Bina Puri Holdings Bhd
(207184-X)

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia

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Bina Puri Holdings Bhd (207184-X)

ANNUAL REPORT 2013

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of the Company will be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Friday, 27 June 2014 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Accounts for the year ended 31 December 2013 and the Reports of Directors and Auditors thereon. (Please refer to Note A)

2. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:

   2.1 Tan Sri Dato' Ir. Wong Foon Meng — **Ordinary Resolution 1**
   2.2 Tan Sri Datuk Tee Hock Seng, JP — **Ordinary Resolution 2**
   2.3 Dr. Tan Cheng Kiat — **Ordinary Resolution 3**

   (Please refer to Note B)

3. To consider and if thought fit, to pass the following as Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:

   "THAT Mr. Tan Kwe Hee, a Director retiring pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next annual general meeting." **Ordinary Resolution 4**

   (Please refer to Note C)

4. To approve the final dividend of 1.5% in respect of the financial year ended 31 December 2013. **Ordinary Resolution 5**

5. To ratify and approve directors' annual fees of RM491,000.00 **Ordinary Resolution 6**

6. To re-appoint Messrs Baker Tilly Monteiro Heng (AF 0117) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS**

   "THAT, subject to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or its subsidiary companies be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature set out in paragraph 2.5 of the Circular to Shareholders of the Company dated 5 June 2014 which are necessary for their day-to-day operations with:

   7.1 Sea Travel and Tours Sdn. Bhd. and New Hong Wah Holdings Sdn. Bhd. — **Ordinary Resolution 8**
   7.2 Kumpulan Melaka Bhd. — **Ordinary Resolution 9**
   7.3 Ideal Heights Properties Sdn. Bhd. — **Ordinary Resolution 10**
   7.4 Dimara Building System Sdn. Bhd. — **Ordinary Resolution 11**
   7.5 Dimara Construction Sdn. Bhd. — **Ordinary Resolution 12**
   7.6 Dimara Holdings Sdn. Bhd. — **Ordinary Resolution 13**

   subject further to the following:

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;

(b) appropriate disclosure is made in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of the Bursa Securities, which requires an actual breakdown of the aggregate value of the recurrent related party transactions entered into during the financial year, including amongst others, the type of recurrent related party transactions and the names of the related parties involved in each type of the recurrent related party transactions entered into and their respective relationships with the Company and that such approval shall, subject to annual renewal, continue to be in force until:

i. the conclusion of the next annual general meeting of the Company (unless by a resolution or resolutions passed at the said annual general meeting, the authority is renewed);

ii. the expiry of the period within which the next annual general meeting of the Company following the forthcoming annual general meeting at which this mandate is approved, is required to be held pursuant to Section 143(1) of the Companies Act, 1965, without regard to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or

iii. revoked or varied by a resolution or resolutions passed by the shareholders of the Company in general meeting, whichever is the earliest; and

(c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by these ordinary resolutions."

8. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next annual general meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." **Ordinary Resolution 14**

9. **PROPOSED RENEWAL OF AUTHORITY BY THE COMPANY TO PURCHASE UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED RENEWAL OF SHARE BUY-BACK")**

"THAT, subject to the Companies Act, 1965, rules, regulations and orders made pursuant to the Companies Act, 1965, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and any other relevant authority, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that: **Ordinary Resolution 15**

(a) the aggregate number of shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the issued and paid-up capital of the Company at any one time; and

(b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits and/or share premium of the Company;

AND THAT the Directors be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 67A of the Companies Act, 1965) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Companies Act, 1965, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT the Directors be and are hereby empowered to do all acts and things (including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991 and to take all such steps and to enter into and execute all commitments, transactions, deed, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations (if any) as may be imposed by the relevant authorities;

AND FURTHER THAT the authority conferred by this ordinary resolution shall be effective immediately upon passing of this ordinary resolution and shall continue in force until the conclusion of the next annual general meeting of the Company or the expiry of the period within which the next annual general meeting of the Company is required by law to be held (whichever is earlier), unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, but shall not prejudice the completion of purchase(s) by the Company before that aforesaid expiry date and in any event in accordance with the provisions of the Listing Requirements and other relevant authorities."

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

Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN that the final dividend, if approved, will be paid on 31 July 2014 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 10 July 2014.

A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 10 July 2014 in respect of transfers; and

(b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

TOH GAIK BEE
MAICSA 7005448
Company Secretary

Selangor Darul Ehsan
Date: 5 June 2014

Notes:

1. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

2. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.

4. A Member of the Company who is entitled to attend and vote at a meeting of the Company or at a meeting of any class of Members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting.

5. Where a Member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

6. Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

8. To be valid the proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

9. Only members whose names appear in the Record of Depositors as at 23 June 2014 shall be eligible to attend the Twenty-Third Annual General Meeting or appoint proxy(ies) to attend and vote on his behalf.

Note A

This agenda item is meant for discussion only as under the provisions of Section 169(1) of the Act and the Company's Articles of Association, the audited accounts do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

Note B

Tan Sri Dato' Ir. Wong Foon Meng, Tan Sri Datuk Tee Hock Seng, JP and Dr. Tan Cheng Kiat are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this Annual General Meeting.

Note C

The re-appointment of Mr. Tan Kwe Hee who has attained the age of 70 years, as Director of the Company to hold office until the conclusion of the next annual general meeting, shall take effect if the Ordinary Resolution 4 is passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or where proxies are allowed, by proxy, at the Twenty-Third Annual General Meeting.

Explanatory Notes on Special Business:

Proposed renewal of shareholders' mandate for recurrent related party transactions

The ordinary resolutions 8, 9, 10, 11, 12 and 13, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in paragraph 2.5 of the Circular to Shareholders on recurrent related party transactions dated 5 June 2014 despatched with the Annual Report 2013.

Proposed authority to allot shares pursuant to section 132D of the Companies Act, 1965

The ordinary resolution 14, if passed, will give the Directors the authority to allot and issue ordinary shares from the unissued share capital of the Company up to an amount not exceeding 10% of the Company's issued share capital for the time being for such purposes as the Directors consider would be in the interests of the Company without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next general meeting.

This mandate is a renewal of the last mandate granted to the Directors at the Twenty-Second Annual General Meeting held on 28 June 2013 which will lapse at the conclusion of the Twenty-Third Annual General Meeting.

The Company had issued a total of 12,441,000 new ordinary shares of RM1.00 each in the Company ("Bina Puri Shares") at an issue price of RM1.00 each pursuant to the private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company which was announced on 17 January 2013 ("Private Placement") (6,700,000 and 5,741,000 new Bina Puri Shares were issued under the general authority to allot shares pursuant to Section 132D of the Companies Act, 1965 which was approved at the Twenty-First Annual General Meeting held on 13 June 2012 and the Twenty-Second Annual General Meeting held on 28 June 2013, respectively), which raised a cumulative gross proceeds of approximately RM12.44 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement RM'000	**Amount utilised RM'000**	**Amount unutilised RM'000**
Working capital requirements	5,852	5,852	–
Repayment of bank borrowings	6,516	6,516	–
Expenses in relation to the Private Placement	73	73	–
Total	12,441	12,441	–

The renewal of this mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to, placement of shares, funding future investment project(s), working capital and/or acquisition(s).

Proposed Renewal of Share Buy-back

The ordinary resolution 15, if passed, will empower the Directors to purchase the Company's shares through Bursa Securities of up to 10% of the total issued and paid-up share capital of the Company.

The details of the Proposed Renewal of Share Buy-Back are contained in the Share Buy-Back Statement on page 7 of the annual report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Twenty-Third Annual General Meeting of the Company.

PROPOSED RENEWAL OF AUTHORITY FOR BINA PURI HOLDINGS BHD. ("BINA PURI") TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED RENEWAL OF SHARE BUY-BACK")

1. INTRODUCTION

On 28 June 2013, the Company had obtained approval from the shareholders of the Company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company. The said authority will lapse at the conclusion of this forthcoming Annual General Meeting ("AGM").

The Company has intention to renew the authority to purchase its own shares by way of an ordinary resolution.

The purpose of this Statement is to provide shareholders with the relevant information on the Proposed Renewal of Share Buy-Back and to seek their approval for the ordinary resolution pertaining to the same to give effect to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM. The notice of the AGM together with the Proxy Form is set out in this Annual Report.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Board proposes to seek shareholders' approval for a renewal of the authority to purchase and/or hold in aggregate of up to 10% of the issued and paid-up share capital of the Company at any point of time through Bursa Malaysia Securities Berhad ("Bursa Securities").

Based on the issued and paid-up share capital of the Company as at 16 May 2014 of RM177,912,550 comprising 177,912,550 ordinary shares of RM1.00 each and an outstanding 9,025,950 ESOS options, a total of 18,693,850 Bina Puri shares may be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back, assuming full exercise of outstanding ESOS options granted under the Company's existing ESOS.

Such authority, if so approved, would be effective upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back until:-

(i) the conclusion of the next AGM of Bina Puri following the general meeting at which the ordinary resolution for the Proposed Renewal of Share Buy-Back is passed, at which time such authority shall lapse unless it is renewed by ordinary resolution passed at the next AGM; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first.

The purchase of shares under the Proposed Renewal of Share Buy-Back will be carried out through Bursa Securities via stockbrokers to be appointed by the Board.

The Board proposes to allocate an amount of up to the retained profits and/or share premium account of the Company for the purchase of its own shares subject to the compliance with Section 67A of the Companies Act, 1965 ("Act") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. Based on the latest audited financial statements of Bina Puri as at 31 December 2013, the retained profits amounted to approximately RM28.27 million and the share premium account amounted to approximately RM4.89 million.

The Proposed Renewal of Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned period using the internal funds of the Group and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of funds at the time of purchase, the actual number of shares to be purchased and other relevant cost factors. The actual number of shares to be purchased and the timing of such purchase will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits, the share premium account and the financial resources available to the Group.

If the Company purchases its own shares using external borrowings, the Board will ensure that the Group has sufficient funds to repay the external borrowings and that the repayment would not have any material effect on the cash flow of the Group.

Bina Puri may only purchase its own shares at a price which is not more than 15% above the weighted average market price of the Bina Puri shares for the 5 market days immediately preceding the date of the purchase.

The Company may only resell the purchased shares held as treasury shares at a price, which is:-

(a) not less than the weighted average market price of the shares for the 5 market days immediately prior to the date of the resale; or

(b) a discounted price of not more than 5% to the weighted average market price of the shares for the 5 market days immediately prior to the date of the resale, provided that the resale takes place no earlier than 30 days from the date of the purchase; and the resale price is not less than the cost of purchase of the shares being resold.

The Company shall, upon each purchase or re-sale of shares, make the necessary announcements to Bursa Securities.

In accordance with Section 67A of the Act, the Directors of the Company may deal with the purchased shares pursuant to the Proposed Renewal of Share Buy-Back, in the following manner:-

(i) to cancel the purchased shares;

(ii) to retain the purchased shares as treasury shares for distribution as share dividends to the shareholders and/or resell through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or

(iii) retain part of the purchased shares as treasury shares and cancel the remainder.

The decision whether to retain the purchased shares as treasury shares, to cancel the purchased shares, distribute the treasury shares as share dividends or to resell the treasury shares on Bursa Securities will be made by the Board at the appropriate time. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits or the share premium account of the Company.

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any distribution and otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

The Company will make an immediate announcement to Bursa Securities of any purchase and resale of the shares and whether the purchased shares will be cancelled or retain as treasury shares or a combination of both.

The Proposed Renewal of Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required by the Main Market Listing Requirements of Bursa Securities.

As at 16 May 2014, the public shareholding spread of the Company based on the issued and paid-up share capital of RM177,912,550 Bina Puri Shares was 49.96%. The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirements not being met.

The Company did not purchase any Bina Puri shares during the financial year ended 31 December 2013.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back, if implemented, will enable Bina Puri to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own shares from the market. The Proposed Renewal of Share Buy-Back is expected to stabilise the supply and demand, as well as the price of Bina Puri shares.

If the Bina Puri shares purchased are subsequently cancelled, the Proposed Renewal of Share Buy-Back may strengthen the Earnings Per Share ("EPS") of the Bina Puri Group. Consequently, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

The purchased shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, and it will be implemented only after due consideration of the financial resources of the Bina Puri Group, and of the resultant impact on the shareholders of the Company. The Board will be mindful of the interests of Bina Puri and its shareholders in undertaking the Proposed Renewal of Share Buy-Back.

4. ADVANTAGES AND DISADVANTAGES

The potential advantages of the Proposed Renewal of Share Buy-Back are as follows:-

(i) allows the Company to take preventive measures against speculation particularly when its shares are undervalued, which would in turn, stabilise the market price of Bina Puri shares and hence, enhance investors' confidence;

(ii) allows the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;

(iii) if the purchased shares which are retained as treasury shares are resold at a higher price, it will provide the Company with opportunities for potential gains; and

(iv) If the treasury shares are distributed as dividends by the Company, it may then serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Renewal of Share Buy-Back are as follows:-

(i) reduce the financial resources of the Company which may otherwise be retained and used for the businesses of the Group. Nevertheless, the Board will be mindful of the interests of the Group and its shareholders in undertaking the Proposed Renewal of Share Buy-Back; and

(ii) as the Proposed Renewal of Share Buy-Back can only be made out of retained earnings and the share premium account, it may result in the reduction of financial resources available for distribution as dividends and bonus issues to the shareholders of the Company.

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The effects of the Proposed Renewal of Share Buy-Back on the share capital, shareholding structure, net assets, earnings and working capital of the Company are set out below based on the following scenarios:-

Minimum scenario : Assuming none of the outstanding ESOS options granted are exercised.

Maximum scenario : Assuming full exercise of the ESOS options granted.

5.1 Share Capital

The proforma effects of the Proposed Renewal of Share Buy-Back on the issued and paid-up share capital of the Company are set out below:-

	Minimum scenario No. of shares '000	RM'000	Maximum scenario No. of shares '000	Total RM'000
Issued and paid-up share capital*	177,913	177,913	177,913	177,913
Assuming full exercise of the ESOS options granted **	–	–	9,026	9,026
	177,913	**177,913**	**186,939**	**186,939**
Assuming maximum number of purchased shares are cancelled pursuant to the Proposed Renewal of Share Buy-Back	(17,791)	(17,791)	(18,694)	(18,694)
Upon completion of the Proposed Renewal of Share Buy-Back	**160,122**	**160,122**	**168,245**	**168,245**

Notes:-
**	As at 16 May 2014*
***	As at 16 May 2014, Bina Puri has 9,025,950 ESOS options granted but not exercised*

On the other hand, if the Bina Puri Shares purchased are retained as treasury shares, resold or distributed to its shareholders, the Proposed Renewal of Share Buy-Back will have no effect on the existing issued and fully paid-up share capital of Bina Puri.

The actual number of Bina Puri shares to be purchased will depend on, inter alia, market conditions and sentiments of Bursa Securities as well as the retained profits, share premium and financial resources available to the Company at the time of the purchase(s).

5.2 Substantial Shareholders' and Directors' Shareholdings

The proforma effects of the Proposed Renewal of Share Buy-Back on the shareholdings of the Directors and substantial shareholders of the Company are set out below based on the Register of Substantial Shareholders and Register of Directors as at 16 May 2014:-

(i) **Minimum Scenario**

	As at 16 May 2014				After the Proposed Renewal of Share Buy-Back^			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Substantial shareholders								
Jentera Jati Sdn. Bhd.	20,388,000	11.46	–	–	20,388,000	12.73	–	–
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	8.64	1,880,625*	1.06	15,369,778	9.60	1,880,625*	1.17
Ng Keong Wee	14,093,600	7.92	–	–	14,093,600	8.80	–	–
Bumimaju Mawar Sdn. Bhd.	9,377,400	5.27	–	–	9,377,400	5.86	–	–
Dr. Tony Tan Cheng Kiat	9,368,902	5.27	–	–	9,368,902	5.85	–	–
Directors								
Tan Sri Dato' Ir Wong Foon Meng	–	–	–	–	–	–	–	–
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	8.64	1,880,625*	1.06	15,369,778	9.60	1,880,625*	1.17
Dr Tony Tan Cheng Kiat	9,368,902	5.27	–	–	9,368,902	5.85	–	–
Matthew Tee Kai Woon	1,480,625	0.83	–	–	1,480,625	0.92	–	–
Datuk Henry Tee Hock Hin	5,594,668	3.14	–	–	5,594,668	3.49	–	–
Tan Kwe Hee	121,000	0.07	–	–	121,000	0.08	–	–
Tay Hock Lee	1,807,707	1.02	–	–	1,807,707	1.13	–	–
Dato' Yeow Wah Chin	–	–	–	–	–	–	–	–
Ir. Ghazali Bin Bujang	–	–	–	–	–	–	–	–
Mohd Najib Bin Abdul Aziz	–	–	–	–	–	–	–	–
Tan Seng Hu	–	–	–	–	–	–	–	–
We Her Ching	104,900	0.06	–	–	104,900	0.07	–	–

Notes:-

* *indirect interest - 340,000 Shares held by RHB Nominees (Tempatan) Sdn Bhd, Bank of China pledged securities account for Tee Hock Seng Holdings Sdn Bhd, 60,000 Shares held by Tee Hock Seng Holdings Sdn Bhd and 1,480,625 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Matthew Tee Kai Woon.*

^ *Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, i.e. up to ten percent (10%) of the issued and paid-up share capital, the purchased shares are acquired from public shareholders and the purchased shares are cancelled.*

(ii) Maximum Scenario

	As at 16 May 2014				(I) Assuming full exercise of the ESOS options granted#				(II) After (I) and the Proposed Renewal of Share Buy-Back^			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Substantial shareholders												
Jentera Jati Sdn. Bhd.	20,388,000	11.46	–	–	20,388,000	10.91	–	–	20,388,000	12.12	–	–
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	8.64	1,880,625*	1.06	15,369,778	8.22	1,880,625*	1.01	15,369,778	9.14	1,880,625*	1.12
Ng Keong Wee	14,093,600	7.92	–	–	14,093,600	7.54	–	–	14,093,600	8.38	–	–
Bumimaju Mawar Sdn. Bhd.	9,377,400	5.27	–	–	9,377,400	5.02	–	–	9,377,400	5.57	–	–
Dr. Tony Tan Cheng Kiat	9,368,902	5.27	–	–	10,368,902	5.55	–	–	10,368,902	6.16	–	–
Directors**												
Tan Sri Dato' Ir Wong Foon Meng	–	–	–	–	–	–	–	–	–	–	–	–
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	8.64	1,880,625*	1.06	15,369,778	8.22	1,880,625*	1.01	15,369,778	9.14	1,880,625*	1.12
Dr Tony Tan Cheng Kiat	9,368,902	5.27	–	–	10,368,902	5.55	–	–	10,368,902	6.16	–	–
Matthew Tee Kai Woon	1,480,625	0.83	–	–	1,480,625	0.79	–	–	1,480,625	0.88	–	–
Datuk Henry Tee Hock Hin	5,594,668	3.14	–	–	6,194,668	3.31	–	–	6,194,668	3.68	–	–
Tan Kwe Hee	121,000	0.07	–	–	121,000	0.06	–	–	121,000	0.07	–	–
Tay Hock Lee	1,807,707	1.02	–	–	2,307,707	1.23	–	–	2,307,707	1.37	–	–
Dato' Yeow Wah Chin	–	–	–	–	–	–	–	–	–	–	–	–
Ir. Ghazali Bin Bujang	–	–	–	–	–	–	–	–	–	–	–	–
Mohd Najib Bin Abdul Aziz	–	–	–	–	–	–	–	–	–	–	–	–
Tan Seng Hu	–	–	–	–	–	–	–	–	–	–	–	–
We Her Ching	104,900	0.06	–	–	554,900	0.30	–	–	554,900	0.33	–	–

Notes:-

* *indirect interest - 340,000 Shares held by RHB Nominees (Tempatan) Sdn Bhd, Bank of China pledged securities account for Tee Hock Seng Holdings Sdn Bhd, 60,000 Shares held by Tee Hock Seng Holdings Sdn Bhd and 1,480,625 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Matthew Tee Kai Woon.*

\# *Assuming 9,025,950 options were granted and exercised under the Company's ESOS.*

^ *Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, i.e. up to ten percent (10%) of the issued and paid-up share capital, the purchased shares are acquired from public shareholders and the purchased shares are cancelled.*

5.3 Net Assets

The effect of the Proposed Renewal of Share Buy-Back on the consolidated net assets of the Company will depend on the actual number of shares purchased, the purchase prices of the shares, the effective cost of funding or any loss in interest income to the Company, and the treatment of the shares so purchased.

The Proposed Renewal of Share Buy-Back will reduce the consolidated net assets per share when the purchase price exceeds the consolidated net assets per share of the Company at the time of purchase. On the contrary, the consolidated net assets per share will increase when the purchase price is less than the consolidated net assets per share of the Company at the time of purchase.

If the shares purchased under the Proposed Renewal of Share Buy-Back are held as treasury shares and subsequently resold on Bursa Securities, the consolidated net assets per share would increase if the Group realise a gain from the resale or vice versa. If the treasury shares are distributed as share dividends, it will decrease the consolidated net assets by the cost of the treasury shares redistributed.

5.4 Earnings

The effect of the Proposed Renewal of Share Buy-Back on the consolidated earnings per share of the Company will depend on the purchase prices paid for the shares, the effective funding cost to the Group to finance the purchase of the shares or any loss in interest income to the Group if internally generated funds are utilised to finance the purchase of the shares.

Assuming that any shares so purchased are retained as treasury shares as per Section 67A of the Act and resold on Bursa Securities, the effects on the consolidated earnings of the Company will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

5.5 Working capital

The implementation of the Proposed Renewal of Share Buy-Back is likely to reduce the working capital of the Group, the quantum being dependent on the number of the purchased shares, the purchase price(s) and the amount of financial resources to be utilised for the purchase of the shares.

For the purchased shares retained as treasury shares as per Section 67A of the Act, upon its resale, the working capital of the Company will increase. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares resold, the effective gain or interest saving arising and the gain or loss from the disposal.

6. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("CODE")

Pursuant to the Code, a person and/or any person acting in concert with him will be required to make a mandatory offer for the remaining shares not already owned by him/them if his and/or their holding of voting shares in a company is increased beyond 33% or, if his and/or their holding of voting shares is more than 33% but less than 50%, his and/or their holding of voting shares is increased by more than 2% in any 6 months period. However, an exemption from undertaking a mandatory offer when the company purchases its own voting shares may be granted by the Securities Commission Malaysia under Paragraph 24.1 of Practice Note 9 of the Code.

The Board takes cognizance of the requirements of the Code and will be mindful of the requirements when making any purchases of shares pursuant to the Proposed Renewal of Share Buy-Back.

7. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back and after careful deliberation, is of the opinion that the Proposed Renewal of Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the relevant resolutions in relation to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM.

8. DISCLAIMER STATEMENT

Bursa Securities has not perused this Statement prior to its issuance as it is exempted pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

Group Corporate Structure

BinaPuri SINCE 1975 Holdings Bhd. (207184-X)

Construction Division

- 100% Bina Puri Construction Sdn. Bhd. (181471-P)
- 100% Bina Puri Sdn. Bhd. (23296-X)
- 70% Crystal Crown Aerocity Sdn. Bhd. (453355-P)
- 60% Bina Puri Gah Sdn. Bhd. (721968-H)
- 60% DPBS-BPHB Sdn. Bhd. (656041-T)

Manufacturing / Quarry Division

- 100% Bina Puri Juara Sdn. Bhd. (666714-H)
- 100% Bina Puri Ventures Sdn. Bhd. (107999-M)

Property Development Division

- 100% Gugusan Murni Sdn. Bhd. (231371-T)
- 60% Aksi Bina Puri Sdn. Bhd. (426300-V)
- 100% Bina Puri Properties Sdn. Bhd. (246157-M)
- 50% Bina Puri Norwest Sdn. Bhd. (207253-K)

Toll Concession

- 50% KL-Kuala Selangor Expressway Bhd. (409881-W)

Other Activities

- 100% Maskimi Venture Sdn. Bhd. (377437-V)
- 80% Bina Puri Power Sdn. Bhd. (260433-H)
- 49% BP Energy Sdn. Bhd. (940700-V)

International Ventures

- 100% Bina Puri Infrastructure Pte. Ltd.
- 100% Bina Puri Cambodia Ltd.
- 100% Bina Puri Power Nepal Sdn. Bhd. (245505-V)
- 100% Bina Puri Properties (B) Sdn. Bhd. (RC/00008071)
- 100% Bina Puri (Libya) Sdn. Bhd. (212673-H)
- 100% Bina Puri Hong Kong Ltd. (1887330)
- 99.97% Bina Puri Pakistan (Private) Ltd. (0062406)
- 90% Bina Puri (B) Sdn. Bhd. (RC/00006344)
- 70% Bina Puri (Singapore) Pte. Ltd. (201136190H)
- 50% Bina Puri Saudi Co. Ltd. (1010221761)
- 49% Bina Puri Holdings (Thailand) Ltd. (0105547046786)
- 49% Bina Puri (Bangladesh) Pte Ltd. (C-96689/11)
- 5% Binapuri Lao Co. Ltd.

100% Bina Puri Development Sdn. Bhd. (645395-X)

95% Bina Puri Lao Co. Ltd.

60% Latar Project Management Sdn. Bhd. (409396-U)

100% Hamay Glass Sdn. Bhd. (85650-M)

70% Konsortium Syarikat Bina Puri – TA 3 JV Sdn. Bhd. (426625-P)

12% Ideal Heights Properties Sdn. Bhd. (127701-D)

55% Konsortium DPBSH-BPHB-AGSB Sdn. Bhd. (661791-X)

100% Easy Mix Sdn. Bhd. (242217-D)

100% Bina Puri Mining Sdn. Bhd. (250807-M)

70% KM Quarry Sdn. Bhd. (409397-V)

51% Sungai Long Industries Sdn. Bhd. (198655-D)

- 100% Sungai Long Bricks Sdn. Bhd. (332315-X)
- 40% Rock Processors (Melaka) Sdn. Bhd. (605068-M)

30% Dimara Building System Sdn. Bhd. (593653-T)

90% Maskimi Polyol Sdn. Bhd. (405559-D)

55% Sumbangan Lagenda Sdn. Bhd. (527920-U)

100% Semarak Semerah Sdn. Bhd. (244980-X)

- 95% Star Effort Sdn. Bhd. (728706-A)

20% Manifest Merger Sdn Bhd (91244-K)

80% PT. Megapower Makmur

49% Bina Puri Power (Thailand) Ltd.

51% Bina Puri (Thailand) Ltd. (0105547057486)

20% Bangkok Property Co. Ltd. (0105549002182)

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Wong Foon Meng	*Chairman/Independent Non-Executive Director*
Tan Sri Datuk Tee Hock Seng, JP	*Group Managing Director*
Dr. Tony Tan Cheng Kiat	*Founder Director*
Matthew Tee Kai Woon	*Group Executive Director*
Datuk Henry Tee Hock Hin	*Executive Director*
Tan Kwe Hee	*Group Director, Finance, Credit Control and Legal*
Tay Hock Lee	*Non-Independent Non-Executive Director*
Dato' Yeow Wah Chin	*Independent Non-Executive Director*
Ir. Ghazali Bin Bujang	*Independent Non-Executive Director*
Mohd Najib Bin Abdul Aziz	*Independent Non-Executive Director*
Tan Seng Hu	*Alternate Director to Dr Tony Tan Cheng Kiat*
We Her Ching	*Alternate Director to Datuk Henry Tee Hock Hin*

BOARD COMMITTEES

Group Executive Committee

Tan Sri Datuk Tee Hock Seng, JP	*(Chairman)*
Dr. Tony Tan Cheng Kiat	*(Member)*
Datuk Henry Tee Hock Hin	*(Member)*
Matthew Tee Kai Woon	*(Member)*
Tan Kwe Hee	*(Member)*

Audit Committee

Dato' Yeow Wah Chin	*(Chairman)*
Ir. Ghazali Bin Bujang	*(Member)*
Mohd Najib Bin Abdul Aziz	*(Member)*

Remuneration Committee

Tan Sri Dato' Ir. Wong Foon Meng	*(Chairman)*
Dato' Yeow Wah Chin	*(Member)*
Ir. Ghazali Bin Bujang	*(Member)*
Mohd Najib Bin Abdul Aziz	*(Member)*
Tan Sri Datuk Tee Hock Seng, JP	*(Member)*

Nomination Committee

Tan Sri Dato' Ir. Wong Foon Meng	*(Chairman)*
Dato' Yeow Wah Chin	*(Member)*
Ir. Ghazali Bin Bujang	*(Member)*
Mohd Najib Bin Abdul Aziz	*(Member)*

COMPANY SECRETARY

TOH GAIK BEE
MAICSA 7005448

REGISTERED OFFICE

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan
Tel: 03 6136 3333
Fax: 03 6136 9999
E-mail: corpcomm@binapuri.com.my
Website: www.binapuri.com.my

SHARE REGISTRAR

Systems & Securities Sdn. Bhd. (17394-P)
Plaza 138, Suite 18.03
18th Floor, 138, Jalan Ampang
50450 Kuala Lumpur
Tel : 03 2161 5466
Fax: 03 2163 6968

AUDITORS

Messrs Baker Tilly Monteiro Heng
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel: 03 2297 1000
Fax: 03 2282 9980

PRINCIPAL BANKERS

Bangkok Bank Berhad (299740-W)
CIMB Bank Berhad (13491-P)
Malayan Banking Berhad (3813-K)
RHB Bank Berhad (6171-M)
United Overseas Bank (Malaysia) Bhd. (271809-K)

STOCK EXCHANGE LISTING

The Main Board of Bursa Malaysia Securities Berhad
Stock name : BPuri
Stock code : 5932
Listing date : 6 January 1995

Tan Sri Dato' Ir Wong Foon Meng

Malaysian, aged 60, was appointed as Chairman/Non-Executive Director of the Company on 1 June 2010 and redesignated as Independent Non-Executive Director on 20 April 2013. He graduated in mechanical engineering from the University of Technology Malaysia in 1978. He spent his early career in the Government service where he held various positions at technical and administrative level. He had a distinguished career during his 13 years' service and had been attending various technical trainings, conferences and management courses at international level among others in Thailand, Philippines, Japan, France, Yugoslavia and USA. He had also been accorded the Excellence Service Award by the Ministry of Science, Technology and Environment in 1982. His last position held was as the Regional Director of Department of Environment for Terengganu and Kelantan before he left the service to be in the private practice in 1991.

