2011 RM'000
Company		
Unquoted shares, at cost:	207,142	299,149
Less: Allowance for impairment in cost of investments	(122,092)	(186,457)
	85,050	112,692

The cost of investment in subsidiary of RM4,210,000 was reclassed during the year from investment in subsidiaries to unconsolidated subsidary as disclosed in Note 16.

The movement of the allowance accounts used to record the impairment are as follows:

	2012 RM'000	2011 RM'000
At 1 January	186,457	186,457
Charge for the year (Note 7)	27,642	-
Written back (Note 5)	(4,210)	-
Written off	(87,797)	-
At 31 December	122,092	186,457

The following are the subsidiaries of the Company, all of which are incorporated in Malaysia:

Name	Equity interest held 2012 %	Equity interest held 2011 %	Principal activities
Leisure Holidays Bhd.	76.48	76.48	Promoting and selling of timeshare memberships
Leisure Holidays Marketing Sdn. Bhd.	76.48	76.48	Sales and marketing of timeshare, property and club memberships
Leisure Holidays Resorts Management Sdn. Bhd.	76.48	76.48	Resort management services
Leisure Commerce Square Sdn. Bhd.	70.00	70.00	Investment property
MBf Premier Berhad	100.00	100.00	Investment holding company

14. Investment in subsidiaries (Cont'd)

Name	Equity interest held 2012 %	2011 %	Principal activities
Mexan Enterprise Sdn. Bhd.	100.00	100.00	Investment holding company
Subsidiaries liquidated during the year			
(i) Leisure Golf & Beach Resort (Rompin) Sdn Bhd *	70.00	70.00	Dormant
(ii) Summerset Resort Sdn Bhd **	65.01	65.01	Hotel operator and property developer
(iii) Summerset D' Rantau Sdn Bhd *** @	60.00	60.00	Dormant
(iv) MBf Unit Trust Management Berhad ****	70.00	70.00	Dormant
Subsidiaries liquidated during the previous year			
(v) Summerset Group Management Sdn Bhd *****	65.01	65.01	Dormant

Note:

@ Prior to the creditors' voluntary winding up, it was previously audited by a firm other than Ernst & Young.

* On 19 April 2012, Leisure Golf & Beach Resort (Rompin) Sdn Bhd was placed under creditors' voluntary winding up and subsequently dissolved on 24 December 2012.

** On 17 July 2012, Summerset Resort Sdn Bhd was placed under creditors' winding up.

*** On 21 September 2012, Summerset D'Rantau Sdn. Bhd. was placed under creditors' voluntary winding up.

**** On 24 December 2012, MBf Unit Trust Management Berhad was placed under members' voluntary winding up.

***** On 5 June 2011, Summerset Group Management Sdn Bhd was placed under creditors' voluntary winding up.

14. Investment in subsidiaries (Cont'd)

(a) Statement of financial position of the Group

For financial period up to the date of liquidation

Assets:	**Note**	**2012 RM'000**	**2011 RM'000**
Property, plant and equipment	11	308	35
Land held for future development	12	14,364	-
Property development costs	19	1,692	-
Inventories	20	709	-
Trade and other receivables		10,614	106
Due from holding company	31	8,625	-
Cash and bank balances		20	61
		36,332	202
Liabilities:			
Borrowings		454	-
Trade and other payables		23,609	2,380
Due to related companies	18	11,120	-
		35,183	2,380
(Loss)/gain on deconsolidation of net (assets)/liabilities		(1,149)	2,178
Add: Share of net assets of a deconsolidated subsidiary (Note16)		8,655	-
Add: Elimination of non-controlling interest		230	-
Gain arising from deconsolidation		7,736	2,178

(b) Statement of comprehensive income

For financial period up to the date of liquidation

	2012 RM'000	**2011 RM'000 (restated)**
Revenue	-	1,133
Other income	3,765	2,774
Other expenses	(1,355)	(20,135)
Profit/(loss) from discontinued operations	2,410	(16,228)
Finance costs	-	-
Profit/(loss)before tax from discontinued operations	2,410	(16,228)
Income tax expense	-	-
Profit/(loss) after tax from discontinued operations	2,410	(16,228)
Gain arising from deconsolidation of discontinued operation	7,736	2,178
	10,146	(14,050)

14. Investment in subsidiaries (Cont'd)

(b) Statement of comprehensive income (Cont'd)

Included in the profit/(loss) from discontinued operations are:

	Group 2012 RM'000	Group 2011 RM'000
Waiver of interest	-	2,376
Bad debts recovered	-	320
Allowance for doubtful debts written back (Note 18)	3,750	-
Auditors' remuneration		
- statutory audit	-	17
- other services	-	3
Alowance for impairment loss :		
- Inventories	-	(649)
- Land held for future development	-	(13,136)
- Property development costs	-	(1,548)
- Property plant and equipment	-	(375)
Provision for guarantee return	(744)	(3,352)

(c) Statement of cash flows

The cashflows attributable to the above liquidated subsidiaries are as follow:

	Group 2012 RM'000	Group 2011 RM'000
Operating, representing net cash outflows	(126)	(437)

15. Investment in a jointly controlled entity

	Group 2012 RM'000	Group 2011 RM'000
Unquoted shares in Malaysia, at cost	175	175
Share of post-acquisition losses	(175)	(175)
Represented by share of net assets in a jointly controlled entity	-	-

15. Investment in a jointly controlled entity (Cont'd)

Details of the Group's investment in a jointly controlled entity, a company incorporated in Malaysia, are as follows:

Name	Equity interest held 2012 %	Equity interest held 2011 %	Principal activity
Oncard Malaysia Sdn. Bhd.	50.00	50.00	Ceased operation

The Group's share of the current assets, current liabilities, income and expenses of the jointly controlled entity is as follows:

	2012 RM'000	2011 RM'000
Current assets	39	48
Current liabilities	(1,053)	(1,030)
Net liabilities	(1,014)	(982)
Revenue	-	(2)
Expenses	(32)	(67)
Loss before tax	(32)	(69)
Income tax expense	-	-
Net loss for the year	(32)	(69)

The Group's share of the net liabilities has been limited to its cost of investment in the jointly controlled entity.

16. Unconsolidated subsidiary

Unconsolidated subsidiary represents the investment in a subsidiary, MBf Unit Trust Management Berhad, not consolidated as the subsidiary has been placed under members' voluntary winding up as disclosed in Note14.

17. Trade receivables

	Group 2012 RM'000	Group 2011 RM'000
Trade receivables	15,607	16,416
Less: Allowance for impairment	(11,660)	(9,749)
	3,947	6,667

17. Trade receivables (Cont'd)

	Group 2012 RM'000	Group 2011 RM'000
Of which:		
Due within 1 year	1,599	1,686
Due after 1 year	2,348	4,981
	3,947	6,667

The Group's normal trade credit terms ranges from 30 to 180 (2011: 30 to 180) days. Other current terms are assessed and approved on a case-by-case basis. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Ageing analysis of trade receivables

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

	2012 RM'000	2011 RM'000
Neither past due nor impaired	2,348	4,981
1 to 30 days past due not impaired	336	27
31 to 60 days past due not impaired	127	26
61 to 90 days past due not impaired	119	28
More than 91 days past due not impaired	1,017	1,605
Total past due but not impaired	1,599	1,686
Impaired	11,660	9,749
	15,607	16,416

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired include in-house loans granted to the purchasers of timeshare memberships which are repayable after one year and/or creditworthy debtors with good payment record with the Developer.

