Contents

Directors' Report

For The Year Ended 31 December 2011

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 2011.

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 change in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	6,758	4,436
Other comprehensive loss, net of tax	(162)	(10)
Total comprehensive income for the financial year	6,596	4,426
Attributable to:		
Owners of the Company	5,846	4,426
Non-controlling interests	750	–
	6,596	4,426

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 2010	
	- Interim dividend of 2% less 25% tax paid on 18th January 2011	1,601
	- Final dividend of 2% less 25% tax paid on 7th July 2011	1,620
		3,221
(b)	In respect of the financial year ended 31st December 2011:-	
	- Proposed first and final dividend of 2% less 25% tax payable in 2012	1,861

At the forthcoming Annual General Meeting, a first and final dividend of 2% per ordinary share less 25% tax amounting to approximately RM1.86 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 2012.

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 losses on receivables, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for impairment losses on receivables, in the financial statements of the Group and of the Company inadequate to any substantial extent.

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

The contingent liabilities are disclosed in Note 41 to the financial statements. 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.

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 RM107,035,900/- to RM121,882,625/- by the issuance of:-

    (i) 5,246,725 new ordinary shares of RM1/- each pursuant to the Employees' Share Option Scheme at an exercise price of RM1.08 per share; and

    (ii) 9,600,000 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

SCHEME 2003

In 2004, the Company granted options to eligible employees including executive directors of the Group to subscribe up to 10% of the issued and paid-up share capital of the Company under the Employee Share Option Scheme ("ESOS") approved by the shareholders of the Company at the Extraordinary General Meeting held on 30th June 2003 and the relevant authorities. The ESOS became operative on 1st December 2003 for a period of five years and the options may be exercised between 1st December 2003 and 30th November 2008. The ESOS expired on 30th November 2008 and the Board of Directors, upon the recommendation of the ESOS Committee, had approved the extension of the ESOS for up to a maximum period of 5 years, commencing 1st December 2008 and expiring on 30th November 2013 on the same 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.

In 2010, the ESOS Committee has made the decision to re-grant 1,616,800 Options which represented Options under the existing ESOS that had previously lapsed, at an exercise price of RM1/- each. The re-granted Options can be exercised at any time but not later than 30th November 2013.

As at 20th April 2011, the remaining options to take up unissued new ordinary shares of RM1/- each at an exercise price of RM1/- per share had been fully exercised as follows:-

	Number of options over ordinary shares
At 1st January 2011	964,100
Exercised	(964,100)
At 31st December 2011	–

As all options granted under the existing ESOS had been fully exercised but the scheme will only be expiring on 30th November 2013, prior to which the Company is unable to grant any further options to eligible persons, the existing ESOS is terminated after approval granted by the shareholders of the Company at the last Annual General Meeting held on 1st June 2011 and the relevant authorities.

SCHEME 2011

On the same date of the termination of the existing ESOS (Scheme 2003), the Company was granted the approval by the shareholders of the Company and the relevant authorities to introduce a new ESOS to replace the existing ESOS. Under the new ESOS, the Company will grant 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. The effective date of the new 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 new 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 2011	–
Granted	16,134,900
Exercised	(4,282,625)
At 31st December 2011	11,852,275

DIRECTORS

The directors in office since the date of the last report are:-
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
Yusuf Khan Bin Ghows Khan
Khalid Bin Sufat
Dato' Anad Krishnan A/L Muthusamy
Tan Seng Hu (alternate to Dr. Tan Cheng Kiat)
We Her Ching (alternate to Datuk Tee Hock Hin) - appointed on 6.6.2011

In accordance with the Company's Article of Association, Dr. Tan Cheng Kiat, Datuk Tee Hock Hin, Yusuf Khan Bin Ghows Khan and Khalid Bin Sufat 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 2011 are as follows:-

	Number of ordinary shares of RM1 each			
The Company **Bina Puri Holdings Bhd.**	**At 1-1-2011 / date of appoinment**	**Bought**	**Sold**	**At 31-12-2011**
Direct interests				
Tan Sri Datuk Tee Hock Seng, JP	14,700,778	1,000,000 ^	–	15,700,778 #
Dr. Tan Cheng Kiat	9,343,902	25,000 ^	–	9,368,902 *
Datuk Tee Hock Hin	5,173,668	21,000 ^	–	5,194,668 *
Tay Hock Lee	1,752,707	20,000 ^	–	1,772,707
Matthew Tee Kai Woon	783,800	516,200 ^^	–	1,300,000
Dato' Anad Krishnan A/L Muthusamy	10,000	–	–	10,000 **
Tan Seng Hu	9,000	–	9,000	–
We Her Ching	59,900	50,000 ^	5,000	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 1-1-2011 / date of appoinment**	**Granted**	**Exercised**	**At 31-12-2011**
Tan Sri Datuk Tee Hock Seng, JP	–	1,000,000	1,000,000	–
Dr. Tan Cheng Kiat	25,000	1,000,000	25,000	1,000,000
Datuk Tee Hock Hin	–	1,021,000	21,000	1,000,000
Tay Hock Lee	20,000	500,000	20,000	500,000
Matthew Tee Kai Woon	–	500,000	500,000	–
Tan Seng Hu	–	–	–	–
We Her Ching	–	500,000	50,000	450,000

^ *represents exercise of options under the ESOS during the financial year*
^^ *includes 500,000 from the exercise of options under the ESOS during the financial year*
# *includes indirect holding through Tee Hock Seng Holdings Sdn. Bhd.*
* *includes beneficial interest held through nominee company*
** *beneficial interest 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: 30th April 2012

Statements of Financial Position

As at 31st December 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
ASSETS					
Non-current assets					
Investment in subsidiaries	4	**–**	–	**80,840**	79,140
Investment in associates	5	**3,717**	32,429	**3,551**	31,532
Investment in a jointly controlled entity	6	**–**	363	**–**	–
Property, plant and equipment	7	**94,638**	56,466	**19,921**	20,367
Investment properties	8	**112**	112	**–**	–
Land held for property development	9(a)	**–**	13,081	**–**	–
Prepaid land lease payments	10	**–**	–	**–**	–
Other investments	11	**37,274**	7,298	**36,752**	6,752
Goodwill	12	**350**	350	**–**	–
Deferred tax assets	13(a)	**678**	654	**–**	–
Total non-current assets		**136,769**	110,753	**141,064**	137,791
Current assets					
Inventories	14	**4,996**	5,028	**–**	–
Property development cost	9(b)	**33,549**	–	**–**	–
Gross amount due from contract customers	15	**211,567**	104,745	**14,285**	6,116
Trade and other receivables	16	**397,811**	458,351	**21,808**	35,011
Amount owing by subsidiaries	17	**–**	–	**31,560**	20,419
Amount owing by associates	18	**23,817**	23,174	**23,764**	22,900
Tax recoverable		**694**	1,382	**330**	97
Fixed deposits with licensed banks	19	**23,220**	30,355	**52**	1,693
Cash and bank balances	20	**53,789**	42,232	**844**	604
Total current assets		**749,443**	665,267	**92,643**	86,840
TOTAL ASSETS		**886,212**	776,020	**233,707**	224,631

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	**121,883**	107,036	**121,883**	107,036
Reserves	22	**7,104**	2,634	**33,254**	30,204
Shareholders' funds		**128,987**	109,670	**155,137**	137,240
Non-controlling interests		**13,424**	12,224	**–**	–
Total equity		**142,411**	121,894	**155,137**	137,240
Non-current liabilities					
Hire purchase payables	23	**8,661**	5,520	**–**	82
Term loans	24	**27,744**	1,934	**–**	800
Government grant	25	**–**	58	**–**	–
Deferred tax liabilities	13(b)	**2,295**	1,099	**427**	–
Total non-current liabilities		**38,700**	8,611	**427**	882
Current liabilities					
Gross amount due to contract customers	15	**23,842**	19,122	**3,309**	–
Trade and other payables	26	**402,458**	379,940	**25,135**	30,336
Amount owing to subsidiaries	17	**–**	–	**18,061**	22,680
Amount owing to associates	18	**7,638**	7,370	**26**	–
Amount owing to a jointly controlled entity	27	**12**	12	**12**	12
Hire purchase payables	23	**4,793**	3,383	**82**	460
Bank borrowings	28	**252,326**	233,726	**31,518**	33,021
Tax payable		**14,032**	1,962	**–**	–
Total current liabilities		**705,101**	645,515	**78,143**	86,509
TOTAL LIABILITIES		**743,801**	654,126	**78,570**	87,391
TOTAL EQUITY AND LIABILITIES		**886,212**	776,020	**233,707**	224,631

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

Statements of Comprehensive Income

For The Financial Year Ended 31st December 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Revenue	29	**1,178,063**	1,230,646	**112,088**	115,289
Cost of sales	30	**(1,090,007)**	(1,175,344)	**(100,151)**	(101,591)
Gross profit		**88,056**	55,302	**11,937**	13,698
Other operating income		**7,727**	5,980	**781**	934
Administrative expenses		**(64,883)**	(44,494)	**(12,457)**	(11,549)
Share of results in associates		**51**	566	**–**	–
Share of results in a jointly controlled entity		**(2,394)**	71	**–**	–
Investment income		**2,330**	363	**7,450**	280
Finance costs		**(5,038)**	(3,652)	**(1,788)**	(1,078)
Profit before taxation	31	**25,849**	14,136	**5,923**	2,285
Taxation	32	**(19,091)**	(2,773)	**(1,487)**	–
Profit after taxation		**6,758**	11,363	**4,436**	2,285
Other comprehensive (loss)/ income, net of taxation					
- Foreign currency translation		**(162)**	(878)	**(10)**	82
Total comprehensive income for the financial year		**6,596**	10,485	**4,426**	2,367
Profit after taxation attributable to:					
Owners of the Company		**5,997**	10,603	**4,436**	2,285
Non-controlling interests		**761**	760	**–**	–
		6,758	11,363	**4,436**	2,285
Total comprehensive income attributable to:					
Owners of the Company		**5,846**	9,736	**4,426**	2,367
Non-controlling interests		**750**	749	**–**	–
		6,596	10,485	**4,426**	2,367
Earnings per share (sen)	33				
- basic		**5.40**	10.09		
- diluted		**5.40**	10.08		

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

Statements of Changes in Equity

For The Financial Year Ended 31st December 2011

Group	Note	Share capital RM'000	Share premium RM'000	Other capital reserve RM'000	Translation reserves RM'000	Employee share option reserve RM'000	Accumulated loss RM'000	Attributable to owners of the company RM'000	Non-Controlling interests RM'000	Total Equity RM'000
At 1st January 2010										
- as previously reported		104,194	2,975	15,682	(690)	–	(22,130)	100,031	11,187	111,218
- effect of adopting FRS 139		–	–	–	–	–	(481)	(481)	(124)	(605)
- as restated		104,194	2,975	15,682	(690)	–	(22,611)	99,550	11,063	110,613
Total comprehensive income for the financial year		–	–	–	(867)	–	10,603	9,736	749	10,485
Transactions with owners										
Exercise of employee share options	21	2,842	–	–	–	–	–	2,842	–	2,842
Acquisition of subsidiaries	35	–	–	–	–	–	–	–	524	524
Acquisition of non-controlling interests		–	–	–	–	–	–	–	(112)	(112)
Grant of equity-settled share options to employees	22(d)	–	–	–	–	677	–	677	–	677
Dividends on ordinary shares	34	–	–	–	–	–	(3,135)	(3,135)	–	(3,135)
Total transactions with owners		2,842	–	–	–	677	(3,135)	384	412	796
At 31st December 2010		107,036	2,975	15,682	(1,557)	677	(15,143)	109,670	12,224	121,894

Statements of Changes in Equity (Cont'd)

For The Financial Year Ended 31st December 2011

Group	Note	Share capital RM'000	Share premium RM'000	Other capital reserve RM'000	Translation reserves RM'000	Employee share option reserve RM'000	Accumulated loss RM'000	Attributable to owners of the company RM'000	Non-Controlling interests RM'000	Total Equity RM'000
At 1st January 2011		107,036	2,975	15,682	(1,557)	677	(15,143)	109,670	12,224	121,894
Total comprehensive income for the financial year		–	–	–	(151)	–	5,997	5,846	750	6,596
Transactions with owners										
Exercise of employee share options	21	5,247	1,880	–	–	(1,622)	–	5,505	–	5,505
Acquisition of subsidiaries	35	–	–	–	–	–	–	–	450	450
Grant of equity-settled share options to employees	22(d)	–	–	–	–	1,680	–	1,680	–	1,680
Dividends on ordinary shares	34	–	–	–	–	–	(3,221)	(3,221)	–	(3,221)
Issuance of ordinary shares	21	9,600	–	–	–	–	–	9,600	–	9,600
Share issuance expenses		–	(93)	–	–	–	–	(93)	–	(93)
Total transactions with owners		14,847	1,787	–	–	58	(3,221)	13,471	450	13,921
At 31st December 2011		121,883	4,762	15,682	(1,708)	735	(12,367)	128,987	13,424	142,411

The Company	Note	Share capital RM'000	Share premium RM'000	Translation reserves RM'000	Employee share option reserve RM'000	Retained profits RM'000	Total Equity RM'000
At 1st January 2010							
- as previously reported		104,194	2,975	15	–	27,339	134,523
- effect of adopting FRS139		–	–	–	–	(34)	(34)
- as restated		104,194	2,975	15	–	27,305	134,489
Total comprehensive income for the financial year		–	–	82	–	2,285	2,367
Transactions with owners							
Exercise of employee share options	21	2,842	–	–	–	–	2,842
Grant of equity-settled share options to employees	22(d)	–	–	–	677	–	677
Dividends on ordinary shares	34	–	–	–	–	(3,135)	(3,135)
Total transactions with owners		2,842	–	–	677	(3,135)	384
At 31st December 2010		107,036	2,975	97	677	26,455	137,240
At 1st January 2011		**107,036**	**2,975**	**97**	**677**	**26,455**	**137,240**
Total comprehensive income for the financial year		**–**	**–**	**(10)**	**–**	**4,436**	**4,426**
Transactions with owners							
Dividends on ordinary shares	**34**	**–**	**–**	**–**	**–**	**(3,221)**	**(3,221)**
Exercise of employee share options	**21**	**5,247**	**1,880**	**–**	**(1,622)**	**–**	**5,505**
Issuance of ordinary shares	**21**	**9,600**	**–**	**–**	**–**	**–**	**9,600**
Share issuance expenses		**–**	**(93)**	**–**	**–**	**–**	**(93)**
Grant of equity-settled share options to employees	**22(d)**	**–**	**–**	**–**	**1,680**	**–**	**1,680**
Total transactions with owners		**14,847**	**1,787**	**–**	**58**	**(3,221)**	**13,471**
At 31st December 2011		**121,883**	**4,762**	**87**	**735**	**27,670**	**155,137**