He was elected as a State Assemblyman in Terengganu in 1995 and subsequently appointed as a member of the State Executive Council (EXCO). He was appointed as Senator and elected as Deputy President of the Senate of Parliament of Malaysia in 2004. He was then elected as the President of the Senate from July 2009 until April 2010.

During his tenure with the Parliament, he had fostered close bilateral relationships with the Governments and Parliaments of countries in Asia, Africa, Europe as well as South America.

Tan Sri Dato' Ir Wong Foon Meng's extensive experience in the public sector, executive and legislative experience at state and federal level, as well as corporate experience in the later years has enabled him to lead and share his experience with the Board. He does not have any securities holdings in the Company or in any of its subsidiaries.

He is the Chairman of the Nomination Committee and Remuneration Committee.

Tan Sri Datuk Tee Hock Seng, JP

Malaysian, aged 65, was appointed to the Board on 5 November 1990 and was subsequently appointed as the Group Managing Director on 22 November 1994. He is an experienced entrepreneur with more than 40 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

Presently, he is an Exco member of Malaysia South-South Association and Perdana Leadership Foundation. He is a Director of Malaysian South-South Corporation Bhd. and Malaysian Industry-Government Group for High Technology (MiGHT).

He also serves as the Honorary President of The Federation of Hokkien Associations of Malaysia, Honorary Chairman of the Malaysia Quarries Association, Honorary Chairman of The International Fellowship of Eng Choon Associates, President of the Kuala Lumpur Eng Choon Hoey Kuan, Chairman of the Chinese Maternity Hospital (CMH) and Deputy President of Tung Shin Hospital and Chairman, Board of Governors of SMJK Confucian. He is also the Honorary Chairman of the Young Malaysians Movement and The Federation of Malaysian Clans & Guilds Association as well as an elder of Elim Chapel.

He was appointed a member of the Senate (Ahli Dewan Negara), Parliament of Malaysia on 15 July 2008 for a term of three years and had served as Treasurer-General of Malaysian Chinese Association (MCA) from 2008 to 2010.

A respected individual in the construction industry, he was accorded the "Most Prominent Player" by the Construction Industry Development Board in 2005, being one of the highest individual award recognised by the industry.

As at 16 May 2014, he held 15,369,778 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 177 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

He is the Chairman of the Group Executive Committee and a member of the Remuneration Committee.

Dr Tony Tan Cheng Kiat

Malaysian, aged 66, founded Bina Puri Sdn. Bhd. in 1975 and has been the Executive Chairman since its inception. He was appointed to the Board of the Company on 5 November 1990. He is responsible for the growth and ongoing development of the Company's business. He was instrumental in the development of a number of major projects throughout Malaysia for the Group. He holds a doctorate in Business Administration and is also a licensed builder. He has been successful as a private property developer in Australia. With his wide experience, he has brought much progress to the Group.

As at 16 May 2014, he held 9,368,902 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 177 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Dr Tony Tan is a member of the Group Executive Committee.

Datuk Henry Tee Hock Hin

Malaysian, aged 56, was appointed to the Board of the Company on 5 November 1990. He has held the position of Managing Director of Bina Puri Construction Sdn. Bhd. since 22 August 1996. He is responsible for the overall management of projects and operations. He has wide exposure and experience in the management of civil and building construction overseas and in both East and West Malaysia. He represents the Company on the Board of a number of its subsidiaries.

As at 16 May 2014, he held 5,594,668 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 177 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Datuk Henry Tee is a member of the Group Executive Committee.

Matthew Tee Kai Woon

Malaysian, aged 39, joined the Company in December 2003 as Special Assistant to the Group Managing Director. He was appointed as Executive Director on 1 December 2009 and was redesignated as Group Executive Director on 7 March 2013.

He is a Chartered Accountant and has been admitted as a member of the Malaysian Institute of Accountants (MIA). He is also a Certified Financial Planner and a member of the Certified Practising Accountant, Australia.

He is currently the President of the Master Builders Association Malaysia (term 2012-2014) and Treasurer of the Malaysian Steel Structural Association. He also sits as a Board member of Construction Industry Development Board Malaysia (CIDB Malaysia) and Construction Labour Exchange Centre Berhad (CLAB). He holds directorships in several other companies. He was the Administrator of the Chinese Maternity Hospital from 2001 to 2003 and was previously attached to PricewaterhouseCoopers in the audit department.

As at 16 May 2014, he held 1,480,625 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries. He is a member of the Group Executive Committee.

Tan Kwe Hee

Malaysian, aged 70, was appointed to the Board on 7 March 2013 as Group Director, Finance, Credit Control and Legal. He holds a Master Degree in Business Administration from Hull University, UK.

He served United Malayan Banking Corporation (UMBC) for 9 years before joining Perwira Habib Bank in 1976. From 1976 to 2002, he has been serving at various bank branches at various capacities from Branch Manager, Assistant General Manager to General Manager. His last position at Affin Bank Berhad was Senior Vice President before he retired in 2002, after 3 years extended service.

Mr. Tan was also appointed by Bank Negara Malaysia as Loan Recovery Advisor in August 1996 for the former Rakyat Merchant Bank Assets (RMBB Assets) Loan recovery committee until June 2009 where the remaining accounts were outsourced by BNM to him to take over the entire recovery work. He has also been appointed as Joint Chief Executive Officer of Komarkcorp Berhad in August 2013.

Mr. Tan joined Bina Puri Holdings Bhd. in February 2003 as Group Financial Advisor. He was later on redesignated as Group Senior Chief Operating Officer, Finance, Credit control and Legal.

As at 16 May 2014, he held 121,000 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries. He is a member of the Group Executive Committee.

Tay Hock Lee

Malaysian, aged 60, was appointed to the Board of the Company on 5 November 1990. He has more than 20 years' experience in the building and civil engineering industry. He is a director of Ideal Heights Holdings Bhd. and also holds directorships in several other companies.

As at 16 May 2014, he held 1,807,707 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 177 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Dato' Yeow Wah Chin

Malaysian, aged 54, was appointed to the Board on 31 May 2013. A lawyer by profession, Dato' Yeow holds a Bachelor of Economics (Hons) degree from University Kebangsaan Malaysia in 1984 and worked with Malayan Banking Bhd. for a few years before he went for further studies to read law at the University College of Wales, Aberystwyth, United Kingdom in September, 1989 where he graduated with LLB (Hons) degree in 1991. Upon his return, he sat and passed the Certificate in Legal Practice and continued to serve Malayan Banking Bhd. for two years before he set up his own legal practice, Messrs Yeow & Salleh in 1994.

He specialises in banking and commercial law. He has been appointed as a member of the Advocates and Solicitors' Disciplinary Committee for some years and had also served as a committee member of the Conveyancing Practice Committee of the Bar Council. As an experienced practising lawyer, he had also been appointed to serve as Legal Advisor for the Society of Interpreters of the Deaf in Selangor and Wilayah Persekutuan and Yeow See Association in Melaka. He sits on Board of Komarkcorp Berhad as non-independent non-executive director.

Dato' Yeow is an active member and a senior Lion leader of Lions Clubs International. He served as its District 308B1 Governor in 2010–2011 and founded Lions Education Foundation, of which he is the founding Chairman. At the recent Multiple District Convention held in Singapore, he has been elected as a Council Chairman for Lions in Malaysia, Singapore and Brunei for 2014-2015.

In October 2005, Dato' Yeow was conferred Darjah Indera Mahkota Pahang (DIMP) by DYMM Sultan of Pahang and subsequently on 14 February 2012, he was conferred Darjah Setia Tuanku Muhriz (DSTM) by Yang di Pertuan Besar Negeri Sembilan, DYMM Tuanku Muhriz for his contribution to the community.

He does not have any securities holdings in the Company or in any of its subsidiaries. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Ir Ghazali Bujang

Malaysian, aged 63, was appointed to the Board of the Company on 31 May 2013. He is an engineer by profession and is currently the Executive Chairman of Ghazali & Associates Sdn. Bhd. He graduated with a Bachelor of Engineering from the University of Liverpool, England in 1974 and obtained a Master of Science from the University of Leeds, England in 1979.

He is a member of the Board of Engineers, the Past President of the Association of Consulting Engineers Malaysia (1992-1994) and Honorary member of the Association of Consulting Engineers Malaysia.

He has vast experience in planning, engineering and management of infrastructure and development works. He also has a broad and balanced knowledge with respect to issues on economic and finance, technical and environmental relevant to development and infrastructure projects.

He does not have any securities holdings in the Company or in any of its subsidiaries. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Mohd Najib Bin Abdul Aziz

Malaysian, aged 41 was appointed to the Board on 31 May 2013. He is an accountant by profession and graduated from the University of New South Wales, Australia with a Bachelor of Commerce (Accounting) Degree. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA).

He is currently the Managing Director of Corporate-Pacific Holdings Sdn. Bhd. He was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co. and had held the position of Senior Consultant with the Corporate Recovery Division of KPMG for three years in Perth, Western Australia.

He was previously an Independent Non-Executive Director of Kumpulan Jetson Berhad, ECM-Avenue Securities Sdn. Bhd. and Alam Flora Sdn. Bhd. He is also a director of several private limited companies.

He does not have any securities holdings in the Company or in any of its subsidiaries. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Tan Seng Hu

Malaysian, aged 38, was appointed as an Alternate Director to Dr Tony Tan Cheng Kiat, Founder Director on 18 March 2010. He graduated with a Bachelor of Arts, Business Administration, Human Resource and Personnel from the Washington State University in 2001 and obtained a Master of Science, Economics from the University of Idaho in 2003.

He has been involved in the construction industry for six years and is currently managing his own project management company since 2006. He does not have any securities holdings in the Company or in any of its subsidiaries.

We Her Ching

Malaysian, aged 54, was appointed as an Alternate Director to Datuk Henry Tee Hock Hin, Executive Director on 6 June 2011. He graduated with a Bachelor of Applied Science (Construction Management and Economics) and is a member of The Chartered Institute of Building (MCIOB).

Mr. We joined Bina Puri Sdn. Bhd. in 1986 and has extensive experience in the construction industry. He is responsible for the overall management and operations of projects within the construction arm. He sits on the Board of a number of its subsidiaries.

As at 16 May 2014, he held 104,900 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Notes:-

1. Family relationship
   - Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Datuk Henry Tee Hock Hin are brothers.
   - Dr Tony Tan Cheng Kiat is the uncle of Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Datuk Henry Tee Hock Hin.
   - Matthew Tee Kai Woon is the son of Tan Sri Datuk Tee Hock Seng, JP, the nephew of Tay Hock Lee and Datuk Henry Tee Hock Hin and the grandnephew of Dr Tony Tan Cheng Kiat.
   - Tan Seng Hu is the son of Dr Tony Tan Cheng Kiat, the cousin of Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Datuk Henry Tee Hock Hin and the uncle of Matthew Tee Kai Woon.

   Save as disclosed, none of the Directors has any family relationship with any Directors and/or major shareholders of the Company.

2. Conflict of Interest
   None of the Directors has any conflict of interest with the Company.

3. Conviction for offences
   None of the Directors has been convicted of any offences within the past ten years other than traffic offences, if any.

Bangkok Marina Resort & Spa, Thailand

Chairman's Statement

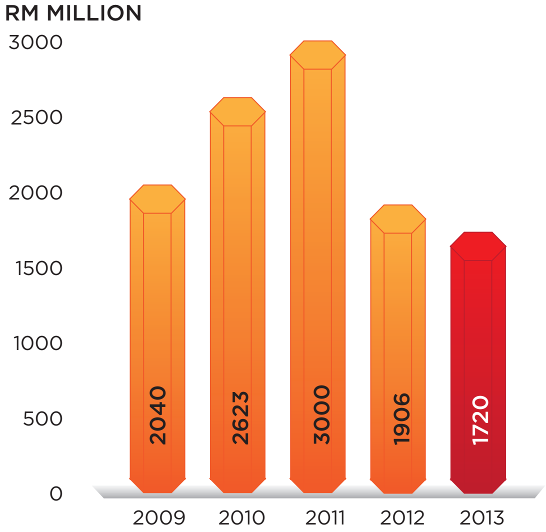
"My dear shareholders, on behalf of the Board of Directors of Bina Puri Holdings Bhd, I present to you the Annual Report and Audited Financial Statements of the company for the financial year ended 31 December 2013."

TAN SRI DATO' IR WONG FOON MENG
Chairman, Bina Puri Holdings Bhd
PSM, DPMT, JMN

The year that just ended was indeed a memorable one, with our company laying the foundation stones for a much brighter future, both locally as well as internationally.

Our overall performance was commendable taking into consideration the various factors that have surrounded both the local and international economy and social scenes. As Malaysia practises an open and trade-reliant economy, we were impacted by a weak external sector, moderating commodity prices and volatility in the global financial markets. Whereas in the local scene, 2013 saw our nation going to the polls for the 13th general election, which in turn caused us as well as the majority of Malaysians to focus their attention towards the build up for the election.

Unbuilt Book Order from year 2009 to 2013



However, in spite of all these, we were still able to record total revenue of RM1.1 billion for the financial year under review as compared to RM1.3 billion in the previous year. The Group achieved net pre-tax profit "PBT" of RM13.6 million as compared to RM16.4 million in 2012. The group's current unbuilt book order still remains at a healthy RM1.93 billion, which will be able to sustain the group for the next three years.

Our growth remains robust

2013 was a challenging year for the Malaysian economy where the expected growth of GDP was below the forecasted figure of between 5.0% to 6.0% from the 5.6% registered in 2012. However, in 2013, the construction industry remained on a positive growth of 10.9%. Likewise, we at Bina Puri managed to secure new projects during these past 12 months of about RM1.0 billion and this was indeed a very positive sign which will lead to higher profit margin for the group in the near future.

As in 2012, our subsidiaries continue to perform well in the said period under review. The property division has been moving aggressively towards being a key player in the property development in Malaysia as well as in Bangkok, Thailand.

The quarry and ready mix concrete division has also seen great improvement in its performance as compared to the previous years. This was mainly due to increase in price of our products as well as management's decision to embark on a production efficiency enhancement drive.


Utility division

The utility division, although maintained its production level of supplying electric power in Indonesia, but the weakening of the Indonesian Rupiah against the US Dollar left it showing a decrease in its profits. However, with the agreement with PT.PLN (Persero), Wilayah Sulawesi to build and operate a mini hydro power plant with a capacity of 4.2MW and recently, we secured a new diesal power plant with capacity of 5MW, we expect better performance from utility division.

Our Business Outlook & Prospects

As announced in March 2014 by Bank Negara Malaysia, in their quarterly bulletin, we can expect the economy in 2014 to grow at a steady rate, underpinned by the services and manufacturing sectors but amid higher inflation due to domestic costs factors. It also projected a conservative economic growth of 4.5% to 5.5% for 2014 compared with the earlier Federal Government's projection of 5.0% to 5.5%.

Bangkok Marina Resort & Spa, Thailand

The factors for the conservative growth outlook were due to risks from the global economy and external factors.

However, the construction industry could see a healthy but slower growth at 10% in 2014 compared with 10.9% in 2013, as the completion of several large civil engineering projects will more than offset the progress in existing projects in the transport, utility, oil and gas sectors.

It must also be stated notwithstanding the moderation in domestic demand, the underlying fundamentals of the Malaysian economy remained strong.

Darau Angkasa Apartments Phase 1 at Menggatal, Kota Kinabalu, Sabah

Our economy growth will be driven by the private sector across a diversified range of economic activities. Of importance, employment remains strong and incomes are rising. Malaysia's financial system is resilient with financial intermediation expected to provide continued support to investment and consumption.

The Group will continue to seek business opportunities to further establish itself as a key player in the construction industry whilst improving on our financial standings.

Rewarding our Shareholders

As per the previous years, for the financial year ended 31 December 2013, the Board of Directors are pleased to recommend a final dividend of 1.5% per share. The payment of the final dividend for the ordinary shares is subject to the shareholders' approval at the forthcoming twenty third (23rd) Annual General Meeting of the Company.

Moving forward

In 2013 we have four (4) new members in our Board of Directors who are very capable and experienced gentlemen to further boost our company and to take us to even greater heights. We are honoured to welcome Mr Tan Kwe Hee, Ir Ghazali Bujang, Y.Bhg Dato' Yeow Wah Chin and Encik Mohd Najib bin Abdul Aziz to be part of our exciting and dynamic team.

We are also very proud to announce that our Group Executive Director, Mr Matthew Tee, was appointed as a new Board Member of Construction Industry Development Board (CIDB) in August 2013. It must also be mentioned here that he is presently the President of Master Builders Association of Malaysia (MBAM) for the term July 2012 – June 2014. This only speaks volume of our integrity, commitment and dedication towards our efforts in striving for excellence for Bina Puri.

Fisheries Development Authority of Malaysia (LKIM) Complex in Kuching, Sarawak

Acknowledgement

The notable achievements of Bina Puri Holdings Bhd are attributable to our dedicated and loyal management and employees. On behalf of the Board of Directors, I take this opportunity to express my deepest gratitude to the various management teams in the Group for their continuous unfaltering commitment and valued contribution in every aspect that they displayed thus far.

As Chairman of the Board of Directors, I would also like to take this opportunity to record my appreciation to our financiers, business partners and the relevant approving authorities that have graciously supported Bina Puri in seeing through our many objectives. In conclusion, I extend my deep appreciation and gratitude to my fellow Board Members for their wisdom, guidance and advice in assisting me carving out policies for The Group. To our valued shareholders, thank you for your continued support and confidence in us. We are resolved to strive and deliver even better results and to uphold the prestigious name of Bina Puri Holdings Bhd in the many years to come.

TAN SRI DATO' IR WONG FOON MENG
Chairman, Bina Puri Holdings Bhd
PSM, DPMT, JMN

Jesselton View

Puri City @ Kuching

Group Managing Director's

Review of Operations

TAN SRI DATUK TEE HOCK SENG
PSM; PGDK; ASDK; JP
Group Managing Director

An Overview

For the financial year ending 31 December 2013, the Group performed within expectation taking into consideration it being a year filled with anxiety and uncertainties. Locally there was the 13th General Election which put a pause to almost everything for a good two months surrounding the May 15th polling date coupled with the unexpected drop of growth of 4.7% GDP which fell below the 5.6% mark registered in 2012.

At the international front, the global economy recovery inched forward, with fast-growing emerging markets losing pace while developed nations gained strength. The 2013 performance reflected something of a role reversal among the players. After years of notching far slower growth than many emerging-market counterparts, some leading economies are at last showing strength. The global snapshot also reveals the far-flung effects of monetary policy, as decisions by central bankers in developed nations reverberated through emerging markets internationally.

2013 had been a productive year for Bina Puri Group of Companies where our Group's total revenue totaled RM 1.1 billion for the year ended 31 December 2013, profit before tax "PBT" of RM13.6 million for the year under review compare to RM1.3 billion and RM16.4 million in 2012. This does not mean we are happy with the result as we feel that we can do much better and there are ample rooms to further improve our bottom line.

Construction

Our construction division performed reasonably well and recorded a revenue of RM1.0 billion and PBT of RM7.4 million for the year 2013 as compared to the previous year of RM1.2 billion and RM11.8 million respectively. The drop in PBT as compared to 2012, was mainly due to the completion of several projects namely The Haven in Ipoh, Perak, the Darau Angkasa Apartment in Menggatal, Kota Kinabalu, Sabah and near completion of KLIA2 project, KK Times Square and the affordable housing scheme in Sandakan, Sabah.

The Haven in Ipoh, Perak

The construction division managed to replenish its book order through Samur Oil & Gas Projects, which involves the supply, fabrication and construction of civil works in Sipitang, Sabah and construction of a new shopping mall known as Melawati Mall as well as a Hostel for University Malaysia Sabah in Kota Kinabalu. These 3 projects have a combined value of more than RM700 million.

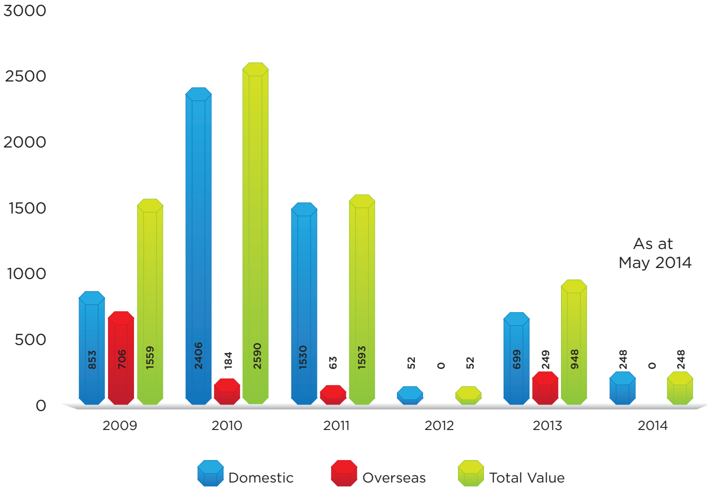
Melawati Mall, Taman Melawati

UMS Students Hostels and Infrastructure Works, Kota Kinabalu, Sabah

We are confident that in 2014 we can at least match our performance in 2013 as there are a lot of projects that we are tendering currently, of which we believe we will be successful in securing a few of them.

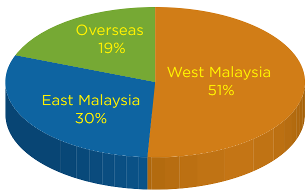
	Local Notable Projects	
1.	Ampang Light Rail Transit (LRT) Line extension	RM702.3 million
2.	Sabah Administrative Centre in Kota Kinabalu, Sabah	RM388.7 million
3.	Melawati Mall, Kuala Lumpur	RM441.0 million
4.	Kota Kinabalu Times Square	RM470.3 million
5.	UMS Students Hostel & Infrastructure Works, Kota Kinabalu, Sabah	RM 96.6 million
	Overseas	
1.	Unilever Distribution Center 2, Bangkok, Thailand	RM 80.9 million
2.	Malaysian Embassy in Moscow, Russia	RM155.0 million

Annual Projects Secured (RM'Million)

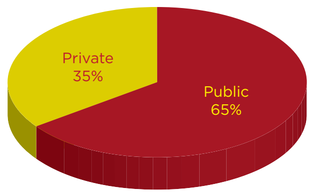


Project Secured from year 2009 to 2013

Geographical Brekadown



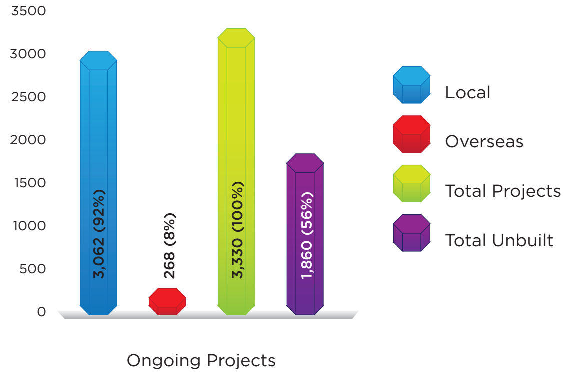
Public vs. Private



Property

Malaysia's property market is experiencing a slowdown due to measures imposed by the Malaysian Government during the year 2013. Properties in the major cities within Malaysia experienced spike in prices. Thus, policies changes affecting the property industry as a whole were anticipated way before the 2014 budget announcement, thus creating a very cautious market in the property market. When the actual budget was announced in October 2013, steps were taken to try to combat the price increase, particularly to mid and high end properties. These changes were related to Real Property Gains Tax (RPGT), the abolishment of DIBS, stricter lending guidelines by Bank Negara Malaysia for property loans and the implementation of the Goods & Service Tax, which will take effect from April 2015. However, even with all these in place, properties in Malaysia continued to rise in price and demand was high, especially within the Klang Valley.

Current Ongoing Projects (RM'Million)
(As at May 2014)



Our Property division performed reasonably well during the year 2013 with total revenue of RM74.3 million, as compared to RM54.1 million in 2012. While the PBT recorded at RM1.5 million, as compared to RM0.03 million recorded in the previous year.

This year saw our property division coming up with commendable sales from our various projects, namely, Laman Vila in Mont' Kiara, The Main Place Residence in USJ 21 and Puri Tower in Puchong.

We are also proud to announce that during the year, we managed to secure 3 joint venture projects for this division. They are the Development of Bangkok Marina Resort & Spa in Bangkok, Thailand, the development of Sentosa Residence in Kota Bahru, Kelantan and we also entered into a Joint Venture Agreement with the Kuching Hokkien Association on a mixed development along Jalan Tun Haji Openg in Kuching Sarawak. These 3 projects have a total GDV of close to RM500 million.

Presently, these are the on-going property developments undertaken by Bina Puri Properties Sdn Bhd.

The Main Place Residence in USJ 21

Laman Vila in Mont' Kiara

Project	Expected GDV (RM Million)
KLANG VALLEY	
The Puri Tower @ Puchong (138 units of 20-storey Apartment)	65.4
Laman Villa @ Mont Kiara North (22 units villa and 8 units condominium)	108.0
The Opus at Jalan Tallala, KL (357 units of 2 blocks 32-storey Service Apartment)	338.0
Proposed Development of Abandoned Site, Brickfields at Lot PT. 110, Seksyen 69, Bandar Kuala Lumpur	1,288.6
SOUTHERN REGION	
Petrie Villa @ Johor Bahru (23 units of 4-storey pool villas)	114.4
EASTERN REGION	
The Sentosa Residence in Kota Bharu, Kelantan (373 Units of 27-Storey Service Apartment, 15 units Shops and 18 Units Offices)	190.0
SABAH	
Jesselton View @ Kota Kinabalu (80 units of 5 & 11 storey Apartment)	66.7
One Jesselton @ Kepayan Condominium, Kota Kinabalu (125 units of 11-storey condominium)	84.6
8 Avenue, Kota Kinabalu, Sabah (13-Storey Commercial Mall & SOVO)	173.0
SARAWAK	
Ocean View Residence, Miri (94 units of 8-Storey Condominium)	117.7
Mix Development for Kuching Hokkien Association (Phase 1 : 62 units Shop-Houses with 48 units for 4-storey & 14 units for 5-storey)	123.6
THAILAND	
Bangkok Marina Resort and Spa, Thailand	185.6
Total Expected GDV	**2,855.6**

In March 2014, our Main Place Neighborhood Mall had a soft opening and the response since then has been very promising. We believe the mall will bring the Group recurring income as well as value creation to the Group in the future.

Hospitality Division
This division continues to manage and oversee the Puni Indah Residence at Jalan Ong Sum Ping, Bandar Seri Begawan Brunei which continues to enjoy full occupancy. 72 units of high end service apartments is currently the best of its type in the city. The Group is still looking for more opportunities to embark on similar projects in the future due to the success of the Puni Indah Residence.

Quarry Operations & Construction Materials Division
This has been a good year for this division, which it managed to record revenue of RM94.9 million and a PBT of RM3.8 million. Profits have more than doubled here, where in 2012, PBT was at RM1.7 million. As mentioned earlier by our Chairman, the two fold increase in profits were mainly due to the rise in price of our products as well as Management's decision to embark on a production efficiency enhancement drive which proved to be a great success.

This division has expanded to East Malaysia, where it operates on a 180 acres granite rock quarry in Bukit Biru, Simunjan, Sarawak. Being still in its infancy stage, the Group sees huge potential in this new region in the very near future. Presently, we produce 50,000 metric tonnes of granite rocks per month and we hope to expand production when our production operation is in full flow.

Power Supply Division
Our power supply division, P.T Megapower Makmur, of which we have an 80% interest in the company, supplies micro power service to PT Perusahaan Listrik Negara which is a state electricity company owned by the Indonesian government. We managed to record revenue of RM8.6 million for the year 2013. However due to external forces that caused the weakening of the Indonesian Ruppiah against the US Dollar, this had resulted in a drop of our PBT to RM0.8 million this year, as compared to 2012 when revenue and PBT was RM7.6 million and RM2.7 million respectively.

But it must be mentioned here that the new mini hydro power plant with a capacity of 4.2MW located in Sulawesi, costing USD 10 million, is scheduled for completion on May 2015. This hydro plant has a concession of 15 years and we are confident that when fully commissioned in the middle of 2015, the result will be very positive for the Group's earnings.

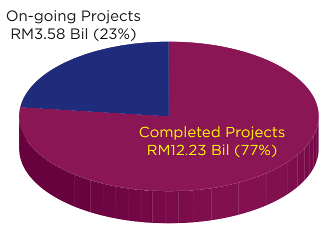
Polyol Division
The Polyol division managed to record decent revenue of RM20.4 million compared to RM22.8 million in the previous year. However there was a drop in the PBT for the year in review. We managed to rake in a PBT of RM0.2 million as compared to RM0.5 million recorded in 2012. This drop was mainly due to the weakening Ringgit against the US Dollar and increase in production cost.


Main Place Neighborhood Mall Soft Opening Launch

Future Prospects

The construction sector which drives our Group is still registering strong output. After delivering a historic high in Malaysia's construction output in 2012, to the turn of RM120 billion, in 2013. The construction output was more than RM93 billion in 2013. With a high number of major projects announced by the government, Bina Puri stands to benefit or at least play a role in tendering for these projects.

Bina Puri Projects Since 1975 - 2013



Our property division is moving into full flow soon with more than half a dozen projects launched.

Appreciation

The overall achievements of Bina Puri Holdings Bhd and its subsidiaries must be attributed to our dynamic, committed and dedicated employees. On behalf of the Board of Directors, I wish to express my heartfelt gratitude to the management and all the staff for their unwavering support and commitment. I would also like to take this opportunity to thank all our clients, financiers, suppliers, business partners as well as the relevant approving authorities that have graciously supported Bina Puri in achieving our objectives.