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

Receivables that are past due but not impaired

The remaining balance of receivables that are past due but not impaired are unsecured in nature and not renegotiated during the financial year.

17. Trade receivables (Cont'd)

Receivables that are impaired

The movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2012	2011
	RM'000	RM'000
At 1 January	9,749	5,834
Charge for the year (Note 7)	2,861	9,749
Written off		
- continuing operations	(950)	(5,288)
- discontinued operations	-	(546)
At 31 December	11,660	9,749

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

18. Other receivables

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Sundry receivables and deposits	1,893	8,973	1,273	1,218
Amount due from a subsidiary not consolidated	11,120	-	-	-
Prepayments	63	5,409	1	1
	13,076	14,382	1,274	1,219
Less: Allowance for impairment	-	(6,081)	-	-
	13,076	8,301	1,274	1,219
Of which:				
Due within one year	13,076	7,665	1,274	1,219
Due after one year	-	636	-	-
	13,076	8,301	1,274	1,219

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Other receivables that are impaired

As of the reporting date, other receivables of the Group amounting to RM Nil (2011: RM6,081,000) were impaired. All other sundry receivables of the Group and Company were neither past due nor impaired.

18. Other receivables (Cont'd.)

The movement of the allowance accounts used to record the impairment is as follows:

	Group	
	2012	2011
	RM'000	RM'000
At 1 January	6,081	6,887
Charge for the year (Note 7)	-	184
Recovery/written back		
- continuing operations (Note 5)	(1,073)	(120)
- discontinued operations (Note 14(b))	(3,750)	-
Transfer due to deconsolidation of a subsidiary	(658)	-
Written off		
- continuing operations	(600)	(729)
- discontinued operations	-	(141)
At 31 December	-	6,081

19. Property development costs

	Group	
	2012	2011
	RM'000	RM'000
As at 1 January:		
Leasehold land	8,114	8,114
Development costs	8,699	8,699
Deconsolidated during the year (Note 14(a))	(16,813)	-
As at 31 December	-	16,813
Development costs incurred during the year	-	-
Costs recognised in the profit and loss		
As at 1 January	(15,121)	(13,573)
Impairment loss for the year	-	(1,548)
Deconsolidated during the year (Note 14(a))	15,121	-
As at 31 December	-	(15,121)
Property development costs as at 31 December	-	1,692

20. Inventories

	Group 2012 RM'000	Group 2011 RM'000
At cost:		
Unsold properties	39,113	42,203
Other consumables	-	12
	39,113	42,215
Less: Allowance for impairment	(13,626)	(15,360)
	25,487	26,855

21. Due from/(to) related companies

The amounts due from/(to) related companies comprise:

	Company 2012 RM'000	Company 2011 RM'000
Due from subsidiaries	15,144	57,141
Less: Allowance for doubtful debts	(12,712)	(33,880)
	2,432	23,261
Due to subsidiaries	(49,693)	(68,219)

Except for an amount of RM2,432,000 (2011: RM11,120,000) due to the Company from subsidiaries which bears interest at 3.00% (2011: 6.80%) per annum, the other amounts due from/(to) related companies are unsecured, interest free and have no fixed terms of repayment.

The movement of the allowance accounts used to record the impairment is as follows:

	Company 2012 RM'000	Company 2011 RM'000
At 1 January	33,880	23,537
Charge for the year (Note 7)	12,701	10,373
Recovery/written back	(34)	-
Transfer due to deconsolidation of a subsidiary	(33,835)	(30)
At 31 December	12,712	33,880

22. Cash and cash equivalents

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	1,355	2,898	150	159
Fixed deposits with licensed banks	15,860	18,186	-	-
	17,215	21,084	150	159

Included in cash and bank balances of the Group are bank balances of RM348,141 (2011: RM142,917) in trust accounts established in accordance with the terms of the Trust Deed entered into by a subsidiary, the Trustee and the subsidiary's timeshare members.

Included in deposits with licensed banks of the Group are deposits of RM448,391 (2011: RM1,051,606) in sinking fund trust accounts established in accordance with the terms of the Trust Deed entered into by a subsidiary, the Trustee and the subsidiary's timeshare members.

The range of interest rates per annum and average maturities of deposits of the Group as at the end of the financial year were as follows:

	Interest Rates		Maturities	
	2012	2011	2012	2011
	%	%	Days	Days
Group				
Licensed banks	1.70 - 3.05	1.70 - 3.05	1 - 87	1 - 63

23. Assets classified as held for sale

Included in assets classified as held for sale on the statement of financial position as at 31 December 2012 are investment properties comprising several units of condominiums.

	Group	
	2012	2011
	RM'000	RM'000
Investment properties (Note 13)	592	-

24. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2012	2011	2012	2011
	Unit ('000)	Unit ('000)	RM'000	RM'000
Authorised:				
At 1 January/31 December	500,000	500,000	500,000	500,000
Issued and fully paid:				
At 1 January/31 December	282,033	282,033	282,033	282,033

25. Redeemable convertible secured loan stocks ("RCSLS")

	Group and Company	
	2012	**2011**
	RM'000	**RM'000**
Nominal value of RM1 each:		
	-	
At 1 January	-	22,642
Redeemed during the year	-	(22,642)
At 31 December	-	-

The nominal value of the RCSLS have been split between the liability component and the equity component, representing the fair value of the conversion option. The RCSLS were accounted for on the issuance date as follows:

	Group and Company RM'000
Nominal value of RCSLS	23,689
Equity component, net of deferred tax, at date of issuance	(4,368)
Deferred tax liabilities	(1,699)
Liability component at date of issuance	17,622

The movement of the liability component of RCSLS during the year was as follows:

	Group and Company	
	2012	**2011**
	RM'000	**RM'000**
At 1 January	-	28,508
Interest accrued	-	538
Redeemed during the year	-	(29,046)
At 31 December	-	-

The movement of the equity component of RCSLS during the year was as follows:

	Group and Company	
	2012	**2011**
	RM'000	**RM'000**
At 1 January	-	4,176
Redeemed during the year	-	(4,176)
At 31 December	-	-

25. Redeemable convertible secured loan stocks ("RCSLS") (Cont'd)

The terms of the 23,689,000 5-year 2% RCSLS 2003/2007 at a nominal value of RM1 each were as follows:

(a) Tenure - The RCSLS are for a period of 5 years from the date of issue of the RCSLS and mature on the Maturity Date, being the 5th anniversary from the date of issue of the RCSLS.

(b) Conversion rights - The RCSLS are convertible into new shares of the Company at the conversion price at the option of the RCSLS holders at any time within the tenure of the RCSLS. The conversion price shall be satisfied by surrendering RM1.00 nominal value of RCSLS for one new ordinary share of RM1 each of the Company.