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

Statements of Cash Flow

For The Financial Year Ended 31st December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before taxation		**25,849**	14,136	**5,923**	2,285
Adjustments for:					
Allowance for impairment loss on:					
- amount owing by subsidiaries		**–**	–	**49**	–
- trade and other receivables		**9,266**	2,382	**250**	–
Amortisation of government grant		**(58)**	(10)	**–**	–
Depreciation		**10,376**	8,578	**537**	590
Dividend income		**(1,925)**	–	**(7,418)**	(250)
Gain on disposal of:					
- property, plant and equipment		**(967)**	(1,360)	**–**	–
- other investment		**(50)**	–	**–**	–
Impact of changes in accounting treatment from associate to other investment		**226**	–	**–**	–
Interest expense		**15,983**	14,332	**2,536**	1,926
Interest income		**(412)**	(408)	**(32)**	(30)
Loss on disposal of land held for property development		**–**	607	**–**	–
Loss on fair value adjustment on investment properties		**–**	28	**–**	–
Net effect of unwinding of interest from discounting		**(1,033)**	101	**940**	266
Property, plant and equipment written off		**29**	10	**–**	–
Reversal of allowance for impairment loss on trade and other receivables no longer required		**(334)**	–	**–**	–
Receivables written off		**–**	2,063	**–**	559
Share of results in:-					
- associates		**(51)**	(566)	**–**	–
- jointly controlled entity		**2,394**	(71)	**–**	–
Share options granted under ESOS		**1,680**	677	**458**	155
Unrealised loss/(gain) on foreign exchange		**2**	(95)	**(50)**	(55)
		60,975	40,404	**3,193**	5,446
Changes in working capital:					
Inventories		**33**	405	**–**	–
Property development costs		**(20,468)**	(188)	**–**	–
Receivables		**(56,022)**	(115,269)	**4,896**	(14,652)
Payables		**28,289**	93,075	**(1,789)**	5,846
Subsidiaries		**–**	–	**(4,499)**	(661)
Associates		**3,411**	(5,152)	**3,018**	400
		16,218	13,275	**4,819**	(3,621)
Interest paid		**(15,107)**	(13,687)	**(2,518)**	(1,887)
Tax paid		**(5,154)**	(3,978)	**–**	(169)
Net Operating Cash Flows		**(4,043)**	(4,390)	**2,301**	(5,677)

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of:					
- a subsidiary	35	**180**	(350)	**(1,700)**	(900)
- an associate		**(2,019)**	–	**(2,019)**	–
- non-controlling interests		**128**	(112)	**–**	–
Advances to associates		**(4,941)**	(5,334)	**(5,011)**	(6,316)
Advances to subsidiaries		**–**	–	**(5,583)**	(5,740)
Dividend received		**2,326**	201	**6,125**	212
Interest received		**412**	408	**32**	30
Proceeds from disposal of:					
- investment in a subsidiary		**–**	–	**–**	239
- land held for property development		**–**	9,650	**–**	–
- other investments		**74**	–	**–**	–
- property, plant and equipment		**1,965**	1,705	**–**	–
Purchase of:-					
- investment in associates		**–**	(676)	**–**	(586)
- other investments		**–**	(50)	**–**	(399)
- property, plant and equipment	36	**(18,685)**	(10,072)	**(99)**	(257)
Release/(placement) of fixed deposits		**8,070**	(12,329)	**1,641**	(25)
Repayment by jointly controlled entity		**–**	4	**–**	4
Net Investing Cash Flows		**(12,490)**	(16,955)	**(6,614)**	(13,738)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Advances from associates		**–**	–	**–**	–
(Repayment to)/advances from subsidiaries		**–**	–	**(4,447)**	1,852
Dividends paid to:					
- non-controlling interests		**–**	–	**–**	–
- shareholders of the Company		**(3,221)**	(3,135)	**(3,221)**	(3,135)
Drawdown/(repayment) of bank borrowings		**73,580**	29,479	**1,364**	203
Hire purchase interests paid		**(876)**	(645)	**(18)**	(39)
Repayment of hire purchase obligations		**(5,257)**	(3,998)	**(460)**	(406)
Proceeds from:					
- issuance of shares		**9,507**	–	**9,507**	–
- exercise of employee share options		**5,505**	2,842	**5,505**	2,842
Net Financing Cash Flows		**79,238**	24,543	**8,230**	1,317

Statements of Cash Flow (Cont'd)

For The Financial Year Ended 31st December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS		**62,705**	3,198	**3,917**	(18,098)
EFFECT OF CHANGES IN EXCHANGE RATE		**339**	(2,178)	**(10)**	82
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**(58,254)**	(59,274)	**(17,681)**	335
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**4,790**	(58,254)	**(13,774)**	(17,681)

ANALYSIS OF CASH AND CASH EQUIVALENTS:

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Fixed deposits with licensed banks		**23,220**	30,355	**52**	1,693
Less: fixed deposits pledged to licensed banks	19	**(22,020)**	(30,204)	**(52)**	(1,693)
		1,200	151	**–**	–
Cash and bank balances		**53,789**	42,232	**844**	604
Bank overdrafts		**(50,199)**	(100,637)	**(14,618)**	(18,285)
		4,790	(58,254)	**(13,774)**	(17,681)

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

Notes to The Financial Statements

For The Financial Year Ended 31st December 2011

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 change 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 30th April 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the provisions 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 reported amounts of the revenue and expenses during the reported financial period. It also requires the directors' best knowledge of current events and actions, and therefore 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 Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int
The Group and the Company had adopted the following revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:

Revised FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Presentation
FRS 134	Interim Financial Reporting
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement

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

New IC Int

IC Int 4	Determining Whether an Arrangement contains a Lease
IC Int 12	Service Concession Arrangements
IC Int 16	Hedges of a Net Investment in a Foreign Operation
IC Int 17	Distribution of Non-cash Assets to Owners
IC Int 18	Transfers of Assets from Customers

Amendments to IC Int

IC Int 9	Reassessment of Embedded Derivatives
IC Int 13	Customer Loyalty Programmes

The main effects of the adoption of the above revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below:-

FRS 3 Business Combinations (Revised)

The adoption of the FRS 3 affects the way in which the Group accounts for business combinations. The main changes made in this revised standard were:

- All the acquisition-related costs incurred by the acquirer in connection with the business combination shall be recognised as expense in the profit or loss in the period in which the costs are incurred (rather than included in goodwill);
- All considerations transferred by the acquirer, including contingent considerations, in a business combination shall be measured at fair value as at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as liabilities are recognised in accordance with FRS 139, FRS 137 or other FRSs, as appropriate (rather than by adjusting goodwill);
- An acquirer is no longer permitted to recognise contingencies acquired in a business combination that do not meet the definition of a liability;
- For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Previously, only the latter was permitted;
- For a business combination achieved in stages, the equity interests held by the acquirer in the acquiree immediately before achieving control are re-measured at its acquisition-date fair value with any corresponding gain or loss recognised in profit or loss; and
- Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interest in the acquiree, and the fair value at acquisition date of any previously held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

This revised FRS 3 shall be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2010. There is no material financial impact on the financial statements of the Group 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 Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

FRS 127 Consolidated and Separate Financial Statements (Revised)

The revised FRS 127 requires that any changes in a parent's ownership interest in a subsidiary company that do not result in the loss of control are accounted for within equity. When the Group loses control of a subsidiary company, any remaining interest retained in the former subsidiary company will be measured at fair value and any resulting gain or loss is recognised in profit or loss. Total comprehensive income will be proportionately allocated to the owners of the parent and to the non-controlling interests even if it results in the non-controlling interests having a deficit balance.

The revised FRS 127 shall be applied prospectively to business combinations for which the acquisition date is on or after 1st July 2010. There is no material financial impact on the financial statements of the Group for the current financial year.

Amendments to FRS 7 Financial Instruments: Disclosures

Disclosures on fair value and liquidity have been enhanced upon the adoption of this amendment. In particular, financial instruments measured at fair value are disclosed by class in a three-level fair value measurement hierarchy, with specific disclosures related to transfers between levels in the hierarchy and detailed disclosures on level three of the fair value hierarchy. Certain disclosures on liquidity are also modified. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and the Company.

IC Int 4 Determining Whether an Arrangement Contains a Lease

This IC Int clarifies that when the fulfilment of an arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, then the arrangement should be accounted for as a lease under FRS 117, even though it does not take the legal form of a lease.

IC Int 12 Service Concession Arrangements

This IC Int applies to operators of infrastructure for public-to-private service concession arrangement and sets out general principles on recognising and measuring the obligations and related rights in service concession arrangements such as the treatment of the operator's rights over the infrastructure, the recognition and measurement of arrangement consideration, subsequent accounting treatment of a financial asset and an intangible asset and the accounting treatment for the borrowing costs. This interpretation has to be applied retrospectively unless it is impracticable to do so and in that case the financial assets and intangible assets that existed shall be recognised at the start of the earliest period presented by using their previous carrying amounts as their carrying amount as at that date and test for impairment. This interpretation did not have any financial impact on 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 and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early

The Group and Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued 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	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1January 2012
FRS 7	Financial Instruments: Disclosures	1 January 2012/ 1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 112	Income Taxes	1 January 2012
FRS 132	Financial Instruments: Presentation	1 January 2014
New IC Int		
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to 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 and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (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 of 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 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

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.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, 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.

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

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.

Amendments to FRS 112 Income Taxes

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time (for example via rental income).

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 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 FRS 128 exempts the investor from applying equity accounting where the investment in the associates or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

(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 for an additional one year. 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, certain subsidiaries of the Group and of the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework for an additional one year. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31st December 2013.

As at 31st December 2011, 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 as well as differences in effective dates contained in certain of the existing FRSs. As such, except 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 end of the reporting period. 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.

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)

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 effective for annual periods beginning on or after 1st January 2012 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 standard is not relevant to the Group based on the Group's nature of operating activities.

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

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.

In the previous financial year, 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.

2.3.3 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.3 Foreign Currency (Cont'd)

(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.

2.3.4 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	12% - 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.4 Property, Plant and Equipment and Depreciation (Cont'd)

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 and equipment and measured as such retrospectively.

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.

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)

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.

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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.7 Impairment of Non-Financial Assets (Cont'd)

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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.10 Joint Controlled Entity

The Company has interests in a joint venture which is a jointly controlled entity. Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity that is subject to a joint control. The jointly controlled entities are joint ventures that involve the establishment of separate entities in which each venturer has an interest.

Investments in jointly controlled entities are 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, investments in jointly controlled entities are stated at cost less accumulated impairment losses.

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

2.3.11 Financial Assets

Financial asset 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 asset 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.

(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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.11 Financial Assets (Cont'd)

(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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.12 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)

2.3.12 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.14 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.

(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.

2.3.15 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, labour 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.16 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.18 Financial Guarantee Contracts

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

2.3.19 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.

2.3.20 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.22 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.

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.

2.3.23 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.

2.3.24 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 2.3.13.

(ii) Sale of Properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.3.14(ii).

(iii) Sales of Goods

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.24 Revenue Recognition (Cont'd)

(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.

(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.

2.3.25 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)

2.3.25 Income Taxes

(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.

2.3.26 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.

2.3.27 Share Capital and Share Issuance Expenses

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.28 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.

2.3.29 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect he 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

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.

Some 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 an absence of significant influence, the equity investment will not be accounted for as an associate using the equity method but treated as a simple investment.

During the financial year, the Company entered into an agreement ("Agreement") with the joint venture partner of KL-Kuala Selangor Expressway Bhd. ("KLKSE"). Pursuant to the Agreement, the Company would not have significant influence on KLKSE and the investment has been accounted for as other investments instead of as an associate.

3.2 Key Sources of Estimation Uncertainty

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.

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

3.2 Key Sources of Estimation Uncertainty (Cont'd)

(i) Depreciation of Property, Plant and Equipment (Cont'd)

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

There are 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) Deferred Tax Assets

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

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future fees receivable, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

(iv) 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 flow.

(v) 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.

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

3.2 Key Sources of Estimation Uncertainty (Cont'd)

(vi) 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 financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment 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.

(vii) Valuation of Investment Properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations may materially affect these estimates and the resulting valuation estimates.

(viii) 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.

(ix) 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.

(x) Fair Value Estimates for Financial Assets

The Group carries certain financial assets at fair value, which requires the use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets may affect the financial results and/or equity of the Group.

(xi) 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.

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

3.2 Key Sources of Estimation Uncertainty (Cont'd)

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) Determination of Fair Value

The directors are of the opinion that the carrying amounts of the non-current financial liabilities approximate their fair values because they are floating rate instruments which are deemed to be re-priced at the current prevailing market rates.

4. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares - at cost		
In Malaysia	**83,505**	81,805
Outside Malaysia	**1,845**	1,845
	85,350	83,650
Less: Accumulated impairment losses		
At 1st January	**4,510**	4,510
Addition during the financial year	**–**	–
At 31st December	**4,510**	4,510
	80,840	79,140

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Equity interest 2011 %	Equity interest 2010 %	Principal activity
Held by the Company				
Bina Puri Sdn. Bhd. +	Malaysia	**100**	100	Contractor of earthworks, buildings and road contruction
Bina Puri Construction Sdn. Bhd. +	Malaysia	**100**	100	Contractor of earthworks, buildings, road contruction and property development
Aksi Bina Puri Sdn. Bhd. ^	Malaysia	**100**	100	Inactive
Bina Puri Ventures Sdn. Bhd. @	Malaysia	**100**	100	Investment holding and contractor of earthworks, buildings and road contruction
Bina Puri Infrastructure Pte. Ltd. ^	India	**100**	100	Inactive
Bina Puri (Libya) Sdn. Bhd. @	Malaysia	**80**	80	Inactive
Gugusan Murni Sdn. Bhd. @ ^	Malaysia	**100**	100	Property developer (no active development)
Maskimi Ventures 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

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Equity interest 2011 %	2010 %	Principal activity
Held by the Company (Cont'd)				
Bina Puri Juara Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Bina Puri Gah Sdn. Bhd. @ ^	Malaysia	**60**	60	Inactive
Bina Puri Pakistan (Private) Ltd. @ ^	Pakistan	**99.97**	99.97	Inactive
Bina Puri (B) Sdn. Bhd. ^	Brunei Darusalam	**90**	90	Contractor of earthworks, buildings and road contruction
Bina Puri Properties (B) Sdn. Bhd. @ ^	Brunei Darusalam	**100**	100	Property management
Medini Square Sdn. Bhd.	Malaysia	**80**	80	Property developer (no active development)
Bina Puri Power Nepal Sdn. Bhd. @	Malaysia	**100**	100	Inactive
Bina Puri Properties Sdn. Bhd. @ ^	Malaysia	**100**	–	Property developer and management
BP Energy Sdn. Bhd. @	Malaysia	**70**	–	Inactive
Held through Bina Puri Sdn. Bhd.				
Bina Puri Machinery Sdn. Bhd.	Malaysia	**100**	100	Inactive
Karseng Industries & Engineering Sdn. Bhd. #	Malaysia	**–**	100	Inactive
Konsortium Syarikat Bina Puri-TA3 JV Sdn. Bhd.	Malaysia	**70**	70	Contractor of earthworks, buildings and road contruction
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 Properties Sdn. Bhd. @ ^	Malaysia	**–**	100	Property developer and management

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Equity interest 2011 %	2010 %	Principal activity
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 contruction
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 Sungai Long Bricks Sdn. Bhd.				
Sungai Long Plaster Industries Sdn. Bhd. #	Malaysia	**–**	100	Inactive
Held through Aksi Bina Puri Sdn. Bhd.				
Sumbangan Lagenda Sdn. Bhd. ^	Malaysia	**55**	–	Property developer

@ *The auditors' reports of these subsidiaries contain an emphasis of matter paragraph in relation to the going concern consideration.*

\+ *The auditors' reports of these subsidiaries contain an emphasis of matter paragraph relating to the update of the current status on the recoverability of certain receivables.*

^ *Audited by firms of chartered accountants other than Baker Tilly Monteiro Heng.*

* *Subsidiary without audited financial statements and auditors' report but the financial statements of the subsidiary were considered by the auditors for the purpose of the financial statements of the Group.*

\# *During the financial year, the authorities granted approval to strike off these subsidiaries.*

5. INVESTMENT IN ASSOCIATES

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares - at cost				
In Malaysia	**615**	30,615	**125**	30,125
Outside Malaysia	**3,426**	1,407	**3,426**	1,407
	4,041	32,022	**3,551**	31,532
Add: Share of post acquisition results	**(324)**	407	**–**	–
	3,717	32,429	**3,551**	31,532

(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	Country of Incorporation	Equity interest 2011 %	Equity interest 2010 %	Principal activity
Held through the Company				
Crystal Crown Aerocity Sdn. Bhd.	Malaysia	**40**	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 contruction
KL-Kuala Selangor Expressway Berhad	Malaysia	**50***	50	Builder of an expressway
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 contruction
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 Sungai Long Bricks Sdn. Bhd.				
Dimara Building System Sdn. Bhd.	Malaysia	**–**	30	Contractor in steel engineering works

5. INVESTMENT IN ASSOCIATES (CONT"D)

Name of Company	Country of incorporation	Equity interest 2011 %	2010 %	Principal activities
Held through Bina Puri Juara Sdn. Bhd.				
Dimara Building System Sdn. Bhd.	Malaysia	**30**	–	Contractor in steel engineering works

* During the financial year, the Company entered into an agreement ("Agreement") with the joint venture partner of KL-Kuala Selangor Expressway Berhad ("KLKSE"). Pursuant to the Agreement, the Company would not have significant influence on KLKSE and the investment has been accounted for as other investments instead of as an associate.