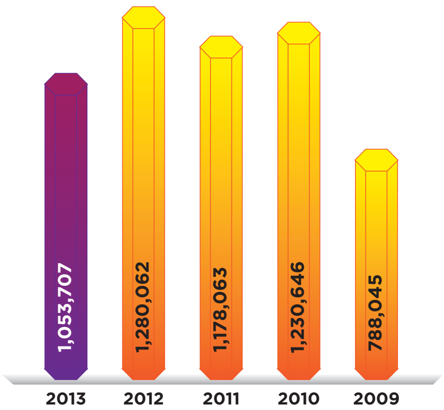
Allow me also to extend my warmest appreciation and gratitude to my fellow Board members for their guidance and assistance provided. Finally, I wish to put on record my deepest gratitude to the shareholders for your continued support and confidence in us. Together, we can all navigate through the difficult and challenging times ahead of us and thus produce better growth in revenue and profitability in the years to come.

TAN SRI DATUK TEE HOCK SENG
PSM, PGDK, ASDK, JP
Group Managing Director

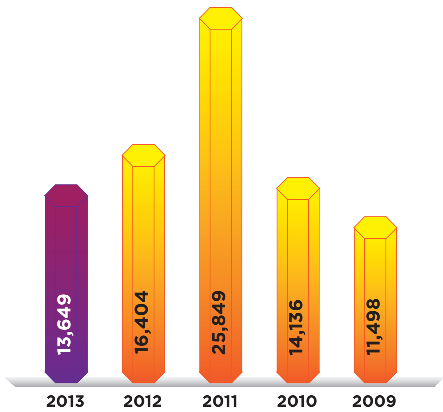
Group Financial Highlights

	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Revenue	1,053,707	1,280,062	1,178,063	1,230,646	788,045
Profit before taxation	13,649	16,404	25,849	14,136	11,498
Profit attributable to the owners of the Company	5,232	5,110	5,997	10,603	6,420
Dividend paid (Net)	1,997	1,861	3,221	3,135	2,511
Issued share capital	157,116	124,416	121,883	107,036	104,194
Shareholders' funds	170,533	135,380	128,987	109,670	100,031
Total assets	1,339,736	1,022,186	886,212	776,020	646,406
Earnings per share (sen)	3.85	4.12	5.40	10.09	7.13
Net assets per share (RM)	1.09	1.09	1.06	1.02	0.96
Share price (RM)					
- High	0.875	1.05	1.65	1.54	0.96
- Low	0.57	0.80	0.85	0.74	0.72

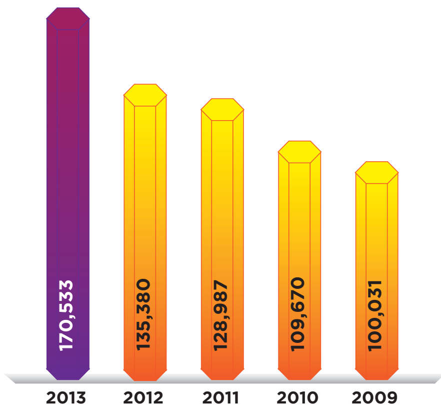
REVENUE (RM'000)



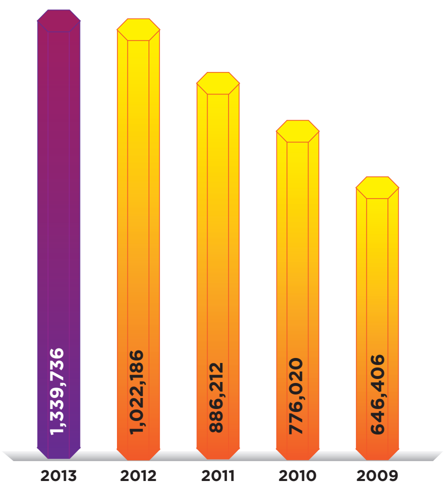
PROFIT BEFORE TAXATION (RM'000)



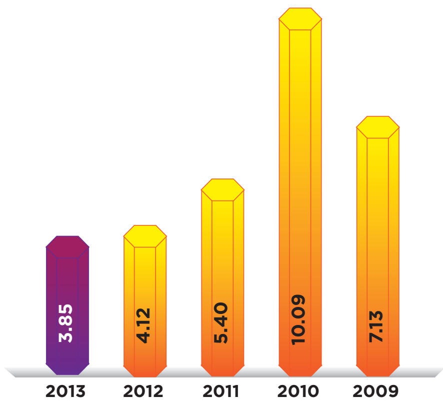
SHAREHOLDERS' FUNDS (RM'000)



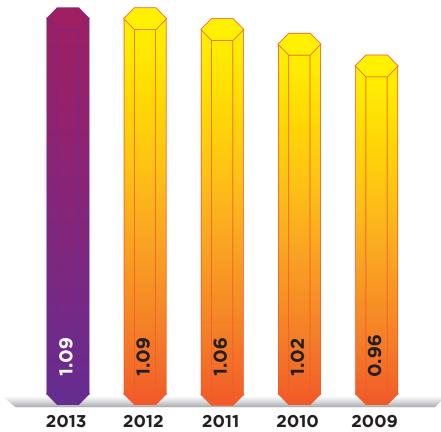
TOTAL ASSETS (RM'000)



EARNINGS PER SHARE (sen)



NET ASSETS PER SHARE (RM)



Calendar Of Events 2013-2014

28th June 2013
Bina Puri Holdings Bhd held its 22nd Annual General Meeting at Wisma Bina Puri at Selayang. The meeting was chaired by Tan Sri Dato' Ir. Wong Foon Meng. All the members of the Board of Directors attended the meeting.

3rd July 2013
Bina Puri Construction Sdn Bhd together with its joint-venture partners, Syarikat Perumahan Negara Berhad (SPNB) and Puncak Deras Sdn Bhd, handed over the house and shoplot keys to buyers of the Taman Permata Phase 1 in Mile 8 Jalan Labuk, Sandakan in Sabah.

2nd August 2013
BPHB's Group Executive Director, Mr. Matthew Tee Kai Woon, was appointed as the new Board Member of Construction Industry Development Board (CIDB), by the Minister of Works, YB Datuk Haji Fadillah bin Haji Yusof.

15 September 2013
Bina Puri Holdings Bhd secured the Construction and Completion of Substructure and Superstructure Works for Proposed Melawati Mall in Taman Melawati for Sime Darby CapitaMalls Asia (Melawati Mall) Sdn Bhd.

17th September 2013

Bina Puri Properties Sdn Bhd entered into a development agreement with Kensington Development Sdn Bhd for a joint venture development of 8 Avenue, a commercial mall and small office versatile office (SOVO) units at Jalan Tuaran Bypass, Kota Kinabalu, Sabah.

30th September 2013

UiTM Campus Kota Samarahan was successfully completed by Bina Puri Construction Sdn Bhd. The handing over ceremony was held on 30th September 2013.

October 2013

Bina Puri Sdn Bhd was awarded the Proposed Construction of Kolej Universiti Sabah Malaysia's Hostel in Kg. Numbok, Kuala Menggatal, Sabah from Likas Bay Precint Sdn Bhd.

11th November 2013

Bina Puri Holdings (Thailand) Ltd entered into Joint Venture Agreement with UFUN Group Ltd together with a China investor to develop Bangkok Marina Resort & Spa in Bangkok, Thailand with GDV gross development value of RM200 million.

Calendar of Events 2013-2014 (Cont'd)

18th November 2013
Bina Puri Properties Sdn Bhd ventured into a Joint Venture Agreement with Kuching Hokkien Association to develop 10.35 acres of land situated along Jalan Tun Haji Openg, Kuching, Sarawak.

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19th November 2013
Bina Puri Properties Sdn Bhd together with Sentosa Jaya Development Sdn Bhd signed a joint venture agreement to develop 339 units of service apartments, 10 units of shop lots and 11 office units within a 28 storey high rise building at Kubang Kerian, Kota Bharu, Kelantan.

31 December 2013
Bina Puri Holdings Bhd successfully completed The Haven Condominium in Ipoh Perak with the contract value RM 82.3 million.

5th March 2014
Mr. Matthew Tee Kai Woon, BPHB's Group Executive Director, was elected as the 2nd Vice President of the International Federation of Asia & Western Pacific Contractors Association (IFAWPCA) for term 2014-2015 in Jakarta, Indonesia.

22 March 2014
The Certificate of Fitness for Occupancy (CFO) for The Main Place Residence USJ 21 was officially issued and handed over to the purchasers by Tuan Haji Abdullah Bin Marjunid, Timbalan Yang Dipertua, Majlis Perbandaran Subang Jaya.

Meanwhile, on 25th March 2014 the soft launch of the Main Place – Your Neighbourhood Mall was held.

April 2014
Bina Puri Construction Sdn Bhd entered into a contract agreement with Blessed Builders Sdn Bhd and Pengkalan Ikan Central Sdn Bhd to build the Fisheries Development Authority of Malaysia (LKIM) Complex in Kuching, Sarawak with contract value of RM247.8 million.

18 April 2014
KLIA2 was successfly completed by Bina Puri Sdn Bhd together with UEM Construction Sdn Bhd (UEMC).

12th April 2014
Purchasers of Darau Angkasa Apartments (Phase 1) Menggatal, Kota Kinabalu, received their house keys. A mock presentation of the keys was presented by the Community Development and Consumer Affairs Minister Datuk Jainab Ahmad, representing the Sabah Chief Minister.

Corporate Social Responsibility

The Bina Puri Group always supports the government's call to be a responsible corporate citizen. Our corporate social responsibility programme has been designed to appreciate our stakeholders and to give back our good fortune for mutual betterment.

Encouraging Academic Excellence and Promoting Knowledge:-
At Bina Puri, we highly encourage academic excellence and support knowledge-based activities by society. We provide financial aids for student development in Universiti Malaya through its Kor Sukarelawan Siswa/Siswi Polis Diraja Malaysia Universiti Malaya (Kor Suksis), Kuen Cheng High School in Kuala Lumpur, Chung Hua Middle School Port Dickson and annual contribution to the Perdana Leadership Foundation.

Community and humanitarian aids
During the period under review, Bina Puri provided funds for community activities that include funds for Spastic Children's Association Of Selangor & Federal Territory, Persatuan Kebajikan Harmoni Kuala Lumpur Dan Selangor, Pertubuhan Membantu Pesakit Parah Miskin Malaysia, Ti-Ratana Welfare Society, National Council For The Blind, Malaysia and Kiwanis International Foundation.

In order to encourage community development, we are also involved as the programme sponsors organised by National Union of Journalists Peninsular, Malaysia South-South Association, the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor, United Nations Association Malaysia, Persatuan Anak Sarawak Semenanjung, the Federation of Hokkien Associations of Malaysia, and the Federation of Chinese Associations of Malaysia.

Human Capital
At Bina Puri, employees are our most valuable asset. Thus, we look after their welfare through our dedicated programmes and activities for their loyalty and effort towards the success of Bina Puri.

One of our staff welfare programme was the Undergraduate Scholarship Awards, which is designed to recognise academic excellence among staff's children at local and foreign universities.

In the meantime, we also gave cash incentives to staff's children who excelled in their SPM, PMR and UPSR examinations.

For our staff, those who excelled and successfully completed their studies in Diploma, Bachelor, Master or PhD were also rewarded under the Bina Puri Education Incentives.

Other programmes designed to appreciate our staff include the Best Employee Awards, birthday celebrations, festive celebrations and others.

In promoting a healthy lifestyle and to strengthen staff bonding, many activities were successfully executed by our dynamic and energetic Kelab Sukan & Sosial Bina Puri (KSSBP). In 2013, the club organised outings to Hatyai and Songkla in Thailand, Bandung in Indonesia and Kunming in China. Other activities organised include futsal tournament, badminton and ping pong tournaments, fishing competition, paintball, Mount Kinabalu climbing and many others.

Environmental Projects in the Community

For the construction industry, we have taken the responsibility to ensure that all our staff as well as the subcontractors abide by the Environmental Policies ensuring all waste at the work site are properly collected and stored; for instance the used oil drums are relocated into the oil storage area while the contaminated soil are cleaned up according to the Environmental Quality (Scheduled Wastes) Regulations 2005.

Our project team has always put their effort to ensure our project sites are in good housekeeping condition and clean. For instance, maintaining the cleanliness of public drainage. This exercise is performed on a weekly basis mainly to prevent a clogged drainage system that can cause flash floods and infectious diseases. Thus, Bina Puri has always committed to continue its effort in helping to protect the environment.

Sabah Administration Centre

Audit Committee Report

Members of the Committee	Designation in the Company
Dato' Yeow Wah Chin, Chairman	Independent Non-Executive Director
Ir. Ghazali Bin Bujang	Independent Non-Executive Director
Mohd Najib Bin Abdul Aziz	Independent Non-Executive Director

COMPOSITION

(a) The Audit Committee shall be appointed by the Directors from amongst their numbers via a Directors' resolution and shall consist of not less than three (3) members. All the Audit Committee members must be non-executive directors with a majority of them being Independent Directors. The composition of the Audit Committee shall meet the independence requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other rules and regulations of the Securities Commission.

(b) At least one member of the Audit Committee:

i. is a member of the Malaysian Institute of Accountants; or

ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
- must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
- must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

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

(c) In the event of any vacancy in the Audit Committee, the Directors shall within (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

(d) An Alternate Director shall not be appointed as a member of the Audit Committee.

(e) The member of the Audit Committee that meets the requirement for having the necessary accounting qualification is En. Mohd Najib Bin Abdul Aziz.

CHAIRMAN

The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an Independent Director. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

ATTENDANCE AT MEETINGS

The quorum of the Audit Committee shall consist of a majority of Independent Directors and shall not be less than two (2). The Committee may require the attendance of any management staff as it may deem necessary together with a representative or representatives from the external auditors. At least twice a year, the Audit Committee shall meet with the external auditors without any executive officer of the Group being present.

The Audit Committee shall have direct communication channels with both the external auditors and the internal auditors. It is able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

SECRETARY

The Company Secretary shall be the Secretary of the Committee.

FREQUENCY OF MEETINGS

Meetings shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider it necessary.

During the financial year ended 31 December 2013, the Committee met a total five (5) times. The following is the attendance record of the Audit Committee members:

Audit Committee members*	Designation	No. of meetings attended
Dato' Yeow Wah Chin	Independent Non-Executive Director	2/2
Ir. Ghazali Bin Bujang	Independent Non-Executive Director	2/2
Mohd Najib Bin Abdul Aziz	Independent Non-Executive Director	2/2

* The Audit Committee members were appointed on 31 May 2013 and attended two meetings held after their appointment. The former Audit Committee members attended the three meetings held before 31 May 2013.

AUTHORITY

The Committee is authorised by the Board to investigate any activities within its terms of reference. It shall also have full and unrestricted access to the resources required as stated below to perform its duties:
- any information pertaining to the Group;
- both the internal and external auditors; and
- all employees of the Group who are directed to cooperate upon requests made by the Committee.

The Committee is authorised by the Board to obtain outside legal or independent professional advice and to request the attendance of outsiders with relevant experience and expertise if it considers necessary.

FUNCTIONS

The functions of the Committee shall be:

(a) to review with the external auditor, the audit plan;

(b) to review with the external auditor, his evaluation of the system of internal controls;

(c) to review with the external auditor, his audit report;

(d) to review the assistance given by the Company's officers to the external auditor;

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

(f) to review the internal audit program, processes, the results of the internal audit program, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(g) to review the quarterly results and year end financial statements, before the approval by the board of directors, focusing particularly on:

  i. changes in or implementation of major accounting policy changes;

  ii. significant and unusual events; and

  iii. compliance with accounting standards and other legal requirements;

(h) to review any related party transactions that may arise within the Company or Group;

(i) to recommend and consider the nomination and appointment of external auditors as well as their audit fee;

(j) to consider any letter of resignation from the external auditor and any questions of resignation or dismissal;

(k) to ensure that matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements are promptly reported to Bursa Malaysia Securities Berhad;

(l) to consider any other functions as may be agreed to by the Committee and the Board of Directors.

REPORTING PROCEDURE

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

(a) Reviewed the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;

(b) Reviewed the Statement on Risk Management and Internal Control and Statement on Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;

(c) Reviewed the external auditor's audit plan and report for the year;

(d) Reviewed the external auditor's evaluation of the system of internal controls;

(e) Reviewed the internal audit reports, recommendations, programs and plans for the year under review and management's response;

(f) Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the applicable accounting standards approved by MASB and other legal requirements;

(g) Reviewed the unaudited quarterly financial results announcements before recommending them for Board approval;

(h) Reviewed related party transactions that may arise within the Company or the Group;

(i) Considered and recommended to the Board for approval of the audit fees payable.

STATEMENT BY AUDIT COMMITTEE ON THE COMPANY'S EMPLOYEE SHARE OPTION SCHEME ("ESOS")

Appendix 9C, Part A (26) of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad requires a Statement by the Audit Committee in relation to the allocation of share options pursuant to any share scheme for employees as stated in paragraph 8.21A. There was no allocation of options pursuant to the Company's ESOS during the financial year ended 31 December 2013.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to BDO Governance Advisory Sdn. Bhd. ("BDOGA"). BDOGA develops an annual strategic Internal Audit Plan which is presented to the Audit Committee and approved by the Board.

The internal audit function independently reviews the adequacy and integrity of the Company's internal control systems and reports its findings directly to the Audit Committee.

In 2013, the Company incurred a cost of RM48,000 for the internal audit function.

REVIEW OF THE AUDIT COMMITTEE

The Board of directors, as required of a listed issuer, reviews the term of office and performance of an Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Corporate Governance Statement

The Board recognises the need for companies to be more efficient and well-managed, and continues to implement the recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code"). The Code sets out principles and best practices on structures and processes that companies may use in their operations towards achieving an optimal governance framework.

The Board realises that good governance practices are important to safeguard the interests of all stakeholders and enhance shareholders' value. The Group will continue to strengthen its compliance with the eight (8) principles and the corresponding twenty six (26) Recommendations laid out in the Code.

1. DIRECTORS

An effective Board comprises members with a wide range of business, legal, financial and technical experience leads and controls the Group. The following considerations have been applied in ensuring the effectiveness of the Board.

(a) Roles and Responsibilities

The Board is responsible for managing and overseeing the conduct of the businesses of the Group through formulating and monitoring achievement of the Group's strategies.

The Board delegates certain roles and responsibilities to the Board Committees noted below whilst, amongst others, assuming the roles and responsibilities as stated below:

(i) Formulating and reviewing strategic plan for the Group quarterly;
(ii) Overseeing the conduct of the businesses and financial performance of the Group;
(iii) Identifying and managing the principal risks of all aspects of the Group's operations and affairs;
(iv) Ensuring all senior management positions are held by candidates of sufficient caliber and that succession programmes for senior management are in place;
(v) Ensuring that effective communication with its shareholders and stakeholders is in place; and
(vi) Ensuring that a sound framework of reporting on management information and internal controls is in place.

The Board is developing a Board Charter comprising a Code of Ethics and Conduct which will provide guidance to the Board on fulfilling its roles, duties and responsibilities in line with the principles and recommendations of the Code.

(b) The Board

The Board's composition represents a mix of knowledge, skills and expertise vital to the successful direction of the Group.

The Board currently has ten (10) members comprising five (5) Non-Executive Directors and five (5) Executive Directors who lead the Group. The Board consists of an Independent Non-Executive Chairman, a Group Managing Director, a Founder Director, three (3) Executive Directors and four (4) Non-Executive Directors, three (3) of whom are independent. There is a clear division of duties between the Independent Non-Executive Chairman and Group Managing Director of the Company. The presence and participation of Independent Non-Executive Directors will bring independent judgement in Board decisions. Any one (1) of the three (3) independent directors will be available to act as the Senior Independent Non-Executive Director.

(c) Board Meetings

The Board meets at least four (4) times per year with additional meetings being convened where necessary. For the financial year 2013, the Board met four (4) times. Details of attendance of Directors at the Board Meetings are as follows:-

Attendance at Board Meetings

Directors	No. of meetings attended
Tan Sri Dato' Ir Wong Foon Meng	4/4
Tan Sri Datuk Tee Hock Seng, JP	4/4
Dr. Tony Tan Cheng Kiat	3/4
Matthew Tee Kai Woon	4/4
Tan Kwe Hee (appointed on 7 March 2013)	3/3*
Datuk Henry Tee Hock Hin	3/4
Tay Hock Lee	4/4
Dato' Yeow Wah Chin (appointed on 31 May 2013)	2/2*
Ir. Ghazali Bin Bujang (appointed on 31 May 2013)	2/2*
Mohd Najib Bin Abdul Aziz (appointed on 31 May 2013)	1/2*

* Denotes the number of Board meetings held and attended by the directors concerned after their appointment in 2013.

(d) Appointment and Re-election of the Board of Directors

The Board is responsible for the appointment of Directors. It has formulated the terms of reference of the Nomination Committee and has identified the composition of the Committee members.

All the Directors shall retire from office at least once every three (3) years at each Annual General Meeting but shall be eligible for re-election pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(e) Reinforce independence

The Board took note of the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. To ensure compliance with the Code, the Company appointed three (3) new Independent Directors in May 2013 as the previous Independent Directors had served the Company for more than nine (9) years. The Board will undertake an assessment of its Independent Directors annually after developing formal procedure and criteria for this exercise.

(f) Group Executive Committee

The Group Executive Committee was established in January 1997 and its members consist of the Executive Directors. The Group Executive Committee facilitates timely and appropriate decision-making within the framework of achieving the Corporate Vision and Mission of Bina Puri Group.

(g) Audit Committee

The Audit Committee was established in June 1995. Please refer to the Audit Committee report on pages 40 to 42.

(h) Nomination Committee

The Board has a Nomination Committee represented by Non-Executive Directors, all of whom are independent. The Nomination Committee is responsible for nominating to the Board individuals as Directors and for assessing the Directors on an ongoing basis.

The Board will further enhance the effectiveness of the Nomination Committee by formulating formal policies and procedures on the nomination and election processes for new candidates and criteria to be used as benchmarks in the nominating and performance assessment processes.

(i) Remuneration Committee

The Board has a Remuneration Committee comprising Non-Executive Directors as majority. The Remuneration Committee is responsible to recommend to the Board the remuneration packages of the Directors. The Directors concerned shall abstain from voting in respect of their own remuneration.

The process of formalising the directors' remuneration policy, which is intended to be reflective of the individuals' responsibilities, expertise and contribution as well as the complexity of the Group's activities, is ongoing.

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

(i) Aggregate remuneration of Directors categorised into appropriate components:

In RM '000	Salaries	Fees	EPF/Socso	Benefits-in-kind	Total
Executive Directors	3,149	48	359	50	3,606
Non-Executive Directors	198	443	25	10	676
Total	3,347	491	384	60	4,282

(ii) Aggregate remuneration of each Director

Range of remuneration	No. of Directors Executive	Non-Executive
Below RM50,000		6
RM200,001 – RM250,000		1
RM250,001 – RM300,000	1	1
RM400,001 – RM450,000	1	
RM650,001 – RM700,000	1	
RM1,000,001 – RM1,050,000	1	
RM1,100,001 – RM1,200,000	1	
Total	5	8

(j) ESOS Committee

The ESOS Committee was established on 20 November 2003 and is responsible for administering the ESOS of the Company.

(k) Directors' Training

During the financial year 2013, the Company had arranged a training on 'Enterprise Risk Management - what it is and implications to Boards and Management of listed issuer' for the Directors.

The Directors who were appointed during 2013 had attended the Mandatory Accreditation Programme.

In addition to the above, some Directors attended the following training during the financial year 2013:-

Directors	Course
Tan Sri Dato' Ir. Wong Foon Meng	Board Chairman Series: The Role of the Board Chairman
Tay Hock Lee	Board Leadership and Value Systems - The Tone of the Top

2. SUPPLY OF INFORMATION

All Board Members are provided with Board Papers, which include operational, financial and corporate information to enable the Board to discharge its duties effectively.

The Directors have access to members of the senior management team and the advice and services of the Company Secretary.

3. ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's position and prospects. The Company has used appropriate accounting policies, consistently applied and supported by reasonable judgement and estimates.

(b) Internal Control

The statement on internal control is set out in page 48 of the Annual Report.

(c) Responsibility Statement by the Board of Directors

The Directors are collectively responsible for ensuring that the financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The Directors have to ensure that the financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company.

In preparing the financial statements, the Directors have:

(i) selected suitable accounting policies and applied them consistently;
(ii) made judgements and estimates that are reasonable and prudent;
(iii) ensured that all applicable accounting standards have been followed; and
(iv) prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and that the Group and the Company have secured significant projects.

The Directors have also taken the necessary steps, as are reasonably open to them, to ensure that appropriate systems are in place for the assets of the Group and the Company to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements.

(d) Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors are disclosed in pages 40 to 42 of the Annual Report.

4. SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

(a) Dialogue with Investors

The Board recognises the importance of effective communication with its shareholders and investors. The information of the Company is communicated to them through the following means:

(i) The Annual Report

(ii) The various disclosures and announcements made to the Bursa Malaysia Securities Berhad including the Quarterly Results and Annual Results; and

(iii) BPHB website at www.binapuri.com.my

(b) Annual General Meeting

The notice of Annual General Meeting is sent out to the shareholders at least 21 days before the date of the meeting.

The Annual General Meeting serves as a principal forum for dialogue with shareholders. Extraordinary General Meetings are held as and when required.

The Board is of the view that voting by way of show of hands is efficient with the current level of shareholders' attendance.

5. ADDITIONAL COMPLIANCE INFORMATION

(a) Share Buy-Back

There was no share buy-back exercise for the financial year ended 31 December 2013.

(b) Options, Warrants or Convertible Securities Exercised

There were no options exercised during the financial year ended 31 December 2013 in relation to the ESOS.

(c) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

There was no ADR or GDR Programme sponsored by the Company.

(d) Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by the relevant regulatory bodies.

(e) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial year ended 31 December 2013 was RM57,000

(f) Variation of Results

The results for the financial year ended 31 December 2013 do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the said financial year.

(g) Profit Guarantee

The Company has not issued any profit guarantee in the financial year ended 31 December 2013.

(h) Material Contracts

None of the directors and major shareholders has any material contract with the Company and/or its subsidiaries during the financial year under review.

(i) Revaluation Policy on Landed Properties

The Group did not adopt a policy on regular revaluation of its landed properties.

(j) Private Placement 2013

The Company had successfully placed out 41,056,000 new Bina Puri Shares pursuant to the Private Placement 2013, which raised a cumulative gross proceeds of approximately RM41.06 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement 2013 (RM'000)	Amount utilised (RM'000)	Amount unutilised (RM'000)
Working capital requirements	31,194	31,194	–
Repayment of bank borrowings	9,664	9,664	–
Expenses in relation to the Private Placement 2013	198	198	–
Total	41,056	41,056	–

Statement on Risk Management and Internal Control

The Malaysian Code of Corporate Governance ("the Code") stipulates that the Board of listed companies should maintain a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. Pursuant to paragraph 15.26(b) of the Bursa Malaysia Main Market Listing Requirements, the Board of Directors ("the Board") is pleased to provide the following statement, which outlines the main features and adequacy of the Group's risk management and internal control for the year ended 31 December 2013.

The Board affirms the overall responsibility for maintaining a sound system of internal control and for reviewing their adequacy and integrity so as to safeguard shareholders' investments and the Group's assets. However, it should be noted that any system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss and risks should be continually monitored and managed at all times.

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

The following key risk management and internal control mechanisms are in place in the governance of the Group's operations:-

- Clearly defined operating structure and lines of responsibilities. Various Board and Management Committees have been established to assist the Board in discharging its duties, including:-
  - ❑ Group Executive Committee
  - ❑ Audit Committee
  - ❑ Nomination Committee
  - ❑ Remuneration Committee
  - ❑ ESOS Committee

  A process of hierarchical reporting is in place to establish accountability in the business operations.

- Systematically documented standard operating policies and procedures that cover various operational areas which are subject to regular review and improvement.

- An ISO 9001:2008 Quality Management System, which is subject to regular review and improvement, continually manages and controls the quality requirement of the Group's products and services.

- Frequent site visits by contract officers and project management team are established in monitoring the progress of projects undertaken by the Group. The ongoing performance of each business operating unit is reviewed on a monthly basis and these performance reviews are escalated to the Board on a quarterly basis.

- A standardised performance management system is developed to continually appraise and reward the employees of the Group in accordance with their performance.

- Emphasis is also placed on enhancing the quality and capability of human assets through training and development programs, which enhances their ability to meet their performance and job expectations.

- A Safety Committee is in place to be in compliance with Section 30(1) of the Occupational Safety and Health Act, 1994.

ASSURANCE MECHANISM

The Group had established an Audit Committee with the primary objective of assisting the Board to review the adequacy and integrity of the Group's internal control and management information systems. In discharging its duties, the internal audit function of the Group is outsourced to BDO Governance Advisory Sdn. Bhd. ("BDOGA").

BDOGA independently reviews the adequacy and integrity of the system of internal control and reports to the Audit Committee on a bi-annual basis. The annual audit plan covering the key activities of the Group is tabled to the Audit Committee for discussion and approval.

For the year 2013, BDOGA has completed three (3) internal control reviews according to the annual audit plan. The findings arising from the internal control reviews together with recommendations, management responses and proposed action plans were promptly reported to the Audit Committee.

The Audit Committee, on behalf of the Board, reviews the measures undertaken on internal control issues identified by BDOGA. The Board will discuss with the Audit Committee and management on matters relating to internal controls and deliberates on their recommendations for implementation.

The Board believes that the risk management and system of internal control in place for the year under review and up to the date of issuance of financial statements, is considered appropriate to business operations and that risks taken are at an acceptable level within the operations of the Group.

There have been no significant weaknesses noted during the year which have resulted in any material losses.

The Statement on Risk Management and Internal Control does not deal with the associated companies and joint ventures as the Group does not have management control over their operations.

The Board has received assurance from the Group Managing Director and Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

GOING FORWARD

The Board is committed to continually strengthen the transparency and efficiency of the Group's operations and control environment. This will be supported by an assessment independent of operations on the adequacy and integrity of the controls by BDOGA. Other initiatives deemed necessary will be considered from time to time in order to ensure that the control environment remains reasonably secure.