(c) Redeemability - The RCSLS are redeemable by the Company in the event of the disposal of the shares of the Company's investment in a wholly-owned subsidiary, MBf Premier Berhad ("MBf Premier") and/or the Group's investment in an associate, QBE Insurance (Malaysia) Berhad ("QBEM"). The RCSLS shall be redeemed from the proceeds received from the disposal of MBf Premier/QBEM.

Unless previously converted, redeemed or cancelled by the Company, all RCSLS will be redeemed in the following manner:

(i) RM10 million nominal value of the RCSLS at the end of the 4th year from the date of issue of the RCSLS, and

(ii) the balance nominal value of RCSLS on the Maturity Date.

(d) Coupon rate - 2% per annum payable annually in arrears commencing from the 1st anniversary of the date of issue of the RCSLS and thereafter at yearly intervals until the date falling 5 years from the date of issue of the RCSLS.

(e) Security - The RCSLS are secured by a memorandum of deposit over the Group's equity interest in QBEM, represented by 78,526,451 shares of RM0.50 each.

(f) The new shares of the Company to be issued upon the conversion of the RCSLS shall upon allotment and issue, rank pari passu in all respect with the then new shares of the Company including entitlements to dividends, rights, allotments or other distributions except for:

(i) any dividend in respect of the financial year preceding that in which the new shares of the Company are issued, and

(ii) distributions, declared by the Company which entitlement date thereof precedes the relevant conversion date of the RCSLS.

(g) The RCSLS are not transferable, tradeable nor listed on any stock exchange.

25. Redeemable convertible secured loan stocks ("RCSLS") (Cont'd)

The RCSLS matured in 2007 and the Company has defaulted on the redemption terms specified in (c) above. In the previous financial year, the Company has fully redeemed the RCSLS.

26. Borrowings

	Group	
	2012	2011
	RM'000	RM'000
Total borrowings		
Hire purchase	163	760

The remaining maturities of the loans and borrowings as at year end are as follows:

	Group	
	RM'000	RM'000
Within one year	78	550
1 to 2 years	85	96
2 to 5 years	-	114
	163	760

The hire purchase facilities of the Group were secured by certain assets of the Group as disclosed in Note 11.

27. Refundable security deposits

The refundable security deposits are funds paid by subscribers to ensure that the subscribers comply with the terms and conditions of the subscribers agreements over the duration of the agreements. The refundability of these funds is subject to the terms and conditions of the subscribers agreements. The balance outstanding as at the reporting date is stated net of any amounts utilised to settle fixed annual fees outstanding. Of the amount outstanding as at the reporting date, RM9,021,000 (2011: RM9,972,000) is expected to be realised more than one year after the reporting date.

28. Timeshare development account

The timeshare development account is to be utilised to cover the cost of acquisition or construction and furnishing of each resort or holiday apartment used for the timeshare business. The balance outstanding as at the reporting date is stated net of any amounts utilised to settle fixed annual fees outstanding. Of the amount outstanding as at 31 December 2012, RM40,844,000 (2011: RM41,403,000) is expected to be realised more than one year after the reporting date.

29. Deferred tax liabilities

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1 January	861	1,952	-	1,623
Recognised in profit or loss (Note 9)	-	(1,091)	-	(1,623)
Deconsolidated during the year	(861)	-	-	-
At 31 December	-	861	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	-	-	-	(1,623)
Deferred tax liabilities	-	861	-	1,623
	-	861	-	-

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting were as follows:

Deferred tax liabilities of the Group

	Revaluation of assets on acquisition of subsidiaries RM'000	RCSLS RM'000	Total RM'000
At 1 January 2011	861	1,623	2,484
Recognised in profit or loss	-	(1,623)	(1,623)
At 31 December 2011	861	-	861
Recognised in profit or loss	(861)	-	(861)
At 31 December 2012	-	-	-

29. Deferred tax liabilities (Cont'd)

Deferred tax assets of the Group

	Accelerated and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2011	512	20	532
Recognised in profit or loss	(512)	(20)	(532)
At 31 December 2011	-	-	-

The deferred tax liabilities of the Company in the previous year was in the respect of the RCSLS.

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unused tax losses	10,439	62,448	499	-
Unabsorbed capital allowances	70	2,462	12	-
Allowance for doubtful debts	-	1,872	-	-
Provision for liabilities	-	10,015	-	9,665
	10,509	76,797	511	9,665

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

30. Trade payables

	Group	
	2012 RM'000	2011 RM'000
Trade payables	9	7,886

The normal trade credit terms granted to the Group range from 30 to 180 days (2011: 30 to 180 days).

31. Other payables

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Provision for commitments and contingencies	-	10,015	-	9,665
Amount due to a subsidiary not consolidated	8,625	-	8,625	-
Sundry payables	5,979	18,720	7	2,249
Accruals	3,598	9,252	1,462	213
	18,202	37,987	10,094	12,127

The normal trade credit terms granted to the Group range from 30 to 180 days (2011: 30 to 180 days).

The amount due to a subsidiary not consolidated relates to an amount due to a subsidiary, MBf Unit Trust Management Berhad which is under member's voluntary winding up as disclosed in Note 14(a).

32. Subsequent events

On 18 February 2013, Malaysian Holiday Timeshare Developers Federation ("MHTDF") received a reply from the Inland Revenue Board ("IRB") with regards to IRBs' decision to tax on the deferred income accrued in the books of timeshare operators over three years from the years of assessment 2013 to 2016. As at 31 December 2012, the balance of timeshare development account amounted to RM42.39 million which may attract a tax payment of RM10.60 million over the next three years.The industry through MHTDF is pursuing the matter with IRB. As at 31 December 2012, the Group and the Company have not made provision for tax liability for this amount.

Further details of the timeshare development account are disclosed in Note 2.27(vi).

33. Significant related party transactions

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Dividend income	-	-	2,345	43,000
Rental costs	-	-	3,175	2,910
Management fees	-	-	430	300
Interest income	-	-	872	342

34. Financial instruments

(a) Financial risk management objectives and policies

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

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

As at the end of the current reporting date, as the Group has no significant interest-bearing financial liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

34. Financial instruments (Cont'd)

(b) Interest rate risk (Cont'd)

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

	Fixed Interest Rate RM'000	Non Interest Bearing RM'000	Total RM'000
Group			
2012			
Financial assets			
Trade receivables	-	3,947	3,947
Other receivables	-	13,013	13,013
Deposits and bank balances	15,860	1,355	17,215
Total financial assets	15,860	18,315	34,175
Financial liabilities			
Trade payables	-	9	9
Other payables	-	18,202	18,202
Bank borrowings	163	-	163
Refundable security deposits	-	9,967	9,967
Total financial liabilities	163	28,178	28,341
Net financial assets/(liabilities)	15,697	(9,863)	5,834
2011			
Financial assets			
Trade receivables	-	6,667	6,667
Other receivables	-	2,892	2,892
Deposits and bank balances	18,186	2,898	21,084
Total financial assets	18,186	12,457	30,643
Financial liabilities			
Trade payables	-	7,886	7,886
Other payables	-	37,987	37,987
Bank borrowings	760	-	760
Refundable security deposits	-	10,918	10,918
Total financial liabilities	760	56,791	57,551
Net financial assets/(liabilities)	17,426	(44,334)	(26,908)