(c) The summarised financial information of the associates is as follows:-

	Group 2011 RM'000	2010 RM'000
Assets and liabilities		
Total assets	**82,742**	962,376
Total liabilities	**73,376**	900,067
Results		
Revenue	**50,687**	38,520
Profit after taxation	**4,026**	2,015

(d) The Group's cumulative share of unrecognised losses for Bina Puri Holdings (Thailand) Ltd and Bina Puri Thailand Ltd at the end of the reporting period is as follows:-

	Group 2011 RM'000	2010 RM'000
At 1st January	**3,801**	4,089
Share of current year's profit	**(1,783)**	(288)
Capitalisation of equity investment	**(2,018)**	–
At 31st December	**–**	3,801

6. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group 2011 RM'000	2010 RM'000
Unincorporated, outside Malaysia		
- share of post-acquisition results and reserves	**–**	363

6. INVESTMENT IN A JOINTLY CONTROLLED ENTITY (CONT'D)

(a) Details of the jointly controlled entity are as follows:-

Name of Company	Country of Incorporation	Equity interest 2011 %	Equity interest 2010 %	Principal activity
SPK-Bina Puri Joint Venture	United Arab Emirates	**30**	30	Builder and contractor for general engineering and contruction works

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 jointly controlled entity are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Assets and liabilities		
Non-current assets	**70**	750
Current assets	**5,052**	6,444
Total assets	**5,122**	7,194
Non-current liabilities	**40**	–
Current liabilities	**7,530**	6,831
Total liabilities	**7,570**	6,831
Results		
Revenue	**(1,231)**	7,717
(Loss)/profit for the financial year	**(2,394)**	71

(c) As at the end of the reporting period, the unincorporated jointly controlled entity is exposed to a contingent liability amounting to RM1.7 million (2010: RM1.7 million) in respect of performance guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The unincorporated jointly controlled entity has no capital commitments as at the end of the reporting period.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2011	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 2011	3,292	23,350	3,607	56,741	8,999	12,808	50,077	121	158,995
Additions	2,554	–	19	16,418	20,358	3,600	6,429	195	49,573
Disposals	–	–	–	(3,214)	(108)	(180)	(5,913)	–	(9,415)
Written off	–	–	–	(27)	(5)	(190)	–	–	(222)
Reclassification	–	–	–	396	(421)	25	–	–	–
Exchange differences	–	–	–	(39)	53	3	(20)	–	(3)
At 31st December 2011	5 ,846	23,350	3,626	70,275	28,876	16,066	50,573	316	198,928
Accumulated depreciation									
At 1st January 2011	182	3,043	2,381	42,110	7,182	9,880	37,667	–	102,445
Depreciation for the financial year	25	246	94	3,772	1,812	1,108	3,319	-	10,376
Disposals	–	–	–	(2,125)	(13)	(89)	(6,190)	–	(8,417)
Written off	–	–	–	(9)	(3)	(181)	–	–	(193)
Reclassification	–	–	–	48	(164)	94	22	–	–
Exchange differences	–	–	–	(4)	4	–	(5)	–	(5)
At 31st December 2011	207	3,289	2,475	43,792	8,818	10,812	34,813	–	104,206
Accumulated impairment loss									
At 1st January 2011	–	–	–	–	84	–	–	–	84
Charge for the financial year	–	–	–	–	–	–	–	–	–
At 31st December 2011	–	–	–	–	84	–	–	–	84
Net book value as at 31st December 2011	**5,639**	**20,061**	**1,151**	**26,483**	**19,974**	**5,254**	**15,760**	**316**	**94,638**

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

Group 2010	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 2010									
- as previously reported	2,745	34,515	461	50,226	9,118	13,087	47,410	–	157,562
- effect of adopting FRS 117	–	775	3,146	–	–	–	–	–	3,921
- as restated	2,745	35,290	3,607	50,226	9,118	13,087	47,410	–	161,483
Additions	547	–	–	7,835	508	979	4,132	121	14,122
Disposals	–	–	–	(768)	(33)	(162)	(1,393)	–	(2,356)
Transfer to land held for property development (Note 9 (a))	–	(9,893)	–	–	–	–	–	–	(9,893)
Written off	–	(2,047)	–	(446)	(582)	(1,071)	(12)	–	(4,158)
Exchange differences	–	–	–	(106)	(12)	(25)	(60)	–	(203)
At 31st December 2010	3,292	23,350	3,607	56,741	8,999	12,808	50,077	121	158,995

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

Group 2010 (Cont'd)	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
Accumulated depreciation									
At 1st January 2010									
- as previously reported	157	2,641	303	39,880	7,290	10,304	35,234	–	95,809
- effect of adopting FRS 117	–	156	1,951	–	–	–	–	–	2,107
- as restated	157	2,797	2,254	39,880	7,290	10,304	35,234	–	97,916
Depreciation for the financial year	25	246	127	3,417	422	756	3,585	–	8,578
Disposals	–	–	–	(724)	(1)	(160)	(1,126)	–	(2,011)
Written off	–	–	–	(445)	(527)	(1,011)	(12)	–	(1,995)
Exchange differences	–	–	–	(18)	(2)	(9)	(14)	–	(43)
At 31st December 2010	182	3,043	2,381	42,110	7,182	9,880	37,667	–	102,445
Accumulated impairment loss									
At 1st January 2010	–	2,047	–	–	138	52	–	–	2,237
Charge for the financial year	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	(54)	(52)	–	–	(106)
Written off	–	(2,047)	–	–	–	–	–	–	(2,047)
At 31st December 2010	–	–	–	–	84	–	–	–	84
Net book value as at 31st December 2010	3,110	20,307	1,226	14,631	1,733	2,928	12,410	121	56,466

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

Company 2011	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 2011	1,375	20,560	875	3,368	1,336	643	28,157
Additions	–	–	–	24	75	–	99
Disposals	–	–	–	–	–	–	–
Transfer to subsidiaries	–	–	–	(6)	(4)	–	(10)
At 31st December 2011	1,375	20,560	875	3,386	1,407	643	28,246
Accumulated depreciation							
At 1st January 2011	60	2,857	111	3,100	1,114	548	7,790
Depreciation for the financial year	17	223	131	38	77	51	537
Disposals	–	–	–	–	–	–	–
Transfer to subsidiaries	–	–	–	(1)	(1)	–	(2)
At 31st December 2011	77	3,080	242	3,137	1,190	599	8,325
Net book value at 31st December 2011	1,298	17,480	633	249	217	44	19,921

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

Company 2010	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 2010							
- as previously reported	1,375	19,785	–	3,310	1,391	643	26,504
- effect of adopting FRS 117	–	775	–	–	–	–	775
- as restated	1,375	20,560	–	3,310	1,391	643	27,279
Additions	–	–	875	58	89	–	1,022
Write off	–	–	–	–	(144)	–	(144)
At 31st December 2010	1,375	20,560	875	3,368	1,336	643	28,157
Accumulated depreciation							
At 1st January 2010							
- as previously reported	43	2,478	–	3,064	1,177	426	7,188
- effect of adopting FRS 117	–	156	–	–	–	–	156
- as restated	43	2,634	–	3,064	1,177	426	7,344
Depreciation for the financial year	17	223	111	36	81	122	590
Write off	–	–	–	–	(144)	–	(144)
At 31st December 2010	60	2,857	111	3,100	1,114	548	7,790
Net book value at 31st December 2010	1,315	17,703	764	268	222	95	20,367

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

(a) The title deeds to certain land and buildings of the Group and of the Company with net book value of RM2,298,116/-(2010: RM3,400,801/-) and RM2,551,818/- (2010: RM2,582,538/-) 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/- (2010: RM934,690/-) 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	
	2011	**2010**
	RM'000	**RM'000**
Freehold land and buildings	**3,105**	981
Short leasehold land and buildings	**–**	22
Plant, machinery and equipment	**5,263**	3,929
Trucks and motor vehicles	**542**	202
Renovations, electrical installation and furniture and fittings	**63**	79
Office equipment	**341**	377
Capital work-in-progress	**168**	–
	9,482	5,590

(d) The net book value of property, plant and equipment acquired under hire purchase arrangements are as follows:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Plant, machinery and equipment	**5,892**	8,964	**545**	689
Renovation, electrical installation, furniture and fittings	**100**	–	**–**	–
Office equipment	**346**	–	**–**	–
Truck and motor vehicles	**13,158**	5,612	**10**	72
	19,496	14,576	**555**	761

8. INVESTMENT PROPERTIES

	Group	
	2011	**2010**
	RM'000	**RM'000**
Leasehold land, at fair value		
At 1st January	**112**	140
Fair value adjustment	**–**	(28)
At 31st December	**112**	112

8. INVESTMENT PROPERTIES (CONT'D)

The investment properties are stated at fair value, which 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.

9. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Group	
	2011	**2010**
	RM'000	**RM'000**
Long leasehold land, at cost		
At 1st January	**12,893**	13,257
Transfer from property, plant and equipment (Note 7)	**–**	9,893
Transfer to property development cost (Note 9(b))	**(12,893)**	–
Disposal	**–**	(10,257)
At 31st December	**–**	12,893
Development costs		
At 1st January	**188**	–
Addition during the financial year	**–**	188
Transfer to property development cost (Note 9(b))	**(188)**	–
At 31st December	**–**	188
Net carrying amount as at 31st December	**–**	13,081

9. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

b) Property development costs

	Group 2011 RM'000	Group 2010 RM'000
Cumulative property development costs		
At 1st January		
- leasehold land	–	–
- development costs	–	–
Costs incurred during the financial year		
- leasehold land	10,600	–
- development costs	9,868	–
	20,468	–
Transfer from:		
- land held for property development (Note 9(a))		
- leasehold land	12,893	–
- development costs	188	–
	13,081	–
As 31st December		
- leasehold land	23,493	–
- development costs	10,056	–
Property development costs at 31st December	33,549	–

Included in the property development costs incurred during the financial year are:-

	Group 2011 RM'000	Group 2010 RM'000
Finance costs	202	–

10. PREPAID LAND LEASE PAYMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Leasehold land, at cost				
At 1st January				
- as previously reported	–	3,921	–	775
- effects of adopting FRS 117	–	(3,921)	–	(775)
As restated/at 31st December	–	–	–	–
Accumulated amortisation				
At 1st January				
- as previously reported	–	2,107	–	156
- effects of adopting FRS 117	–	(2,107)	–	(156)
As restated/at 31st December	–	–	–	–
	–	–	–	–

In previous financial year, the Group has adopted the amendments made to FRS 117, Leases. The Group had reassessed and determined that the leasehold land of the Group and of the Company was in substance a finance lease and had been reclassified as property, plant and equipment. This change in accounting policy had been made retrospectively in accordance with the transitional provisions of the amendments.

11. OTHER INVESTMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At cost				
Unquoted shares in Malaysia	**36,780**	6,804	**36,717**	6,717
Transferable corporate membership in golf and country resort	**422**	422	**35**	35
	37,202	7,226	**36,752**	6,752
At fair value				
Quoted shares outside Malaysia	**72**	72	–	–
	72	72	–	–
	37,274	7,298	**36,752**	6,752

11. 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 shares.

As disclosed in Note 5 to the financial statements, included in investment in unquoted shares is an investment in KL-Kuala Selangor Expressway Berhad amounting to RM30 million which has been reclassified as other investment.

(b) Upon adoption of FRS 139 in the previous financial year, the Group designated its investments in quoted shares that were previously measured using the cost model as available-for-sale financial assets and are measured at fair value.

12. GOODWILL

	Group	
	2011 RM'000	**2010 RM'000**
At 1st January	**350**	–
Acquisition of a subsidiary	**–**	350
	350	350
Less: Accumulated impairment losses	**–**	–
At 31st December	**350**	350

(a) The carrying amount of goodwill allocated to the cash-generating unit ("CGU") is as follows:-

	Group	
	2011 RM'000	**2010 RM'000**
Sale of electricity	**350**	350

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years.

12. GOODWILL (CONT'D)

(b) The key assumptions used in the determination of the recoverable amounts are as follows:-

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the immediate preceding year before the budgeted period increased for expected efficiency improvements and cost saving measures.

(ii) Growth rate

Management estimates that the CGU will generate revenue based on its estimated capacity throughout the projected period. There is no growth rate used in the revenue projection.

(iii) Discount rate

A pre-tax discount rate of 6% per annum is used and it reflects the specific risks attributable to the operating segment.

The values assigned to the above key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal source of information.

Based on the sensitivity analysis performed, the directors are of the opinion that there are no reasonably possible changes in key assumptions which would cause the carrying values of the CGU to exceed its recoverable amounts.

13. DEFERRED TAXATION

	Group		**Company**	
	2011 RM'000	2010 RM'000	**2011 RM'000**	2010 RM'000
At 1st January	**(445)**	(264)	**–**	–
Recognised in profit or loss (Note 32)	**(1,174)**	(182)	**(427)**	–
Foreign exchange	**2**	1	**–**	–
At 31st December	**(1,617)**	(445)	**(427)**	–
Presented after appropriate offsetting:-				
Deferred tax assets	**678**	654	**–**	–
Deferred tax liabilities	**(2,295)**	(1,099)	**(427)**	–
	(1,617)	(445)	**(427)**	–

13. DEFERRED TAXATION (CONT'D)

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	
	2011 RM'000	**2010 RM'000**
At 1st January	**654**	654
Recognised in profit or loss	**24**	–
At 31st December	**678**	654

Deferred tax assets are attributable to the following items:-

	Group	
	2011 RM'000	**2010 RM'000**
Unutilised tax losses	**221**	265
Unabsorbed capital allowances	**374**	359
Excess of capital allowances over depreciation	**(48)**	32
Others	**131**	(2)
	678	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		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Unutilised tax losses	**7,347**	6,927	**–**	178
Unabsorbed capital allowances	**6,832**	6,905	**–**	74
Excess of capital allowances over depreciation	**(1)**	26	**–**	(181)
	14,178	13,858	**–**	71

The availability of the unused 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 and they have arisen in subsidiaries that have a recent history of losses.