The internal control system is reviewed on an ongoing basis by the Board, Audit Committee and Management for monitoring compliance with policies and procedures. The Heads of Department as well as the respective Project Managers are involved in continually improving the control processes within their respective departments and projects.

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2013

Directors' Report
For The Year Ended 31 December 2013

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2013.

PRINCIPAL ACTIVITIES
The Company is principally engaged in business as a contractor for earthworks and building, project management services and investment holding. The principal activities of the subsidiaries are as stated in Note 4 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	5,819	3,005
Other comprehensive loss, net of tax	(1,497)	(79)
Total comprehensive income for the financial year	4,322	2,926
Attributable to:		
Owners of the Company	4,207	2,926
Non-controlling interests	115	–
	4,322	2,926

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows:-

		RM'000
(a)	In respect of the financial year ended 31st December 2012:-	
	- Final dividend of 2% less 25% tax paid on 31st July 2013	1,997
(b)	In respect of the financial year ended 31st December 2013:-	
	- Proposed final dividend of 1.5% payable in 2014	3,366

At the forthcoming Annual General Meeting, a final dividend of 1.5% per ordinary share tax amounting to approximately RM2.52 million in respect of the current financial year will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31st December 2014.

RESERVES AND PROVISIONS
All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

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 to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment, and had satisfied themselves that all known bad debts had been written off and adequate allowance for impairment had been made.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for impairment in respect of the financial statements of the Group and of the Company.

CURRENT ASSETS

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 to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year, other than as disclosed in Note 41 to the financial statements.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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.

ISSUE OF SHARES AND DEBENTURES

During the financial year,

a) there were no changes in the authorised share capital of the Company;

b) the Company increased its issued and paid-up share capital from RM124,415,550/- to RM157,115,550/- by the issuance of 32,700,000 new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1.00 per share.

   The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company; and

c) there were no issuance of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Employee Share Option Scheme below.

EMPLOYEE SHARE OPTION SCHEME

On 1st June 2012, the Company granted options to eligible employees including executive directors of the Group to subscribe up to 15% of the issued and paid-up share capital of the Company under the Executives' Share Option Scheme (ESOS) approved by the shareholders of the Company at the Annual General Meeting. The effective date of the ESOS is on 7th June 2011 for a period of five years and the options may be exercised between 7th June 2011 and 6th June 2016 on the terms and conditions as set out in the ESOS By-Laws of the Company.

The option price for each share shall be at a discount of not more than ten percent (10%) from the weighted average market price of the shares of the five (5) market days immediately preceding the date of offer or the par value of the shares, whichever is higher.

The consideration is payable in full on application and the options granted do not confer any rights to participate in any share issue of any other companies of the Group.

The movement in the options during the financial year to take up unissued new ordinary shares of RM1/- each at a minimum exercise price of RM1/- per share are as follows:-

	Number of options over ordinary shares
At 1st January 2013	10,947,550
Lapsed	(1,766,400)
At 31st December 2013	9,181,150

DIRECTORS

The directors in office since the date of the last report are:-

Tan Sri Dato' Ir. Wong Foon Meng
Tan Sri Datuk Tee Hock Seng, JP
Dr. Tan Cheng Kiat
Datuk Tee Hock Hin
Matthew Tee Kai Woon
Tay Hock Lee
Tan Seng Hu *(alternate to Dr. Tan Cheng Kiat)*
We Her Ching *(alternate to Datuk Tee Hock Hin)*
Tan Kwe Hee - *appointed on 7.3.2013*
Dato' Yeow Wah Chin - *appointed on 31.5.2013*
Ir. Ghazali Bin Bujang - *appointed on 31.5.2013*
Mohd Najib Bin Abdul Aziz - *appointed on 31.5.2013*
Yusuf Khan Bin Ghows Khan - *resigned on 31.5.2013*
Khalid Bin Sufat - *resigned on 31.5.2013*
Dato' Anad Krishnan A/L Muthusamy - *resigned on 31.5.2013*

In accordance with the Company's Article of Association, Tan Sri Datuk Tee Hock Seng, JP, Dr. Tan Cheng Kiat, Tan Kwe Hee and Tan Sri Dato' Ir. Wong Foon Meng retire at the forthcoming AGM and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares and options of the Company and its related corporations during the financial year ended 31st December 2013 are as follows:-

	Number of ordinary shares of RM1 / - each				
The Company **Bina Puri Holdings Bhd.**	**At 1-1-2013 / date of appoinment**	**Bought**	**Sold**	**At 31-12-2013**	
Direct interests					
Tan Sri Datuk Tee Hock Seng, JP	15,709,778	60,000 ^	–	15,769,778	#
Dr. Tan Cheng Kiat	9,368,902	–	–	9,368,902	*
Datuk Tee Hock Hin	5,594,668	–	–	5,594,668	
Tay Hock Lee	1,792,707	15,000	–	1,807,707	
Tan Kwe Hee	121,000	–	–	121,000	
Matthew Tee Kai Woon	1,404,625	35,000	–	1,439,625	
We Her Ching	104,900	–	–	104,900	
The Subsidiary **Sungai Long Industries Sdn. Bhd.**					
Indirect interest					
Tan Sri Datuk Tee Hock Seng, JP	1,820,000	–	–	1,820,000	@

	Number of options over ordinary shares RM1 /- each			
The Company **Bina Puri Holdings Bhd.**	**At 1-1-2013 / date of appoinment**	**Granted**	**Exercised**	**At 31-12-2013**
Dr. Tan Cheng Kiat	1,000,000	-	-	1,000,000
Datuk Tee Hock Hin	600,000	-	-	600,000
Tay Hock Lee	500,000	-	-	500,000
We Her Ching	450,000	-	-	450,000

^ *bought through Tee Hock Seng Holdings Sdn. Bhd.*
# *includes shares held through nominee company, 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.*
* *includes shares held through nominee company*
@ *deemed interested by virtue of his indirect substantial shareholding in the subsidiary*

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in the shares and options of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 37 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the options granted to certain directors pursuant to the ESOS of the Company.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

TAN SRI DATUK TEE HOCK SENG, JP
Director

MATTHEW TEE KAI WOON
Director

Kuala Lumpur

Date: 28th April 2014

Statements of Financial Position

As At 31st December 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
ASSETS					
Non-current assets					
Investment in subsidiaries	4	**–**	–	**85,915**	85,740
Investment in associates	5	**36,123**	5,174	**34,531**	4,531
Investment in joint venture	6	**–**	–	**–**	–
Property, plant and equipment	7	**107,010**	101,589	**19,550**	20,078
Investment properties	8	**103,638**	39,604	**–**	–
Power plant under construction	9	**7,764**	–	**–**	–
Other investments	10	**7,309**	37,309	**6,412**	36,412
Goodwill	11	**13,585**	350	**–**	–
Deferred tax assets	12(a)	**654**	654	**–**	–
Total non-current assets		**276,083**	184,680	**146,408**	146,761
Current assets					
Inventories	13	**5,417**	5,462	**–**	–
Property development costs	14	**100,290**	46,141	**–**	–
Gross amount due from contract customers	15	**197,780**	206,409	**15,762**	10,357
Trade and other receivables	16	**650,425**	462,169	**23,346**	24,255
Amount owing by subsidiaries	17	**–**	–	**129,158**	72,206
Amount owing by associates	18	**36,957**	28,265	**36,927**	28,021
Tax recoverable		**2,188**	1,804	**591**	–
Fixed deposits with licensed banks	19	**14,904**	15,945	**54**	50
Cash and bank balances	20	**55,692**	71,311	**463**	2,238
Total current assets		**1,063,653**	837,506	**206,301**	137,127
TOTAL ASSETS		**1,339,736**	1,022,186	**352,709**	283,888

Statements of Financial Position (Cont'd)

As at 31st December 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	**157,116**	124,416	**157,116**	124,416
Reserves	22	**13,417**	10,964	**35,013**	33,841
Shareholders' funds		**170,533**	135,380	**192,129**	158,257
Non-controlling interests		**14,215**	14,022	**–**	–
Total equity		**184,748**	149,402	**192,129**	158,257
Non-current liabilities					
Hire purchase payables	23	**9,508**	9,625	**247**	336
Term loans	24	**70,701**	40,217	**–**	–
Deferred tax liabilities	12(b)	**7,811**	2,681	**809**	688
Total non-current liabilities		**88,020**	52,523	**1,056**	1,024
Current liabilities					
Gross amount due to contract customers	15	**16,185**	6,707	**47,955**	23,558
Trade and other payables	25	**491,160**	417,955	**42,442**	42,815
Amount owing to subsidiaries	17	**–**	–	**19,424**	23,804
Amount owing to associates	18	**7,023**	8,868	**6**	6
Amount owing to joint venture	26	**34**	31	**34**	31
Hire purchase payables	23	**7,684**	7,245	**89**	85
Bank borrowings	27	**533,277**	368,060	**49,574**	34,204
Tax payable		**11,605**	11,395	**–**	104
Total current liabilities		**1,066,968**	820,261	**159,524**	124,607
TOTAL LIABILITIES		**1,154,988**	872,784	**160,580**	125,631
TOTAL EQUITY AND LIABILITIES		**1,339,736**	1,022,186	**352,709**	283,888

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

Statements of Comprehensive Income

For The Financial Year Ended 31st December 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Revenue	28	**1,053,707**	1,280,062	**114,736**	77,059
Cost of sales	29	**(990,739)**	(1,211,791)	**(102,824)**	(66,281)
Gross profit		**62,968**	68,271	**11,912**	10,778
Other operating income		**9,160**	5,645	**991**	988
Administrative expenses		**(55,800)**	(53,170)	**(11,312)**	(13,112)
Share of results in associates		**1,300**	941	**–**	–
Share of results in joint venture		**21**	(1,420)	**–**	–
Investment income		**3,887**	2,948	**5,482**	6,429
Finance costs		**(7,887)**	(6,811)	**(3,146)**	(2,328)
Profit before taxation	30	**13,649**	16,404	**3,927**	2,755
Taxation	31	**(7,830)**	(10,559)	**(922)**	(1,302)
Profit after taxation		**5,819**	5,845	**3,005**	1,453
Items that may be reclassified subsequently to profit or loss:					
- Foreign currency translation		**(1,497)**	(517)	**(79)**	46
Other comprehensive loss for the year, net of tax		**(1,497)**	(517)	**(79)**	46
Total comprehensive income for the financial year		**4,322**	5,328	**2,926**	1,499
Profit after taxation attributable to:					
Owners of the Company		**5,232**	5,110	**3,005**	1,453
Non-controlling interests		**587**	735	**–**	–
		5,819	5,845	**3,005**	1,453
Total comprehensive income attributable to:					
Owners of the Company		**4,207**	4,753	**2,926**	1,499
Non-controlling interests		**115**	575	**–**	–
		4,322	5,328	**2,926**	1,499
Earnings per share (sen)	32				
- basic		**3.85**	4.12		
- diluted		**3.85**	4.12		

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

Statements of Changes in Equity

For The Financial Year Ended 31st December 2013

Group	Note	← Non-distributable				→	Distributable			
		Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non-Controlling interests RM'000	Total Equity RM'000
At 1st January 2012		121,883	4,762	15,682	(1,708)	735	(12,367)	128,987	13,424	142,411
Total comprehensive income for the financial year		–	–	–	(357)	–	5,110	4,753	575	5,328
Transactions with owners										
Exercise of employee share options	21	905	398	–	–	(325)	–	978	–	978
Acquisiton of non-controlling interest		–	–	–	–	–	–	–	45	45
Disposal of subsidiaries	35(iii)	–	–	–	–	–	–	–	(203)	(203)
Changes in ownership interests in a subsidiary	35(ii)	–	–	–	–	–	19	19	181	200
Grant of equity-settled share options to employees		–	–	–	–	891	–	891	–	891
Dividends on ordinary shares	33	–	–	–	–	–	(1,861)	(1,861)	–	(1,861)
Issuance of ordinary shares	21	1,628	–	–	–	–	–	1,628	–	1,628
Share issuance expenses		–	(15)	–	–	–	–	(15)	–	(15)
Total transactions with owners		2,533	383	–	–	566	(1,842)	1,640	23	1,663
At 31st December 2012		124,416	5,145	15,682	(2,065)	1,301	(9,099)	135,380	14,022	149,402

Group	Note	← Non-distributable				→	Distributable			
		Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non-Controlling interests RM'000	Total Equity RM'000
At 1st January 2013		124,416	5,145	15,682	(2,065)	1,301	(9,099)	135,380	14,022	149,402
Total comprehensive income for the financial year		–	–	–	(1,025)	–	5,232	4,207	115	4,322
Transactions with owners										
Acquisiton of non-controlling interest		–	–	–	–	–	–	–	78	78
Grant of equity-settled share options to employees		–	–	–	–	498	–	498	–	498
Dividends on ordinary shares	33	–	–	–	–	–	(1,997)	(1,997)	–	(1,997)
Issuance of ordinary shares	21	32,700	–	–	–	–	–	32,700	–	32,700
Share issuance expenses		–	(255)	–	–	–	–	(255)	–	(255)
Total transactions with owners		32,700	(255)	–	–	498	(1,997)	30,946	78	31,024
At 31st December 2013		157,116	4,890	15,682	(3,090)	1,799	(5,864)	170,533	14,215	184,748

Company	Note	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Retained profits RM'000	Total Equity RM'000
		Non-distributable				Distributable	
At 1st January 2012		121,883	4,762	87	735	27,670	155,137
Total comprehensive income for the financial year		–	–	46	–	1,453	1,499
Transactions with owners							
Dividends on ordinary shares	33	–	–	–	–	(1,861)	(1,861)
Exercise of employee share options	21	905	398	–	(325)	–	978
Issuance of ordinary shares	21	1,628	–	–	–	–	1,628
Share issuance expenses		–	(15)	–	–	–	(15)
Grant of equity-settled share options to employees		–	–	–	891	–	891
Total transactions with owners		2,533	383	–	566	(1,861)	1,621
At 31st December 2012		124,416	5,145	133	1,301	27,262	158,257
At 1st January 2013		**124,416**	**5,145**	**133**	**1,301**	**27,262**	**158,257**
Total comprehensive income for the financial year		**–**	**–**	**(79)**	**–**	**3,005**	**2,926**
Transactions with owners							
Dividends on ordinary shares	**33**	**–**	**–**	**–**	**–**	**(1,997)**	**(1,997)**
Issuance of ordinary shares	**21**	**32,700**	**–**	**–**	**–**	**–**	**32,700**
Share issuance expenses		**–**	**(255)**	**–**	**–**	**–**	**(255)**
Grant of equity-settled share options to employees		**–**	**–**	**–**	**498**	**–**	**498**
Total transactions with owners		**32,700**	**(255)**	**–**	**498**	**(1,997)**	**30,946**
At 31st December 2013		**157,116**	**4,890**	**54**	**1,799**	**28,270**	**192,129**

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

Statements of Cash Flows

For The Financial Year Ended 31st December 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before taxation		**13,649**	16,404	**3,927**	2,755
Adjustments for:-					
Allowance for impairment on trade and other receivables		**–**	368	**–**	368
Depreciation		**12,377**	10,783	**611**	571
Dividend income		**(481)**	(481)	**(5,482)**	(4,556)
Gain on disposal of:-					
- property, plant and equipment		**(123)**	(1,099)	**(5)**	(50)
- investment in a subsidiary		–	(1,858)	–	(1,872)
- investment properties		**(815)**	–	**–**	–
Gain arising from changes in ownership interests:-					
- investment in subsidiary to associate		**–**	(70)	**–**	–
Interest expense		**28,197**	17,980	**3,397**	2,841
Interest income		**(3,779)**	(686)	**–**	–
Net effect of unwinding of interest from discounting		**329**	(95)	**(203)**	207
Property, plant and equipment written off		**23**	26	**–**	–
Reversal of allowance for impairment on trade and other receivables no longer required		**(2)**	(5)	**–**	–
Receivables written off		–	25	–	25
Share of results in:-					
- associates		**(1,300)**	(941)	**–**	–
- joint venture		**(21)**	1,420	**–**	–
Share options granted under ESOS		**498**	891	**47**	115
Unrealised loss/(gain) on foreign exchange		**1,711**	197	**(80)**	46
		50,263	42,859	**2,212**	450
Changes in working capital:-					
Inventories		**45**	(466)	**–**	–
Property development costs		**(16,050)**	(12,592)	**–**	–
Power plant under construction		**(7,764)**	–	**–**	–
Receivables		**(181,457)**	(61,738)	**(4,232)**	1,328
Payables		**60,146**	(2,174)	**23,963**	38,019
Subsidiaries		**–**	–	**(26,440)**	(24,918)
Associates		**(1,639)**	975	**–**	(20)
		(96,456)	(33,136)	**(4,497)**	14,859
Interest paid		**(27,072)**	(16,967)	**(3,378)**	(2,830)
Tax paid		**(7,002)**	(13,810)	**(246)**	(88)
Net Operating Cash Flows		**(130,530)**	(63,913)	**(8,121)**	11,941

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of:-					
- subsidiaries	34	**(25,000)**	–*	**–**	–
- an associate		**–**	(1,040)	**–**	(980)
- non-controlling interests		**–**	45	**–**	–
Advances to associates		**(8,898)**	(4,193)	**(8,906)**	(4,257)
Advances to subsidiaries		**–**	–	**(30,151)**	(16,594)
Dividend received		**881**	881	**4,232**	4,037
Interest received		**3,779**	686	**–**	–
Net of cash, disposal of investment in subsidiaries	35(iv)	**–**	2,868	**–**	–
Subscription of shares by non-controlling interest		**75**	–	**–**	–
Proceeds from disposal of:-					
- investment in a subsidiary		**–**	–	**–**	2,872
- investments properties		**1,860**	375	**–**	375
- property, plant and equipment		**600**	1,531	**23**	50
Purchase of:-					
- investment in subsidiaries		**–**	–	**(175)**	(5,900)
- investment in associates		**(60)**	(35)	**–**	(35)
- property, plant and equipment	36	**(10,042)**	(10,354)	**(101)**	(279)
- investment properties		**(65,079)**	(39,492)	**–**	–
Release/(placement) of fixed deposits		**1,754**	6,108	**(4)**	2
Advances from joint venture		**3**	19	**3**	19
Net Investing Cash Flows		**(100,127)**	(42,602)	**(35,079)**	(20,690)
CASH FLOWS FROM FINANCING ACTIVITIES:					
(Repayment to)/advances from subsidiaries		**–**	–	**(4,210)**	6,813
Dividends paid to shareholders of the Company		**(1,997)**	(1,861)	**(1,997)**	(1,861)
Net drawdown of bank borrowings		**174,807**	144,997	**–**	4,100
Hire purchase interests paid		**(1,125)**	(1,013)	**(19)**	(11)
Net repayment of hire purchase obligations		**(7,195)**	(4,708)	**(85)**	(121)
Proceeds from:-					
- issuance of shares		**32,445**	1,613	**32,445**	1,613
- exercise of employee share options		**–**	978	**–**	978
Net Financing Cash Flows		**196,935**	140,006	**26,134**	11,511

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(33,722)**	33,491	**(17,066)**	2,762
EFFECT OF CHANGES IN EXCHANGE RATE		**1,153**	(121)	**(79)**	46
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**38,160**	4,790	**(10,966)**	(13,774)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**5,591**	38,160	**(28,111)**	(10,966)
ANALYSIS OF CASH AND CASH EQUIVALENTS:					
Fixed deposits with licensed banks		**14,904**	15,945	**54**	50
Less: fixed deposits pledged to licensed banks	19	**(14,398)**	(15,945)	**(54)**	(50)
		506	–	**–**	–
Cash and bank balances		**55,692**	71,311	**463**	2,238
Bank overdrafts		**(50,607)**	(33,151)	**(28,574)**	(13,204)
		5,591	38,160	**(28,111)**	(10,966)

* *Represent consideration paid for acquisition of subsidiary of RM2/- as disclosed in Note 34 to the financial statements.*

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

Notes to The Financial Statements

1. GENERAL INFORMATION

The Company is principally engaged in business as a contractor for earthworks and building, project management services and investment holding. The principal activities of the subsidiaries are as stated in Note 4 to the financial statements. There has been no significant changes in the nature of these principal activities during the financial year.

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

The registered office and principal place of business of the Company are located at Wisma Bina Puri, 88 Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28th April 2014.

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 the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

New FRSs

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement

Revised FRSs

FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

FRS 10 Consolidated Financial Statements

The Group adopted FRS 10 in the current financial year. This resulted in changes to the accounting policies as disclosed in Note 2.3.1. The adoption of FRS10 has no significant impact to the financial statements of the Group.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venturer recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, jointly controlled entities, associates and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The requirements in FRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiary companies.

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result of the guidance in FRS 13, the Group reassessed its policies for measuring fair values.

Application of FRS 13 has not materially impacted the fair value measurements of the Group. FRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

FRS 119 Employee Benefits (Revised)

FRS 119 (Revised) eliminates the corridor approach and recognise all actuarial gains and losses in other comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendments to FRS 101 Presentation of Financial Statements

The amendments to FRS 101 introduces a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

These amendments also clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1st January 2012.

The amendments also introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'.

The above amendments affect presentation only and have no impact on the Group's financial position or performance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

FRS 128 Investments in Associates and Joint Ventures (Revised)

FRS 128 (Revised) incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised standard exempts the investor from applying equity accounting where the investment in the associate or joint venture is held indirectly via venture capital organisations or mutual funds, unit trusts and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 139 Financial Instruments: Recognition and Measurement.

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

Amendments to FRS 1 requires first-time adopters to apply the requirements of FRS 139 Financial Instruments: Recognition and Measurement and FRS 120 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to FRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Entities may choose to apply the requirements of FRS 139 and FRS 120 to any government loans originated before the date of transition to FRSs retrospectively provided that the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give the first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest.

Amendments to FRS 1 also clarifies that an entity that has applied IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with IFRSs, has the option to apply this FRS 1 or apply FRSs retrospectively in accordance with FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors as if it had never stopped applying IFRSs.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 addresses disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendment to FRS 116 Property, Plant and Equipment

Amendment to FRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

Amendments to FRS 10 Consolidated Financial Statements, FRS 11 Joint Arrangements and FRS 12 Disclosure of Interests in Other Entities

Amendments to FRS 10 clarifies that the date of initial application is the beginning of the annual reporting period for which this FRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of FRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying FRS 10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to the annual period immediately preceding the date of initial application. A similar relief is also provided in FRS 11 and FRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that FRS 12 is applied.

If, upon applying FRS 10, an entity concludes that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendments also clarify that an entity can apply the earlier versions of FRS 3 *Business Combinations and FRS 127 Separate Financial Statements*.

These amendments are not expected to have any significant impact on the financial results and position of the Group and of the Company.

Amendment to FRS 132 Financial Instruments: Presentation

Amendment to FRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with FRS 112 *Income Taxes*.

Amendment to FRS 134 Interim Financial Reporting

To be consistent with the requirements in FRS 8 Operating Segments, the amendment to FRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

IC Int 20 Stripping Costs in the Production Phase of a Surface Mine

IC Int 20 applies to waste removal costs that are incurred in surface mining activity, during the production phase of the mine ("production stripping costs"). The interpretation sets out the criteria to be met for capitalising the production stripping costs as an asset and the initial and subsequent measurement requirements.

Amendment to IC Int 2 Members' Shares in Co-operative Entities and Similar Instruments

Amendment to IC Int 2 clarifies that distributions to holders of equity instruments are recognised directly in equity, gross of any income tax benefits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new FRS, amendments/improvements to FRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	To be announced by the MASB
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2014
FRS 2	Share-based Payment	1 July 2014
FRS 3	Business Combinations	1 July 2014
FRS 7	Financial Instruments: Disclosures	Applies when FRS 9 is applied
FRS 8	Operating Segments	1 July 2014
FRS 9	Financial Instruments	To be announced by the MASB
FRS 10	Consolidated Financial Statements	1 January 2014
FRS 12	Disclosure of Interests in Other Entities	1 January 2014
FRS 13	Fair Value Measurement	1 July 2014
FRS 116	Property, Plant and Equipment	1 July 2014
FRS 119	Employee Benefits	1 July 2014
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2014
FRS 136	Impairment of Assets	1 January 2014
FRS 138	Intangible Assets	1 July 2014
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
FRS 139	Financial Instruments: Recognition and Measurement	Applies when FRS 9 is applied
FRS 140	Investment Property	1 July 2014
New IC Int		
IC Int 21	Levies	1 January 2014

Significant new FRS, amendments/improvements to FRSs and new IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Cont'd)

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

FRS 9 Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)

The new hedge accounting model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk, and they are expected to be of particular interest to non-financial institutions. As a result of these changes, users of the financial statements will be provided with better information about risk management and about the effect of hedge accounting on the financial statements. The FRS 9 hedge accounting model, if adopted, applies prospectively with limited exceptions.

As part of the amendments, an entity is now allowed to change the accounting for liabilities that it has elected to measure at fair value, before applying any of the other requirements in FRS 9. This change in accounting would mean that gains caused by a worsening in the entity's own credit risk on such liabilities are no longer recognised in profit or loss. The amendments will facilitate earlier application of this long-awaited improvement to financial reporting.

The amendments also remove the mandatory effective date from FRS 9.

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

Amendments to FRS 1 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to FRS 2 Share-based Payment

Amendments to FRS 2 clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to FRS 3 Business Combinations

Amendments to FRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to FRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to FRS 3 clarify that FRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in FRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendments to FRS 8 Operating Segments

Amendments to FRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements

Amendments to FRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value thorough profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to FRS 12 and FRS 127.

In addition, amendments to FRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with FRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to FRS 13 Fair Value Measurement

Amendments to FRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments also clarifies that the scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 Financial Instruments: Recognition and Measurement or FRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132 Financial Instruments: Presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets

Amendments to FRS 116 and FRS 138 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by FRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

Amendments to FRS 124 Related Party Disclosures

Amendments to FRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 132 does not change the current offsetting model in FRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria.

Amendments to FRS 136 Impairment of Assets

Amendments to FRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

Amendments to FRS 140 Investment Property

Amendments to FRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in FRS 3 and investment property as defined in FRS 140 requires the separate application of both Standards independently of each other.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of FRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached.

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework, and continue to adopt the existing FRSs framework until the MFRSs framework is mandated by the MASB. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1st January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework when the MFRSs framework is mandated by the MASB.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(c) MASB Approved Accounting Standards, MFRSs (Cont'd)

As at 31st December 2013, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b). The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this interpretation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

2.3.1 Basis of Consolidation

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

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

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3.6. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition date unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1st January 2006 and 1st January 2011, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1st January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.1 Basis of Consolidation (Cont'd)

The Group adopted FRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has right, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when accessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when accessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 has no significant impact to the financial statements of the Group.

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

In the previous financial year, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

2.3.2 Transactions with Non-controlling Interests

Non-controlling interests represents 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 within equity in the consolidated statement 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.

The losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

With effective from 1st July 2011, where losses applicable to the non-controlling interests exceed the Company's interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interest, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.3 Foreign Currency

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

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

(iii) Foreign Operations

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.4 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 the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 stated at cost less impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The depreciable amount is determined after deducting the residual value. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold buildings	2%
Leasehold land and buildings	Between 15 and 95 years
Plant, machinery and equipment	10% - 50%
Truck and motor vehicles	5% - 20%
Renovations, electrical installation and furniture and fittings	10% - 20%
Office equipment	10%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in- progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

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

Depreciation of property, plant and equipment which are used for a specific project will be charged to that particular project. Depreciation of other property, plant and equipment are charged to profit or loss accordingly.

Previously, leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring leasehold land that was accounted for as an operating lease represents prepaid lease payments. In the previous financial year, the Group adopted the amendments made to FRS 117 Leases in relation to the classification of lease of land. The Group's leasehold land which in substance is a finance lease has been reclassified as property, plant and equipment and measured as such retrospectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.5 Investment Properties

Investment properties are properties 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. 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 they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2.3.6 Intangible Assets

Goodwill

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

For acquisition prior to 1st January 2006, goodwill represents the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For acquisition between 1st January 2006 and 1st January 2011, goodwill represents the excess of the cost of the acquisition over the Group's net interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

For acquisition on or after 1st January 2011, the Group consider the following in measuring goodwill at the acquisition date:-

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.6 Intangible Assets (Cont'd)

Goodwill (Cont'd)

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1st January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.3.3 (iii).

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

2.3.7 Impairment of Non-Financial Assets

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

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

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

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

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

2.3.8 Subsidiaries

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

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.9 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

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

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the end of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

2.3.10 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group adopted FRS 11 Joint Arrangements in the current financial year. As a result, joint arrangements are classified and accounted for as follows:-

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group for its interest in the joint venture using the equity method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.10 Joint Arrangements (Cont'd)

In the previous financial years, joint arrangements were classified and accounted for as follows:-

- For jointly controlled entity, the Group accounted for its interest using equity method.
- For jointly controlled asset or jointly controlled operation, the Group and the Company accounted for each its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors.

The change in accounting policy has been made retrospectively and in accordance with the transitional provisional of FRS 11.

The Company has interests in a joint venture which is a jointly controlled entity. Investment in joint venture is accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.3.9 above.

In the statement of financial position of the Company, investment in joint venture stated at cost less accumulated impairment losses.

On disposal of investment in joint venture, the difference between net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

2.3.11 Power Plant Under Construction

Power plant under construction is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when it is completed and ready for commercial use as described in Note 2.3.4.

2.3.12 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 a fair value through profit or loss, directly attributable transaction costs.

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

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

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

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

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at the end of financial period, there were no financial assets classified under this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.12 Financial Assets (Cont'd)

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investment

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

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

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

As at the end of financial period, there were no financial assets classified under this category.

(iv) Available-for-sale financial assets

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

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

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.12 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.