34. Financial instruments (Cont'd)

(b) Interest rate risk (Cont'd)

Company	Fixed Interest Rate RM'000	Floating Interest Rate RM'000	Non Interest Bearing RM'000	Total RM'000
2012				
Financial assets				
Other receivables	-	-	1,273	1,273
Due from related companies	2,432	-	-	2,432
Deposits and bank balances	-	-	150	150
Total financial assets	2,432	-	1,423	3,855
Financial liabilities				
Other payables	-	-	10,094	10,094
Due to related companies	-	-	49,693	49,693
Total financial liabilities	-	-	59,787	59,787
Net financial assets/(liabilities)	2,432	-	(58,364)	(55,932)
2011				
Financial assets				
Other receivables	-	-	1,218	1,218
Due from related companies	-	11,120	12,141	23,261
Deposits and bank balances	-	-	159	159
Total financial assets	-	11,120	13,518	24,638
Financial liabilities				
Other payables	-	-	12,127	12,127
Due to related companies	-	11,120	57,099	68,219
Total financial liabilities	-	11,120	69,226	80,346
Net financial liabilities	-	-	(55,708)	(55,708)

34. Financial instruments (cont'd)

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness

The table below details the expected contractual cash flow by maturity of financial liabilities held at 31 December 2012:

	On demand or within one month RM'000	More than one but less than six months RM'000	More than six but less than 12 months RM'000	More than 12 months RM'000	Total RM'000
Group					
2012					
Financial liabilities					
Trade and other payables	18,211	-	-	-	18,211
Borrowings	7	37	44	96	184
Refundable security deposits	79	394	473	9,021	9,967
	18,297	431	517	9,117	28,362
2011					
Financial liabilities					
Trade and other payables	45,873	-	-	-	45,873
Borrowings	300	125	125	210	760
Refundable security deposits	79	394	473	9,972	10,918
	46,252	519	598	10,182	57,551

34. Financial instruments (Cont'd)

(c) Liquidity risk (Cont'd)

	On demand or within one month RM'000	More than one but less than six months RM'000	More than six but less than 12 months RM'000	More than 12 months RM'000	Total RM'000
Company					
2012					
Financial liabilities					
Other payables	10,094	-	-	-	10,094
Due to related companies	49,693	-	-	-	49,693
	59,787	-	-	-	59,787
2011					
Financial liabilities					
Other payables	12,127	-	-	-	12,127
Due to related companies	68,219	-	-	-	68,219
	80,346	-	-	-	80,346

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group’s credit risk is primarily attributable to trade and other receivables and bank balance. In respect of trade and other receivables, the Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and policies and procedures are in place to ensure that the Group's exposure to bad debts is kept to a minimum. In respect of cash and cash equivalents, the Group's policy is to place surplus cash with licensed banks in Malaysia.

The maximum amount of exposure to credit risk arising from the Group's trade and other receivables and cash and bank balances equal to the carrying amount of these financial assets on the statement of financial position.

34. Financial instruments (Cont'd)

(d) Credit risk (Cont'd)

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

The profile of the Group's trade and other receivables and cash and bank balances at the reporting date are as disclosed in Notes 17, 18 and 22, respectively.

(e) Categories of financial instrument

Financial instruments of the Group and Company are categorised as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000 (restated)	RM'000	RM'000
Financial assets - loans and receivables				
Trade receivables	3,947	6,667	-	-
Other receivables	13,013	2,892	1,273	1,218
Due from related companies	-	-	2,432	23,261
Cash and bank balances	17,215	21,084	150	159
	34,175	30,643	3,855	24,638
Financial liabilities - at amortised cost				
Borrowings	163	760	-	-
Trade payables	9	7,886	-	-
Other payables	18,202	37,987	10,094	12,127
Due to related companies	-	-	49,693	68,219
Refundable security deposits	9,967	10,918	-	-
	28,341	57,551	59,787	80,346

34. Financial instruments (Cont'd)

(f) Fair values

Determination of fair values:

(i) Trade and other receivables

The carrying amounts of current trade and other receivables approximate fair values due to the relatively short term maturity of these financial instruments.

The carrying amounts of non-current trade receivables approximate fair values as the Developer has the right to charge and waive interest of up to 18% per annum upon the invoicing of these receivables.

(ii) Cash and bank balances

The carrying amount approximates fair value due to the relatively short term maturity of these financial instruments.

(iii) Trade and other payables, and due to related companies/associates

The carrying amounts of current other payables approximate fair values due to the relatively short term maturity of these financial instruments.

(iv) Borrowings

The carrying amounts of borrowings are reasonable approximations of fair values due to the insignificant impact of these financial instruments.

35. Capital management

The primary objective of the Group’s capital management is to ensure that it maintains sufficient capital to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the financial year ended 31 December 2012.

36. Material Litigations

(a) Leisure Commerce Square Joint Management Body ("LCS JMB") versus Leisure Commerce Square Sdn Bhd ("LCSSB")

In year 2009, LCS JMB being the management body of LCSSB, filed a legal suit against LCSSB, a subsidiary of the Company, for service charges and outgoings due and owing by LCSSB to LCS JMB in respect of all unsold units of offices and retail units at LCS of approximately RM11 million.

LCSSB has also filed a counter claim to demand the refund of the service charges and outgoings paid to the Building Management fund from the LCS JMB pertaining to all the unsold units amounting to approximately RM10 million.

LCSSB's lawyers opined that the LCSSB stands a good chance in dismissing the claim and succeeding in its counter claim, if inter alia, the Court agrees that no service charges are to be imposed on the unsold units prior to the formation of the LCS JMB.

The Court has also ruled for a mediation exercise between the two parties. The mediation has been scheduled on 17 June 2013 and the Court has fixed trial for 28 to 30 October 2013.

(b) Leisure Square Corporate Parking Sdn Bhd ("LSCP") vs Leisure Commerce Square Sdn Bhd ("LCSSB")

During the year, Leisure Square Corporate Parking Sdn Bhd ("LSCP") filed a legal suit against the Company for the imposition of service charges by the LCS JMB on the accessory parcels (car parks) which they bought in 2006.

At the time of purchase, the Building and Common Property (Maintenance and Management) Act 2007 was not enacted yet and there was no imposition of service charges on the car parks based on the Strata Title Act at that point. It was agreed that this would only apply when the Management Corporation ("MC") is formed.

LSCP is claiming approximately RM1.83 million (excluding interest) from the day the LCS JMB impose the service charges on the car parks as at 31 December 2012.

The Shah Alam High Court on 30 January 2013 has ruled in favour of LCSSB. However, the plaintiff, LSCP has filed an appeal on 21 February 2013 of which hearing date has yet to be fixed.

37. Prior Year Adjustment

Prior year adjustment is in respect of an under attribution of share of losses to the non-controlling interests in the previous financial year.