13. DEFERRED TAXATION (CONT'D)

(b) Deferred tax liabilities

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1st January	**1,099**	918	**–**	–
Recognised in profit or loss	**1,198**	182	**427**	–
Foreign exchange	**(2)**	(1)	**–**	–
At 31st December	**2,295**	1,099	**427**	–
Representing tax effect of:				
- property, plant and equipment	**2,295**	1,099	**427**	–

14. INVENTORIES

	Group	
	2011 RM'000	2010 RM'000
At cost:-		
Completed development units	**278**	278
Raw materials and consumables	**2,537**	2,062
Finished goods	**2,181**	2,688
	4,996	5,028

15. GROSS AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Aggregate construction contract costs incurred to-date	**1,859,888**	2,388,670	**211,713**	109,139
Add: Attributable profits	**168,536**	122,909	**5,062**	2,854
	2,028,424	2,511,579	**216,775**	111,993
Less: Progress billings	**(1,840,699)**	(2,425,956)	**(205,799)**	(105,877)
	187,725	85,623	**10,976**	6,116
Represented by gross amounts:				
- due from contract customers	**211,567**	104,745	**14,285**	6,116
- due to contract customers	**(23,842)**	(19,122)	**(3,309)**	–
	187,725	85,623	**10,976**	6,116
Recognised to profit or loss during the financial year:				
- contract revenue (Note 29)	**1,083,599**	1,158,408	**103,758**	104,126
- contract costs (Note 30)	**1,007,064**	1,111,256	**100,151**	101,591
Retention sums receivable from customers included in trade receivables	**83,857**	79,155	**9,522**	8,965
Advances received for contract work not yet performed included in other payables	**80,609**	41,151	**–**	47

15. GROSS AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS (CONT'D)

2010

In previous financial year, included in the gross amount due from contract customers of the Group were:

(a) Costs incurred which are in the process of negotiation with a main contractor amounting to approximately RM27 million relating to the construction of roads which was completed in August 2010. The costs mainly represent variation in prices of materials and other overheads over the period of the construction from June 2006 up to the date of completion in August 2010. The management is in the process of compiling the relevant documentation for submission of claim for variation of orders, variation of price and related extension of time granted to complete the project.

(b) Costs incurred which are in the process of negotiation with a main contractor amounting to approximately RM11.2 million relating to the construction of a building which was completed in May 2009. The costs mainly represent variation orders and costs related to the extension of time. The management, with the advice from independent consultants, has submitted a claim for costs related to the extension of time and is still awaiting reply from the main contractor. In addition, the management is also of the view that the main contractor will agree on the variation orders.

(c) Project costs incurred amounting to RM3.4 million during the period from 2006 to 2009 in relation to a project from the Government of Malaysia which has been called off during the financial year. The management is in the process of recovering the costs incurred from the relevant parties.

(d) Project costs incurred amounting to RM0.6 million of which the Group has obtained consent of court judgement for settlement from the customer during the financial year. However, the customer has defaulted the payment subsequent to the end of the reporting period. The Group has proceeded with the execution of the judgement against the customer as well as the guarantors.

The directors, having considered all available information relating to the above projects, are confident that the costs will be recovered. Accordingly, the directors are of the opinion that no impairment loss is necessary on these project costs.

2011

(i) The Group charged out project costs incurred in relation to item (a), (b) and (d) above amounting to approximately RM32.1 million in the current financial year; and

(ii) The Group received a new letter of intent from the Government of Malaysia in relation to the project which was previously called off as highlighted in item (c) above and are in the process of finalising the acceptance of the project. The directors are of the opinion that the project cost incurred previously of RM3.4 million is recoverable as the progress of the project will be resumed based on the new letter of intent.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables				
Third parties	**357,755**	431,012	**16,994**	31,445
A related party	**1,438**	1,988	**–**	–
	359,193	433,000	**16,994**	31,445
Less: Allowance for impairment	**(18,823)**	(18,093)	**(678)**	(790)
Total trade receivables, net	**340,370**	414,907	**16,316**	30,655
Other receivables				
- third parties	**51,414**	41,383	**5,606**	4,101
- a related party	**960**	845	**–**	7
	52,374	42,228	**5,606**	4,108
Less: Allowance for impairment	**(6,600)**	(6,350)	**(400)**	(151)
Other receivables, net	**45,774**	35,878	**5,206**	3,957
Deposits	**4,485**	3,945	**225**	304
Prepayments	**7,182**	3,621	**61**	95
Total other receivables, net	**57,441**	43,444	**5,492**	4,356
Total trade and other receivables	**397,811**	458,351	**21,808**	35,011

(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 (2010: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

2010

In the previous financial year, included in the trade receivables of the Group were:-

(i) An amount owing by a debtor of approximately RM36 million, where RM3 million was collected subsequent to the reporting period. This debt relates to billings raised during the previous financial year for a housing project awarded by a Malaysian government agency ("developer"). Subsequent to the reporting period, the Group entered into a development agreement with the developer to take-over the development of this project with the intention to expedite the collection and completion of the project.

(ii) An amount owing by a debtor of approximately RM19.9 million. This debt relates to revenue recognised during the previous financial year for two separate housing projects awarded by certain government agencies in Malaysia. Out of this amount, the Group has collected approximately RM2.4 million subsequent to the reporting period.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

2010 (Cont'd)

(iii) An amount of approximately RM4.8 million owing by a main contractor of a housing project. The debt relates to billings raised during the previous financial year. The Group has collected approximately RM0.25 million subsequent to the reporting period. The debtor has given assurance that RM2.7 million will be paid by mid 2011 and the balance will be settled by September 2011.

(iv) Amounts owing from debtors of RM13.35 million in respect of projects completed more than a year are pending finalisation of final contract sum with certain clients.

(v) An amount of approximately RM1.6 million owing by a debtor relates to a completed project and has been outstanding for more than a year. Based on negotiations with the debtor and available information, the amount is expected to be settled in year 2011.

(vi) An amount of RM0.6 million owing by a debtor in India is under arbitration process since year 2009.

(vii) Amounts owing by certain debtors of approximately RM0.6 million for which legal actions were taken and judgements were granted in favour of the Group. The Group has proceeded with the execution of judgement against the debtors as well as the guarantors.

The directors, having considered all available information relating to the above receivables, were confident that the debts will be recovered in full. Accordingly, the directors were of the opinion that no allowance for impairment loss is required.

2011

(a) The Group have recovered the outstanding balance of approximately RM36 million since entering into the development agreement with the developer during the financial year to take-over the development of the project as highlighted in item (i) above;

(b) The Group collected approximately RM5.72 million and subsequent to the reporting period, the Group collected approximately RM9.93 million in relation to the housing projects awarded by certain government agencies in Malaysia as highlighted in item (ii) above;

(c) The Group collected approximately RM0.85 million in relation to the debtor as highlighted in item (iii) above. The debtor has agreed to settle the outstanding amount with interest. Management is of the opinion that the amount is recoverable in full based on the collection received during the year and is actively pursuing the collection of the remaining outstanding amount;

(d) Approximately RM8.6 million allowance for impairment losses was provided for the amount owing from certain debtors and RM0.85 million debts due was written off in respect of balance due in relation to projects completed more than a year as highlighted in item (iv) above. The Group collected approximately RM0.50 million while the remaining balance of approximately RM3.36 million is in relation to the retention sum which is not due as at the end of the reporting period;

(e) The Group collected approximately RM0.17 million and subsequent to the reporting period, the Group collected approximately RM0.05 million in respect of the amount owing by the debtor as highlighted in item (v) above. Based on the Group's past experience with the said debtor, the directors are confident that the remaining balance is recoverable in full;

(f) The Group provided allowance for impairment losses of RM0.25 million in respect of amount owing by a debtor in India as stated in item (vi) above. The debtor is under an arbitration process against the government body in India; and

(g) The Group collected approximately RM0.338 million owing by certain debtors as stated in item (vii) above. Management, on a prudence basis, had an allowance for impairment losses of approximately RM0.30 million on the remaining balance due from these debtors.

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 the Company's trade receivables are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	**191,011**	262,910	**10,579**	8,175
Past due but not impaired				
1 to 30 days past due but not impaired	**62,396**	35,913	**619**	–
31 to 60 days past due but not impaired	**27,186**	26,105	**758**	10,495
61 to 90 days past due but not impaired	**46,898**	29,376	**532**	11,759
91 to 120 days past due but not impaired	**5,492**	7,891	**3,828**	–
More than 120 days past due not impaired	**7,387**	52,712	**–**	226
	149,359	151,997	**5,737**	22,480
Impaired				
Not past due	**7,261**	6,465	**–**	790
Past due	**11,562**	11,628	**678**	–
	18,823	18,093	**678**	790
	359,193	433,000	**16,994**	31,445

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. The Group monitors 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 believes 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Individually impaired				
Trade receivables, nominal value	**95,936**	93,422	**9,522**	8,965
Less: Allowance for impairment	**(18,823)**	(18,093)	**(678)**	(790)
	77,113	75,329	8,844	8,175

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1st January				
- as reported/previously reported	**18,093**	9,350	**790**	–
- effect of adopting FRS 139	**–**	5,082	**–**	52
- as reported/restated	**18,093**	14,432	**790**	52
Additions	**9,016**	2,382	**–**	–
Reversal	**(334)**	–	**–**	–
Written off	**(8,747)**	(104)	**–**	–
Discounting effect of FRS 139	**1,468**	1,892	**–**	738
Unwinding of discount	**(673)**	(509)	**(112)**	–
At 31st December	**18,823**	18,093	**678**	790

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 service fee and 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

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Individually impaired				
Other receivables, nominal value	**6,968**	6,350	**768**	151
Less: Allowance for impairment	**(6,600)**	(6,350)	**(400)**	(151)
	368	–	**368**	–

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1st January	**6,350**	6,350	**151**	151
Additions	**250**	–	**250**	–
Written off	**–**	–	**(1)**	–
At 31st December	**6,600**	6,350	**400**	151

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.

17. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Amount owing by subsidiaries:-		
Trade	**17,989**	12,446
Non-trade	**44,213**	38,566
	62,202	51,012
Less: Allowance for impairment losses		
- Non-trade	**(30,642)**	(30,593)
	(30,642)	(30,593)
	31,560	20,419
Amount owing to subsidiaries:-		
Trade	**(1,610)**	(616)
Non-trade	**(16,451)**	(22,064)
	(18,061)	(22,680)

(a) Trade amounts owing

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2010: 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	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	**556**	–
Past due but not impaired		
1 to 30 days past due but not impaired	**5,006**	–
31 to 60 days past due but not impaired	**–**	–
61 to 90 days past due but not impaired	**–**	–
91 to 120 days past due but not impaired	**–**	–
More than 120 days past due not impaired	**12,427**	12,446
	17,433	12,446
Impaired	**–**	–
	17,989	12,446

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.

(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 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	
	2011 RM'000	2010 RM'000
Individually impaired		
Non-trade amount owing by subsidiaries, nominal value	**32,743**	32,456
Less: Allowance for impairment	**(30,642)**	(30,593)
	2,101	1,863

The movement in the Company's allowance accounts are as follows:-

	Company	
	2011 RM'000	2010 RM'000
At 1st January	**30,593**	30,647
Additions/(written off)	**49**	(54)
At 31st December	**30,642**	30,593

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Amount owing by associates:-				
Trade	**9,332**	12,549	**9,283**	12,275
Non-trade	**15,640**	10,625	**15,636**	10,625
	24,972	23,174	**24,919**	22,900
Less: Allowance for impairment				
- Trade	**(698)**	–	**(698)**	–
- Non-trade	**(457)**	–	**(457)**	–
	(1,155)	–	**(1,155)**	–
	23,817	23,174	**23,764**	22,900
Amount owing to associates:-				
Trade	**(7,564)**	(6,498)	**(26)**	–
Non-trade	**(74)**	(872)	**–**	–
	(7,638)	(7,370)	**(26)**	–

(a) **Trade amounts owing**

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2010: 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	**–**	175	**–**	–
Past due but not impaired				
1 to 30 days past due but not impaired	**41**	–	**–**	–
31 to 60 days past due but not impaired	**–**	6	**–**	–
61 to 90 days past due but not impaired	**–**	18	**–**	–
91 to 120 days past due but not impaired	**–**	–	**–**	–
More than 120 days past due not impaired	**8,593**	12,350	**8,585**	12,275
	8,634	12,374	**8,585**	12,275
Impaired	**698**	–	**698**	–
	9,332	12,549	**9,283**	12,275

18. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)

(a) Trade amounts owing (Cont'd)

Trade-related amount owing by associates that are neither past due nor impaired

The Company monitors 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 Company believes 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.

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	
	2011	**2010**
	RM'000	**RM'000**
Individually impaired		
Nominal value	**9,283**	12,275
Less: Allowance for impairment	**(698)**	–
	8,585	12,275

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group and Company	
	2011	**2010**
	RM'000	**RM'000**
At 1st January	**–**	–
Discounting effect of FRS 139	**698**	–
At 31st December	**698**	–

Trade-related amount owing by associates that are individually impaired at the end of the reporting period relate to associates that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(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:-

18. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)

(b) Non-trade amounts owing (Cont'd)

	Group and Company	
	2011	2010
	RM'000	RM'000
Individually impaired		
Nominal value	**6,076**	7,437
Less: Allowance for impairment	**(457)**	–
	5,619	7,437

The movement in the Group's and the Company's allowance accounts are as follows:-

	Group and Company	
	2011	2010
	RM'000	RM'000
At 1st January	**–**	–
Discounting effect of FRS 139	**457**	–
At 31st December	**457**	–

Non-trade related amount owing by associates that are individually impaired at the end of the reporting period relate to associates that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(c) 2010

In the previous financial year, included in the Group's and the Company's amounts owing by associates were approximately RM19.7 million owing by a foreign associate which has been outstanding for more than a year. The associate has a deficit in shareholders' funds of RM3.6 million at the end of the reporting period. The directors are of the opinion that the associate will be able to generate profits in the near future through the realisation of projects on hand and the successful recovery of its debts through legal action taken against its customer. The directors are of the opinion that the amount owing by the associate is recoverable in future.

2011

During the financial year, the Group capitalised approximately RM4 million of the balance outstanding into equity shares of the associate and are in the process of capitalising another RM1 million subsequent to the financial year in order to strengthen the capital structure of the associate. The directors are of the opinion that the remaining balance due from the associate is recoverable based on the expected revenue to be generated by the said associate from its future projects.