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 market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.3.13 Impairment of Financial Assets

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

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

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

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.13 Impairment of Financial Assets (Cont'd)

(iii) Available-for-sale financial assets

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

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

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

2.3.14 Construction Contracts

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

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

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

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

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

2.3.15 Property Development Activities

(i) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where land held for property development had previously been recorded at a revalued amount, the revalued amount is retained as its surrogate cost.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to the profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Land held for property development is transferred to current asset at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.15 Property Development Activities (Cont'd)

(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 the 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 measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as advance billings within trade payables.

2.3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, labours and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow- moving items. The Group writes down its obsolete or slow-moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

2.3.17 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits (other than deposits pledged with financial institutions), bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.18 Financial Liabilities

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

Financial liabilities, within the scope of FRS 139, 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.

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

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

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

As at the end of financial period, there were no financial assets classified under this category.

(ii) Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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 a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.3.19 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 of 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 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 end of the reporting period and the amount initially recognised less cumulative amortisation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.20 Leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

2.3.21 Government Grants

Government grants are recognised at their fair value in the statements of financial position as deferred revenue where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Grants that compensate the Group for expenses incurred are recognised in profit or loss over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the relevant asset.

2.3.22 Provisions for Liabilities

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

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

2.3.23 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.23 Borrowing Costs (Cont'd)

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

2.3.24 Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Share-based Compensation

At grant date, the fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

2.3.25 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:-

(i) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.3.14.

(ii) Sales of Properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.3.15(ii).

(iii) Sales of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(iv) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.25 Revenue Recognition (Cont'd)

(v) Interest Income

Interest income is recognised on an accrual basis.

(vi) Dividend Income

Dividend income of the Group and of the Company is recognised when the right to receive dividend payment is established.

(vii) Rental Income

Rental income is recognised on an accrual basis.

(viii) Government Grant

Grant that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related costs which they are intended to compensate for.

Grant that compensate the Group for the cost of an asset is recognised in profit or loss on a systematic basis over the expected life of the asset.

2.3.26 Income Taxes

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.26 Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

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

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

2.3.27 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which is the Group Executive Committee, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.3.28 Share Capital and Share Issuance Expenses

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.29 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2.3.30 Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.3.31 Fair Value Measurements

From 1st January 2013, the Group adopted FRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements Made in Applying Accounting Policies

Judgements made by Management in the process of applying the Group's accounting policies which have significant effect on the amounts recognised in the financial statements are discussed below:-

(i) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, Management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, Management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(ii) Classification between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(iii) Assessment of Significant Influence on Equity Instruments

Judgement is involved in determining whether the Group has any significant influence on equity investments. The directors considered the Group's power to participate in the financial and operating policy decisions. Where there is significant influence, the equity investment will be accounted for as an associate using the equity method.

During the financial year, the Company entered into a Supplemental Agreement ("Agreement") with the joint venture partner of KL-Kuala Selangor Expressway Bhd. ("KLKSE"). Pursuant to the Agreement, the directors are of the opinion that the Company would have significant influence on KLKSE and the investment has been accounted for as an associate instead of as an other investment.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key Sources of Estimation Uncertainty (Cont'd)

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

(i) Depreciation of Property, Plant and Equipment

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

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

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

(ii) Income Taxes

Certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Allowance for Inventories

Reviews are made periodically by Management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Impairment of Loans and Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. 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. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Impairment of Available-for-Sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key Sources of Estimation Uncertainty (Cont'd)

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires Management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(viii) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimation of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

(ix) Property Development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred to date bear to the estimated total property development costs and taking into consideration the actual sales made against the total estimated gross development value of the project.

Significant judgement 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. In making these judgements, the Group evaluates based on past experience and by relying on the work of specialists.

(x) Construction

The Group recognises contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

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

(xi) Impairment of Investment in Subsidiaries, Associates and Unquoted Shares

The Group and the Company carried out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As at the end of the reporting period, the directors of the Company are of the opinion that there is no adjustment required resulting from the impairment review.

4. INVESTMENT IN SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares - at cost		
At 1st January		
In Malaysia	**88,405**	83,505
Outside Malaysia	**1,845**	1,845
	90,250	85,350
Addition during the financial year:		
In Malaysia	**175**	5,900
Disposal during the financial year:		
In Malaysia	–	(1,000)
	90,425	90,250
Less: Accumulated impairment losses	**(4,510)**	(4,510)
At 31st December	**85,915**	85,740

Details of the subsidiaries are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2013 %	2012 %	Principal activities
Held by the Company				
Bina Puri Sdn. Bhd.	Malaysia	**100**	100	Contractor of earthworks, buildings and road construction
Bina Puri Construction Sdn. Bhd.	Malaysia	**100**	100	Contractor of earthworks, buildings, road construction and property development
Aksi Bina Puri Sdn. Bhd. ^	Malaysia	**60**	60	Investment holding
Bina Puri Ventures Sdn. Bhd.	Malaysia	**100**	100	Investment holding and contractor of earthworks, buildings and road construction
Bina Puri Infrastructure Pte. Ltd. ^	India	**100**	100	Inactive
Bina Puri (Libya) Sdn. Bhd.	Malaysia	**100**	100	Inactive
Gugusan Murni Sdn. Bhd. ^	Malaysia	**100**	100	Property developer
Maskimi Venture Sdn. Bhd.	Malaysia	**100**	100	Commission agent
Bina Puri Power Sdn. Bhd.	Malaysia	**80**	80	Investment holding
DPBS-BPHB Sdn. Bhd. ^	Malaysia	**60**	60	Investment holding
Bina Puri Juara Sdn. Bhd.	Malaysia	**100**	100	Investment holding

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2013 %	2012 %	Principal activities
Held by the Company (Cont'd)				
Bina Puri Gah Sdn. Bhd. ^	Malaysia	**60**	60	Inactive
Bina Puri Pakistan (Private) Ltd. ^	Pakistan	**99.97**	99.97	Builder of motorway
Bina Puri (B) Sdn. Bhd. ^	Brunei Darussalam	**90**	90	Contractor of earthworks, buildings and road construction
Bina Puri Properties (B) Sdn. Bhd. ^	Brunei Darussalam	**100**	100	Renting of service apartment and property management
Bina Puri Power Nepal Sdn. Bhd.	Malaysia	**100**	100	Inactive
Bina Puri Properties Sdn. Bhd. ^	Malaysia	**100**	100	Property developer and management
Crystal Crown Aerocity Sdn. Bhd. ^	Malaysia	**70**	40	Inactive
Bina Puri Hong Kong Limited ^ *	Hong Kong	**100**	–	Property developer and management
Bina Puri Lao Co. Ltd. ^ *	Laos	**95**	–	Inactive
Held through Bina Puri Properties Sdn. Bhd.				
Semarak Semerah Sdn. Bhd. ^	Malaysia	**100**	–	Investment holding
Held through Bina Puri Sdn. Bhd.				
Bina Puri Mining Sdn. Bhd.	Malaysia	**100**	100	Quarry operator
Konsortium Syarikat Bina Puri-TA3 JV Sdn. Bhd.	Malaysia	**70**	70	Contractor of earthworks, buildings and road construction
Held through Bina Puri Construction Sdn. Bhd.				
Latar Project Management Sdn. Bhd. ^	Malaysia	**60**	60	Inactive
Bina Puri Cambodia Ltd. *	Cambodia	**100**	100	Inactive
Bina Puri Development Sdn. Bhd. ^	Malaysia	**100**	100	Inactive
Bina Puri Vietnam Co. Ltd. ^ *	Vietnam	**100**	100	Inactive
Bina Puri Lao Co. Ltd. ^ *	Laos	**5**	–	Inactive

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2013 %	2012 %	Principal activities
Held through Bina Puri Ventures Sdn. Bhd.				
Maskimi Polyol Sdn. Bhd.	Malaysia	**90**	90	Manufacturer of polyol
Hamay Glass Sdn. Bhd. ^	Malaysia	**65**	65	Inactive
Held through DPBS-BPHB Sdn. Bhd.				
Konsortium DPBSH-BPHB-AGSB Sdn. Bhd. ^	Malaysia	**55**	55	Contractor of earthworks, buildings and road construction
Held through Bina Puri Power Sdn. Bhd.				
PT Megapower Makmur ^	Republic of Indonesia	**80**	80	Power supply
Held through Bina Puri Juara Sdn. Bhd.				
Sungai Long Industries Sdn. Bhd.	Malaysia	**51**	51	Quarry operator and contractor of road paving projects
Easy Mix Sdn. Bhd. ^	Malaysia	**100**	100	Producer of ready mix concrete
KM Quarry Sdn. Bhd.	Malaysia	**70**	70	Quarry operator and contractor of road paving projects
Held through Sungai Long Industries Sdn. Bhd.				
Sungai Long Bricks Sdn. Bhd.	Malaysia	**100**	100	Manufacturer of bricks
Held through Aksi Bina Puri Sdn. Bhd.				
Sumbangan Lagenda Sdn. Bhd. ^	Malaysia	**55**	55	Property developer
Held through Semarak Semerah Sdn. Bhd.				
Star Effort Sdn. Bhd. ^	Malaysia	**95**	–	Property developer

^ *Audited by audit firms other than Baker Tilly Monteiro Heng.*

* *Subsidiary without audited financial statements and auditors' report but the unaudited financial statements of the subsidiary were adopted by the Group for the purpose of the financial statements of the Group.*

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controling Interest in Subsidiary Companies

The Group's subsidiary companies that have material non-controlling interests ("NCI") are as follows:-

	Aksi Bina Puri Sdn. Bhd. RM'000	Bina Puri (B) Sdn. Bhd. RM'000	DPBS-BPHB Sdn. Bhd. RM'000	Bina Puri Power Sdn. Bhd. RM'000	Sungai Long Industries Sdn. Bhd. RM'000	Maskimi Polyol Sdn. Bhd. RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
2013								
NCI percentage of ownership interest and voting interest	40%	10%	40%	20%	49%	10%		
Carrying amount of NCI	1,447	(1,442)	959	1,454	11,347	329	121	14,215
Profit/(loss) allocated to NCI	837	(1,073)	(6)	38	859	18	(86)	587

Summarised financial information before intra-group elimination:-

As at 31st December 2013

	Aksi Bina Puri Sdn. Bhd. RM'000	Bina Puri (B) Sdn. Bhd. RM'000	DPBS-BPHB Sdn. Bhd. RM'000	Bina Puri Power Sdn. Bhd. RM'000	Sungai Long Industries Sdn. Bhd. RM'000	Maskimi Polyol Sdn. Bhd. RM'000
Non-current assets	115,947	1,578	–	19,139	9,369	4,210
Current assets	130,981	31,582	1,107	4,501	30,413	6,191
Non-current liabilities	(739)	–	(959)	(8,726)	(946)	(1,164)
Current liabilities	(244,825)	(47,580)	(3)	(13,568)	(15,679)	(5,946)
Net assets	1,364	(14,420)	145	1,346	23,157	3,291

4. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

Non-controlling Interests in Subsidiary Companies (Cont'd)

	Aksi Bina Puri Sdn. Bhd. RM'000	Bina Puri (B) Sdn. Bhd. RM'000	DPBS-BPHB Sdn. Bhd. RM'000	Bina Puri Power Sdn. Bhd. RM'000	Sungai Long Industries Sdn. Bhd. RM'000	Maskimi Polyol Sdn. Bhd. RM'000
Financial year ended 31st December 2013						
Revenue	44,514	10,302	–	8,632	45,782	20,431
Profit/(loss) for the financial year	662	(10,734)	(6)	(277)	1,753	178
Total comprehensive income/(loss)	662	(10,734)	(6)	(277)	1,753	178
Cash flows from operating activities	(58,988)	24,094	(6)	2,560	1,151	553
Cash flows from investing activities	(69,531)	113	–	(10,504)	(171)	(1,978)
Cash flows from financing activities	133,183	(13,376)	–	7,831	(1,083)	1,239
Net increase/(decrease) in cash and cash equivalents	4,664	10,831	(6)	(113)	(103)	(186)
Dividend paid to NCI	–	–	–	–	–	–

4. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

Non-controlling Interests in Subsidiary Companies (Cont'd)

	Aksi Bina Puri Sdn. Bhd. RM'000	Bina Puri (B) Sdn. Bhd. RM'000	DPBS-BPHB Sdn. Bhd. RM'000	Bina Puri Power Sdn. Bhd. RM'000	Sungai Long Industries Sdn. Bhd. RM'000	Maskimi Polyol Sdn. Bhd. RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
2012								
NCI percentage of ownership interest and voting interest	40%	10%	40%	20%	49%	10%		
Carrying amount of NCI	610	(325)	959	1,932	10,488	311	47	14,022
Profit/(loss) allocated to NCI	269	(824)	(9)	774	424	55	46	735

Summarised financial information before intra-group elimination:-

As at 31st December 2012

	Aksi Bina Puri Sdn. Bhd. RM'000	Bina Puri (B) Sdn. Bhd. RM'000	DPBS-BPHB Sdn. Bhd. RM'000	Bina Puri Power Sdn. Bhd. RM'000	Sungai Long Industries Sdn. Bhd. RM'000	Maskimi Polyol Sdn. Bhd. RM'000
Non-current assets	45,663	2,041	–	15,129	9,132	2,492
Current assets	90,404	78,934	1,118	6,312	29,617	6,154
Non-current liabilities	(216)	(2,485)	(959)	(4,382)	(883)	(288)
Current liabilities	(135,199)	(83,198)	(8)	(13,940)	(16,461)	(5,245)
Net assets	652	(4,708)	151	3,119	21,405	3,113

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling Interests in Subsidiary Companies (Cont'd)

	Aksi Bina Puri Sdn. Bhd. RM'000	Bina Puri (B) Sdn. Bhd. RM'000	DPBS-BPHB Sdn. Bhd. RM'000	Bina Puri Power Sdn. Bhd. RM'000	Sungai Long Industries Sdn. Bhd. RM'000	Maskimi Polyol Sdn. Bhd. RM'000
Financial year ended 31st December 2012						
Revenue	42,370	107,488	–	7,575	54,403	22,845
Profit/(loss) for the financial year	404	(8,576)	110	2,074	864	508
Total comprehensive income/(loss)	404	(8,576)	110	2,074	864	508
Cash flows from operating activities	(17,488)	(14,342)	(16)	5,788	(1,652)	(970)
Cash flows from investing activities	(45,495)	(19)	–	(9,387)	2,839	(379)
Cash flows from financing activities	65,562	12,675	–	5,578	(1,890)	1,125
Net (decrease)/increase in cash and cash equivalents	2,579	(1,686)	(16)	1,979	(703)	(224)
Dividend paid to NCI	–	–	–	–	–	–

5. INVESTMENT IN ASSOCIATES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares - at cost				
In Malaysia	**1,165**	615	**615**	125
Outside Malaysia	**3,916**	3,426	**3,916**	3,426
	5,081	4,041	**4,531**	3,551
Transfer from other investment:				
In Malaysia	**30,000**	–	**30,000**	–
Addition during the financial year:				
In Malaysia	**60**	550	**–**	490
Outside Malaysia	**–**	490	**–**	490
	35,141	5,081	**34,531**	4,531
Add: Share of post acquisition results	**982**	93	**–**	–
	36,123	5,174	**34,531**	4,531

(a) Share of results in associates are based on the audited financial statements of the associates made up to the end of the financial year.

(b) Details of the associates are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2013 %	Effective Proportion Ownership/ Voting Rights 2012 %	Nature of relationship
Held through the Company				
Crystal Crown Aerocity Sdn. Bhd.	Malaysia	70	40	Inactive
Bina Puri Holdings (Thailand) Ltd.	Thailand	49	49	Investment holding
Bina Puri (Thailand) Ltd.	Thailand	49	49	Contractor of earthworks, buildings and road construction
Bina Puri Norwest Sdn. Bhd.	Malaysia	50	50	Property development
Bina Puri Saudi Co. Ltd.	Arab Saudi	50	50	Contractor of earthworks, buildings and road construction
BP Energy Sdn. Bhd.	Malaysia	49	49	Oil & gas and related business
KL-Kuala Selangor Expressway Berhad	Malaysia	50	50	Builder and operator of an expressway

5. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Details of the associates are as follows (Cont'd):-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2013 %	2012 %	Nature of relationship
***Held through Sungai Long Industries* Sdn. Bhd.**				
Rock Processors (Melaka) Sdn. Bhd.	Malaysia	40	40	Quarry operator and contractor of road paving project
Held through Bina Puri Juara Sdn. Bhd.				
Dimara Building System Sdn. Bhd.	Malaysia	30	30	Contractor in steel engineering works

(c) The summarised financial information of the associates is as follows:-

	Group 2013 RM'000	2012 RM'000
Assets and liabilities		
Total assets	**1,248,299**	95,413
Total liabilities	**1,266,658**	83,263
Results		
Revenue	**90,318**	55,012
(Loss)/profit after taxation	**(32,495)**	2,054

(d) In the current financial year, the Company entered into a Supplemental Agreement ("Agreement") with the joint venture partner of KL-Kuala Selangor Berhad ("KLKSE"). Pursuant to the Agreement, the directors are of the opinion that the Company would have significant influence on KLKSE and the investment has been accounted for as an associate instead of as other investment.

(e) During the financial year, the Group increased its investment in Dimara Building System Sdn. Bhd. ("DBSSB") by subscribing additional 60,000 new ordinary shares for a total cash consideration of RM60,000/- while retains its equity interest of 30% in DBSSB.

6. INVESTMENT IN JOINT VENTURE

	Group 2013 RM'000	2012 RM'000
Unincorporated, outside Malaysia		
- share of post-acquisition results and reserves	**–**	–

6. INVESTMENT IN JOINT VENTURE (CONT'D)

(a) Details of the joint venture are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2013 %	2012 %	Nature of realtionship
SPK-Bina Puri Joint Venture	United Arab Emirates*	30	30	Builder and contractor for general engineering and construction works

* *The joint venture without audited financial statements and auditors' reports but the unaudited financial statements of the joint venture were adopted by the Group for the purposes of the financial statements of the Group.*

There is no initial cost of investment in this entity.

(b) The Group's share of the assets and liabilities as at the end of the reporting period and revenue and results for the financial year in the joint venture are as follows:-

	Group 2013 RM'000	2012 RM'000
Assets and liabilities		
Non-current assets	**–**	16
Current assets	**4,135**	5,087
Total assets	**4,135**	5,103
Non-current liabilities	**–**	–
Current liabilities	**8,128**	8,798
Total liabilities	**8,128**	8,798
Results		
Revenue	–	1,736
Profit/(loss) for the financial year	**21**	(1,420)

(c) The unincorporated joint venture has no capital commitment as at the end of the reporting period.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2013	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1st January 2013	5,846	23,350	3,626	76,361	29,381	16,443	55,851	1 ,054	211,912
Additions	–	1,466	–	4,828	523	708	7,764	4,110	19,399
Disposals	–	–	–	(58)	(150)	(135)	(2,107)	–	(2,450)
Written off	–	–	–	(15)	–	(89)	–	–	(104)
Reclassification	–	765	–	(1)	(16)	17	–	(765)	–
Exchange differences	–	–	–	(2,835)	1,171	121	36	–	(1,507)
At 31st December 2013	5,846	25,581	3,626	78,280	30,909	17,065	61,544	4 ,399	227,250
Accumulated depreciation									
At 1st January 2013	232	3,535	2,547	46,470	9,850	11,621	36,068	–	110,323
Depreciation for the financial year	32	258	54	4,424	1,396	1,008	5,205	–	12,377
Disposals	–	–	–	(33)	(131)	(77)	(1,732)	–	(1,973)
Written off	–	–	–	(15)	–	(66)	–	–	(81)
Reclassification	–	–	–	–	(5)	5	–	–	–
Exchange differences	–	–	–	(677)	169	30	72	–	(406)
At 31st December 2013	264	3,793	2 ,601	50,169	11,279	12,521	39,613	–	120,240
Accumulated impairment loss									
At 1st January 2013	–	–	–	–	–	–	–	–	–
Written off									–
At 31st December 2013	–	–	–	–	–	–	–	–	–
Net book value as at 31st December 2013	5,582	21,788	1,025	28,111	19,630	4,544	21,931	4,399	107,010

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

Group 2012	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1st January 2012	5,846	23,350	3,626	70,275	28,876	16,066	50,573	316	198,928
Additions	–	–	–	8,490	466	743	8,374	738	18,811
Disposals	–	–	–	(1,126)	(38)	(83)	(3,268)	–	(4,515)
Written off	–	–	–	–	(288)	(282)	–	–	(570)
Reclassification	–	–	–	(142)	33	(68)	177	–	–
Exchange differences	–	–	–	(1,136)	332	67	(5)	–	(742)
At 31st December 2012	5,846	23,350	3,626	76,361	29,381	16,443	55,851	1,054	211,912
Accumulated depreciation									
At 1st January 2012	207	3,289	2,475	43,792	8,818	10,812	34,813	–	104,206
Depreciation for the financial year	25	246	72	3,945	1,212	1,089	4,194	–	10,783
Disposals	–	–	–	(1,012)	(5)	(30)	(3,029)	–	(4,076)
Written off	–	–	–	–	(205)	(255)	–	–	(460)
Reclassification	–	–	–	(82)	(1)	(1)	84	–	–
Exchange differences	–	–	–	(173)	31	6	6	–	(130)
At 31st December 2012	232	3,535	2,547	46,470	9,850	11,621	36,068	–	110,323
Accumulated impairment loss									
At 1st January 2012	–	–	–	–	84	–	–	–	84
Written off	–	–	–	–	(84)	–	–	–	(84)
At 31st December 2012	–	–	–	–	–	–	–	–	–
Net book value as at 31st December 2012	5,614	19,815	1,079	29,891	19,531	4,822	19,783	1,054	101,589

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

Company 2013	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Total RM'000
Cost							
At 1st January 2013	1,375	20,560	875	3,470	1,424	851	28,555
Additions	–	–	–	49	52	–	101
Disposals	–	–	–	–	(17)	(58)	(75)
Written off	–	–	–	–	–	–	–
Transfer to subsidiaries	–	–	–	–	–	–	–
At 31st December 2013	1,375	20,560	875	3,519	1,459	793	28,581
Accumulated depreciation							
At 1st January 2013	94	3,303	373	3,175	1,234	298	8,477
Depreciation for the financial year	16	224	131	46	71	123	611
Disposals	–	–	–	–	(16)	(41)	(57)
Written off	–	–	–	–	–	–	–
Transfer to subsidiaries	–	–	–	–	–	–	–
At 31st December 2013	110	3,527	504	3,221	1,289	380	9,031
Net book value at 31st December 2013	1,265	17,033	371	298	170	413	19,550

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

Company 2012	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Total RM'000
Cost							
At 1st January 2012	1,375	20,560	875	3,386	1,407	643	28,246
Additions	–	–	–	90	55	594	739
Disposals	–	–	–	–	–	(386)	(386)
Written off	–	–	–	–	(22)	–	(22)
Transfer to subsidiaries	–	–	–	(6)	(16)	–	(22)
At 31st December 2012	1,375	20,560	875	3,470	1,424	851	28,555
Accumulated depreciation							
At 1st January 2012	77	3,080	242	3,137	1,190	599	8,325
Depreciation for the financial year	17	223	131	40	75	85	571
Disposals	–	–	–	–	–	(386)	(386)
Written off	–	–	–	–	(22)	–	(22)
Transfer to subsidiaries	–	–	–	(2)	(9)	–	(11)
At 31st December 2012	94	3,303	373	3,175	1,234	298	8,477
Net book value at 31st December 2012	1,281	17,257	502	295	190	553	20,078

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

(a) In previous financial year, the title deeds to certain land and buildings of the Group and of the Company with net book value of RM1,445,771/- and RM1,445,771/- respectively, have yet to be issued by the relevant authorities.

(b) Included in property, plant and equipment of the Group is a freehold land with a net book value of RM934,690/- (2012: RM934,690/-) which is held in trust by a former director of the Company.

(c) The net book value of property, plant and equipment of the Group charged to licensed financial institutions for banking facilities granted to the Group are as follows:-

	Group	
	2013	**2012**
	RM'000	**RM'000**
Freehold land and buildings	**3,388**	3,397
Long leasehold land and buildings	**2,774**	2,804
Plant, machinery and equipment	**4,661**	4,721
Trucks and motor vehicles	**594**	732
Renovations, electrical installation and furniture and fittings	**78**	46
Office equipment	**327**	329
Capital work-in-progress	**2,304**	542
	14,126	12,571

(d) The net book value of property, plant and equipment acquired under hire purchase arrangements are as follows:-

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Plant, machinery and equipment	**3,961**	3,084	**–**	–
Truck and motor vehicles	**19,230**	17,505	**412**	531
	23,191	20,589	**412**	531

8. INVESTMENT PROPERTIES

	Group	
	2013	**2012**
	RM'000	**RM'000**
At 1st January	**39,604**	112
Addition arising from development expenditure incurred for freehold land and building under construction	**65,079**	39,492
Disposal	**(1,045)**	–
At 31st December	**103,638**	39,604

8. INVESTMENT PROPERTIES (CONT'D)

Included in the above are:-

	Group 2013 RM'000	Group 2012 RM'000
At fair value		
Leasehold land	**112**	112
At cost		
Freehold land and building under construction	**103,526**	39,492
	103,638	39,604

(a) Fair value information

Fair value of investment property is categorised as follow:-

	2013 Level 1 RM'000	2013 Level 2 RM'000	2013 Level 3 RM'000	2013 Total RM'000
Group				
Leasehold land	**–**	**112**	**–**	**112**

(i) Level 1: Quoted prices (unadjusted) in active markets for identical investment property that the entity can access at the measurement date.

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The investment property has been determined based on valuation conducted. Valuation was determined by independent valuers by reference to estimated open market valuation. The directors are of the opinion that there are no material changes to the fair value of the investment properties since the last valuation.

(iii) Level 3: Inputs for the investment property that is not based on observable market data (unobservable inputs).

(b) The investment property under construction which comprise of land and building is being valued at cost as the directors are of the opinion that the fair value of the investment property cannot be reliably and separately determined due to the nature of the property which is under construction and project risk involved in completing the investment property.

8. INVESTMENT PROPERTIES (CONT'D)

(c) Details of the freehold land and building under construction are as follows:-

	Group	
	2013	**2012**
	RM'000	**RM'000**
Freehold land, at cost		
At 1st January	**19,951**	–
Costs incurred during the financial year	**–**	19,951
At 31st December	**19,951**	19,951
Development cost		
At 1st January	**19,541**	–
Costs incurred during the financial year	**65,079**	19,541
At 31st December	**84,620**	19,541
Disposal	**(1,045)**	–
Total freehold land and building under construction	**103,526**	39,492

9. POWER PLANT UNDER CONSTRUCTION

The power plant under construction represents development costs incurred to date in respect of the mini hydro power plant which will be depreciated upon the completion of construction works and the commencement of operations.

10. OTHER INVESTMENTS

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost				
Unquoted shares in Malaysia	**36,815**	36,815	**36,377**	36,377
Transferable corporate membership in golf and country resort	**422**	422	**35**	35
	37,237	37,237	**36,412**	36,412
Less: Designation of unquoted shares to investment in associate	**(30,000)**	–	**(30,000)**	–
	7,237	37,237	**6,412**	36,412
At fair value				
Quoted shares outside Malaysia	**72**	72	**–**	–
	72	72	**–**	–
	7,309	37,309	**6,412**	36,412

10. OTHER INVESTMENTS (CONT'D)

(a) Investments in unquoted shares of the Group and of the Company which were designated as available-for-sale financial assets are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the unquoted shares.

(b) As disclosed in Note 5(d) to the financial statements, the investment in KLKSE have been designated as investment in associate pursuant to the Supplemental Agreement signed during the financial year.

11. GOODWILL

	Group	
	2013	2012
	RM'000	RM'000
Cost		
At 1st January	**350**	350
Addition arising from business combination	**13,235**	–
At 31st December	**13,585**	350

As disclosed in Note 34(a), Bina Puri Properties Sdn. Bhd., a wholly-owned subsidiary of the Group acquired Semarak Semerah Sdn. Bhd. ("SSSB") and indirectly held Star Effort Sdn. Bhd. ("SESB") through SSSB for a total consideration of RM25,000,000/-. The acquisition resulted in a goodwill of RM13,234,703/-.

Impairment testing for cash generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amount of goodwill is allocated to each unit as follows:-

	Group	
	2013	2012
	RM'000	RM'000
Power supply division	**350**	350
Property division	**13,235**	–
	13,585	350

Management has assessed the recoverable amounts of goodwill based on value-in-use calculations determined by discounting future cash flows generated from the continuing use of the CGU's covering a period of 5 years and considering the terminal value of the CGUs.

Pre-tax discount rates ranges from 6.00% to 7.35% were applied to the calculations in determining the recoverable amount of the CGUs.

The value assigned to the key assumptions (eg. sales growth & gross margin) represent management assessment of future trends of the two divisions and is based on both external and internal sources of information.

Sensitivity to changes in assumptions

Management believes that while cash flows projections are subject to inherent uncertainty, any reasonably possible changes to the key assumptions utilised in assessing the recoverable amount have been considered. The Management is of the opinion that any such changes in any of the key assumptions would not cause the recoverable amount of the units to be materially below their carrying amount.

12. DEFERRED TAXATION

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
At 1st January	**(2,027)**	(1,617)	**(688)**	(427)
Recognised in profit or loss (Note 31)	**(965)**	(416)	**(121)**	(261)
Foreign exchange	**115**	6	**–**	–
Acquisition of subsidiary	**(4,280)**	–	**–**	–
At 31st December	**(7,157)**	(2,027)	**(809)**	(688)
Presented after appropriate offsetting:-				
Deferred tax assets	**654**	654	**–**	–
Deferred tax liabilities	**(7,811)**	(2,681)	**(809)**	(688)
	(7,157)	(2,027)	**(809)**	(688)

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

(a) Deferred tax assets

	Group	
	2013 RM'000	**2012 RM'000**
At 1st January	**654**	678
Recognised in profit or loss	**–**	(24)
At 31st December	**654**	654

Deferred tax assets are attributable to the following items:-

	Group	
	2013 RM'000	**2012 RM'000**
Unutilised tax losses	**221**	221
Unabsorbed capital allowances	**326**	326
Others	**107**	107
	654	654

Deferred tax assets are recognised by certain subsidiaries based on the expected probable future taxable profit generated by the said subsidiaries.