In accordance with MFRS 127, the total comprehensive income or loss must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

As a result, the Group has adjusted for the under attribution of losses to its non-controlling interests, which has resulted in the decrease in non-controlling interests by RM5,221,000 with a corresponding decrease in accumulated loss of RM5,221,000.

The following comparative amounts for the Group for the financial year ended 31 December 2011 have been restated to reflect the adjustment.

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of comprehensive income For the financial year ended 31 December 2011			
Profit/(loss) for the year attributable to:			
Equity holders of the Company	8,450	5,221	13,671
Non-controlling interests	(2,027)	(5,221)	(7,248)
Statement of financial position As at 31 December 2011			
Accumulated losses	(270,620)	5,221	(265,399)
Non-controlling interests	25,605	(5,221)	20,384

MBf Corporation Berhad (575672-X)
(Incorporated in Malaysia)

ANALYSIS OF SHAREHOLDINGS

As at 21 June 2012

Authorised share capital	:	RM500,000,000
Issued and Paid-up capital	:	RM282,033,314
Class of Share	:	Ordinary shares of RM1 each
Number of Shareholders	:	42,734
Voting Rights	:	On a show of hands – one vote for every shareholder On a poll – one vote for every ordinary share held

SUBSTANTIAL SHAREHOLDERS

Name	***Direct***	***%***	***Indirect***	**%**
Leisure Holidays Holdings Sdn Bhd	111,380,600	39.49	-	-
Dato' Loy Teik Ngan	-	-	111,380,600*	39.49

* Deemed interested by virtue of his indirect interest in the Company pursuant to Section 122A of the Companies Act, 1965.

Size of Shareholdings	**No. of Shareholders**	**%**	**No. of Shares**	**%**
Less than 100	21,146	49.48	907,556	0.32
100 - 1,000	18,208	42.61	4,777,933	1.69
1,001- 10,000	2,210	5.17	8,515,582	3.02
10,001 - 100,000	974	2.28	34,351,958	12.18
100,001 and below 5% of issued shares	195	0.46	122,099,685	43.29
5% and above of issued shares	1	0.00	111,380,600	39.49
Total	42,734	100.00	282,033,314	100.00

ANALYSIS OF SHAREHOLDINGS

As at 21 June 2012

TOP 30 SHAREHOLDERS AS PER REGISTER & RECORD OF DEPOSITORS

No.	Name	No. of Shares	% of Issued Capital
1.	LEISURE HOLIDAYS HOLDINGS SDN BHD	111,380,600	39.49
2.	TEH CHEE FEI	12,256,300	4.35
3.	BANK PERTANIAN MALAYSIA BERHAD	8,749,000	3.10
4.	CHEE HONG LEONG	8,695,000	3.08
5.	ABB NOMINEE (TEMPATAN) SDN BHD Beneficiary : Affin Bank Berhad (Loan Recovery)	5,691,768	2.02
6.	MAYBANK NOMINEES (ASING) SDN BHD Beneficiary : Nomura Singapore Limited For Xcess Finance Co Ltd	5,619,000	1.99
7.	LAU CHEONG KOON	3,463,000	1.23
8.	LIEW YAM FEE	3,000,000	1.06
9.	KUOK YIT LI @ KUOK LEE LEE	2,830,000	1.00
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Beneficiary : SDB Asset Management Sdn Bhd For Sabah Development Bank Berhad	2,379,300	0.84
11.	CITIGROUP NOMINEES (ASING) SDN BHD Beneficiary : Exempt For OCBC Securities Private Limited	2,175,822	0.77
12.	SU MING KEAT	1,900,000	0.67
13.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Beneficiary : Pledged Securities Account For Ling Kwong Ming	1,697,700	0.60
14.	YEW CHAN LENG @ YAU CHAN LEONG	1,500,000	0.53
15.	CARTABAN NOMINEES (ASING) SDN BHD Beneficiary : Exempt For Credit Agricole (Suisse) SA	1,477,034	0.52
16.	CIMSEC NOMINEES (ASING) SDN BHD Beneficiary : Exempt For CIMB Securities (Singapore) Pte Ltd	1,387,570	0.49
17.	TANG KAM KEW	1,250,000	0.44
18.	TOH TIAM HWAT	1,050,000	0.37
19.	AMSEC NOMINEES (ASING) SDN BHD Beneficiary : Exempt For Amfraser Securities Pte Ltd	1,000,000	0.35
20.	KONG CHOON HOCK	1,000,000	0.35
21.	TAY SOO CHENG	1,000,000	0.35
22.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD Beneficiary : Exempt For UOB Kay Hian Pte Ltd	933,125	0.33

ANALYSIS OF SHAREHOLDINGS
As at 21 June 2012

TOP 30 SHAREHOLDERS AS PER REGISTER & RECORD OF DEPOSITORS (Cont'd)

No.	Name	No. of Shares	% of Issued Capital
23.	HO SIEW CHIN	880,000	0.31
24.	ONG KOON HO	880,000	0.31
25.	JF APEX NOMINEES (TEMPATAN) SDN BHD Beneficiary : Pledged Securities Account For Chow Heng Lan	870,000	0.31
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Beneficiary : Pledged Securities Account for Tan Sea Ming	850,000	0.30
27.	NG HOCK TEE	830,000	0.29
28.	HO SIEW CHOY	810,000	0.29
29.	GOH JUAI HIAN	765,000	0.27
30.	BANGKOK BANK BERHAD	731,000	0.26
	TOTAL	187,051,219	66.27

MBf Corporation Berhad (575672-X)
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Appendix I

Ordinary Resolution 4 – Appointment of Auditors

LEISURE HOLIDAYS HOLDINGS SDN. BHD.
(Company No.: 55969-T)
(Formerly known as Westpoint Sdn. Bhd.)

Address : Taylor's Lakeside Campus
Blok A, Level 5
No.1, Jalan Taylor's
47500 Subang Jaya
Selangor Darul Ehsan
Tel No. : 03 - 56295869 & 56295870
Fax No. : 03 - 56295874

Date : 30 April 2013

The Board of Directors
MBf Corporation Berhad
Level 9, Block B1
Leisure Commerce Square
No. 9, Jalan PJS 8/9
46150 Petaling Jaya

Dear Sirs

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company hereby give notice of my intention to nominate Messrs Crowe Horwath for appointment as new auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting.

"That Messrs Crowe Horwath be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

Yours faithfully
LEISURE HOLIDAYS HOLDINGS SDN BHD

DIRECTOR
DATO' LOY TEIK NGAN

~~CORRESPONDENCE ADDRESS : NO. 1049, LEVEL 10, BLOK A1, PUSAT DAGANG SETIA JAYA, NO. 9, JALAN PJS 8/9, 46150 PETALING JAYA, SELANGOR DARUL EHSAN. TEL: 603-78738088 FAX: 603-78735288~~
~~REGISTERED ADDRESS : UNIT B-5-6, LEVEL 7, BLOCK B, MENARA UNCANG EMAS, 85 JALAN LOKE YEW, 55200 KUALA LUMPUR.~~

MBf Corporation Berhad (575672-X)
(Incorporated in Malaysia)

Appendix II

Ordinary Resolution 5 - Proposed Acquisition

This is the Appendix referred to in the Ordinary Resolution 6of the Notice of Eleventh Annual General Meeting of the Company.