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 1.00% to 5.25% (2010: 2.00% to 3.70%) 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 RM22,020,202/- (2010: RM30,203,856/-) and RM51,583/- (RM1,692,858/-) 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 RM13,800,240/- (2010 : RM2,788,079/-), 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 RM167,822/- (2010: RM164,966/-) is maintained in a 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			
	2011		2010	
	Number of shares		Number of shares	
	'000	RM'000	'000	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	**107,036**	**107,036**	104,194	104,194
Exercise of employee share options	**5,247**	**5,247**	2,842	2,842
Issuance of shares	**9,600**	**9,600**	–	–
At 31st December	**121,883**	**121,883**	107,036	107,036

In previous financial year, the Group and the Company increased their issued and paid-up ordinary shares from RM104.194 million to RM107.036 million through the issuance of 2.842 million new ordinary shares of RM1/- each pursuant to the Company's Employee Share Option Scheme at an exercise price of RM1/- per share.

During the financial year, the Company increased its issued and paid-up share capital from RM107.036 million to RM121.883 million through the issuance of:-

(i) 5,246,725 new ordinary shares of RM1/- each pursuant to the Employees' Share Option Scheme at an exercise price of RM1.08 per share; and

(ii) 9,600,000 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		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Share premium	**4,762**	2,975	**4,762**	2,975
Other capital reserves	**15,682**	15,682	**–**	–
Translation reserve	**(1,708)**	(1,557)	**87**	97
Employee share option reserve	**735**	677	**735**	677
(Accumulated losses)/retained profits	**(12,367)**	(15,143)	**27,670**	26,455
Total reserves	**7,104**	2,634	**33,254**	30,204

(a) Share premium

	Group and Company	
	2011 RM'000	2010 RM'000
At 1st January	**2,975**	2,975
Exercise of employee share options	**1,880**	–
Share issuance expenses	**(93)**	–
At 31st December	**4,762**	2,975

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 previously.

(c) Translation reserve

The translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

(d) Employee share option reserve

Scheme 2003

In December 2003, the Company implemented a Bina Puri Holdings Bhd.'s Employee Share Option Scheme ("ESOS") for eligible employees of the Group which is governed by the By-Laws of the ESOS and was approved by the shareholders of the Company and the relevant authorities. The ESOS expired on 30th November 2008 and the board of directors, upon the recommendation of the ESOS committee, had approved the extention of the ESOS for up to a maximum period of 5 years, commencing 1st December 2008 and expiring on 30th November 2013 on the same terms and conditions as set out in the ESOS By-Laws of the Company.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

Scheme 2003 (Cont'd)

The salient features of the ESOS are as follows:-

(a) The maximum number of shares to be offered and allotted under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS.

(b) The following persons are eligible to participate in the ESOS:-

i. They must be at least eighteen (18) years of age on the Date of Offer;

ii. They must have been employed for a continuous period of at least one (1) year in the Group, including probation period and his employment as an Eligible Employee must have been confirmed in writing on the Date of Offer;

iii. If an Eligible Employee is employed by a company which is acquired by the Group during the duration of the ESOS and becomes a subsidiary of the Company upon such acquisition, the Eligible Employee must have completed a continuous period of at least one (1) year in the Group following the date such company becomes or is deemed to be a subsidiary;

iv. If an employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (i) to (iii) above, also fulfill the following conditions:-

(i) the employee must be serving the Group on a full time basis; and
(ii) in the event that the employee is serving under an employment contract, the contract should be for a duration of at least three (3) years.

v. If an employee is serving under an employment contract for a fixed duration, he must have been in the service for a continuous period of one (1) year in the Group.

(c) An employee who during the tenure of the ESOS becomes an Eligible Employee may be eligible to a grant of an Option under the ESOS which shall be decided by the ESOS Committee.

(d) No Option shall be granted for more than 500,000 new ordinary shares to any Eligible Employee. The maximum number of Options granted to executive directors and senior management of the Group shall not exceed 50% of the total number of options available under the ESOS, and the number of options granted to any individual executive director or selected employee who, either singly or collectively through his/her associates (as defined in the Companies Act, 1965), hold 20% or more of the issued and paid-up share capital of the Company, shall not exceed 10% of the total number of Options available under the ESOS.

(e) 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 for the five (5) market days immediately preceding the date of offer or the par value of the shares, whichever is higher.

(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.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

Scheme 2003 **(Cont'd)**

The salient features of the ESOS are as follows:- (Cont'd)

(h) The ESOS shall continue to be in force for duration of up to five (5) years commencing the date of lodgement. 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 30th November 2013 subject to the following maximum limits:-

	Option to be exercised (%)				
No. of options granted	**exercised Year 1**	**exercised Year 2**	**exercised Year 3**	**exercised Year 4**	**exercised Year 5**
10,000 and below	50	50	–	–	–
10,001 to 50,000	30	30	40	–	–
Above 50,000	20	20	20	20	20

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years but not later than 30th November 2013. 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.

In the previous financial year, the ESOS Committee has made the decision to re-grant 1,616,800 Options which represented Options under the existing ESOS that had previously lapsed, to the following employees of the Group at an exercise price of RM1/- each:-

(i) New employees who have served the Group for more than 3 years since 1st January 2007;

(ii) Employees who have not accepted the ESOS offered to them previously; and

(iii) Employees who have fully exercised the ESOS previously allocated to them.

The re-granted Options can be exercised at any time but not later than 30th November 2013.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

Scheme 2003 (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:-

	2011 Number of options over ordinary shares '000	**2011** RM'000	**2010** Number of options over ordinary shares '000	**2010** RM'000
At 1st January	**964**	**964**	3,025	3,025
Re-granting of lapsed options	**–**	**–**	1,617	1,617
Exercised	**(964)**	**(964)**	(2,842)	(2,842)
Lapsed ^	**–**	**–**	(836)	(836)
At 31st December	**–**	**–**	964	964

^ The options which lapsed in previous financial year were due to resignations of employees.

The fair value of the re-granted share options was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	At exercise price of RM1.00 each
Fair value of share options at grant date	0.419
Weighted average share price (RM)	1.17
Exercise price (RM)	1.00
Expected volatility	40.351
Expected life (years)	3.25
Risk free rate (%)	3.465
Expected dividend yield (%)	2.951

As all options granted under the existing ESOS had been fully exercised during the financial year but the scheme will only be expiring on 30th November 2013, prior to which the Company is unable to grant any further options to eligible persons, the existing ESOS is terminated after approval granted by the shareholders of the Company at the last Annual General Meeting held on 1st June 2011 and the relevant authorities.

Scheme 2011

On the same date of the termination of the existing ESOS (Scheme 2003), the Company was granted the approval by the shareholders of the Company and the relevant authorities to introduce a new ESOS to replace the existing ESOS. Under the new ESOS, the Company will grant options to eligible employees of the Group including executive directors to subscribe up to 15% of the issued and paid-up share capital of the Company. The effective date of the new 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 new ESOS By-Laws of the Company.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

***Scheme 2011* (Cont'd)**

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;

(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.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

***Scheme* 2011 (Cont'd)**

The salient features of the New ESOS are as follows:- (Cont'd)

(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.

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:-

	Number of options over ordinary shares '000	RM'000
At 1st January 2011	–	–
Granted	16,135	16,135
Exercised	(4,283)	(4,283)
At 31st December 2011	11,852	11,852

As at 31st December 2011, approximately 2.043 million options granted are exercisable.

22. RESERVES (CONT'D)

(d) Employee share option reserve (Cont'd)

***Scheme* 2011 (Cont'd)**

The fair value of the share options granted under the new ESOS during the financial year was estimated using Black-Scholes Options Pricing Model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and at the end of the reporting period, and the assumptions used are as follows:-

	At grant date	At 31.12.2011
Fair value of share options	0.180	0.360
Weighted average share price (RM)	1.19	1.19
Estimated exercise price (RM)	1.08	1.08
Expected volatility (%)	20	20
Expected exercise period (years)	1	5
Risk free rate (%)	3.60	3.60

(e) Accumulated losses/retained profits

Subject to agreement with the tax authorities, at the end of the reporting period, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 and tax-exempt income to frank the payment of dividends out of its entire profits without incurring additional tax liabilities.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31st December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

23. HIRE PURCHASE PAYABLES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Minimum hire purchase payables:				
- not later than one year	**5,609**	3,862	**83**	478
- later than one year but not later than five years	**9,236**	6,027	**–**	83
	14,845	9,889	**83**	561
Less: Future finance charges	**(1,391)**	(986)	**(1)**	(19)
Present value of hire purchase payables	**13,454**	8,903	**82**	542
Represented by:-				
Current				
- not later than one year	**4,793**	3,383	**82**	460
Non-current				
- later than one year but not later than five years	**8,661**	5,520	**–**	82
	13,454	8,903	**82**	542

23. HIRE PURCHASE PAYABLES (CONT'D)

The Group's and the Company's hire purchase payables bear effective interest rates ranging from 4.25% to 11.10% (2010: 2.50% to 9.31%) and 4.25% to 5.75% (2010: 2.50% to 5.75%) per annum respectively.

24. TERM LOANS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
- not later than one year (Note 28)	**5,739**	2,278	**900**	1,200
Non-current				
- later than one year but not later than two years	**6,805**	1,127	**–**	800
- later than two years but not later than five years	**17,957**	693	**–**	–
- more than five years	**2,982**	114	**–**	–
	27,744	1,934	**–**	800
	33,483	4,212	**900**	2,000

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 8.10% per annum is repayable in 72 monthly instalments of RM4,000/- effective from April 2007.

(iii) Term loan at an effective interest rate of 7.10% per annum is repayable in 96 monthly instalments of RM4,000/- effective from June 2010.

(iv) Term loan at an effective interest rate of 8.40% per annum is repayable in 54 monthly instalments of RM100,000/- effective from February 2008.

(v) Term loan at an effective interest rate of 8.93% per annum is repayable by monthly instalments of Brunei Dollar 26,920/- effective from July 2010.

(vi) Term loan at an effective interest rate of 3.60% per annum repayable in 34 monthly instalments of US Dollar 25,000/- effective from June 2011.

24. TERM LOANS (CONT'D)

(vii) Term loan at an effective interest rate of 3.60% per annum repayable in 36 monthly instalments of US Dollar 25,000/- effective from August 2011.

(viii) Term loan at an effective interest rate of 6.00% per annum repayable in 84 monthly instalments of Brunei Dollar 96,721/- effective from September 2011.

(ix) Term loan at an effective interest rate of 7.30% per annum repayable in 84 monthly instalments of RM196,000/- effective 3 months from the full disbursement of the term loan or 24 months from the 1st drawdown, whichever is earlier.

(x) Term loan at an effective interest rate of 7.30% per annum repayable in 60 monthly instalments of RM71,795/- effective from June 2011.

(xi) Term loan at an effective interest rate of 7.25% per annum repayable in 120 monthly instalments of RM20,224/- effective from August 2011.

25. GOVERNMENT GRANT

A subsidiary was awarded a government grant of RM108,000/- in 2006, which represented the fair value of a factory equipment pursuant to a sub-grant agreement entered between Government of Malaysia and the said subsidiary.

The factory equipment is used by the subsidiary for the purpose of converting its manufacturing process using chlorofluorocarbon-free technology, and the grant received is being recognised as income over the useful life of the factory equipment.

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Trade payables				
Cost:				
- third parties	**192,515**	243,147	**12,942**	20,869
- related parties	**129**	215	**32**	73
Amortised cost	**83,900**	74,248	**7,045**	5,202
Total trade payables	**276,544**	317,610	**20,019**	26,144
Other payables				
Other payables				
- third parties	**109,641**	54,255	**3,868**	3,347
- a related party	**40**	35	**18**	7
	109,681	54,290	**3,886**	3,354
Provision for foreseeable losses	**2,085**	–	**–**	–
Sundry deposits	**13,254**	346	**–**	–
Accruals	**894**	7,694	**1,230**	838
Total other payables	**125,914**	62,330	**5,116**	4,192
Total trade and other payables	**402,458**	379,940	**25,135**	30,336

26. 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 (2010: 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.

The amount owing to related parties represents management fee and air-fares incurred by the Group and the Company. The amount is repayable on demand.

27. AMOUNT OWING TO A JOINTLY CONTROLLED ENTITY

The amount owing to a jointly controlled entity represents unsecured interest-free advances which is repayable on demand. The amounts owing are to be settled in cash.

28. BANK BORROWINGS

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Secured				
Bank overdrafts	**31,828**	87,723	**8,215**	18,285
Revolving credit	**144,496**	81,841	**–**	5,536
Term loans (Note 24)	**4,839**	1,078	**–**	–
Trust receipt	**21,569**	11,171	**–**	–
	202,732	181,813	**8,215**	23,821
Unsecured				
Bank overdrafts	**18,371**	12,914	**6,403**	–
Bankers acceptance	**14,323**	13,699	**–**	–
Term loans (Note 24)	**900**	1,200	**900**	1,200
Revolving credit	**16,000**	24,100	**16,000**	8,000
	49,594	51,913	**23,303**	9,200
	252,326	233,726	**31,518**	33,021

The Group's and the Company's bank borrowings bear effective interest rates ranging from 2.97% to 9.35% (2010: 3.10% to 9.09%) and 4.26% to 8.40% (2010: 4.54% to 5.20%) 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.

29. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Contract revenue (Note 15)	**1,083,599**	1,158,408	**103,758**	104,126
Sales of good	**87,964**	69,862	**–**	–
Sales of electricity	**6,040**	1,620	**–**	–
Management fees	**460**	756	**8,330**	11,163
	1,178,063	1,230,646	**112,088**	115,289

30. COST OF SALES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Contract costs (Note 15)	**1,007,064**	1,111,256	**100,151**	101,591
Costs of goods sold	**80,669**	61,944	**–**	–
Costs of electricity sold	**2,274**	1,517	**–**	–
Property development costs	**–**	627	**–**	–
	1,090,007	1,175,344	**100,151**	101,591

31. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
After charging :-				
Allowance for impairment loss on:				
- amount owing by subsidiaries	**–**	–	**49**	–
- trade and other receivables	**9,266**	2,382	**250**	–
Audit fees:				
- current year	**223**	195	**40**	30
- prior year	**51**	3	**45**	–
Depreciation	**10,376**	8,578	**537**	590
Directors' fee:				
- directors of the Company (Note 37)	**488**	344	**488**	344
- directors of the subsidiaries	**501**	1,056	**–**	–
Directors' non-fee emoluments:				
- directors of the Company (Note 37)	**3,825**	3,162	**1,715**	1,545
- directors of the subsidiaries	**1,069**	943	**–**	–
Impact of changes in accounting treatment from associate to other investment	**226**	–	**–**	–
Interest expense:				
- bank borrowings	**15,103**	13,640	**2,518**	1,887
- hire purchase	**876**	645	**18**	39
- others	**4**	47	**–**	–
Loss on disposal of land held for property development	**–**	607	**–**	–
Loss on fair value adjustment on investment properties	**–**	28	**–**	–

31. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation has been arrived at:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
After charging :- (cont'd)				
Loss on foreign exchange, net:				
- realised	**–**	–	**–**	17
- unrealised	**2**	–	**–**	–
Net effect of unwinding of interest from discounting	**–**	101	**940**	266
Property, plant and equipment written off	**29**	10	**–**	–
Receivables written off	**–**	2,063	**–**	559
Rental expense of:				
- land and premises	**365**	123	**94**	170
- machinery and equipment	**4,479**	278	**1,885**	1,393
- motor vehicles	**678**	1	**–**	–
Research and development expenditure	**6**	6	**–**	–
Share of result in jointly controlled controlled entity	**2,394**	–	**–**	–
Staff costs:				
- salaries, wages, bonuses allowances	**42,795**	34,773	**4,447**	4,923
- Employee Provident Fund	**4,464**	3,767	**550**	613
- share options under ESOS	**1,680**	677	**458**	155
- other benefits	**4,457**	3,725	**262**	278
And crediting:-				
Amortisation of government grant	**58**	10	**–**	–
Bad debts recovered	**–**	84	**–**	34
Dividend income	**1,925**	–	**7,418**	250
Gain on disposal of:				
- property, plant and equipment	**967**	1,360	**–**	–
- other investment	**50**	–	**–**	–
Gain on foreign exchange, net:				
- realised	**49**	146	**26**	–
- unrealised	**–**	95	**50**	55
Interest income:				
- fixed deposits	**404**	351	**32**	30
- others	**8**	57	**–**	–
Net effect of unwinding of interest from discounting	**1,033**	–	**–**	–
Rental income of:				
- machinery and motor vehicles	**88**	370	**16**	–
- others	**951**	406	**617**	620
Reversal of allowance for impairment loss on trade and other receivables no longer required	**334**	–	**–**	–
Share of results in:				
- associates	**51**	566	**–**	–
- jointly controlled entity	**–**	71	**–**	–

32. TAXATION

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Income tax				
- current year				
- Malaysian income tax	**(9,954)**	(472)	**(1,060)**	–
- Foreign income tax	**(569)**	(1,846)	**–**	–
- prior year				
- Malaysian income tax	**(7,624)**	(273)	**–**	–
- Foreign income tax	**230**	–	**–**	–
	(17,917)	(2,591)	**(1,060)**	–
Deferred taxation (Note 13)				
- current year	**(861)**	(182)	**(427)**	–
- prior years	**(313)**	–	**–**	–
	(1,174)	(182)	**(427)**	–
	(19,091)	(2,773)	**(1,487)**	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated taxable profit for the fiscal year.