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

	Group	
	2013 RM'000	**2012 RM'000**
Unutilised tax losses	14,055	11,879
Unabsorbed capital allowances	9,863	9,844
	23,918	21,723

12. DEFERRED TAXATION (CONT'D)

(a) Deferred tax assets (Cont'd)

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against the future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967 and guidelines issued by the tax authorities. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset against taxable profits of other subsidiaries in the Group.

(b) Deferred tax liabilities

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
At 1st January	**2,681**	2,295	**688**	427
Recognised in profit or loss	**965**	392	**121**	261
Foreign exchange	**(115)**	(6)	**–**	–
Acquisition of subsidiary	**4,280**	–	**–**	–
At 31st December	**7,811**	2,681	**809**	688
Representing tax effect of:				
- property, plant and equipment	**3,531**	2,681	**809**	688
- property development costs	**4,280**	–	**–**	–
	7,811	2,681	**809**	688

13. INVENTORIES

	Group	
	2013 RM'000	**2012 RM'000**
At cost:-		
Completed development units	**278**	278
Raw materials and consumables	**3,080**	3,310
Finished goods	**2,059**	1,874
	5,417	5,462

14. PROPERTY DEVELOPMENT COSTS

	Group 2013 RM'000	Group 2012 RM'000
Cumulative property development costs		
At 1st January		
- freehold land	**5,884**	6,100
- leasehold land	**17,393**	17,393
- development costs	**22,864**	10,056
	46,141	33,549
Add: Costs incurred during the financial year		
- freehold land	**33,583**	2,049
- leasehold land	**–**	–
- development costs	**85,636**	54,115
	119,219	56,164
Less: Costs recognised in profit or loss during the financial year (Note 29)		
- freehold land	**(2,382)**	(2,265)
- development costs	**(62,688)**	(41,307)
	(65,070)	(43,572)
At 31st December		
- freehold land	**37,085**	5,884
- leasehold land	**17,393**	17,393
- development costs	**45,812**	22,864
Property development costs as at 31st December	**100,290**	46,141

Included in the property development costs incurred during the financial year are:-

	Group 2013 RM'000	Group 2012 RM'000
Depreciation	67	69
Finance costs	4,322	1,191

The land and development costs of the Group amounting to RM46,845,732/- (2012: RM35,769,214/-) were charged to a licensed bank to secure a banking facility granted to the Group as stated in Note 24 to the financial statements.

15. GROSS AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Aggregate construction contract costs incurred to-date	**3,573,604**	2,361,833	**378,335**	276,772
Add: Attributable profits	**191,545**	177,665	**7,816**	6,329
	3,765,149	2,539,498	**386,151**	283,101
Less: Progress billings	**(3,583,554)**	(2,339,796)	**(418,344)**	(296,302)
	181,595	199,702	**(32,193)**	(13,201)
Represented by gross amount:				
- due from contract customers	**197,780**	206,409	**15,762**	10,357
- due to contract customers	**(16,185)**	(6,707)	**(47,955)**	(23,558)
	181,595	199,702	**(32,193)**	(13,201)
Recognised to profit or loss during the financial year:				
- contract revenue (Note 28)	**857,728**	1,097,278	**109,620**	72,987
- contract costs (Note 29)	**812,340**	1,047,013	**102,824**	66,281
Retention sums receivable from customers included in trade receivables	**102,282**	100,957	**5,620**	5,085
Advances received for contract work not yet performed included in other payables	**16,888**	15,436	**–**	–

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables				
Third parties	**472,167**	347,533	**14,264**	20,575
A related party	**663**	1,003	**–**	–
	472,830	348,536	**14,264**	20,575
Less: Allowance for impairment	**(7,721)**	(7,634)	**(266)**	(437)
Total trade receivables, net	**465,109**	340,902	**13,998**	20,138
Other receivables				
Other receivables				
- third parties	**97,515**	85,988	**9,742**	4,595
- a related party	**740**	740	**–**	–
	98,255	86,728	**9,742**	4,595
Less: Allowance for impairment	**(653)**	(653)	**(618)**	(618)
Other receivables, net	**97,602**	86,075	**9,124**	3,977
Deposits	**10,661**	8,139	**202**	123
Prepayments	**18,852**	4,802	**22**	17
Total other receivables, net	**127,115**	99,016	**9,348**	4,117
Accrued billings in respect of property development costs	**58,201**	22,251	**–**	–
Total trade and other receivables	**650,425**	462,169	**23,346**	24,255

(a) Trade receivables

Trade receivables are non-interest bearing and the Group's and the Company's normal trade credit terms range from 30 to 60 days (2012: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

As at the end of the reporting period, the Company has significant concentration of credit risk in the form of outstanding balances owing by 2 (2012: 1) customers represents 83% (2012: 98%) of the total receivables respectively.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	**209,247**	188,922	7,873	17,354
Past due but not impaired				
1 to 30 days past due but not impaired	**108,042**	30,715	**2,852**	–
31 to 60 days past due but not impaired	**39,097**	29,120	**70**	92
61 to 90 days past due but not impaired	**17,511**	14,983	**77**	239
91 to 120 days past due but not impaired	**29,366**	57,694	**3,126**	2,453
More than 120 days past due not impaired	**61,846**	19,468	**–**	–
	255,862	151,980	**6,125**	2,784
Impaired				
Not past due	**7,670**	7,548	**266**	437
Past due	**51**	86	**–**	–
	7,721	7,634	**266**	437
	472,830	348,536	**14,264**	20,575

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group and the Company. The Group and the Company monitor the credit quality of the trade receivables through ageing analysis. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Trade receivables that are past due but not impaired

The Group and the Company believe that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Trade receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the end of the reporting period are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Individually impaired				
Trade receivables, nominal value	**99,769**	93,924	**5,620**	5,085
Less: Allowance for impairment	**(7,721)**	(7,634)	**(266)**	(437)
	92,048	86,290	**5,354**	4,648

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1st January	**7,634**	18,823	**437**	678
Reversal	**(2)**	(5)	**–**	–
Written off	**(33)**	(11,519)	**–**	–
Discounting effect of FRS 139	**1,919**	1,459	–	–
Unwinding of discount	**(1,797)**	(1,124)	**(171)**	(241)
At 31st December	**7,721**	7,634	**266**	437

Trade receivables that are individually impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(b) Other receivables

The Group's and the Company's amounts owing by other receivables are unsecured,interest free and are repayable on demand.

The Group's amount owing by related parties represents interest receivable from companies on which certain directors have interests. The amount is unsecured, interest free and is repayable on demand.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (Cont'd)

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the end of the reporting period are as follows:-

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Individually impaired				
Other receivables, nominal value	**653**	653	**618**	618
Less: Allowance for impairment	**(653)**	(653)	**(618)**	(618)
	–	–	**–**	–

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
At 1st January	**653**	6,600	**618**	400
Additions	**–**	368	**–**	368
Written off	**–**	(6,315)	**–**	(150)
At 31st December	**653**	653	**618**	618

Other receivables that are individually impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(c) Included in the trade receivables of the Group was an amount of approximately RM4.0 million owing by a developer of a housing project. The debt relates to progress billings raised in previous financial years. The debtor has agreed to settle the outstanding amount with interest.

In the last financial year, the Group has sought legal consultation for the recovery of the outstanding balance due from the said developer. Based on the representation from the legal advisor, the Group will be able to recover the balance outstanding through the compensation from the said developer.

On 2nd September 2013, the open court has granted in favour of the Group against the developer that the principal sum of RM4.852 million together with agreed interest shall be paid based on an instalment schedule which will commence from 1st March 2014 onwards.

17. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Amount owing by subsidiaries:-		
- Trade	**68,240**	41,983
- Non-trade	**92,004**	61,402
	160,244	103,385
Less: Allowance for impairment losses		
- Trade	**(444)**	(537)
- Non-trade	**(30,642)**	(30,642)
	(31,086)	(31,179)
	129,158	72,206
Amount owing to subsidiaries:-		
- Trade	**(1,099)**	(1,269)
- Non-trade	**(18,325)**	(22,535)
	(19,424)	(23,804)

(a) **Trade amounts owing**

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2012: 30 to 60 days). The amounts owing are to be settled in cash.

Ageing analysis of the Company's trade-related amount owing by subsidiaries

The ageing analysis of the Company's trade-related amount owing by subsidiaries is as follows:-

	Company 2013 RM'000	Company 2012 RM'000
Neither past due nor impaired	**6,306**	13,642
Past due but not impaired		
1 to 30 days past due but not impaired	**–**	9,928
31 to 60 days past due but not impaired	**1,770**	5,271
61 to 90 days past due but not impaired	**8,597**	–
91 to 120 days past due but not impaired	**11,334**	–
More than 120 days past due not impaired	**39,789**	12,605
	61,490	27,804
Impaired	**444**	537
	68,240	41,983

17. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(a) Trade amounts owing (Cont'd)

Trade-related amount owing by subsidiaries that are neither past due nor impaired

The Company monitors the credit quality of the trade-related amount owing by subsidiaries through ageing analysis. Any subsidiaries having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Trade-related amount owing by subsidiaries that are past due but not impaired

The Company believes that no impairment allowance is necessary in respect of these subsidiaries. The directors are of the opinion that no impairment is required based on past experience and the likelihood of recoverability of these subsidiaries.

Trade amount owing by subsidiaries that are impaired

The Company's trade amount owing by subsidiaries that are impaired at the end of the reporting period are as follows:-

	Company	
	2013 RM'000	2012 RM'000
Individually impaired		
Trade amount owing by subsidiaries, nominal value	**6,750**	6,750
Less: Allowance for impairment	**(444)**	(537)
	6,306	6,213

The movement in the Company's allowance accounts are as follows:-

	Company	
	2013 RM'000	2012 RM'000
At 1st January	**537**	–
Discounting effect of unwinding interests	**(93)**	537
At 31st December	**444**	537

(b) Non-trade amounts owing

The non-trade amounts owing represent unsecured interest-free advances and payments made on behalf. The amounts owing are receivable/(repayable) on demand and are to be settled in cash.

17. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(b) Non-trade amounts owing (Cont'd)

Non-trade amount owing by subsidiaries that are impaired

The Company's non-trade amount owing by subsidiaries that are impaired at the end of the reporting period are as follows:-

	Company	
	2013 RM'000	2012 RM'000
Individually impaired		
Non-trade amount owing by subsidiaries, nominal value	**35,027**	38,115
Less: Allowance for impairment	**(30,642)**	(30,642)
	4,385	7,473

The movement in the Company's allowance accounts are as follows:-

	Company	
	2013 RM'000	2012 RM'000
At 1st January	**30,642**	30,642
Additions	**–**	–
At 31st December	**30,642**	30,642

Non-trade amount owing by subsidiaries that are individually impaired at the end of the reporting period relate to subsidiaries that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

18. AMOUNT OWING BY/(TO) ASSOCIATES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amount owing by associates:-				
- Trade	**9,307**	9,513	**9,283**	9,283
- Non-trade	**28,805**	19,907	**28,799**	19,893
	38,112	29,420	**38,082**	29,176
Less: Allowance for impairment				
- Trade	**(698)**	(698)	**(698)**	(698)
- Non-trade	**(457)**	(457)	**(457)**	(457)
	(1,155)	(1,155)	**(1,155)**	(1,155)
	36,957	28,265	**36,927**	28,021
Amount owing to associates:-				
- Trade	**(7,023)**	(8,868)	**(6)**	(6)

18. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)

(a) Trade amounts owing

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2012: 30 to 60 days). The amounts owing are to be settled in cash.

Ageing analysis of the Group's and the Company's trade-related amount owing by associates

The ageing analysis of the Group's and the Company's trade-related amount owing by associates are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	**–**	150	**–**	–
Past due but not impaired				
1 to 30 days past due but not impaired	**–**	66	**–**	–
31 to 60 days past due but not impaired	**4**	–	**–**	–
61 to 90 days past due but not impaired	**19**	–	**–**	–
91 to 120 days past due but not impaired	**–**	–	**–**	–
More than 120 days past due not impaired	**8,586**	8,599	**8,585**	8,585
	8,609	8,665	**8,585**	8,585
Impaired	**698**	698	**698**	698
	9,307	9,513	**9,283**	9,283

Trade-related amount owing by associates that are neither past due nor impaired

The Group and the Company monitor the credit quality of the trade-related amount owing by associates through ageing analysis. Any associates having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Trade-related amount owing by associates that are past due but not impaired

The Group and the Company believe that no impairment allowance is necessary in respect of these associates. The directors are of the opinion that no impairment is required based on past experience and the likelihood of recoverability of these associates.

18. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)

(a) Trade amounts owing (Cont'd)

Trade-related amount owing by associates that are impaired

The Group's and the Company's trade-related amount owing by associates that are impaired at the end of the reporting period are as follows:-

	Group and Company	
	2013 RM'000	2012 RM'000
Individually impaired		
Nominal value	**9,283**	9,283
Less: Allowance for impairment	**(698)**	(698)
	8,585	8,585

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group and Company	
	2013 RM'000	2012 RM'000
At 1st January	698	698
Discounting effect of FRS 139	–	–
At 31st December	698	698

Trade-related amount owing by associates that are individually impaired at the end of the reporting period relate to the discounting effect of FRS 139.

(b) Non-trade amounts owing

The non-trade amounts owing represent unsecured interest-free advances and payments made on behalf. The amounts owing are receivable/(repayable) on demand and are to be settled in cash.

Non-trade related amount owing by associates that are impaired

The Group's and the Company's non-trade related amount owing by associates that are impaired at the end of the reporting period are as follows:-

	Group and Company	
	2013 RM'000	2012 RM'000
Individually impaired		
Nominal value	**11,787**	8,630
Less: Allowance for impairment	**(457)**	(457)
	11,330	8,173

18. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)

(b) Non-trade amounts owing (Cont'd)

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group and Company	
	2013 RM'000	**2012 RM'000**
At 1st January	**457**	457
Discounting effect of FRS 139	**–**	–
At 31st December	**457**	457

Non-trade related amount owing by associates that are individually impaired at the end of the reporting period relate to the discounting effect of FRS 139.

(c) Included in the Group's and the Company's amounts owing by associates is an amount of RM25,011,000/- (2012: RM20,262,000/-) owing by certain associates which have been long outstanding.

The directors are of the opinion that the balances due from these associates are recoverable as these associates have committed to the Group to repay the amount owing when it has successfully recovered the compensation in its legal claims from its completed project or from its additional cash flows to be generated from on-going and future project.

19. FIXED DEPOSITS WITH LICENSED BANKS

(i) The deposits with licensed banks of the Group and of the Company at the end of the reporting period bear effective interest rates ranging from 0.50% to 4.20% (2012: 0.50% to 5.25%) per annum. The deposits have maturity periods of not more than one year.

(ii) Included in deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM14,397,998/- (2012: RM15,945,389/-) and RM53,895/- (2012: RM49,801/-) respectively, which have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company.

20. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are:-

(a) an amount of RM815,575/- (2012: RM4,252,069/-) held in a special projects bank account from which withdrawals are restricted to contract expenditure incurred in respect of specific projects, and

(b) an amount of RM8,136,449/- (2012: RM3,184,541/-) is maintained in housing development account in accordance with the Housing Development (Housing Development Account) Regulations 1991. Withdrawals from the Housing Development Account are restricted to property development expenditure incurred in respect of the specific development project.

21. SHARE CAPITAL

	Group and Company 2013 Number of shares Unit '000	2013 RM'000	2012 Number of shares Unit '000	2012 RM'000
Ordinary shares of RM1/- each				
Authorised:				
At the beginning/end of the financial year	**500,000**	**500,000**	500,000	500,000
Issued and fully paid:				
At 1st January	**124,416**	**124,416**	121,883	121,883
Exercise of employee share options	**–**	**–**	905	905
Issuance of ordinary shares	**32,700**	**32,700**	1,628	1,628
At 31st December	**157,116**	**157,116**	124,416	124,416

In previous financial year, the Group and the Company increased their issued and paid-up shares capital from RM121.883 million to RM124.416 million through the issuance of:-

(i) 904,725 new ordinary shares of RM1/- each pursuant to the Employees' Share Option Scheme at an exercise price of RM1.08 per share; and

(ii) 1,628,200 new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1/- per share.

During the financial year, the Group and the Company increased their issued and paid-up share capital from RM124.416 million to RM157.116 million through the issuance of:-

(i) 32,700,000 new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1/- per share.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

22. RESERVES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Share premium	**4,890**	5,145	**4,890**	5,145
Other capital reserves	**15,682**	15,682	**–**	–
Translation reserve	**(3,090)**	(2,065)	**54**	133
Employee share option reserve	**1,799**	1,301	**1,799**	1,301
(Accumulated losses)/retained profits	**(5,864)**	(9,099)	**28,270**	27,262
Total reserves	**13,417**	10,964	**35,013**	33,841

22. RESERVES (CONT'D)

(a) Share premium

	Group and Company	
	2013	2012
	RM'000	RM'000
At 1st January	**5,145**	4,762
Exercise of employee share options	**–**	398
Share issuance expenses	**(255)**	(15)
At 31st December	**4,890**	5,145

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965 in Malaysia.

(b) Other capital reserves

The capital reserve represents the capitalisation of subsidiaries' retained earnings upon their bonus issue of shares in the previous financial year.

(c) Translation reserve

The translation reserve arose from the translation of the financial statements of foreign subsidiaries or foreign operation and is not distributable by way of dividends.

(d) Employee share option reserve

On 1st June 2012, the Company granted options to eligible employees including executive directors of the Group to subscribe up to 15% of the issued and paid-up share capital of the Company under the Executives' Share Option Scheme (ESOS) approved by the shareholders of the Company at the Annual General Meeting. The effective date of the ESOS is on 7th June 2011 for a period of five years and the options may be exercised between 7th June 2011 and 6th June 2016 on the terms and conditions as set out in the ESOS By-Laws of the Company.

The salient features of the New ESOS are as follows:-

(a) The maximum number of shares to be offered and allotted under the New ESOS shall not exceed 15% of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS.

(b) Any employee of the Group who meets the following criteria as at the Date of Offer shall be eligible to participate in the New ESOS:-

i. If he has attained the age of eighteen (18) years of age and is not an undischarged bankrupt;

ii. (i) If he has been employed for a continuous period of at least twelve (12) months in the Group and his employment must have been confirmed on the Date of Offer; or

(ii) If he is employed on a contractual basis for a continuous period of twelve (12) months in the Group and his employment must have been confirmed on the Date of Offer;

iii. If he fulfils any other criteria and/or falls within such category as may be set by the ESOS Committee from time to time;

iv. An employee who during the tenure of the New ESOS becomes an Eligible Person may be eligible to a grant of an Option under the New ESOS which shall be decided by the ESOS Committee;

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

The salient features of the New ESOS are as follows:- (Cont'd)

(c) Any director of the Group who holds a directorship and/or management position, and/or is involved in the day-to-day operations of any subsidiary within the Group and who meets the following criteria as at the Date of Offer shall be eligible to participate in the New ESOS:-

i. If he has attained the age of eighteen (18) years of age and is not an undischarged bankrupt;

ii. If he has been appointed as a director of a subsidiary within the Group for a continuous period of at least three (3) months; and

iii. Approved by the shareholders of the Company in a general meeting.

(d) No more than 50% of the total number of shares to be issued under the New ESOS shall be granted to the director and senior management of the Group and no more than 10% of the number of shares to be issued to any individual Eligible Person who, either singly or collectively through person connected with him (as defined in the Listing Requirements), hold 20% or more of the issued and paid up share capital of the Company;

(e) The Option price will be determined by the ESOS Committee, and which shall be the higher of the following:-

i. At a discount not more than 10% of the five (5) days weighted average market price of the Company's share price as quoted on the Bursa Securities immediately preceding the Date of Offer; or

ii. The par value of the Company's share price.

(f) An offer shall be valid for a period of sixty (60) days from the date of offer or such longer period as may be determined by the ESOS Committee on a case-by-case basis at its discretion. An offer shall be accepted by an Eligible Employee within the offer period by written notice to the ESOS Committee accompanied by a non-refundable sum of RM1/- as consideration. If the offer is not accepted in the manner aforesaid, such offer shall automatically lapse upon the expiry of the offer period and become null and void and be of no further force and effect.

(g) The new ordinary shares to be allotted upon any exercise of Options under the ESOS shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares. However, the new ordinary shares so issued shall not be entitled to any dividend or other distributions declared, made or paid prior to the date of exercise of the Options.

(h) The ESOS shall be in force for a period of up to five (5) years commencing from the Effective Date. Upon the expiry of the ESOS, all unexercised Options shall become null and void unless the ESOS is extended for a further five (5) years upon recommendation of the ESOS Committee.

(i) These Options may be exercised at any date during the Option Period not later than 6th June 2016 subject to a maximum limit of 20% per year over the exercise period of five (5) years. Any such exercise of these Options of more than 20% in a year shall subject to the review and approval by the ESOS Committee.

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years but not later than 6th June 2016. All unexercised Options shall be exercisable in the last year of the Option Period. Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated.

An Eligible Employee serving under an employment contract may exercise any remaining Options exercisable in the year (the particular year of which his contract is expiring) within sixty (60) days before the expiry of the employment contract if the remaining duration of the contract as at the date on which the Options are granted is less than the Option Period.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

The salient features of the New ESOS are as follows:- (Cont'd)

The movements in the Options during the financial year to take up the unissued new ordinary shares of RM1/- each in the Company were as follows:-

	2013		2012	
	Number of Options Over Ordinary Shares Unit '000	RM'000	Number of Options Over Ordinary Shares Unit '000	RM'000
At 1st January	**10,947**	**10,947**	11,852	11,852
Exercised	**–**	**–**	(905)	(905)
Lapsed	**(1,766)**	**(1,766)**	–	–
At 31st December	**9,181**	**9,181**	10,947	10,947

(e) Retained profits

The credit in the Section 108 balance as at 31st December 2013 expired in accordance with the Finance Act 2007. With effect from 1st January 2014, the Company will be able to distribute dividends out of its retained earnings under the single tier system.

23. HIRE PURCHASE PAYABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Minimum hire purchase payables:				
- not later than one year	**8,526**	8,097	**104**	104
- later than one year but not later than five years	**10,179**	10,274	**263**	367
	18,705	18,371	**367**	471
Less: Future finance charges	**(1,513)**	(1,501)	**(31)**	(50)
Present value of hire purchase payables	**17,192**	16,870	**336**	421
Represented by:-				
Current				
- not later than one year	**7,684**	7,245	**89**	85
Non-current				
- later than one year but not later than five years	**9,508**	9,625	**247**	336
	17,192	16,870	**336**	421

23. HIRE PURCHASE PAYABLES (CONT'D)

The Group's and the Company's hire purchase payables bear effective interest rates ranging from 3.80% to 12.32% (2012: 2.40% to 12.32%) and 4.70% to 7.30% (2012: 4.48% to 6.00%) per annum respectively.

24. TERM LOANS

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Current				
- not later than one year (Note 27)	**9,396**	20,185	**–**	–
Non-current				
- later than one year but not later than two years	**9,074**	8,526	**–**	–
- later than two years but not later than five years	**41,398**	15,342	**–**	–
- more than five years	**20,229**	16,349	**–**	–
	70,701	40,217	–	–
	80,097	60,402	**–**	–

The term loans are secured by:-

(i) a fixed charge over the property, plant and equipment of the subsidiaries;

(ii) floating charges over the entire assets of certain subsidiaries;

(iii) deeds of assignment over the proceeds of the contracts awarded to the Group;

(iv) deeds of assignment over the power supply rental agreement with PT PLN (PERSERO);

(v) corporate guarantee provided by the Company; and

(vi) negative pledge over the assets of the Company.

The repayment terms of the term loans are as follows:-

(i) Term loan at an effective interest rate of 7.85% per annum is repayable in 108 monthly instalments of RM25,013/- effective from November 2005.

(ii) Term loan at an effective interest rate of 7.10% per annum is repayable in 72 monthly instalments of RM4,000/- effective from April 2010.

(iii) Term loan at an effective interest rate of 3.77% per annum is repayable in 34 monthly instalments of USD Dollar 25,000/- effective from June 2011.

(iv) Term loan at an effective interest rate of 3.77% per annum is repayable in 36 monthly instalments of USD Dollar 25,000/- effective from June 2011.

(v) Term loan at an effective interest rate of 3.77% per annum is repayable in 24 monthly instalments of US Dollar 36,150/- effective for month 1 - 12, US Dollar 72,000/- for month 13 - 23 and final repayment of US Dollar 72,000/- effective from August 2011.

24. TERM LOANS (CONT'D)

The repayment terms of the term loans are as follows:- (Cont'd)

(vi) Term loan at an effective interest rate of 6.00% per annum repayable in 84 monthly instalments of Brunei Dollar 73,041/- effective from October 2012.

(vii) Term loan at an effective interest rate of 7.10% per annum repayable in 144 monthly instalments of RM124,047/- effective from September 2013.

(viii) Term loan at an effective interest rate of 7.30% per annum repayable in 60 monthly instalments of RM71,795/- effective from June 2011.

(ix) Term loan at an effective interest rate of 7.35% per annum repayable in 120 monthly instalments of RM20,224/- effective from August 2011.

(x) Term loan at an effective interest rate of 7.35% per annum repayable in 48 monthly instalments of RM240,000/- effective from May 2013.

(xi) Term loan at an effective interest rate of 5.05% per annum repayable via proceeds to be received from the project.

(xii) Term loan at an effective interest rate of 7.10% per annum is repayable in 96 monthly instalments of RM12,500/- effective from May 2013.

(xiii) Term loan at an effective interest rate of 4.1% per annum repayable in 83 monthly instalments of US Dollar 91,000/- and final repayment of US Dollar 115,000/- effective from May 2015.

(xiv) Term loan at an effective interest rate of 7.35% per annum repayable by way of redemption settlement of sold units effective from December 2016.

(xv) Term loan at an effective interest rate of 4.5% per annum repayable in 180 monthly instalments of RM3,404/- effective from June 2013.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables				
Cost:				
- third parties	**229,192**	207,914	**27,076**	27,879
Amortised cost	**122,928**	121,688	**13,022**	9,472
Total trade payables	**352,120**	329,602	**40,098**	37,351
Other payables				
Other payables	**109,854**	72,897	**2,138**	4,490
Provision for foreseeable losses	**3,624**	3,357	**–**	–
Sundry deposits	**14,323**	1,679	**–**	–
Accruals	**11,239**	10,420	**206**	974
Total other payables	**139,040**	88,353	**2,344**	5,464
Total trade and other payables	**491,160**	417,955	**42,442**	42,815

25. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from 30 to 90 days (2012: 30 to 90 days). Whereas, retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months.

(b) Other payables

The Group's and the Company's amounts owing to other payables are unsecured, interest free and are repayable on demand.

26. AMOUNT OWING TO JOINT VENTURE

The amount owing to joint venture represents unsecured interest-free advances which is repayable on demand. The amounts owing are to be settled in cash.

27. BANK BORROWINGS

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Secured				
Bank overdrafts	**28,998**	21,393	**–**	6,440
Revolving credit	**257,354**	132,418	**–**	–
Term loans (Note 24)	**9,396**	20,185	**–**	–
Bridging loan	**130,152**	45,791	**–**	–
Trust receipt	**34,273**	49,377	**–**	–
	460,173	269,164	**–**	6,440
Unsecured				
Bank overdrafts	**21,609**	11,758	**28,574**	6,764
Bankers acceptance	**37,450**	49,138	**–**	–
Revolving credit	**14,045**	38,000	**21,000**	21,000
	73,104	98,896	**49,574**	27,764
	533,277	368,060	**49,574**	34,204

The Group's and the Company's bank borrowings bear effective interest rates ranging from 2.97% to 9.10% (2012: 2.97% to 9.10%) and 4.83% to 7.60% (2012: 4.79% to 7.60%) per annum respectively.

The bank borrowings are secured by:-

(i) Fixed charges over the property, plant and equipment and floating charges over the entire assets of certain subsidiaries;

(ii) A negative pledge over the assets of the Company; and

(iii) Deeds of assignment over the proceeds of contracts awarded to the Group.

The unsecured bank borrowings of the Group are guaranteed by the Company.