Proposed acquisition of 13 office units held under Lot No. 54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor with postal address known as No. 823, Level 8, No. 923, Level 9 &No. 1023, Level 10 of Block B1, B3-3A-13, B3-3A-15 and B3-3A-17 of Level 3A, Block B3 and B3-502, B3-510,B3-512, B3-513, B3-515, B3-516 and B3-517of Level 5, Block B3, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan measuring approximately 48,502 square feet for a total consideration of RM12,175,000 ("Acquisition Consideration") from Leisure Holidays Bhd. ("LHB"), a 76.48% owned subsidiary of the Company ("Proposed Acquisition").

1. INTRODUCTION

The Board of Directors of the Company wishes to inform that the Company proposes to acquire from LHB 13 office units held under Lot No. 54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor with postal address known as No. 823, Level 8, No. 923, Level 9 & No. 1023, Level 10 of Block B1, B3-3A-13, B3-3A-15 and B3-3A-17 of Level 3A, Block B3 and B3-5-02, B3-5-10, B3-5-12, B3-5-13, B3-5-15, B3-5-16 and B3-5-17 of Level 5, Block B3, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan measuring approximately 48,502 square feet ("Property") for a total consideration of RM12,175,000 through partial settlement of the principal sum of the inter-company amount due to the Company by LHB.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the Property

Description of Property	Unit No.	Floor Level	Area (sq ft)	Purchase Price (RM)
Block B1	No. 823	8	13,401	3,268,000
Block B1	No. 923	9	13,401	3,448,000
Block B1	No. 1023	10	13,401	3,468,000
Block B3	B3-3A-13	3A	764	183,000
Block B3	B3-3A-15	3A	861	207,000
Block B3	B3-3A-17	3A	872	209,000
Block B3	B3-502	5	743	178,000
Block B3	B3-510	5	807	194,000
Block B3	B3-512	5	829	199,000
Block B3	B3-513	5	764	183,000
Block B3	B3-515	5	861	207,000
Block B3	B3-516	5	926	222,000
Block B3	B3-517	5	872	209,000
			48,502	12,175,000

Appendix II

Ordinary Resolution 5 - Proposed Acquisition

2. DETAILS OF THE PROPOSED ACQUISTION (CONT'D.)

2.1 Information on the Property (cont'd)

The Purchase Price of the above Proposed Acquisition is inclusive of 67 parking bays assigned to the following :

Description of Property	No. of Parking Bays
1. No. 823, Level 8, Block B1	16
2. No. 923, Level 9, Block B1	25
3. No. 1023, Level 10, Block B1	26

Title Particulars

a.	Lot No.	:	54 PN 11813, Bandar Sunway Daerah Petaling, Negeri Selangor
b.	Location	:	No. 9, Jalan PJS 8/9, 46150 Petaling Jaya
c.	Tenure	:	99 years Leasehold expiring 17 July 2091
d.	Category of Land Use	:	Commercial building

The individual strata titles to the subject Property have been issued but have yet to be transferred to LHB.

2.2 The Acquisition Consideration of RM12,175,000 was arrived based on market value of the Property as per the valuation report dated 27 March 2013 by Khong & Jaafar Sdn Bhd, the appointed independent firm of registered professional valuer.

The Acquisition Consideration represents the recent sale and rental evidences of similar properties and the rental yield within the same vicinity of the Property.

2.3 The salient terms and conditions of the Sale and Purchase Agreement ("SPA") are as follows :-

(i) The Property will be acquired free from all liens, charges and encumbrances whatsoever with vacant possession and subject to all conditions and restrictions expressed or implied, in the issue of title to the Property and upon the terms and subject to the conditions in the SPA.

Currently, Level 9 at Block B1 is occupied by LHB whilst the rest of the Property is being tenanted out to a local university.

(ii) The Acquisition Consideration for the Proposed Acquisition shall be made as a partial settlement of the principal sum of the inter-company amount outstanding due to the Company by LHB.

Appendix II

Ordinary Resolution 5 - Proposed Acquisition

2. DETAILS OF THE PROPOSED ACQUISTION (CONT'D.)

2.4 Information of LHB

LHB was incorporated in Malaysia under the Companies Act, 1965 as Leisure Holidays Sdn Bhd, a private limited company. In 1992, it was converted to a public limited company. LHB's principal activity is sale of timeshare and club membership. The authorized share capital of LHB is 3,500,000 ordinary shares of RM1.00 each of which RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

2.5 Information on MBf Corp

MBf Corp was incorporated in Malaysia under the Companies Act, 1965 as a private limited company. MBf Corp's principal activity is investment holding. The authorized share capital of MBf Corp is RM500,000,000 comprising of 500,000,000 ordinary shares of RM1.00 each of which RM282,033,314 comprising 282,033,314 ordinary shares of RM1.00 each have been issued and fully paid-up.

3. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition by the Company will enable LHB to reduce its debts due to the Company and subsequently, reducing the interest charged by the Company to LHB.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The effects of the Proposed Acquisition on the share capital, major shareholders' shareholdings, earnings and net assets are set out below.

4.1 Share Capital and Major Shareholders' Shareholdings

The Proposed Acquisition would not have any effect on the share capital of the Company and on the shareholdings of the major shareholders of the Company.

4.2 Earnings and EPS

The Proposed Acquisition does not have any material effect on the earnings and also Earnings Per Share of the MBf Corp Group. .

4.3 Net Assets

The Proposed Acquisition would not have any effect on the consolidated Net Assets and gearing of the MBf Corp Group.

Appendix II

Ordinary Resolution 5 - Proposed Acquisition

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors or major shareholders of the Company or persons connected with them have any interest, direct or indirect in the Proposed Acquisition.

The direct and indirect interests of the interested directors, interested major shareholders and/or person connected to them in MBf Corp as at 31 December 2012, are set out as follows :-

	Direct		*Indirect*	
	No. of ordinary shares in MBf Corp	% held	No. of ordinary shares in MBf Corp	% held
Dato' Loy Teik Ngan ("DLTN")	-	-	111,380,600	39.49

DLTN is a director of MBf Corp and LHB.

DLTN by virtue of his indirect interest in shares in the Company through Leisure Holidays Holdings Sendirian Berhad is also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest. DLTN has a deemed interest of 30.20% in LHB.

Accordingly, DLTN has and will continue to abstain from voting and deliberation at the relevant Board of Directors' meeting of MBf Corp to consider the Proposed Acquisition.

DLTN has undertaken to ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in MBf Corp on the resolution approving the Proposed Acquisition at the forthcoming AGM of MBf Corp.

6. APPROVALS REQUIRED

The Proposed Acquisition is subject to the following approvals being obtained :

(i) the approval of the shareholders of MBf Corp at the forthcoming AGM; and
(ii) the approval of any other relevant authorities or other persons (if required)

7. DIRECTORS' RECOMMENDATION

The Board of Directors of MBf Corp, having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is fair, reasonable and in the best interest of the Company and its shareholders and therefore, recommends that shareholders vote in favour of the resolution pertaining to the Proposed Acquisition to be proposed at the forthcoming AGM.