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

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before taxation	**25,849**	14,136	**5,923**	2,285
Tax at applicable statutory tax rate of 25%	**(6,462)**	(3,534)	**(1,481)**	(571)
Tax effects arising from:				
- non-taxable income	**1,063**	3,938	**707**	1,839
- non-deductible expenses	**(5,907)**	(2,538)	**(784)**	(996)
- deferred tax asset not recognised	**(1,512)**	(505)	**–**	(272)
- utilisation of deferred tax assets not previously recognised	**1,192**	404	71	–
- differential in tax rates	**242**	(265)	**–**	–
- under accrual in prior year	**(7,707)**	(273)	**–**	–
Tax expense for the year	**(19,091)**	(2,773)	**(1,487)**	–

33. EARNINGS PER SHARE

(a) Basic earnings per share

	Group 2011 RM'000	Group 2010 RM'000
Profit after taxation (RM)	**6,758**	11,363
Profit after taxation attributable to owners of the Company (RM)	**5,997**	10,603
Weighted average number of ordinary shares (Unit):		
Issued ordinary shares at 1st January	**107,036**	104,194
Effect of issuance of ordinary shares	**1,192**	–
Effect of shares issued from ESOS	**2,773**	920
Weighted average number of ordinary shares at 31st December	**111,001**	105,114
Basic earnings per share (sen)	**5.40**	10.09

(b) Diluted earnings per share

The diluted earnings per share for the current financial year is not disclosed as the potential ordinary shares arising from the exercise of options under the ESOS at fair value have anti-dilutive effect.

34. DIVIDENDS ON ORDINARY SHARES

	Group and Company 2011 RM'000	Group and Company 2010 RM'000
Interim dividend of 2% (2010: 2%) per ordinary shares less 25% tax in respect of the financial year ended		
- 31st December 2009	**–**	1,560
- 31st December 2010	**1,601**	–
Final dividend of 2% (2010: 2%) per ordinary shares less 25% tax in respect of the financial year ended		
- 31st December 2009	**–**	1,575
- 31st December 2010	**1,620**	–
	3,221	3,135

At the forthcoming Annual General Meeting, a first and final dividend of 2% per ordinary share less 25% tax amounting to approximately RM1.86 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 2012.

35. ACQUISITION OF SUBSIDIARIES

2011

During the financial year, the Group acquired 55% equity interest in Sumbangan Lagenda Sdn. Bhd. ("SLSB"). Upon the acquisition, SLSB became a subsidiary of the Group. SLSB, an unlisted company incorporated in Malaysia, is involved in property development.

The fair values of the identifiable assets and liabilities of SLSB as at the date of acquisition were as follows:-

	At Date Of Acquisition Carrying Amount RM'000	Fair Value Recognised RM'000
Current assets	3,076	3,076
Current liabilities	(2,831)	(2,831)
Net identifiable assets and liabilities	245	245
Less: Non-controlling interests		(90)
Add: Bargain purchase gain		(155)
Total purchase consideration		–
Less: Cash and cash equivalents of subsidiary acquired		(180)
Net cash outflow for acquisition of subsidiary		(180)

The acquired subsidiary has contributed the following results to the Group:

	2011 RM'000
Revenue	–
Profit after taxation	(30)

2010

In the previous financial year, the Group acquired the following subsidiaries:-

Name of Acquired Subsidiaries	Country of Incorporation	Gross Equity Interest Acquired %	Principal activities
Medini Square Sdn. Bhd.	Malaysia	80	Property developer (no active development)
PT Megapower Makmur	Republic of Indonesia	80	Power supply
Bina Puri Properties (B) Sdn. Bhd.	Brunei Darussalam	100	Contractor of earthworks, buildings and road construction

35. ACQUISITION OF SUBSIDIARIES (CONT'D)

2010 (Cont'd)

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	3,088	3,088
Current liabilities	(468)	(468)
Net identifiable assets and liabilities	2,620	2,620
Less: Non-controlling interests		(524)
Add: Goodwill on acquisition		350
Total purchase consideration		2,446
Less: Cash and cash equivalents of subsidiaries acquired		(2,096)
Net cash outflow for acquisition of subsidiaries		350

The acquired subsidiary has contributed the following results to the Group:

	2010 RM'000
Revenue	1,620
Profit after taxation	54

36. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Purchase of property, plant and equipment	**49,573**	14,122	**99**	1,022
Financed by:				
- hire purchase	**(9,811)**	(3,670)	**–**	(765)
- term loan	**(21,077)**	(380)	**–**	–
Cash payments on purchase of property, plant and equipment	**18,685**	10,072	**99**	257

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive directors				
Fees	**48**	52	**48**	52
Non-fee emoluments	**3,544**	2,863	**1,715**	1,538
Non-executive directors				
Fees	**440**	292	**440**	292
Non-fee emoluments	**234**	234	**–**	–
	4,266	3,441	**2,203**	1,882
Benefit-in-kind	**47**	65	**–**	7

(b) The number of directors of the Group and of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 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**	–
RM550,001 - RM600,000	**–**	1	**–**	–
RM700,001 - RM750,000	**1**	–	**–**	–
RM800,001 - RM850,000	**–**	1	**–**	–
RM900,001 - RM950,000	**–**	1	**–**	1
RM1,100,001 - RM1,150,000	**1**	–	**–**	–
RM1,250,001 - RM1,300,000	**1**	–	**1**	–
Non-executive directors				
Below RM50,000	**–**	–	**1**	1
RM50,001 - RM100,000	**3**	4	**3**	4
RM200,001 - RM250,000	**1**	–	**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.

38. SEGMENT REPORTING (CONT'D)

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

2011	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	1,084,059	–	72,786	15,178	6,040	–	1,178,063
Inter-segment revenue	1,302	–	26,242	–	–	–	27,544
	1,085,361	–	99,028	15,178	6,040	–	1,205,607
Adjustments and eliminations							(27,544)
Consolidated revenue							1,178,063
Results							
Segment results	28,243	(686)	2,222	(764)	2,544	192	31,751
Adjustments and eliminations							(851)
							30,900
Investment income	2,279	43	–	–	8	–	2,330
Share of results in associates	(463)	–	514	–	–	–	51
Share of results in a jointly controlled entity	(2,394)	–	–	–	–	–	(2,394)
Finance costs	(4,105)	(116)	(498)	(141)	(178)	–	(5,038)
Consolidated profit before taxation	23,560	(759)	2,238	(905)	2,374	192	25,849
Taxation							(19,091)
Consolidated profit after taxation							6,758
Capital expenditures	30,122	398	10,264	101	8,688	–	49,573
Depreciation of property, plant and equipment	7,614	26	1,425	146	1,164	1	10,376
Other non-cash expenses/(income)	24,743	66	(666)	444	122	41	24,750

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2011	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	768,687	75,133	55,732	5,770	21,764	569	(84,156)	843,499
Investment in associates	2,027	–	1,693	–	–	–	(3)	3,717
Other investments	37,649	–	–	–	–	–	(375)	37,274
Goodwill	–	–	–	–	350	–	–	350
Deferred tax assets	–	–	–	654	24	–	–	678
Tax recoverable	336	–	358	–	–	–	–	694
Total assets	808,699	75,133	57,783	6,424	22,138	569	(84,534)	886,212
Liabilities								
Segment liabilities	401,567	48,381	31,853	1,268	14,305	33,682	(97,106)	433,950
Borrowings	265,992	9,762	9,423	2,593	5,754	–	–	293,524
Deferred tax liabilities	1,583	–	712	–	–	–	–	2,295
Tax payable	14,138	50	62	–	(229)	11	–	14,032
Total liabilities	683,280	58,193	42,050	3,861	19,830	33,693	(97,106)	743,801

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments

2010	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	1,158,408	–	54,700	15,162	1,620	756	1,230,646
Inter-segment revenue	704	–	26,999	–	–	–	27,703
	1,159,112	–	81,699	15,162	1,620	756	1,258,349
Adjustments and eliminations							(27,703)
Consolidated revenue							1,230,646
Results							
Segment results	14,340	389	2,050	136	88	33	17,036
Adjustments and eliminations							(248)
							16,788
Investment income	363	–	–	–	–	–	363
Share of results in associates	302	–	264	–	–	–	566
Share of results in a jointly controlled entity	71	–	–	–	–	–	71
Finance costs	(3,244)	–	(314)	(94)	–	–	(3,652)
Consolidated profit before taxation	11,832	389	2,000	42	88	33	14,136
Taxation							(2,773)
Consolidated profit after taxation							11,363
Capital expenditures	7,875	6	134	723	5,384	–	14,122
Depreciation of property, plant and equipment	6,557	23	1,069	154	774	1	8,578
Other non-cash expenses/(income)	17,569	(57)	138	40	–	–	17,690

38. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2010	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	706,839	25,203	44,060	6,794	10,488	9,438	(69,278)	733,544
Investment in associates	30,810	–	1,620	–	–	–	(1)	32,429
Investment in a jointly controlled entity	363	–	–	–	–	–	–	363
Other investments	7,298	–	–	–	–	–	–	7,298
Goodwill	–	–	–	–	350	–	–	350
Deferred tax assets	–	–	–	654	–	–	–	654
Tax recoverable	998	–	373	–	–	11	–	1,382
Total assets	746,308	25,203	46,053	7,448	10,838	9,449	(69,279)	776,020
Liabilities								
Segment liabilities	395,985	7,805	26,710	992	10,567	32,436	(68,051)	406,444
Borrowings	237,182	–	4,561	2,920	–	–	(100)	244,563
Government grant	–	–	–	58	–	–	–	58
Deferred tax liabilities	847	–	252	–	–	–	–	1,099
Tax payable	1,846	45	63	–	8	–	–	1,962
Total liabilities	635,860	7,850	31,586	3,970	10,575	32,436	(68,151)	654,126

38. SEGMENT REPORTING (CONT'D)

(b) 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.

2011	Malaysia RM'000	Other Asian Countries RM'000	Consolidated RM'000
Revenue from external customers	**1,005,896**	**172,167**	**1,178,063**
Segment assets	**754,458**	**131,754**	**886,212**
Segment liabilities	**612,251**	**131,550**	**743,801**
2010			
Revenue from external customers	759,526	471,120	1,230,646
Segment assets	601,818	174,202	776,020
Segment liabilities	451,756	202,370	654,126

(c) Information about a major customer

Revenue from one major customer amounting to RM186,015,000/- (2010: RM8,958,000/-) 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.

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Transactions with:				
Subsidiaries				
Consultancy fee	**–**	–	**(240)**	(240)
Dividend income	**–**	–	**5,493**	250
Management fees	**–**	–	**7,870**	10,408
Project commission	**–**	–	**1,398**	187
Rental income	**–**	–	**527**	511
Secretarial fee	**–**	–	**36**	37
Security and safety fee	**–**	–	**(216)**	(216)
Associates				
Construction services	**(3,625)**	(2,490)	**–**	–
Management fees	**100**	792	**100**	756
Sales of quarry product	**–**	741	**–**	–
Secretarial fee	**7**	11	**7**	11
A company in which a director of the Company has substantial interests				
Project management fee	**60**	–	**60**	–
Purchase of:				
- air tickets	**(936)**	(1,023)	**(473)**	(413)
- diesel	**(795)**	(941)	**(170)**	(364)
A corporate shareholder of a subsidiary				
Sales of quarry product	**–**	398	**–**	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 16, Note 17, Note 18, Note 26 and Note 27 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short-term employee benefits	**8,854**	6,238	**2,779**	2,411
Employee Provident Fund	**822**	607	**285**	242
Share based payments	**721**	263	**325**	94
	10,397	7,108	**3,389**	2,747

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel remuneration (Cont'd)

Included in the key management personnel remuneration is:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors' remuneration:				
- directors of the Company (Note 37)	**4,313**	3,506	**2,203**	1,889
- directors of the subsidiaries	**1,570**	1,999	**–**	–
	5,883	5,505	**2,203**	1,889

40. CAPITAL COMMITMENTS

	Group	
	2011 RM'000	2010 RM'000
Approved and contracted for but not provided in the financial statements		
- acquisition of development land	**–**	4,500
- property, plant and equipment	**1,723**	–

41. CONTINGENT LIABILITIES

(a) Unsecured guarantees

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to:				
- subsidiaries	**–**	–	**575,908**	410,968
- associates	**34,339**	744,487	**34,339**	744,487
- other investment	**985,830**	–	**985,830**	–
Guarantee given in favour of suppliers of goods for credit terms granted to subsidiaries	**–**	–	**11,385**	8,122
Guarantee given to secure hire purchase payables of subsidiaries	**–**	–	**7,469**	4,188

41. CONTINGENT LIABILITIES (CONT'D)

(b) Material litigation

(i) Shah Alam High Court Civil Suit No.: MT10-22-1043-1999 Kimpoint Sdn. Bhd. ("Kimpoint") v. Bina Puri Holdings Bhd. ("The Company")

On 17th September 1999, Kimpoint commenced legal proceedings against the Company vide Shah Alam High Court Suit No. MT2-22-1043-99 for recovery of purported fees of RM8,773,438/- for alleged breach of an agreement between Kimpoint and the Company dated 27th June 1995. The Company had in turn filed a counterclaim against Kimpoint on 11th January 2000 for recovery of fees of RM1,226,563/- paid to Kimpoint due to Kimpoint's failure to perform its obligation. On 15th December 2010, the Court decided in favour of the Company by dismissing Kimpoint's claim against the Company with costs and also upheld the Company's counter claim against Kimpoint with interest.