28. REVENUE

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Contract revenue (Note 15)	**857,728**	1,097,278	**109,620**	72,987
Sales of good	**112,273**	120,358	**–**	–
Sales of electricity	**8,632**	7,575	**–**	–
Management fees	**720**	702	**5,116**	4,072
Rental income	**7,222**	9,024	**–**	–
Sales of development properties	**67,132**	45,125	**–**	–
	1,053,707	1,280,062	**114,736**	77,059

29. COST OF SALES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Contract costs (Note 15)	**812,340**	1,047,013	**102,824**	66,281
Costs of goods sold	**103,686**	112,023	–	–
Costs of electricity sold	**3,565**	2,733	**–**	–
Property development costs (Note 14)	**65,070**	43,572	**–**	–
Operation costs for rental income	**6,078**	6,450	**–**	–
	990,739	1,211,791	**102,824**	66,281

30. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
After charging:-				
Allowance for impairment on trade and other receivables	**–**	368	**–**	368
Audit fees:				
- current year	**317**	306	**70**	70
- prior year	**18**	54	**–**	30
Depreciation	**12,377**	10,783	**611**	571
Directors' fee:				
- directors of the Company (Note 37)	**491**	492	**491**	492
- directors of the subsidiaries	**715**	600	**–**	–
Directors' non-fee emoluments:				
- directors of the Company (Note 37)	**3,791**	3,277	**1,854**	1,453
- directors of the subsidiaries	**1,218**	1,153	**–**	–
Interest expense:				
- bank borrowings	**27,019**	16,920	**3,378**	2,830
- hire purchase	**1,125**	1,013	**19**	11
- others	**53**	47	**–**	–
Loss on foreign exchange, net:				
- unrealised	**1,711**	197	**–**	46
Net effect of unwinding of interest from discounting	**329**	–	**–**	207
Property, plant and equipment written off	**23**	26	**–**	–
Receivables written off	**–**	25	**–**	25
Rental expense of:				
- land and premises	**298**	394	**23**	11
- machinery and equipment	**10,811**	8,003	**100**	491
- motor vehicles	**194**	184	**–**	–
Research and development expenditure	**5**	51	**–**	–
Share of result in joint venture	**(21)**	1,420	**–**	–
Staff costs:				
- salaries, wages, bonuses allowances	**49,489**	48,489	**3,845**	4,239
- Employee Provident Fund	**5,269**	5,069	**478**	509
- share options granted under ESOS	**498**	891	**47**	115
- other benefits	**5,279**	4,888	**220**	228
And crediting:-				
Dividend income	**481**	481	**5,482**	4,556
Gain on disposal of:				
- property, plant and equipment	**123**	1,099	**5**	50
- investment in a subsidiary	–	1,858	**–**	1,872
- investment properties	**815**	–	**–**	–
Gain on foreign exchange, net:				
- realised	**48**	110	**–**	–
- unrealised	**–**	–	**80**	–
Interest income:				
- fixed deposits	**2,589**	608	**–**	–
- others	**1,190**	78	**–**	–
Net effect of unwinding interest from discounting	**–**	95	**203**	–

30. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Rental income of:				
- machinery and motor vehicles	**633**	542	**306**	230
- others	**1,435**	824	**622**	617
Reversal of allowance for impairment on trade and other receivables no longer required	**2**	5	**–**	–
Share of results in:				
- associates	**1,300**	941	**–**	–

31. TAXATION

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Income tax				
- current year				
- Malaysian income tax	**(6,774)**	(10,412)	**(801)**	(766)
- Foreign income tax	**(234)**	(162)	**–**	–
- prior year				
- Malaysian income tax	**143**	431	**–**	(275)
- Foreign income tax	**–**	–	**–**	–
	(6,865)	(10,143)	**(801)**	(1,041)
Deferred taxation (Note 12)				
- current year	**(965)**	(416)	**(121)**	(261)
- prior years	**–**	–	**–**	–
	(965)	(416)	**(121)**	(261)
	(7,830)	(10,559)	**(922)**	(1,302)

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

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

31. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to profit 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 are as follows:-

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Profit before taxation	13,649	16,404	**3,927**	2,755
Tax at applicable statutory tax rate of 25%	**(3,412)**	(4,101)	**(982)**	(689)
Tax effects arising from:				
- non-taxable income	**1,934**	1,373	**1,370**	968
- non-deductible expenses	**(4,110)**	(5,363)	**(1,310)**	(1,306)
- deferred tax asset not recognised	**(2,835)**	(4,227)	**–**	–
- utilisation of deferred tax assets not previously recognised	**641**	657	**–**	–
- differential in tax rates	**(191)**	671	**–**	–
- under accrual in prior year	**143**	431	**–**	(275)
Tax expense for the year	**(7,830)**	(10,559)	**(922)**	(1,302)

32. EARNINGS PER SHARE

(a) Basic earnings per share

	Group	
	2013 '000	**2012 '000**
Profit after taxation (RM)	**5,819**	5,845
Profit after taxation attributable to owners of the Company (RM)	**5,232**	5,110
Weighted average number of ordinary shares (unit):		
Issued ordinary shares at 1st January	**124,416**	121,883
Effect of issuance of ordinary shares	**11,597**	1,575
Effect of shares issued from ESOS	**–**	570
Weighted average number of ordinary shares at 31st December	**136,013**	124,028
Basic earnings per share (sen)	**3.85**	4.12

(b) Diluted earnings per share

The diluted earnings per share is equivalent to the basic earnings per share as the potential ordinary shares arising from the exercise of options under the ESOS have anti-dilutive effect.

33. DIVIDENDS ON ORDINARY SHARES

	Group and Company 2013 RM'000	2012 RM'000
Final dividend of 2% (2012: 2%) per ordinary shares less 25% tax in respect of the financial year ended		
- 31st December 2011	**–**	1,861
- 31st December 2012	**1,997**	–
	1,997	1,861

At the forthcoming Annual General Meeting, a final dividend of 1.5% per ordinary share amounting to approximately RM2.52 million in respect of the current financial year will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ended 31st December 2014.

34. ACQUISITION OF SUBSIDIARIES

2013

(a) On 11th April 2013, Bina Puri Properties Sdn. Bhd. ("BPPSB") acquired 100% equity interest in Semarak Semerah Sdn. Bhd. ("SSSB") and indirectly held 95% equity interest in Star Effort Sdn. Bhd. ("SESB") through SSSB for total cash consideration of RM25 million. As a result of this acquisition, SSSB and SESB became subsidiaries of the Group.

The fair values of the identifiable assets and liabilities of the above subsidiaries at the date of acquisition were as follows:-

	At Date Of Acquisition Carrying Amount RM'000	Fair Value Recognised RM'000
Current assets	20,981	38,099
Current liabilities	(22,054)	(26,325)
Net identifiable assets and liabilities	(1,073)	11,774
Less: Non-controlling interests		(9)
Add: Goodwill on acquisition		13,235
Total purchase consideration		25,000
Less: Cash and cash equivalents of subsidiary acquired		–
Net cash outflow for acquisition of subsidiary		25,000

(b) On 24th September 2013, the Company incorporated Bina Puri Hong Kong Ltd. ("BPHKL") in Hong Kong. The Company had invested 1 ordinary shares of RM1/- each, representing 100% equity interest in BPHKL for a total consideration of HKD1/-.

34. ACQUISITION OF SUBSIDIARIES (CONT'D)

2013 (Cont'd)

(c) On 13th November 2013, the Company acquired an additional 60% equity interest in Crystal Crown Aerocity Sdn. Bhd. ("CCASB") from its non-controlling interests for cash consideration of RM6/-.

On 23rd December 2013, the Company subscribed additional 174,990 new ordinary shares of RM1/- each of CCASB for total cash consideration of RM174,990/-, representing 70% equity interest in CCASB.

(d) On 23rd December 2013, the Company and Bina Puri Construction Sdn. Bhd. incorporated Bina Puri Lao Co. Ltd. ("BPLCL") in Laos with shareholding of 50,000 and 950,000 ordinary shares of LAK 2,000/- each, representing 5% and 95% equity interest for a total consideration of LAK 2.0 billion. As at the end of the reporting period, BPLCL has not commenced operations.

2012

(a) On 8th October 2012, the Group acquired an additional 20% equity interest in Bina Puri (Libya) Sdn. Bhd. ("BPLSB") from its non-controlling interests for a cash consideration of RM2/-. As a result of this acquisition, BPLSB became a wholly owned subsidiary of the Group. The difference between the consideration and the book value of the interest acquired of RM2/- is reflected in equity as acquisition of non-controlling interest.

35. DISPOSAL OF INVESTMENT IN SUBSIDIARIES

In the previous financial year, the Group and the Company disposed of the following subsidiaries:-

(i) The Group disposed of its 21% equity interests in BP Energy Sdn. Bhd. ("BPESB") on 12th January 2012 for a total cash consideration of RM21/-.

The disposal had the following effects on the financial position of the Group as at the end of the financial year:-

	2012 RM'000
Office equipment	4
Trade and other receivables	5
Cash and bank balances	4
Trade and other payables	(83)
Net liabilities disposed	(70)
Non-controlling interests	–
	(70)
Total disposal proceed	–
Gain on disposal to the Group	(70)
Disposal proceed settled by:-	
Cash	–
Cash inflow arising on disposal:-	
Cash consideration	–
Cash and cash equivalents of subsidiary disposed	(4)
Net of cash outflow on disposal	(4)

35. DISPOSAL OF INVESTMENT IN SUBSIDIARIES (CONT'D)

(ii) On 5th April 2012, the Group disposed of its 40% equity interest in Aksi Bina Puri Sdn. Bhd. ("ABPSB") to its non-controlling interests for a total cash consideration of RM200,000/-. As a result of this disposal, the Group retains equity interest of 60% in ABPSB. On the date of disposal, the carrying value of the interest disposed was RM181,420/-. The difference between the consideration and the book value of interest disposed of RM18,580/- is reflected in equity as premium received on disposal of non-controlling interest.

(iii) On 28th December 2012, the Group disposed of its 80% equity interest in Medini Square Sdn. Bhd. ("MSSB") for a total cash consideration of RM2,671,700/-.

The disposal had the following effects on the financial position of the Group as at the end of the financial year:-

	2012 RM'000
Other receivables, deposits and prepayment	1,613
Other payables	(128)
Redeemable preference shares	(468)
Net assets disposed	1,017
Non-controlling interests	(203)
	814
Total disposal proceed	(2,672)
Gain on disposal to the Group	(1,858)
Disposal proceed settled by:-	
Cash	2,672
Cash inflow arising on disposal:-	
Cash consideration	2,672
Cash and cash equivalents of subsidiary disposed	–
Net of cash inflow on disposal	2,672

(iv) Total net cash inflow arising from the disposals in Note 35(i), 35(ii) and 35(iii) is RM2,868,000/-.

36. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		**Company**	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Purchase of property, plant and equipment	**19,399**	18,811	**101**	739
Financed by:				
- hire purchase	**(7,595)**	(8,083)	**–**	(460)
- term loan	**(1,762)**	(374)	**–**	–
Cash payments on purchase of property, plant and equipment	**10,042**	10,354	**101**	279

37. DIRECTORS' REMUNERATION

(a) The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follow:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors				
Fees	**48**	48	**48**	48
Non-fee emoluments	**3,508**	2,999	**1,854**	1,453
Non-executive directors				
Fees	**443**	444	**443**	444
Non-fee emoluments	**223**	216	**–**	–
	4,222	3,707	**2,345**	1,945
Benefit-in-kind	**60**	62	**–**	–

(b) The number of directors of the Group and of the Company whose total remuneration during the financial year fall within the following bands is analysed below:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors				
Below RM50,000	**–**	–	**2**	2
RM250,001 - RM300,000	**1**	–	**1**	–
RM350,001 - RM400,000	**–**	1	**–**	1
RM400,001 - RM450,000	**1**	–	**1**	–
RM600,001 - RM650,000	**–**	1	**–**	–
RM650,001 - RM700,000	**1**	–	**–**	–
RM950,001 - RM1,000,000	**–**	1	**–**	–
RM1,000,001 - RM1,050,000	**1**	–	**–**	–
RM1,050,001 - RM1,100,000	**–**	1	**–**	1
RM1,100,001 - RM1,200,000	**1**	–	**1**	–
Non-executive directors				
Below RM50,000	**6**	–	**6**	1
RM50,001 - RM100,000	**–**	3	**1**	3
RM200,001 - RM250,000	**1**	2	**–**	1
RM250,001 - RM300,000	**1**	–	**1**	–

38. SEGMENT REPORTING

The information reported to the Group Executive Committee, as the Group's chief operating decision maker, in making decisions to allocate resources to segments and to assess their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Business Segments

For management purposes, the Group is organised into business units based on their products and services provided. The Group is organised into five (5) main business segments as follows:-

(i) Construction segment – involved in construction of earthworks, building and road;

(ii) Property development segment – involved in property development;

(iii) Quarry and readymix concrete segment – involved in quarry operation and production of readymix concrete;

(iv) Polyol manufacturing segment – involved in the manufacturing of polyol; and

(v) Power supply segment – involved in the generation and supply of electricity.

Geographical information

The Group's five (5) major business segments are operating in two (2) principal geographical areas, namely Malaysia and other Asian countries. The other Asian countries include Brunei, Hong Kong, Indonesia, Thailand, Vietnam, Abu Dhabi, Pakistan, Cambodia and India.

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments

2013	Construction RM'000	Property Development RM'000	Quarry and Readymix Concrete RM'000	Polyol RM'000	Power Supply RM'000	Others RM'000	Group RM'000
Revenue							
External customer	858,448	74,354	91,842	20,431	8,632	–	1,053,707
Inter-segment revenue	110,729	–	3,053	–	–	–	113,782
	969,177	74,354	94,895	20,431	8,632	–	1,167,489
Adjustments and eliminations							(113,782)
Consolidated revenue							1,053,707
Results							
Segment results	11,270	429	3,310	340	964	23	16,336
Adjustments and eliminations							(8)
							16,328
Investment income	864	3,010	–	–	13	–	3,887
Share of results in associates	141	119	1,040	–	–	–	1,300
Share of results in joint venture	21	–	–	–	–	–	21
Finance costs	(4,935)	(2,032)	(534)	(162)	(224)	–	(7,887)
Consolidated profit before taxation	7,361	1,526	3,816	178	753	23	13,649
Taxation							(7,830)
Consolidated profit after taxation							5,819
Capital expenditures	13,586	495	3,155	1,853	310	–	19,399
Depreciation of property, plant and equipment	7,329	1,327	1,895	135	1,691	–	12,377
Other non-cash expenses/(income)	231	1	(961)	1,519	289	36	1,115

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2013	Construction RM'000	Property Development RM'000	Quarry and Readymix Concrete RM'000	Polyol RM'000	Power Supply RM'000	Others RM'000	Elimination RM'000	Group RM'000
Assets								
Segment assets	988,963	423,766	64,327	9,747	37,997	1,007	(245,930)	1,279,877
Investment in associates	32,960	245	2,918	–	–	–	–	36,123
Other investments	7,309	–	–	–	–	–	–	7,309
Goodwill		13,235	–	–	350	–	–	13,585
Deferred tax assets	–	–	–	654	–	–	–	654
Tax recoverable	600	–	542	–	1,038	8	–	2,188
Total assets	1,029,832	437,246	67,787	10,401	39,385	1,015	(245,930)	1,339,736
Liabilities								
Segment liabilities	457,549	220,460	32,490	2,318	24,721	2,002	(225,138)	514,402
Borrowings	405,990	191,155	7,869	4,792	11,364	–	–	621,170
Deferred tax liabilities	1,765	4,279	1,032	–	735	–	–	7,811
Tax payable	11,244	171	190	–	–	–	–	11,605
Total liabilities	876,548	416,065	41,581	7,110	36,820	2,002	(225,138)	1,154,988

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments

2012	Construction RM'000	Property Development RM'000	Quarry and Readymix Concrete RM'000	Polyol RM'000	Power Supply RM'000	Others RM'000	Group RM'000
Revenue							
External customer	1,097,980	54,149	97,513	22,845	7,575	–	1,280,062
Inter-segment revenue	59,545	–	868	–	–	–	60,413
	1,157,525	54,149	98,381	22,845	7,575	–	1,340,475
Adjustments and eliminations							(60,413)
Consolidated revenue							1,280,062
Results							
Segment results	15,426	679	1,357	699	2,965	16	21,142
Adjustments and eliminations							(396)
							20,746
Investment income	2,910	38	–	–	–	–	2,948
Share of results in associates	(82)	129	894	–	–	–	941
Share of results in joint venture	(1,420)	–	–	–	–	–	(1,420)
Finance costs	(4,990)	(812)	(601)	(150)	(258)	–	(6,811)
Consolidated profit before taxation	11,844	34	1,650	549	2,707	16	16,404
Taxation							(10,559)
Consolidated profit after taxation							5,845
Capital expenditures	10,558	877	1,455	465	5,452	4	18,811
Depreciation of property, plant and equipment	6,293	1,105	1,807	130	1,448	–	10,783
Other non-cash expenses/(income)	(293)	(1)	(1,112)	220	–	45	(1,141)

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2012	Construction RM'000	Property Development RM'000	Quarry and Readymix Concrete RM'000	Polyol RM'000	Power Supply RM'000	Others RM'000	Elimination RM'000	Group RM'000
Assets								
Segment assets	807,062	228,456	54,914	7,992	31,239	512	(153,280)	976,895
Investment in associates	2,801	–	2,247	–	–	–	126	5,174
Other investments	37,309	–	–	–	–	–	–	37,309
Goodwill	–	–	–	–	350	–	–	350
Deferred tax assets	–	–	–	654	–	–	–	654
Tax recoverable	5	36	866	–	876	21	–	1,804
Total assets	847,177	228,492	58,027	8,646	32,465	533	(153,154)	1,022,186
Liabilities								
Segment liabilities	394,975	119,133	31,823	1,822	20,815	33,703	(168,710)	433,561
Borrowings	315,009	90,906	8,180	3,711	7,341	–	–	425,147
Deferred tax liabilities	1 ,546	–	751	–	384	–	–	2,681
Tax payable	11,278	45	72	–	–	–	–	11,395
Total liabilities	722,808	210,084	40,826	5,533	28,540	33,703	(168,710)	872,784

38. SEGMENT REPORTING (CONT'D)

(b) Reconciliation of segment results are as follow:-

	2013 RM'000	2012 RM'000
Elimination of inter-segment profits	(8)	(396)

(c) Other non-cash items other than depreciation, impairment loss of property, plant and equipment and investment properties consist of the following:-

	2013 RM'000	2012 RM'000
Gain on disposal of:-		
- property, plant and equipment	**(123)**	(1,099)
- investment in a subsidiary	**–**	(1,858)
Gain arising from changes in ownership interests:-		
- investment in subsidiary to associate	**–**	(70)
Property, plant and equipment written off	**23**	26
Share option granted under ESOS	**498**	891
Allowance for impairment on trade and other receivables	**–**	368
Reversal of allowance for impairment on trade and other receivables no longer required	**(2)**	(5)
Receivables written off	**–**	25
Net effect of unwinding of interest from discounting	**329**	(95)
Unrealised foreign exchange	**1,711**	197
Share of results in associates	**(1,300)**	(941)
Share of results in joint venture	**(21)**	1,420
	1,115	(1,141)

(d) Geographical Information

The Group's business segments operate substantially from Malaysia. In determining the geographical segments of the Group, revenues are based on the country in which the customer is located.

2013	**Malaysia RM'000**	**Other Asian Countries RM'000**	**Consolidated RM'000**
Revenue from external customers	**1,026,074**	**27,633**	**1,053,707**
Non-current assets (exclude deferred tax assets)	**234,395**	**41,034**	**275,429**
Segment assets	**1,233,168**	**106,568**	**1,339,736**
Segment liabilities	**1,030,535**	**124,453**	**1,154,988**
2012			
Revenue from external customers	1,155,975	124,087	1,280,062
Non-current assets (exclude deferred tax assets)	146,292	37,734	184,026
Segment assets	871,167	151,019	1,022,186
Segment liabilities	717,562	155,222	872,784

38. SEGMENT REPORTING (CONT'D)

(e) Information about a major customer

Revenue from a major customer amounting to RM134,306,218/- (2012: RM189,186,000/-) arising from the construction segment.

39. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

(i) Subsidiaries;

(ii) Associates;

(iii) A company in which directors of the Company have substantial financial interest;

(iv) A corporate shareholder of a subsidiary; and

(v) Key management personnel, comprise persons (including the directors of the Company) who have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

	Group		**Company**	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Transactions with:-				
Subsidiaries				
Dividend income	**–**	–	**4,075**	4,075
Management fees	**–**	–	**3,370**	3,370
Project commission	**–**	–	**4,829**	5,439
Rental income	**–**	–	**401**	537
Secretarial fee	**–**	–	**36**	36
Security and safety fee	**–**	–	**(216)**	(216)

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions and balances (Cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Associates				
Construction services	**4,270**	5,492	**–**	–
Purchases of quarry product	**(20,095)**	(22,140)	**–**	–
Management fees	**208**	180	**96**	132
Secretarial fee	**4**	5	**4**	5
A company in which a director of the Company has interests in				
Project management fee	**(120)**	(280)	**(120)**	(280)
Legal fee	**–**	(74)	**–**	–
Purchase of:-				
- air tickets	**(773)**	(896)	**(156)**	(419)
- diesel	**(348)**	(332)	**–**	–
A corporate shareholder of a subsidiary				
Sales of quarry product	**103**	6	**–**	–
A company in which a director of a subsidiary of the Company has interests in				
Sales of quarry product and ready mix concrete	**1,488**	3,333	**–**	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 16, Note 17, Note 18 and Note 26 to the financial statements.

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short-term employee benefits	**8,737**	8,131	**2,918**	2,756
Employee Provident Fund	**826**	776	**291**	266
Share based payments	**340**	302	**28**	16
	9,903	9,209	**3,237**	3,038

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel remuneration (Cont'd)

Included in the key management personnel remuneration is:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors' remuneration:				
- directors of the Company (Note 37)	**4,282**	3,769	**2,345**	1,945
- directors of the subsidiaries	**1,933**	1,753	**–**	–
	6,215	5,522	**2,345**	1,945

40. CAPITAL COMMITMENTS

	Group	
	2013 RM'000	2012 RM'000
Approved and contracted for but not provided in the financial statements		
- property, plant and equipment	**2,061**	5,368
- construction of power plant	**23,236**	31,000
	25,297	36,368

41. FINANCIAL GUARANTEES AND CONTINGENCIES

(a) Financial guarantees

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to:				
- subsidiaries	**–**	–	**788,988**	733,800
- associates	**1,158,595**	24,156	**1,158,595**	24,156
- other investment	**–**	1,040,000	**–**	1,040,000
Guarantee given in favour of suppliers of goods for credit terms granted to subsidiaries	**–**	–	**9,576**	3,660
Guarantee given to secure hire purchase payables of subsidiaries	**–**	–	**10,312**	12,235

41. FINANCIAL GUARANTEES AND CONTINGENCIES

(b) Contingencies

(i) EP Engineering Sdn. Bhd. ("EP") v. Bina Puri Sdn. Bhd. ("BPSB") & Kris Heavy Engineering & Construction Sdn. Bhd. ("KH")

The nature of the proceeding is an Arbitration which has been instituted by EP against BPSB together with KH for an amount of RM16,834,453/- together with interest thereon for loss and damages suffered by reason of KH's repudiation of a subcontract which was awarded by KH to EP for the execution and completion of a Chilled Water Loop System in respect of the KLIA MAS Cargo Complex. BPSB denies the claim on the ground that there is no contract in existence between EP and BPSB and the alleged amount of loss and damage suffered was by reason of KH's repudiation of the aforementioned subcontract.

EP has closed its case in the Arbitration proceeding. Directions have been given by the arbitrator to file written submissions. EP's submission has been forwarded and served. On 9th April 2013, BPSB has been informed that KH has been directed by the arbitrator to submit their counter claim by 15th August 2013.

BPSB has also entered into a settlement agreement with EP wherein EP has agreed with BPSB not to enforce any award, if any, which may be made by the arbitrator against BPSB.

There is a more than average probability that the claim by EP against BPSB will be dismissed with cost. In the worst case scenario, BPSB will be liable to EP for the full amount awarded (if any) by the arbitrator against KH. The Parties are presently filing their respective written submissions and on 31st October 2014, the Arbitrator may fix a date for decision or clarification.

(ii) MDC Precast Industries Sdn. Bhd. ("MDC") v Bina Puri Sdn. Bhd. ("BPSB")

MDC is claiming for an amount of RM479,870/- for goods which have been supplied and late payment interest of RM87,605/-. BPSB's counter claimed, inter alia, that the goods delivered by MDC are defective and unfit for its purpose. BPSB avers that due to the defective goods supplied by MDC and the rejection of those defective goods by BPSB's employer, BPSB had incurred additional cost of RM1,642,336/- for rectification works and accelerating of the work in order to complete the project.

On 25th May 2012, the High Court had granted the MDC's Summary Judgment but has further allowed a stay of execution of the judgment on the basis that BPSB has a plausible counterclaim against MDC. BPSB's appeal against the Summary Judgment was allowed on 25th September 2012 and the High Court's decision was set aside. MDC had appealed against the decision. The matter has been fixed for full trial on 3rd June 2013, 5th June 2013 and 14th June 2013.

On 31st March 2014, the Shah Alam High Court has granted the MDC's claim for RM479,870/- with interest of 5% from date of filing summons, and BPSB's counterclaim was dismissed with costs of RM20,000/- to be paid by BPSB to MDC.

BPSB does not agree with the Court's decision and maintain that BPSB has a good counterclaim. As such, BPSB has lodged an Appeal to the Court of Appeal on 15th April 2014. BPSB has also filed an application for stay of execution of the Judgment on 21st April 2014.

(iii) One of the Group's projects was carried out by its wholly owned subsidiary together with a Joint Venture partner (JV). Due to, amongst others, the timing of variation orders and site instructions issued to the JV, the JV has submitted applications for extension of the completion date of the project. These applications are currently still pending decision from the contracting party. Based on the circumstances of this matter, the directors are of the opinion that the JV would be entitled to an extension of the completion date applied for. In view that the decision for the applications for the extension of the completion date are still pending, the directors have not made any provision in the Financial Statements of the Group. The directors are also unable to disclose further information on the subject matter, so as not to prejudice the position of the Group.

42. FINANCIAL INSTRUMENTS

(a) Financial Risk Management and Objectives

The Group and the Company seek to manage effectively the various risks namely credit, liquidity, interest rate, and foreign currency risks, to which the Group and the Company are exposed to in their daily operations.

(i) Credit Risk

The Group's and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables, amount owing by subsidiaries and amount owing by associates. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an on-going basis. For other financial assets (including other investments, fixed deposits placed with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company established an allowance account for impairment that represents its estimate of incurred losses in respect of the financial assets as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by Management based on prior experience and the current economic environment.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:-

(i) The carrying amounts of each class of financial assets recognised in the statements of financial position as disclosed in Note 10, Note 16, Note 17, Note 18, Note 19 and Note 20 to the financial statements, and

(ii) The nominal amount of guarantees provided by the Group and the Company to banks on subsidiaries' and associates' credit facilities as disclosed in Note 41(a) to the financial statements.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the country profile of its trade receivables (including trade-related amounts owing by subsidiaries and associates) on an on-going basis.

The credit risk concentration profile of the Group's and of the Company's trade receivables at the end of the reporting period are as follows:-

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Brunei Darussalam	**23,183**	68,015	**–**	–
Pakistan	**2,722**	–	**–**	–
US	**519**	–	**–**	–
Singapore	**58**	–	**–**	–
Indonesia	**649**	782	**–**	–
Malaysia	**446,587**	280,920	**90,379**	70,169
	473,718	349,717	**90,379**	70,169

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(i) Credit Risk (Cont'd)

Credit risk concentration profile (Cont'd)

Financial assets that are neither past due nor impaired

Information regarding financial assets that are neither past due nor impaired are disclosed in Note 16, Note 17 and Note 18 to the financial statements. Fixed deposits and cash and bank balances are placed with reputable licensed financial institutions with high credit ratings.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16, Note 17 and Note 18 to the financial statements.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Within 1 Year RM'000	One to five Years RM'000	Over five Years RM'000
2013					
Financial liabilities					
Trade and other payables	491,160	500,125	449,292	50,833	–
Amount owing to associates	7,023	7,023	7,023	–	–
Amount owing to joint venture	34	34	34	–	–
Hire purchase payables	17,192	18,705	8,526	10,179	–
Term loans	80,097	105,659	14,409	91,250	
Bank borrowings	523,881	523,881	523,881	–	–
	1,119,387	1,155,427	1,003,165	152,262	–

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(ii) Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Within 1 Year RM'000	One to five Years RM'000	Over five Years RM'000
2012					
Financial liabilities					
Trade and other payables	417,955	427,396	371,561	55,835	–
Amount owing to associates	8,868	8,868	8,868	–	–
Amount owing to joint venture	31	31	31	–	–
Hire purchase payables	16,870	18,371	8,097	10,274	–
Term loans	60,402	39,298	7,237	28,937	3,124
Bank borrowings	347,875	347,875	347,875	–	–
	852,001	841,839	743,669	95,046	3,124

Company	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Within 1 Year RM'000	One to five Years RM'000	Over five Years RM'000
2013					
Financial liabilities					
Trade and other payables	**42,442**	**43,017**	**39,096**	**3,921**	**–**
Amount owing to subsidiaries	**19,424**	**19,424**	**19,424**	**–**	**–**
Amount owing to associates	**6**	**6**	**6**	**–**	**–**
Amount owing to joint venture	**34**	**34**	**34**	**–**	**–**
Hire purchase payables	**336**	**367**	**104**	**263**	**–**
Bank borrowings	**49,574**	**49,574**	**49,574**	**–**	**–**
	111,816	**112,422**	**108,238**	**4,184**	**–**

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(ii) Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

Company	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Within 1 Year RM'000	One to five Years RM'000	Over five Years RM'000
2012					
Financial liabilities					
Trade and other payables	42,815	43,498	38,071	5,427	–
Amount owing to subsidiaries	23,804	23,804	23,804	–	–
Amount owing to associates	6	6	6	–	–
Amount owing to joint venture	31	31	31	–	–
Hire purchase payables	421	471	104	367	–
Bank borrowings	34,204	34,204	34,204	–	–
	101,281	102,014	96,220	5,794	–

(iii) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iii) Interest Rate Risk (Cont'd)

Interest rate profile

At the end of the reporting period, the interest rate profile of the interest bearing financial instruments is as follows:-

Group	Effective Interest Rate %	Within 1 Year RM'000	1-5 Years RM'000	> 5 Years RM'000	Total RM'000
2013					
Financial asset					
Fixed deposits with licensed banks	**0.50 – 4.25**	**14,904**	**–**	**–**	**14,904**
Financial liabilities					
Hire purchase payables	**3.80 - 12.32**	**7,684**	**9,508**	**–**	**17,192**
Term loans	**3.77 - 7.85**	**9,396**	**50,472**	**20,229**	**80,097**
Bank borrowings	**2.97 - 9.10**	**523,881**	**–**	**–**	**523,881**
2012					
Financial asset					
Fixed deposits with licensed banks	0.50 - 5.25	15,945	–	–	15,945
Financial liabilities					
Hire purchase payables	2.40 - 12.32	7,245	9,625	–	16,870
Term loans	3.60 - 7.85	20,185	23,868	16,349	60,402
Bank borrowings	2.97 - 9.10	347,875	–	–	347,875

Company	Effective Interest Rate %	Within 1 Year RM'000	1-5 Years RM'000	> 5 Years RM'000	Total RM'000
2013					
Financial asset					
Fixed deposits with licensed banks	**2.00 - 3.00**	**54**	**–**	**–**	**54**
Financial liabilities					
Hire purchase payables	**3.83 - 5.25**	**89**	**247**	**–**	**336**
Bank borrowings	**4.83 - 7.60**	**49,574**	**–**	**–**	**49,574**
2012					
Financial asset					
Fixed deposits with licensed banks	2.00 - 3.00	50	–	–	50
Financial liabilities					
Hire purchase payables	4.48 - 6.00	85	336	–	421
Bank borrowings	4.79 - 7.60	34,204	–	–	34,204

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

An increase in market interest rates by 5% on financial assets and financial liabilities of the Group and of the Company which have variable interest rates at the end of the reporting period would decrease the profit before tax by RM1,534,301/- (2012: RM880,444/-) and RM158,601/- (2012: RM102,630/-). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 5% on financial assets and financial liabilities of the Group and of the Company which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

(iv) Foreign Currency Risk

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

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currencies of Group entities. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Brunei, Hong Kong, Indonesia, Thailand, Vietnam, Abu Dhabi, Pakistan, Cambodia and India. The Group's investments in foreign operations are not hedged.