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association

THAT the Articles of Association of the Company be amended in the following manner :-

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
Article 10 All new issues of new securities for which listing is sought on the Exchange is to be made by way of crediting the securities account of the allottees with such securities save and except where it is specifically exempted from compliance with Section 28 of the Central Depositories Act. The Company shall notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository to make the appropriate entries in the securities account of such allottees.	**Article 10** All new issues of new securities ~~for which listing is sought on the Exchange is~~ are to be made by way of crediting the securities account of the allottees with such securities save and except where it is specifically exempted from compliance with Section 28 of the Central Depositories Act. The Company shall notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository to make the appropriate entries in the securities account of such allottees.	**Article 10** All new issues of new securities are to be made by way of crediting the securities account of the allottees with such securities save and except where it is specifically exempted from compliance with Section 28 of the Central Depositories Act. The Company shall notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository to make the appropriate entries in the securities account of such allottees.
Article 12 The Company shall issue and allot all securities and despatch notices of allotment to the allottees and make an application for the quotation of such securities within the stipulated time frame as prescribed under the Listing Requirements or such other period as may be prescribed by the Exchange from time to time.	**Article 12** The Company shall issue and allot all securities and despatch notices of allotment to the allottees ~~and make an application for the quotation of such securities within the stipulated time frame as prescribed under the Listing Requirements or such other period as may be prescribed by the Exchange from time to time.~~	**Article 12** The Company shall issue and allot all securities and despatch notices of allotment to the allottees.

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association (Cont'd)

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
Article 13 Subject to the provisions of the Act, the Central Depositories Act and the Rules, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholders, transferee, person entitled, purchaser, member company of the Stock Exchange or on behalf of its/their clients/as the Directors of the Company shall require, and (in any case of defacement or wearing out) on delivery of the old certificate, and in any case on payment of such sum not exceeding Ringgit Malaysia Three (RM3.00) only per certificate or such other sum as may from time to time be permitted by the Stock Exchange as the Directors may determine plus the amount of the proper duty with which such certificate is chargeable under any law for the time being in force relating to stamps. In case of the destruction, loss or theft of a share certificate a shareholder or person entitled to such renewed certificate is given shall also bear the loss and pay the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.	**Article 13** Subject to the provisions of the Act, the Central Depositories Act and the Rules, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholders, transferee, person entitled, purchaser~~, member company of the Stock Exchange or on behalf of its/their clients/~~as the Directors of the Company shall require, and (in any case of defacement or wearing out) on delivery of the old certificate, and in any case on payment of such sum not exceeding Ringgit Malaysia Three (RM3.00) only per certificate or such other sum ~~as may from time to time be permitted by the Stock Exchange~~ as the Directors may determine plus the amount of the proper duty with which such certificate is chargeable under any law for the time being in force relating to stamps. In case of the destruction, loss or theft of a share certificate a shareholder or person entitled to such renewed certificate is given shall also bear the loss and pay the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.	**Article 13** Subject to the provisions of the Act, the Central Depositories Act and the Rules, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholders, transferee, person entitled, purchaser as the Directors of the Company shall require, and (in the case of defacement or wearing out) on delivery of the old certificates, and in any case on payment of such sum not exceeding Ringgit Malaysia Three (RM3.00) only per certificate or such other sum as the Directors may determine plus the amount of the proper duty with which such certificate is chargeable under any law for the time being in force relating to stamps. In the case of the destruction, loss or theft of a share certificate a shareholder or person entitled to such renewed certificate is given shall also bear the loss and pay the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
Article 35 The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to the subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.	**Article 35** The transfer of any ~~listed security or class of listed security~~ shares of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to the subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of ~~the listed securities~~ such shares.	**Article 35** The transfer of any shares of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to the subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such shares.
Article 37 The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason thereof shall be published in a daily newspaper circulating in Malaysia and shall also be given to Bursa Securities; such notice shall state the books closing date, which shall be at least ten (10) clear market days after the date of notification to Bursa Securities, and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days prior notice shall be given to the Depository.	**Article 37** The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason thereof shall be published in a daily newspaper circulating in Malaysia ~~and shall also be given to Bursa Securities~~; such notice shall state the books closing date~~, which shall be at least ten (10) clear market days after the date of notification to Bursa Securities,~~ and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days prior notice shall be given to the Depository.	**Article 37** The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason thereof shall be published in a daily newspaper circulating in Malaysia; such notice shall state the books closing date and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days prior notice shall be given to the Depository.

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association (Cont'd)

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
Article 38 Subject to the provisions of the Central Depositories Act and the Rules, such sum as the Directors may from time to time determine (to the extent permitted by law and by Bursa Securities governing the register concerned) plus the amount of proper duty with which each such Certificate is chargeable under any law for the time being in force relating to stamps, may be charge for registration of each transfer and for each registration or transmission under the transmission Article and shall, if required by the Directors, be paid before registration.	**Article 38** Subject to the provisions of the Central Depositories Act and the Rules, such sum as the Directors may from time to time determine (to the extent permitted by law ~~and by Bursa Securities governing the register concerned~~) plus the amount of proper duty with which each such Certificate is chargeable under any law for the time being in force relating to stamps, may be charge for registration of each transfer and for each registration or transmission under the transmission Article and shall, if required by the Directors, be paid before registration.	**Article 38** Subject to the provisions of the Central Depositories Act and the Rules, such sum as the Directors may from time to time determine (to the extent permitted by law) plus the amount of proper duty with which each such Certificate is chargeable under any law for the time being in force relating to stamps, may be charge for registration of each transfer and for each registration or transmission under the transmission Article and shall, if required by the Directors, be paid before registration.
Article 40 The Directors may in their absolute discretion decline to register any transfer of shares not fully paid up or upon which the Company has a lien. If the Directors shall decline to register any such transfer of shares, they shall give notice to both the transferor and the transferee of their refusal to register the transfer within 10 market days of the date when the transfer was lodged with the Company. There shall be no restriction on the transfer of fully paid securities except where required by law.	**Article 40** The Directors may in their absolute discretion decline to register any transfer of shares not fully paid up or upon which the Company has a lien. If the Directors shall decline to register any such transfer of shares, they shall give notice to both the transferor and the transferee of their refusal to register the transfer within 10 ~~market~~ days of the date when the transfer was lodged with the Company. There shall be no restriction on the transfer of fully paid securities except where required by law.	**Article 40** The Directors may in their absolute discretion decline to register any transfer of shares not fully paid up or upon which the Company has a lien. If the Directors shall decline to register any such transfer of shares, they shall give notice to both the transferor and the transferee of their refusal to register the transfer within 10 days of the date when the transfer was lodged with the Company. There shall be no restriction on the transfer of fully paid securities except where required by law.