On 15th March 2011, the Company has filed a Winding up Petition against Kimpoint. On 11th November 2011, the Court has ordered that Kimpoint be wound up.

(ii) Kuala Lumpur High Court Suit No.: S4-22-1076-2005 Ho Hup Construction Company Berhad ("Ho Hup") v. KM Quarry Sdn. Bhd. ("KM Quarry")

Ho Hup was claiming, inter alia, for RM3,433,336/- for incomplete, inaccurate joint measurement and overvaluation amounting to RM2,439,294/- in respect of works carried out by KM Quarry. KM Quarry's counter claimed, inter alia, for the following outstanding balance of RM3,774,875/- in respect of works carried out by KM Quarry.

On 29th March 2011, the Court gave Judgement in favour of KM Quarry for RM3,609,655/- together with interest at 8% per annum from 25th November 2005 till date of full realisation plus costs and also ordered that costs for the independent referee of RM233,455/- be borne by Ho Hup.

On 7th July 2011, Ho Hup and KM Quarry had entered into a Settlement Agreement for a settlement sum of RM4 million ("Settlement Sum") payable via the issuance of Redeemable Convertible Preference Shares by Ho Hup to KM Quarry on or before 31st December 2011 with a grace period of one month therefrom. The Settlement Sum is additionally guaranteed by a third party ("said Guarantee"). Ho Hup and the said third party have defaulted under the Settlement Agreement and the said Guarantee respectively. At the said third party's request, KM Quarry has agreed to grant the said third party indulgence to pay the entire settlement sum by 31st May 2012 without prejudice to KM Quarry's rights to enforce the Judgement and the said Guarantee against Ho Hup and the said third party respectively. On 9th March 2012, the guarantor has paid RM1.0 million together with interest of RM52,603/-.

(iii) EP Engineering Sdn. Bhd. ("EP") v. Bina Puri Sdn. Bhd. ("BPSB") & Kris Heavy Engineering & Construction Sdn. Bhd. ("KH")

EP is claiming for an amount of RM16,834,453/- together with interest thereon for lost and damages suffered by reason of KH's wrongful repudiation of a subcontract which was awarded by KH to EP. BPSB denies the claim on the ground that there is no contract in existence between EP and BPSB.

The arbitration continued hearing was held from 30th November until 2nd December 2011 and concluded that the arbitrator shall be giving direction for submission by 7th May 2012.

(iv) ANC Holdings Pte Ltd ("ANC") v Bina Puri Holdings Bhd. ("the Company")

ANC is claiming for an amount of SGD4,632,274/- together with interest thereon for commission in the procurement of two (2) projects known as the 359 units at Al Amlaj in Tabuk and the 308 units at Al Dawandmy, both in the Kingdom of Saudi Arabia ("the Projects"). The Company denies that the award had resulted from ANC's assistance to the Company and emphasised that the Company had secured the Projects through its own efforts.

41. CONTINGENT LIABILITIES (CONT'D)

(b) Material litigation (Cont'd)

(iv) ANC Holdings Pte Ltd ("ANC") v Bina Puri Holdings Bhd. ("the Company") (Cont'd)

On 9th January 2012, the Assistant Registrar gave Judgement in favour of the Company for ANC to furnish further and better particulars of the Statement of Claim limited to particulars of the time, effort and money devoted by ANC by 30th January 2012 together with SGD900/- as costs and disbursements. ANC had in turn filed an appeal on 18th January 2012 against the decision on the grounds that the Company is not entitled to the particulars orders and request for said particulars to be dismissed. ANC indicates their intention to withdraw the appeal on the Pre-Trial Conference on 24th February 2012. On 30th March 2012, the Court has directed the parties to file and exchange the affidavit of evidence in chief of witnesses by 18th May 2012.

(v) MDC Precast Industries Sdn Bhd ("MDC") v Bina Puri Sdn Bhd ("BPSB")

MDC is claiming for an amount of RM479,869/- 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 the Employer of the Project, BPSB had incurred additional cost of RM1,642,336/- for rectification works and accelerating of the work in order to complete the Project.

The Court has fixed for hearing on 27th April 2012 and the hearing is further adjourned to 8th May 2012.

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 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 ongoing 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 11, 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.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(i) Credit Risk (Cont'd)

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 ongoing 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	
	2011	2010	2011	2010
Countries	RM'000	RM'000	RM'000	RM'000
Brunei Darussalam	**60,333**	116,769	**–**	–
Pakistan	**3,861**	9,835	**–**	–
Indonesia	**694**	431	**–**	–
Malaysia	**284,116**	300,421	**42,890**	55,376
	349,004	427,456	**42,890**	55,376

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 the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(ii) Liquidity Risk

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
2011					
Financial liabilities					
Trade and other payables	402,458	411,200	355,383	54,561	1,256
Amount owing to associates	7,638	7,638	7,638	–	–
Amount owing to a jointly controlled entity	12	12	12	–	–
Hire purchase payables	13,454	14,845	5,609	9,236	–
Term loans	33,483	39,298	7,237	28,937	3,124
Bank borrowings	246,587	246,587	246,587	–	–
	703,632	719,580	622,466	92,734	4,380
2010					
Financial liabilities					
Trade and other payables	379,940	385,710	364,792	20,918	–
Amount owing to associates	7,370	7,370	7,370	–	–
Amount owing to a jointly controlled entity	12	12	12	–	–
Hire purchase payables	8,903	9,889	3,862	6,027	–
Term loans	4,212	4,622	2,512	1,986	124
Bank borrowings	231,448	231,448	231,448	–	–
	631,885	639,051	609,996	28,931	124

Company	Contractual Carrying Amount RM'000	on demand Undiscounted Cash Flows RM'000	One Within 1 Year RM'000	Over to five Years RM'000	five Years RM'000
2011					
Financial liabilities					
Trade and other payables	25,135	25,740	21,343	4,397	–
Amount owing to subsidiaries	18,061	18,061	18,061	–	–
Amount owing to associates	26	26	26	–	–
Amount owing to a jointly controlled entity	12	12	12	–	–
Hire purchase payables	82	83	83	–	–
Term loans	900	932	932	–	–
Bank borrowings	30,618	30,618	30,618	–	–
	74,834	75,472	71,075	4,397	–

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
2010					
Financial liabilities					
Trade and other payables	30,336	30,826	28,007	2,819	–
Amount owing to subsidiaries	22,680	22,680	22,680	–	–
Amount owing to associates	–	–	–	–	–
Amount owing to a jointly controlled entity	12	12	12	–	–
Hire purchase payables	542	561	478	83	–
Term loans	2,000	2,128	1,310	818	
Bank borrowings	31,821	31,821	31,821	–	–
	87,391	88,028	84,308	3,720	–

(iii) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk 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
2011					
Financial asset					
Fixed deposits with licensed banks	**1.00 – 5.25**	**23,220**	**–**	**–**	**23,220**
Financial liabilities					
Hire purchase payables	**4.26 – 8.50**	**4,793**	**8,661**	**–**	**13,454**
Term loans	**3.60 – 8.40**	**5,739**	**24,762**	**2,982**	**33,483**
Bank borrowings	**2.97 – 9.35**	**246,587**	**–**	**–**	**246,587**
2010					
Financial asset					
Fixed deposits with licensed banks	2.00 – 3.70	30,355	–	–	30,355
Financial liabilities					
Hire purchase payables	2.50 – 9.31	3,383	5,520	–	8,903
Term loans	7.00 – 8.93	2,278	1,820	114	4,212
Bank borrowings	3.10 – 9.09	231,448	–	–	231,448

Company	Effective Interest Rate %	Within 1 Year RM'000	1-5 Years RM'000	> 5 Years RM'000	Total RM'000
2011					
Financial asset					
Fixed deposits with licensed banks	**2.00 - 3.00**	**52**	**–**	**–**	**52**
Financial liabilities					
Hire purchase payables	**4.26 - 5.75**	**82**	**–**	**–**	**82**
Term loans	**8.4**	**900**	**–**	**–**	**900**
Bank borrowings	**4.80 - 8.40**	**30,618**	**–**	**–**	**30,618**
2010					
Financial asset					
Fixed deposits with licensed banks	2.00 - 3.00	1,693	–	–	1,693
Financial liabilities					
Hire purchase payables	2.50 - 5.75	460	82	–	542
Term loans	8.30	1,200	800	–	2,000
Bank borrowings	4.54 - 5.20	31,821	–	–	31,821

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 RM814,000/- (2010: RM696,000/-) and RM183,000/- (2010: RM95,000/-). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 5% on financial assets and 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.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iv) Foreign Currency Risk (Cont'd)

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	Pakistani Rupee RM'000	Indo. Rupiah RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2011						
Financial assets						
Quoted and unquoted shares **	–	–	–	–	6,852	6,852
Trade and other receivables *	60,893	5,250	695	15	323,776	390,629
Amount owing by associates	–	–	–	–	23,817	23,817
Fixed deposits placed with licensed banks	2,482	–	260	46	20,432	23,220
Cash and bank balances	3,824	61	419	77	49,408	53,789
	67,199	5,311	1,374	138	424,285	498,307

* *exclude prepayments*
** *exclude investment in KL-Kuala Selangor Expressway Berhad*

Group	Brunei Dollar RM'000	Pakistani Rupee RM'000	Indo. Rupiah RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2011						
Financial liabilities						
Trade and other payables	65,654	3,223	581	107	332,893	402,458
Amount owing to associates	–	–	–	–	7,638	7,638
Amount owing to a jointly controlled entity	–	–	–	–	12	12
Hire purchase payables	282	–	523	–	12,649	13,454
Term loans	15,424	–	–	–	18,059	33,483
Bank borrowings	13,587	–	–	–	233,000	246,587
	94,947	3,223	1,104	107	604,251	703,632

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	Pakistani Rupee RM'000	Indo. Rupiah RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2010						
Financial assets						
Quoted and unquoted shares	–	–	–	–	6,876	6,876
Trade and other receivables *	120,114	11,519	1,372	26	321,699	454,730
Amount owing by associates	–	–	–	–	23,174	23,174
Fixed deposits placed with licensed banks	9,731	151	–	45	20,428	30,355
Cash and bank balances	20,521	17	79	81	21,534	42,232
	150,366	11,687	1,451	152	393,711	557,367

* *exclude prepayments*

Group	Brunei Dollar RM'000	Pakistani Rupee RM'000	Indo. Rupiah RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2010						
Financial liabilities						
Trade and other payables	115,340	4,313	34	109	260,144	379,940
Amount owing to associates	–	–	–	–	7,370	7,370
Amount owing to a jointly controlled entity	–	–	–	–	12	12
Hire purchase payables	390	–	–	–	8,513	8,903
Term loans	–	–	–	–	4,212	4,212
Bank borrowings	48,019	–	–	–	183,429	231,448
	163,749	4,313	34	109	463,680	631,885

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
2011			
Financial assets			
Quoted and unquoted shares **	–	6,717	6,717
Trade and other receivables *	–	21,747	21,747
Amount owing by subsidiaries	–	31,560	31,560
Amount owing by associates	–	23,764	23,764
Fixed deposits placed with licensed banks	46	6	52
Cash and bank balances	51	793	844
	97	84,587	84,684

* *exclude prepayment*
** *exclude investment in KL-Kuala Selangor Expressway Berhad*

2011			
Financial liabilities			
Trade and other payables	81	25,054	25,135
Amount owing to subsidiaries	–	18,061	18,061
Amount owing to associates	–	26	26
Amount owing to a jointly controlled entity	–	12	12
Hire purchase payables	–	82	82
Term loans	–	900	900
Bank borrowings	–	30,618	30,618
	81	74,753	74,834
2010			
Financial assets			
Quoted and unquoted shares	–	6,717	6,717
Trade and other receivables *	–	34,916	34,916
Amount owing by subsidiaries	–	20,419	20,419
Amount owing by associates	–	22,900	22,900
Fixed deposits placed with licensed banks	45	1,648	1,693
Cash and bank balances	51	553	604
	96	87,153	87,249

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
Financial liabilities			
Trade and other payables	–	30,336	30,336
Amount owing to subsidiaries	–	22,680	22,680
Amount owing to a jointly controlled entity	–	12	12
Hire purchase payables	–	542	542
Term loans	–	2,000	2,000
Bank borrowings	–	31,821	31,821
	–	87,391	87,391

* *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.

(b) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 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 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
2011				
Financial assets				
Quoted and unquoted shares **	**–**	**6,852**	**–**	**6,852**
Trade and other receivables *	**390,629**	**–**	**–**	**390,629**
Amount owing by associates	**23,817**	**–**	**–**	**23,817**
Fixed deposits placed with licensed banks	**23,220**	**–**	**–**	**23,220**
Cash and bank balances	**53,789**	**–**	**–**	**53,789**
Total carrying amount	**491,455**	**6,852**	**–**	**498,307**

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of Financial Instruments (Cont'd)

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	**–**	**–**	**402,458**	**402,458**
Amount owing to associates	**–**	**–**	**7,638**	**7,638**
Amount owing to a jointly controlled entity	**–**	**–**	**12**	**12**
Hire purchase payables	**–**	**–**	**13,454**	**13,454**
Term loans	**–**	**–**	**33,483**	**33,483**
Bank borrowings	**–**	**–**	**246,587**	**246,587**
Total carrying amount	**–**	**–**	**703,632**	**703,632**

* *exclude prepayment*
** *exclude investment in KL-Kuala Selangor Expressway Berhad amounting to RM30 million.*

Group				
2010				
Financial assets				
Quoted and unquoted shares	–	6,876	–	6,876
Trade and other receivables *	454,730	–	–	454,730
Amount owing by associates	23,174	–	–	23,174
Fixed deposits placed with licensed banks	30,355	–	–	30,355
Cash and bank balances	42,232	–	–	42,232
Total carrying amount	550,491	6,876	–	557,367
Financial liabilities				
Trade and other payables	–	–	379,940	379,940
Amount owing to associates	–	–	7,370	7,370
Amount owing to a jointly controlled entity	–	–	12	12
Hire purchase payables	–	–	8,903	8,903
Term loans	–	–	4,212	4,212
Bank borrowings	–	–	231,448	231,448
Total carrying amount	–	–	631,885	631,885

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
2011				
Financial assets				
Quoted and unquoted shares **	**–**	**6,717**	**–**	**6,717**
Trade and other receivables *	**21,747**	**–**	**–**	**21,747**
Amount owing by subsidiaries	**31,560**	**–**	**–**	**31,560**
Amount owing by associates	**23,764**	**–**	**–**	**23,764**
Fixed deposits placed with licensed banks	**52**	**–**	**–**	**52**
Cash and bank balances	**844**	**–**	**–**	**844**
Total carrying amount	**77,967**	**6,717**	**–**	**84,684**

* *exclude prepayment*
** *exclude investment in KL-Kuala Selangor Expressway Berhad amounting to RM30 million.*

2011				
Financial liabilities				
Trade and other payables	**–**	**–**	**25,135**	**25,135**
Amount owing to subsidiaries	**–**	**–**	**18,061**	**18,061**
Amount owing to associates	**–**	**–**	**26**	**26**
Amount owing to a jointly controlled entity	**–**	**–**	**12**	**12**
Hire purchase payables	**–**	**–**	**82**	**82**
Term loans	**–**	**–**	**900**	**900**
Bank borrowings	**–**	**–**	**30,618**	**30,618**
Total carrying amount	**–**	**–**	**74,834**	**74,834**
2010				
Financial assets				
Quoted and unquoted shares	–	6,717	–	6,717
Trade and other receivables *	34,916	–	–	34,916
Amount owing by subsidiaries	20,419	–	–	20,419
Amount owing by associates	22,900	–	–	22,900
Fixed deposits placed with licensed banks	1,693	–	–	1,693
Cash and bank balances	604	–	–	604
Total carrying amount	80,532	6,717	–	87,249

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
2010				
Financial liabilities				
Trade and other payables	–	–	30,336	30,336
Amount owing to subsidiaries	–	–	22,680	22,680
Amount owing to a jointly controlled entity	–	–	12	12
Hire purchase payables	–	–	542	542
Term loans	–	–	2,000	2,000
Bank borrowings	–	–	31,821	31,821
Total carrying amount	–	–	87,391	87,391

* *exclude prepayment*

(c) Fair values of Financial Instruments

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The fair value hierarchy has the following levels:-

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) 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

(c) Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

As at the end of the reporting period, the analysis of the fair value hierarchy of the Group is as follows:-

Financial Assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
Other investment				
- quoted shares	72	–	–	72

42. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of Financial Instruments (Cont'd)

Other financial assets and liabilities

The carrying amounts of the financial assets and liabilities reported in the financial statements approximated their fair values except for the following:-

	2011		2010	
Financial Assets	**Carrying value RM'000**	**Fair value RM'000**	**Carrying value RM'000**	**Fair value RM'000**
Group				
Other investments				
- unquoted shares	**6,780**	*	6,804	*
Company				
Other investments				
- unquoted shares	**6,717**	*	6,717	*

* The fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the shares

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

(iii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iv) The carrying amounts of the term loans approximated their fair values as they are floating rate instruments which are re-priced to market interest rates.