Foreign currency exposure profile

The foreign currency exposure profile of the financial instruments of the Group and of the Company is as follows:-

Group	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2013							
Financial assets							
Quoted and unquoted shares	–	–	–	–	–	6,887	6,887
Trade and other receivables *	23,798	4,230	1,637	–	–	601,908	631,573
Amount owing by associates	–	–	–	–	–	36,957	36,957
Fixed deposits with licensed banks	7,105	–	61	–	48	7,690	14,904
Cash and bank balances	2,330	12	1,415	–	14	51,921	55,692
	33,233	4,242	3,113	–	62	705,363	746,013

** exclude prepayments*

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iv) Foreign Currency Risk (Cont'd)

Foreign currency exposure profile (Cont'd)

Group	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2013							
Financial liabilities							
Trade and other payables	**28,798**	**1,508**	**554**	**–**	**28**	**460,272**	**491,160**
Amount owing to associates	**–**	**–**	**–**	**–**	**–**	**7,023**	**7,023**
Amount owing to joint venture	**–**	**–**	**–**	**–**	**–**	**34**	**34**
Hire purchase payables	**40**	**–**	**305**	**–**	**–**	**16,847**	**17,192**
Term loans	**15,006**	**–**	**–**	**10,447**	**–**	**54,644**	**80,097**
Bank borrowings	**8,728**	**–**	**–**	**612**	**–**	**514,541**	**523,881**
	52,572	**1,508**	**859**	**11,059**	**28**	**1,053,361**	**1,119,387**

	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2012							
Financial assets							
Quoted and unquoted shares	–	–	–	–	–	36,887	36,887
Trade and other receivables *	68,526	1,043	2,943	–	1	384,854	457,367
Amount owing by associates	–	–	–	–	–	28,265	28,265
Fixed deposits with licensed banks	1,275	–	74	–	–	14,596	15,945
Cash and bank balances	3,551	14	1,819	–	25	65,902	71,311
	73,352	1,057	4,836	–	26	530,504	609,775

** exclude prepayments*

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iv) Foreign Currency Risk (Cont'd)

Foreign currency exposure profile (Cont'd)

Group	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2012							
Financial liabilities							
Trade and other payables	50,172	3,087	1,676	–	58	362,962	417,955
Amount owing to associates	–	–	–	–	–	8,868	8,868
Amount owing to joint venture	–	–	–	–	–	31	31
Hire purchase payables	171	–	731	–	–	15,968	16,870
Term loans	15,463	–	–	5,998	–	38,941	60,402
Bank borrowings	27,322	–	–	612	–	319,941	347,875
	93,128	3,087	2,407	6,610	58	746,711	852,001

Company	United Arab Emirates Dirham RM'000	Ringgit Malaysia RM'000	Total RM'000
2013			
Financial assets			
Quoted and unquoted shares	**–**	**6,377**	**6,377**
Trade and other receivables *	**–**	**23,324**	**23,324**
Amount owing by subsidiaries	**–**	**129,158**	**129,158**
Amount owing by associates	**–**	**36,927**	**36,927**
Fixed deposits with licensed banks	**48**	**6**	**54**
Cash and bank balances	**1**	**462**	**463**
	49	**196,254**	**196,303**

** exclude prepayment*

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iv) Foreign Currency Risk (Cont'd)

Foreign currency exposure profile (Cont'd)

Company	United Arab Emirates Dirham RM'000	Ringgit Malaysia RM'000	Total RM'000
2013			
Financial liabilities			
Trade and other payables	**–**	**42,442**	**42,442**
Amount owing to subsidiaries	**–**	**19,424**	**19,424**
Amount owing to associates	**–**	**6**	**6**
Amount owing to joint venture	**–**	**34**	**34**
Hire purchase payables	**–**	**336**	**336**
Bank borrowings	**–**	**49,574**	**49,574**
	–	**111,816**	**111,816**
2012			
Financial assets			
Quoted and unquoted shares	–	36,377	36,377
Trade and other receivables *	–	24,238	24,238
Amount owing by subsidiaries	–	72,206	72,206
Amount owing by associates	–	28,021	28,021
Fixed deposits with licensed banks	44	6	50
Cash and bank balances	1	2,237	2,238
	45	163,085	163,130
Financial liabilities			
Trade and other payables	–	42,815	42,815
Amount owing to subsidiaries	–	23,804	23,804
Amount owing to associates	–	6	6
Amount owing to joint venture	–	31	31
Hire purchase payables	–	421	421
Bank borrowings	–	34,204	34,204
	–	101,281	101,281

** exclude prepayment*

The directors believe that the impact of foreign exchange fluctuation will not significantly affect the profitability of the Group and of the Company. As such, sensitivity analysis is not presented.

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 2.3 to the financial statements describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

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

Group	Loans and receivables RM'000	Available for sales RM'000	Financial liabiilities at amortised cost RM'000	Total RM'000
2013				
Financial assets				
Quoted and unquoted shares	**–**	**6,887**	**–**	**6,887**
Trade and other receivables *	**631,573**	**–**	**–**	**631,573**
Amount owing by associates	**36,957**	**–**	**–**	**36,957**
Fixed deposits with licensed banks	**14,904**	**–**	**–**	**14,904**
Cash and bank balances	**55,692**	**–**	**–**	**55,692**
Total carrying amount	**739,126**	**6,887**	**–**	**746,013**

** exclude prepayment*

Group	Loans and receivables RM'000	Available for sales RM'000	Financial liabiilities at amortised cost RM'000	Total RM'000
Financial liabilities				
Trade and other payables	**–**	**–**	**491,160**	**491,160**
Amount owing to associates	**–**	**–**	**7,023**	**7,023**
Amount owing to joint venture	**–**	**–**	**34**	**34**
Hire purchase payables	**–**	**–**	**17,192**	**17,192**
Term loans	**–**	**–**	**80,097**	**80,097**
Bank borrowings	**–**	**–**	**523,881**	**523,881**
Total carrying amount	**–**	**–**	**1,119,387**	**1,119,387**
2012				
Financial assets				
Quoted and unquoted shares	–	36,887	–	36,887
Trade and other receivables *	457,367	–	–	457,367
Amount owing by associates	28,265	–	–	28,265
Fixed deposits with licensed banks	15,945	–	–	15,945
Cash and bank balances	71,311	–	–	71,311
Total carrying amount	572,888	36,887	–	609,775

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of Financial Instruments (Cont'd)

2012	**Loans and receivables RM'000**	**Available for sales RM'000**	**Financial liabiilities at amortised cost RM'000**	**Total RM'000**
Financial liabilities				
Trade and other payables	–	–	417,955	417,955
Amount owing to associates	–	–	8,868	8,868
Amount owing to joint venture	–	–	31	31
Hire purchase payables	–	–	16,870	16,870
Term loans	–	–	60,402	60,402
Bank borrowings	–	–	347,875	347,875
Total carrying amount	–	–	852,001	852,001

** exclude prepayment*

Company	**Loans and receivables RM'000**	**Available for sales RM'000**	**Financial liabiilities at amortised cost RM'000**	**Total RM'000**
2013				
Financial assets				
Quoted and unquoted shares	**–**	**6,377**	**–**	**6,377**
Trade and other receivables *	**23,324**	**–**	**–**	**23,324**
Amount owing by subsidiaries	**129,158**	**–**	**–**	**129,158**
Amount owing by associates	**36,927**	**–**	**–**	**36,927**
Fixed deposits with licensed banks	**54**	**–**	**–**	**54**
Cash and bank balances	**463**	**–**	**–**	**463**
Total carrying amount	**189,926**	**6,377**	**–**	**196,303**
Financial liabilities				
Trade and other payables	**–**	**–**	**42,442**	**42,442**
Amount owing to subsidiaries	**–**	**–**	**19,424**	**19,424**
Amount owing to associates	**–**	**–**	**6**	**6**
Amount owing to joint venture	**–**	**–**	**34**	**34**
Hire purchase payables	**–**	**–**	**336**	**336**
Bank borrowings	**–**	**–**	**49,574**	**49,574**
Total carrying amount	**–**	**–**	**111,816**	**111,816**

** exclude prepayment*

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of Financial Instruments (Cont'd)

Company	Loans and receivables RM'000	Available for sales RM'000	Financial liabiilities at amortised cost RM'000	Total RM'000
2012				
Financial assets				
Quoted and unquoted shares	–	36,377	–	36,377
Trade and other receivables *	24,238	–	–	24,238
Amount owing by subsidiaries	72,206	–	–	72,206
Amount owing by associates	28,021	–	–	28,021
Fixed deposits with licensed banks	50	–	–	50
Cash and bank balances	2,238	–	–	2,238
Total carrying amount	126,753	36,377	–	163,130
Financial liabilities				
Trade and other payables	–	–	42,815	42,815
Amount owing to subsidiaries	–	–	23,804	23,804
Amount owing to associates	–	–	6	6
Amount owing to joint venture	–	–	31	31
Hire purchase payables	–	–	421	421
Bank borrowings	–	–	34,204	34,204
Total carrying amount	–	–	101,281	101,281

** exclude prepayment*

42. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of Financial Instruments

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried fair value				Fair value of financial instruments not carried fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2013										
Group										
Financial assets										
Other investments	**72**	**–**	**–**	**72**	**–**	**–**	**–**	**–**	**72**	**72**

	Fair value of financial instruments carried fair value						
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Fair value of financial instruments not carried at fair value * RM'000	Total fair value RM'000	Carrying amount RM'000
2012							
Group							
Financial assets							
Other investments	72	–	–	72	–	72	72

* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of FRS 13.

42. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of Financial Instruments (Cont'd)

Fair value hierarchy

The fair value hierarchy has the following levels:-

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

43. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as long and short-term borrowings less fixed deposits with licensed banks and cash and bank balances.

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Borrowings				
Hire purchase payables	**17,192**	16,870	**336**	421
Term loans	**80,097**	60,402	**–**	–
Bank borrowings	**523,881**	347,875	**49,574**	34,204
	621,170	425,147	**49,910**	34,625
Less:				
Fixed deposits with licensed banks	**(14,904)**	(15,945)	**(54)**	(50)
Cash and bank balances	**(55,692)**	(71,311)	**(463)**	(2,238)
Net debt	**550,574**	337,891	**49,393**	32,337
Total equity	**184,748**	149,402	**192,129**	158,257
Debt-to-equity ratio	**2.98**	2.26	**0.26**	0.20

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Supplementary Information

on The Disclosure of Realised and Unrealised Profits or Losses

On 25th March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits or losses of the Group and of the Company as at 31st December are as follows:-

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained profits/(accumulated losses):-				
- realised	**5,600**	(3,369)	**28,999**	27,996
- unrealised	**(9,044)**	(2,399)	**(729)**	(734)
	(3,444)	(5,786)	**28,270**	27,262
Total share of retained profits of associates:-				
- realised	**982**	93	**–**	–
- unrealised	**–**	–	**–**	–
	982	93	**–**	–
Total share of accumulated losses of joint venture:-				
- realised	**(3,402)**	(3,424)	**–**	–
- unrealised	**–**	–	**–**	–
	(3,402)	(3,424)	**–**	–
At 31st December	**(5,864)**	(9,099)	**28,270**	27,262

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20th December 2010.

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

Statement By Directors

We, **TAN SRI DATUK TEE HOCK SENG, JP** and **MATTHEW TEE KAI WOON**, being two of the directors of **BINA PURI HOLDINGS BHD.**, state that, in the opinion of the directors, the financial statements set out on pages 57 to 168 are drawn up in accordance with the Financial Reporting Standards and 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 31st December 2013 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 169 have been prepared in accordance with the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

TAN SRI DATUK TEE HOCK SENG, JP
Director

MATTHEW TEE KAI WOON
Director

Kuala Lumpur
Date: 28th April 2014

Statutory Declaration

I, **MATTHEW TEE KAI WOON**, being the director primarily responsible for the financial management of **BINA PURI HOLDINGS BHD.**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 57 to 168 and the supplementary information set out on page 169 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, l960.

Subscribed and solemnly declared by)
abovenamed at Kuala Lumpur)
in the Federal Territory on this 28th April 2014)
)

MATTHEW TEE KAI WOON
Director

Before me

Commissioner for Oaths
ZULKIFLA MOHD DAHLIM
NO. W 541

Independent Auditors' Report to The Members

Report on the Financial Statements

We have audited the financial statements of Bina Puri Holdings Bhd., which comprise the statements of financial position as at 31st December 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 57 to 168.

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 the Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company'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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Emphasis of Matters

Without qualifying our opinion, we draw your attention to the following matters:-

(a) As disclosed in Note 18(c) to the financial statements which disclose that included in the Group's and the Company's amounts owing by associates is an amount of RM25,011,000/- owing by certain associates which has been long outstanding. The directors are of the opinion that the balances due from these associates are recoverable as these associates has committed to the Group to repay the amount owing when it has successfully recovered the compensation in its legal claims from its completed project or from its additional cash flows to be generated from its on-going and future project.

(b) As disclosed in Note 41(b)(iii) to the financial statements, one of the Group's projects was carried out by its wholly owned subsidiary together with a Joint Venture partner (JV). Due to, amongst others, the timing of variation orders and site instructions issued to the JV, the JV has submitted applications for extension of the completion date of the project. These applications are currently still pending decision from the contracting party. Based on the circumstances of this matter, the directors are of the opinion that the JV would be entitled to an extension of the completion date applied for. In view that the decision for the applications for the extension of the completion date are still pending, the directors have not made any provision in the Financial Statements of the Group. The directors are also unable to disclose further information on the subject matter, so as not to prejudice the position of the Group.

We have considered the importance of these factors that are fundamental to the understanding of the financial statements and draw your attention to them, but our opinion is not qualified.

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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) Other than the subsidiary without the auditors' report as indicated in Note 4 to the financial statements, we have considered the financial statements of all the subsidiaries and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.

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

(d) Other than the subsidiary without the auditors' report as indicated in Note 4 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 163 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Andrew Heng
No. 2935/08/14(J)
Chartered Accountant

Kuala Lumpur

Date: 28th April 2014

Analysis of Shareholdings
as at 16 May 2014

Authorised Capital	:	RM500,000,000.00
Issued and Paid-up Capital	:	RM177,912,550.00
Class of Shares	:	Ordinary shares of RM1.00 each

Substantial Shareholders (As per Register of Substantial Shareholders)	**No. Of Shares**	**% Of Shares**
Jentera Jati Sdn. Bhd.	20,388,000	11.46
Tan Sri Datuk Tee Hock Seng, JP	15,769,778#	8.86
Ng Keong Wee	14,093,600	7.92
Dr. Tony Tan Cheng Kiat	9,368,902*	5.27
Bumimaju Mawar Sdn. Bhd.	9,377,400	5.27

\# *includes shares held through nominee company, 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.*

* *includes beneficial interest held through nominee company.*

Directors' Interest
(As per Register of Directors' Shareholdings)

Name of Directors	**Direct Interest**	**%**	**Indirect Interest**	**%**
Tan Sri Datuk Tee Hock Seng, JP	15,369,778*	8.64	400,000#	0.22
Dr. Tony Tan Cheng Kiat	9,368,902*	5.27	–	–
Datuk Henry Tee Hock Hin	5,594,668	3.14	–	–
Tay Hock Lee	1,807,707	1.02	–	–
Matthew Tee Kai Woon	1,480,625	0.83	–	–
Tan Kwe Hee	121,000	0.07	–	–
We Her Ching (Alternate Director to Datuk Henry Tee Hock Hin)	104,900	0.06	–	–

\# *indirect interest – 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.*

* *includes beneficial interest held through nominee company.*

Distribution of Shareholdings
(As per Record of Depositors)

Range of Shareholdings	**No. of Shareholders**	**% of Shareholders**	**No. of Shares**	**% of Shares**
Less than 100	9	0.23	376	0
100 - 1,000	555	14.18	495,724	0.28
1,001 - 10,000	2,169	55.40	12,141,525	6.83
10,001 - 100,000	1,071	27.36	32,580,577	18.31
100,001 to less than 5% of issued shares	107	2.73	73,492,570	41.30
5% and above of issued shares	4	0.10	59,201,778	33.28
Total	3,915	100.00	177,912,550	100.00

Thirty Largest Shareholders
as at 16 May 2014

		No. of Shares	% of Shares
1.	Jentera Jati Sdn. Bhd.	20,388,000	11.46
2.	RHB Nominees (Tempatan) Sdn. Bhd. Qualifier : Bank Of China (Malaysia) Berhad Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP	15,342,778	8.62
3.	Ng Keong Wee	14,093,600	7.92
4.	Bumimaju Mawar Sdn. Bhd.	9,377,400	5.27
5.	Dr. Tony Tan Cheng Kiat	8,768,902	4.93
6.	Lee Kuan Chen	7,064,700	3.97
7.	Datuk Henry Tee Hock Hin	5,594,668	3.14
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dato' Mohamed Feisal Bin Ibrahim (514123808681)	5,238,000	2.94
9.	MSX Ventures Sdn. Bhd.	5,024,000	2.82
10.	Maju Offshore Sdn. Bhd.	4,597,000	2.58
11.	Goh Kui Lian	4,000,000	2.25
12.	Maybank Nominees (Asing) Sdn. Bhd. Qualifier: Pledged Securities Account For San Tuan Sam	3,301,800	1.86
13.	Cheo Chet Lan @ Chow Sak Nam, KMN	3,046,884	1.71
14.	Tay Hock Lee	1,807,707	1.02
15.	Matthew Tee Kai Woon	1,480,625	0.83
16.	Lim Seng Chee	1,377,000	0.77
17.	Tee Hock Loo	1,215,207	0.68
18.	Razali Bin Daud	1,123,000	0.63
19.	Kong Sing Chu	784,900	0.44
20.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Qualifier: Exempt AN For Phillip Capital Management Sdn. Bhd. (EPF)	658,200	0.37
21.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	600,000	0.34
22.	Ang Beng Eng	551,077	0.31

		No. of Shares	% of Shares
23.	Tan Eng @ Tan Chin Huat	500,000	0.28
24.	Mercsec Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	480,000	0.27
25.	HLIB Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Ang Poh Eng	445,800	0.25
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Wong Le Meng	430,400	0.24
27.	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Ramly Bin Abdullah (TM Raya-CL)	400,000	0.22
28.	Lee Yow Chun	400,000	0.22
29.	TA Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Ling Kok Wah	400,000	0.22
30.	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB Bank for Tay Hock Soon (MY1055)	376,000	0.21
	Total	**118,867,648**	**66.77**

List of Properties
31 December 2013

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 31 Dec 13 RM'000
HS(M) 13570 PT No. 22184 Mukim of Batu District of Gombak Selangor Darul Ehsan	5 1/2 storey office building	1 July 1998	Leasehold	2089	17,920 sq ft/ 62,451 sq ft	16	Office	14,542
HS (M) 12980 PT No. 21686 Mukim of Batu District of Gombak Selangor Darul Ehsan	2 units condominium	9 Feb 1995	Leasehold	2089	3,900 sq ft	21	Guest House	1,062
HS (M) 13457 PT No. 22071 HS (M) 13458 PT No 22072 Mukim of Batu District of Gombak Selangor Darul Ehsan	2 units 2 1/2 storey shoplot	30 June 1997	Leasehold	2089	3,576 sq ft	21	Office	464
Master Title PM 279 Lot 52161 Mukim Batu District of Gombak Selangor Darul Ehsan	1 unit 2 1/2 storey shoplot	13 Nov 1997 1 Nov 2007	Leasehold	2089	2,278 sq ft	21	Office	553 171
Lot 5815, Batu 16 1/4 Jalan Reko, Mukim Kajang Hulu Langat Selangor Darul Ehsan	Office building	1 June 2007	Freehold	–	22,320 sq ft	19	Office cum factory	1,266
Unit 104, 105, 106 & 107 Block L Alamesra Plaza Permai Alamesra, Sabah	2 storey shop cum office	18 Jan 2005	Leasehold	2098	18,331 sq ft	9	Office	2,776
Unit 65, Block H Alamesra Plaza Permai Alamesra, Sabah	2 storey shop cum office	8 March 2013	Leasehold	2098	228.8 sg mt	1	Office	1,453
GM806/MI/4/34 & GM806/MI/4/35 PTK No. 34 & 35, TLET 4 BGN MI - Lot 5820 Mukim of Sri Rusa, Port Dickson	2 units condominium	1 Jan 1997	Freehold	–	1,992 sq ft	17	Guest House	287
Parcel A-1009 Storey No. 10 Block A, MPAJ Square Mukim Ampang Selangor Darul Ehsan	Office building	1 Apr 2000	Leasehold	2093	1,085 sq ft	15	Vacant	112
Lot 3261, Mukim Beranang Daerah Ulu Langat Negeri Selangor Darul Ehsan	Freehold land	26 Oct 2009	Freehold	–	3318 sq mt	–	Factory under construction	2,850
Plot A,B & C Daerah Alor Gajah Mukim Melaka Pindah Melaka	Granite deposit area	2 Mar 1998	Leasehold	2027	95 acres	–	Extracting of granite aggregates	649
Lot 925,1867 Lot 843 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Leasehold land	12 Aug 1997	Leasehold	2033 2024	3.7 acres 2.4 acres	–	Premix plant	262
Lot 709, 952, 954, 955, 956,958, 1060 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Freehold land	12 Aug 1997	Freehold	–	15.4 acres	–	Weigh bridge & Crusher plant	935
Lot 2615, 2616 Mukim Krubang District of Melaka Tengah Melaka	Freehold land	1 Feb 2012	Freehold	–	86,412 sq ft	–	Office cum factory	2,554

Recurrent Related Party Transactions

At the Annual General Meeting held on 28 June 2013, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note No. 12 of the Bursa Malaysia Securities Berhad listing requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2013 pursuant to the Shareholders' Mandate are disclosed as follows:

Nature of transactions undertaken by the Company and its subsidiaries	Related Parties		Transacting Parties	Value of Transactions RM'000
Purchase of air tickets (to facilitate air travel in the course of business, eg. travel to project sites)	Sea Travel and Tours Sdn Bhd, a company in which Director Tan Sri Datuk Tee Hock Seng,JP and a member of his family collectively hold approximately 100% equity interest	(i)	Bina Puri Holdings Bhd	156
		(ii)	Bina Puri Sdn Bhd	147
		(iii)	Bina Puri Construction Sdn Bhd	245
		(iv)	Bina Puri Properties Sdn Bhd	120
		(v)	Sungai Long Industries Sdn Bhd	86
		(vi)	Maskimi Polyol Sdn Bhd	18
Purchase of diesel	New Hoong Wah Holdings Sdn Bhd, a company in which Director Tan Sri Datuk Tee Hock Seng, JP has 50% financial interest	(i)	Sungai Long Industries Sdn Bhd	264
		(ii)	Easy Mix Sdn Bhd	84
Project management services	Ideal Heights Properties Sdn Bhd , a company in which Tan Sri Datuk Tee Hock Seng,JP, Dr Tony Tan Cheng Kiat, Mr Tay Hock Lee, Datuk Tee Hock Hin, collectively hold 51% equity interest	(i)	Bina Puri Holdings Bhd	120
Sale of quarry products	Kumpulan Melaka Bhd, a company which holds 30% equity interest in the Company's subsidiary, KM Quarry Sdn. Bhd.	(i)	KM Quarry Sdn Bhd	95
Sale of quarry material, brick and ready-mix concrete	Dimara Construction Sdn Bhd, a company in which Director of the Company's subsidiary Ang Kiam Chai has 61.66% financial interest	(i)	Easy Mix Sdn Bhd	1,481
		(ii)	Sungai Long Industries Sdn Bhd	7
Sale of quarry material, brick and ready-mix concrete	Dimara Building System Sdn Bhd,70% held by Dimara Holdings Sdn Bhd(DHSB), a company in which Director of the Company's subsidiary Ang Kiam Chai has 61.66% financial interest in DHSB	(i)	Sungai Long Industries Sdn Bhd	1

Group Corporate Directory

Bina Puri Holdings Bhd (207184-X)

Wisma Bina Puri,
88, Jalan Bukit Idaman 8/1, Bukit Idaman,
68100 Selayang, Selangor Darul Ehsan, Malaysia.
Tel: (603) 6136 3333 Fax: (603) 6136 9999

E-mail: corpcomm@binapuri.com.my
Website: www.binapuri.com.my

Major Subsidiaries

CIVIL & BUILDING CONSTRUCTION

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Travillian Commercial Centre
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Tel : (6082) 241 991 / 240 992
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E-mail : corpcomm@binapuri.com.my

Kota Kinabalu Office
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Sabah, Malaysia
Tel : (6088) 485 737/727
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E-mail : binapuri.kk@binapuri.com

HIGHWAY CONCESSION

Associate
KL - Kuala Selangor Expressway Berhad
Kompleks Operasi Lebuhraya KL - Kuala Selangor
Km12 Lebuhraya KL-Kuala Selangor
45600 Bestari Jaya, Selangor Darul Ehsan
Malaysia
Tel : (603) 6145 1500
Call Centre : (603) 6145 1515
Fax : (603) 6145 1400

PROPERTY DEVELOPMENT

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IDEAL HEIGHTS PROPERTIES SDN. BHD. (127701-D)
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Selangor Darul Ehsan, Malaysia
Tel : (603) 6138 6102
Fax : (603) 6138 7890
E-mail : ihp@idealheights.com.my

QUARRY OPERATIONS & CONSTRUCTION MATERIALS

EASY MIX SDN. BHD. (242217-D)
Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (603) 9021 5851
Fax : (603) 9021 5798
E-mail : enquiry@sglong-ind.com

KM QUARRY SDN. BHD. (409397-V)
No. 16-1, Jalan PE 35
Taman Paya Emas Fasa 2A
76450 Paya Rumput, Melaka
Malaysia
Tel : (606) 312 4286
Fax : (606) 312 4278
E-mail : kmquarry@binapuri.com.my

SUNGAI LONG INDUSTRIES SDN. BHD.
(198655-D)
SUNGAI LONG BRICKS SDN. BHD.
(332315-X)
Batu 11, Jalan Hulu Langat
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Selangor Darul Ehsan, Malaysia
Tel : (603) 9021 2400
Fax : (603) 9021 2425
E-mail : enquiry@sglong-ind.com

POLYOL DIVISION

MASKIMI POLYOL SDN. BHD. (405559-D)
Unit 1-8, Lot 5815
Jalan Reko, 43000 Kajang
Selangor Darul Ehsan, Malaysia
Tel : (603) 8733 2078
Fax : (603) 8733 2084
E-mail : sales@maskimi.com.my

UTILITIES

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INTERNATIONAL DIRECTORY

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BE1518, Brunei Darussalam
Tel : (673) 223 2373
Fax : (673) 223 2371

BINA PURI HOLDINGS BHD

(207184-X)

PROXY FORM

I/We ....

(Full Name in block letters & IC No../Company no.)

of ....

(Address)

being a member of BINA PURI HOLDINGS BHD. hereby appoint ....

(Full name in block letters & IC No.)

of ....

(Address)

No. of shares represented .... Percentage (%) of shareholding represented ....

or failing him/her ....

(Full name in block letters & IC No.)

of ....

(Address)

No. of shares represented .... Percentage (%) of shareholding represented ....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Friday, 27 June 2014 at 11:00 a.m. and at any adjournment thereof, as indicated below:

Resolution	Agenda	For	Against
Ordinary Resolution 1	Re-election of Tan Sri Dato' Ir. Wong Foon Meng		
Ordinary Resolution 2	Re-election of Tan Sri Datuk Tee Hock Seng, JP		
Ordinary Resolution 3	Re-election of Dr. Tan Cheng Kiat		
Ordinary Resolution 4	Re-election of Mr. Tan Kwe Hee		
Ordinary Resolution 5	Approval of final dividend of 1.5%		
Ordinary Resolution 6	Ratification and approval of directors' annual fees of RM491,000.00		
Ordinary Resolution 7	Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors		
Ordinary Resolution 8	Sea Travel and Tours Sdn. Bhd. and New Hong Wah Holdings Sdn. Bhd.		
Ordinary Resolution 9	Kumpulan Melaka Bhd.		
Ordinary Resolution 10	Ideal Heights Properties Sdn. Bhd.		
Ordinary Resolution 11	Dimara Building System Sdn. Bhd.		
Ordinary Resolution 12	Dimara Construction Sdn. Bhd.		
Ordinary Resolution 13	Dimara Holdings Sdn. Bhd.		
Ordinary Resolution 14	Proposed authority to allot shares		
Ordinary Resolution 15	Proposed renewal of share buy-back		

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

CDS Accounts No.	
No. Of Shares Held	

Dated this .... day of 2014

....

Signature of Shareholder / Common Seal

Notes:

1. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
2. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.
4. A Member of the Company who is entitled to attend and vote at a meeting of the Company or at a meeting of any class of Members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting.
5. Where a Member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
8. To be valid the proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
9. Only members whose names appear in the Record of Depositors as at 23 June 2014 shall be eligible to attend the Twenty-Third Annual General Meeting or appoint proxy(ies) to attend and vote on his behalf.

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STAMP

BINA PURI HOLDINGS BHD (207184-X)
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1, Bukit Idaman
68100 Selayang, Selangor Darul Ehsan
Malaysia

KLIA2