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association (Cont'd)

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
Article 41 There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the register affecting the title to any share, such fee not exceeding three Ringgit ($3/) or any other sum as may be determined by the Directors from time to time subject to limits regulated by any law in force and Bursa Securities governing the listing of the Company's share as the Directors may from time to time require or prescribe.	**Article 41** There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the register affecting the title to any share, such fee not exceeding ~~three~~ Ringgit **Malaysia Three** (~~$~~**RM**3~~/~~**.00**) or any other sum as may be determined by the Directors from time to time subject to limits regulated by any law in force and ~~Bursa Securities governing the listing of the Company's share~~ as the Directors may from time to time require or prescribe.	**Article 41** There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the register affecting the title to any share, such fee not exceeding Ringgit Malaysia Three (RM3.00) or any other sum as may be determined by the Directors from time to time subject to limits regulated by any law in force and as the Directors may from time to time require or prescribe.
Article 61 The notice convening meeting shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days notice or 21 days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the company is listed.	**Article 61** The notice convening meeting shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. ~~At least 14 days notice or 21 days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the company is listed.~~	**Article 61** The notice convening meeting shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association (Cont'd)

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
	Insertion of New Article after Article 103: **Article 103A** **The Directors may also hold a meeting of Directors at two (2) or more venues within or outside Malaysia using any technology that enable the Directors as a whole to participate for the entire duration of the meeting whereby all participating persons are able to hear each other or be present at the meeting and be counted for the purpose of a quorum. He shall also be entitled to vote thereat. Any meeting held in such manner shall be deemed to have been held at such time and place as set out in the notice of the meeting. All information and documents for the meeting must be made available to all Directors prior to or at the meeting. A minute of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates.**	**Article 103A** The Directors may also hold a meeting of Directors at two (2) or more venues within or outside Malaysia using any technology that enable the Directors as a whole to participate for the entire duration of the meeting whereby all participating persons are able to hear each other or be present at the meeting and be counted for the purpose of a quorum. He shall also be entitled to vote thereat. Any meeting held in such manner shall be deemed to have been held at such time and place as set out in the notice of the meeting. All information and documents for the meeting must be made available to all Directors prior to or at the meeting. A minute of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates.
Article 145 A printed copy of such account, balance sheet and report shall, at least fourteen days previously to the General Meeting, be served on the registered holders of shares in the manner in which notices are hereinafter directed to be served. The requisite number of copies of each such document shall at the same time be sent to each Bursa Securities upon which the Company's shares are listed.	**Article 145** A printed copy of such account, balance sheet and report shall, at least fourteen days previously to the General Meeting, be served on the registered holders of shares in the manner in which notices are hereinafter directed to be served. ~~The requisite number of copies of each such document shall at the same time be sent to each Bursa Securities upon which the Company's shares are listed.~~	**Article 145** A printed copy of such account, balance sheet and report shall, at least fourteen days previously to the General Meeting, be served on the registered holders of shares in the manner in which notices are hereinafter directed to be served.

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association (Cont'd)

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
Article 147 (a) Subject to the compliance with the requirements of the Bursa and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in such other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.	**Article 147 (a)** Subject to the compliance with the **Act** ~~requirements of the Bursa~~ and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in such other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.	**Article 147 (a)** Subject to the compliance with the Act and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in such other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.
Article 157 The Company may by special resolution delete, amend or add to its Articles unless with the prior written approval for such deletion, amendment or addition is obtained from the Stock Exchange.	**Article 157** The Company may by special resolution delete, amend or add to its Articles ~~unless with the prior written approval for such deletion, amendment or addition is obtained from the Stock Exchange~~.	**Article 157** The Company may by special resolution delete, amend or add to its Articles.
Article 158 (a) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done. (b) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done. (c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be)	~~**Article 158**~~ ~~(a) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done.~~ ~~(b) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done.~~ ~~(c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be)~~	**Article 158 - *Deleted***

Appendix III
Special Resolution 6 – Proposed Amendments to the Company's Articles of Association (Cont'd)

EXISTING ARTICLES	PROPOSED AMENDMENTS	AMENDED ARTICLES
(d) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.	~~(d) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.~~	
(e) If the Listing Requirements require these articles not to contain provision and they contain such a provision, these articles are deemed not to contain that provision.	~~(e) If the Listing Requirements require these articles not to contain provision and they contain such a provision, these articles are deemed not to contain that provision.~~	
(f) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.	~~(f) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.~~	
(g) For the purpose of this article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendments to the Listing Requirements that may be made from time to time.	~~(g) For the purpose of this article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendments to the Listing Requirements that may be made from time to time.~~	

PROXY FORM

MBf Corporation Berhad (575672-X)

(Incorporated in Malaysia)

No. of Shares Held	Shareholder's Contact No.

"Proxy A"

I/We, ____NRIC/Passport/Company No. _______________________ of
____
being a member/members of **MBf Corporation Berhad**, hereby appoint ____________________________________
NRIC/Passport No. ________________________ of ____
or failing him/her, __________________________________NRIC/Passport No. ____________________________ of
____
or failing him/her, the Chairman of the meeting, as my/our proxy to attend and vote for me/us and on my/our behalf at the **ELEVENTH ANNUAL GENERAL MEETING** of the Company to be held at Crown Hall, Level 1, Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 25 June 2013 at 10:00 AM or at any adjournment thereof.

"Proxy B"

Where it is desired to appoint a second proxy this section must also be completed, otherwise it should be deleted.
I/We, _______________________________________NRIC/Passport/Company No. __________________________ of
____
being a member/members of **MBf Corporation Berhad**, hereby appoint ____________________________________
NRIC/Passport No. ________________________of____
or failing him/her, ______________________________________NRIC/Passport No. ________________________ of
____
or failing him/her, the Chairman of the meeting, as my/our proxy to attend and vote for me/us and on my/our behalf at the **ELEVENTH ANNUAL GENERAL MEETING** of the Company to be held at Crown Hall, Level 1, Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 25 June 2013 at 10:00 AM or at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy A	%
Second Proxy B	%
	100%

In case of a vote taken by a show of hands *First Proxy A/ Second Proxy B shall vote on my/our behalf.

My/our proxies shall vote as follows:-

RESOLUTIONS	**FIRST PROXY A**		**SECOND PROXY B**	
	FOR	**AGAINST**	**FOR**	**AGAINST**
Ordinary Resolution 1				
Ordinary Resolution 2				
Ordinary Resolution 3				
Ordinary Resolution 4				
Ordinary Resolution 5				
Special Resolution 6				
Ordinary Resolution 7				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/their discretion.)

Dated this …………… day of ………………….

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

Notes:
A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his / her stead. A proxy may but need not be a member of the Company. A member shall be entitled to appoint more than one proxy subject to Section 149(1)(c) of the Companies Act, 1965. The provision in Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. The Form of Proxy must be deposited at the Registered Office of the Company at Block B1, Level 9, Pusat Dagang Setia Jaya (Leisure Commerce Square), No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

Fold this line for sending

Affix
Stamp
Here

The Company Secretary
MBf CORPORATION BERHAD
Block B1, Level 9,
Pusat Dagang Setia Jaya
(Leisure Commerce Square),
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya,
Selangor Darul Ehsan

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MBf CORPORATION BERHAD (575672-X)
Block B1, Level 9, Pusat Dagang Setia Jaya (Leisure Commerce Square),
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya,Selangor Darul Ehsan