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.

43. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Borrowings				
Hire purchase payables	**13,454**	8,903	**82**	542
Term loans	**33,483**	4,212	**900**	2,000
Bank borrowings	**246,587**	231,448	**30,618**	31,821
	293,524	244,563	**31,600**	34,363
Less:				
Fixed deposits with licensed banks	**(23,220)**	(30,355)	**(52)**	(1,693)
Cash and bank balances	**(53,789)**	(42,232)	**(844)**	(604)
Net debt	**216,515**	171,976	**30,704**	32,066
Total equity	**142,411**	121,894	**155,137**	137,240
Debt-to-equity ratio	**1.52**	1.41	**0.20**	0.23

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.

44. COMPARATIVE FIGURES

The comparative figures of the Group and of the Company have been audited by another firm of chartered accountants other than Messrs Baker Tilly Monteiro Heng.

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 the Company as at 31st December are as follows:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total (accumulated losses)/ retained profits:				
- realised	**(8,246)**	(15,415)	**28,047**	26,404
- unrealised	**(1,794)**	(525)	**(377)**	51
	(10,040)	(15,940)	**27,670**	26,455
Total share of (accumulated losses)/ retained profits of associates:				
- realised	**(324)**	406	**–**	–
- unrealised	**–**	–	**–**	–
	(324)	406	**–**	–
Total share of (accumulated losses)/ retained profits of jointly controlled entity				
- realised	**(2,003)**	391	**–**	–
- unrealised	**–**	–	**–**	–
	(2,003)	391	**–**	–
At 31st December	**(12,367)**	(15,143)	**27,670**	26,455

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 58 to 166 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 2011 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 167 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: 30th April 2012

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 58 to 166 and the supplementary information set out on page 167 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 30th April 2012)
)

MATTHEW TEE KAI WOON
Director

Before me

Commissioner for Oaths
ARSHAD ABDULLAH
NO. W 550

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 2011 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 58 to 166.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and 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 have been properly 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 2011 and of their financial performance and cash flows for the financial year then ended.

Emphasis of Matters

Without qualifying our opinion, we draw your attention that the auditors' report for the previous financial year ended 31st December 2010 included the following emphasis of matters:

(a) As disclosed in Note 15(a) to Note 15(d) to the financial statements, the gross amount due from contract customers as at 31st December 2010 were costs incurred on certain projects which are in the process of negotiation with main contractors and costs incurred on certain other projects which had been subsequently called off. The directors are of the opinion that no allowance for impairment losses is necessary on these project costs; and

(b) As disclosed in Note 16(a)(i) to Note 16(a)(vii) and Note 18(c) to the financial statements, the Group and the Company have not made any allowance for impairment losses on receivables in relation to those debts past due as the directors are of the opinion that the debts are recoverable.

We discuss below the current status of the matters which gave rise to the emphasis of matters in the audit opinion in respect of the financial statements for the financial year ended 31st December 2010.

(i) As disclosed in Note 15(i) to the financial statements, the Group have charged out project cost incurred amounting to approximately RM32.1 million in the current financial year;

(ii) As disclosed in Note 15(ii) to the financial statements, the Group had received a new letter of intent in relation to a project which was called off in the previous financial year. The directors are of the opinion that the project cost incurred of RM3.4 million is recoverable as the progress of the project will be resumed based on the new letter of intent;

(iii) As disclosed in Note 16(a)(a) to Note 16(a)(g) to the financial statements, the Group collected approximately RM43.578 million from certain receivables which are past due and made approximately RM9 million of allowance for impairment losses on certain identified receivables; and

(iv) As disclosed in Note 18(c) to the financial statements during the financial year, the Group has capitalised approximately RM4 million of the balance outstanding into equity shares of the associate and are in the process of capitalising another RM1 million subsequent to the financial year in order to strengthen the capital structure of the associate. The directors are of the opinion that the remaining balance due from the associate is recoverable based on the expected revenue to be generated by the said associate from its future projects.

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 those subsidiaries without the auditors' reports as disclosed in Note 4 to the financial statements, we have considered the financial statements 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 those subsidiaries with emphasis of matters paragraph in the auditors' reports and those subsidiaries without the auditors' reports as disclosed 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 167 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

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

(b) The financial statements of the Group and of the Company for the financial year ended 31st December 2010 were audited by another firm of chartered accountants, whose report dated 27th April 2011, was not modified but include the following emphasis of matters paragraph on those financial statements:-

"Emphasis of matter

Without qualifying our opinion, we draw attention to the following:

(a) Note 15 to the financial statements. Included in the gross amount due from contract customers as at 31st December 2010 were costs incurred on certain projects which are in the process of negotiation with main contractors and costs incurred on certain other projects which had been subsequently called off. The directors are of the opinion that no allowance for impairment losses is necessary on these project costs; and

(b) Note 16 and Note 18 to the financial statements. The Group and the Company have not made any allowance for impairment losses on receivables in relation to those debts past due as the directors are of the opinion that the debts are recoverable."

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Heng Ji Keng
No. 578/05/12 (J/PH)
Partner

Kuala Lumpur

Date: 30th April 2012

Analysis of Shareholdings

as at 30 April 2012

Authorised Capital	:	RM500,000,000.00
Issued and Paid-up Capital	:	RM124,062,325.00
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	16.43
Tan Sri Datuk Tee Hock Seng, JP	15,709,778#	12.66
Dr. Tony Tan Cheng Kiat	9,368,902*	7.55
Bumimaju Mawar Sdn. Bhd.	8,078,000	6.51

\# *includes beneficial interest held through nominee company and indirect holding 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*	12.39	340,000#	0.27
Dr. Tony Tan Cheng Kiat	9,368,902*	7.55	–	–
Datuk Henry Tee Hock Hin	5,594,668	4.51	–	–
Tay Hock Lee	1,772,707	1.43	–	–
Dato' Anad Krishnan A/L Muthusamy	10,000**	0.01	–	–
Matthew Tee Kai Woon	1,317,000	1.06	–	–

\# *indirect holding through Tee Hock Seng Holdings Sdn. Bhd.*

* *includes beneficial interest held through nominee company*

** *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	0.27	376	0
100 - 1,000	577	17.43	525,424	0.42
1,001 - 10,000	1,965	59.35	10,023,625	8.08
10,001 - 100,000	678	20.48	19,793,177	15.95
100,001 to less than 5% of issued shares	78	2.36	43,526,949	35.08
5% and above of issued shares	4	0.12	50,192,774	40.46
Total	3,311	100	124,062,325	100

Thirty Largest Shareholders

as at 30 April 2012

		No. of Shares	% of Shares
1.	Jentera Jati Sdn. Bhd.	20,388,000	16.43
2.	UOBM Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Tee Hock Seng (PCB)	13,297,872	10.72
3.	Dr. Tony Tan Cheng Kiat	8,768,902	7.07
4.	Bumimaju Mawar Sdn. Bhd.	8,078,000	6.51
5.	Datuk Henry Tee Hock Hin	5,594,668	4.51
6.	Maju Offshore Sdn. Bhd.	5,565,000	4.49
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dato' Mohamed Feisal Bin Ibrahim (514123808681)	5,238,000	4.22
8.	MSX Ventures Sdn. Bhd.	2,456,900	1.98
9.	Tan Sri Datuk Tee Hock Seng, JP	2,071,906	1.67
10.	Tay Hock Lee	1,772,707	1.43
11.	Cheo Chet Lan @ Chow Sak Nam, KMN	1,581,707	1.27
12.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN (100528)	1,465,177	1.18
13.	Matthew Tee Kai Woon	1,317,000	1.06
14.	Tee Hock Loo	1,215,207	0.98
15.	Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : AmTrustee Berhad for Apex Dana Al-Faiz-I (UT-Apex-Faiz)	842,600	0.68
16.	Toh Hoon Kheng	725,000	0.58
17.	Public Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dato' Yap Kun Lee (E-KPG)	709,600	0.57
18.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	600,000	0.48
19.	Lim Seng Chee	594,900	0.48
20.	Ang Beng Eng	551,077	0.44
21.	Kong Sing Chu	465,000	0.37

Thirty Largest Shareholders
as at 30 April 2012 (Cont'd)

		No. of Shares	% of Shares
22.	Loo Chiew Hoe	419,000	0.34
23.	Lee Yow Chun	400,000	0.32
24.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Ramli Bin Yusuff (Dealer 060-Margin)	360,000	0.29
25.	Yeow Kim Ee	353,000	0.28
26.	Ang Seng Suan	350,000	0.28
27.	Tee Hock Seng Holdings Sdn. Bhd.	340,000	0.27
28.	Tai Chong Yih	311,400	0.25
29.	RHB Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Bok Soon Boey	300,000	0.24
30.	Usha A/P K. Gunagnanam	290,000	0.23
	Total	**86,422,623**	**69.62**

List of Properties

31 December 2011

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 31 Dec 11 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	14	Office	14,927
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	19	Guest House	1,089
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	19	Office	474
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	19	Office	566 176
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	17	Office cum factory	1,299
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	7	Office	2,834
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	15	Guest House	305
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	13	Vacant	112
Lot 3261, Mukim Beranang Daerah Ulu Langat Negeri Selangor Darul Ehsan	Freehold land	26 Oct 2009	Freehold	–	634 acres	–	Vacant	547
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	728
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	290
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	–	Site Office / Plant	2,554

Recurrent Related Party Transactions

At the Annual General Meeting held on 1 June 2011, 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 2011 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 YB Tan Sri Datuk Tee Hock Seng,JP and a member of his family collectively hold approximately 93.33% equity interest	(i) Bina Puri Holdings Bhd	473
		(ii) Bina Puri Sdn Bhd	43
		(iii) Bina Puri Construction Sdn Bhd	366
		(iv) Sungai Long Industries Sdn Bhd	18
		(v) Maskimi Polyol Sdn Bhd	27
		(vi) Easy Mix Sdn Bhd	9
Purchase of diesel	New Hoong Wah Holdings Sdn Bhd, a company in which Director YB Tan Sri Datuk Tee Hock Seng, JP has 50% financial interest	(i) Bina Puri Holdings Bhd	170
		(ii) Bina Puri Sdn Bhd	114
		(iii) Bina Puri Construction Sdn Bhd	133
		(iv) Sungai Long Industries Sdn Bhd	348
		(v) Easy Mix Sdn Bhd	30
Project management services	Ideal Heights Properties Sdn Bhd , a company in which YB Tan Sri Datuk Tee Hock Seng,JP, Dr Tony Tan Cheng Kiat, Mr Tay Hock Lee, YB Datuk Tee Hock Hin, collectively hold 51% equity interest	(i) Bina Puri Holdings Bhd	60
Sale of quarry products	Kumpulan Melaka Bhd, a company which holds 30% equity interest in the Company' subsidiary, KM Quarry Sdn. Bhd.	(i) KM Quarry Sdn Bhd	2

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

BINA PURI SDN. BHD. (23296-X)

Kuala Lumpur Office
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: bpuri@po.jaring.my

Kuching Office
No. 19 & 20
Travillian Commercial Centre
Jalan Petanak, 93100
Kuching, Sarawak, Malaysia
Tel: (6082) 241 991 / 240 992
Fax: (6082) 241 994

BINA PURI CONSTRUCTION SDN. BHD. (181471-P)

Kuala Lumpur Office
14 & 15, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel: (603) 6137 8500
Fax: (603) 6137 8511
E-mail: bpcon@po.jaring.my

Kota Kinabalu Office
Lot 104-107, Block L
Lorong Plaza Permai 5
Alamesra
Sulaman - Coastal Highway
88400 Kota Kinabalu
Sabah, Malaysia
Tel: (6088) 485 737/727
Fax: (6088) 485 737/722
E-mail: binapuri.kk@binapuri.com

HIGHWAY CONCESSION

Associate

KL - Kuala Selangor Expressway Berhad
Kompleks Operasi Lebuhraya KL-Kuala
Selangor Km 12 Lebuhraya KL- Selangor
45600 Bestari Jaya Selangor Darul Ehsan,
Malaysia
Tel: (603) 6145 1500
Call Centre : (603) 6145 1515
Fax : (603) 6145 1400

PROPERTY DEVELOPMENT

BINA PURI PROPERTIES SDN. BHD. (246157-M)
Lot 104-107, Block L
Lorong Plaza Permai 5
Alamesra
Sulaman - Coastal Highway
88400 Kota Kinabalu
Sabah, Malaysia
Tel: (6088) 485 737/727
Fax: (6088) 485 737/722
E-mail: binapuri.kk@binapuri.com

IDEAL HEIGHTS PROPERTIES SDN. BHD. (127701-D)
No. 1 & 2, Jalan Bukit Idaman 8/1
P.O. Box 20, Bukit Idaman
68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel: (603) 6138 6102
Fax: (603) 6138 7890
E-mail: ihp@po.jaring.my

QUARRY DIVISION

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: easymix@po.jaring.my

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@my.jaring.net

SUNGAI LONG INDUSTRIES SDN. BHD. (198655-D)
SUNGAI LONG BRICKS SDN. BHD. (332315-X)
Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel: (603) 9021 2400
Fax: (603) 9021 2425
E-mail: sglong@po.jaring.my

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:maskimi@po.jaring.my

UTILITIES

PT MegaPower Makmur
Komplek Galeri Niaga Mediterania 2,
Blok M8-i Jl. Pantai Indah Utara II -
Pantai Indah Kapuk,
Jakarta Utara 14460,
Indonesia
Tel : +6221 588 3595
Fax : +6221 588 3594

INTERNATIONAL DIRECTORY

BINA PURI (THAILAND) LTD.
947/127 Moo 12, Bangna Sub District
Bangna District, 10260 Bangkok
Thailand
Tel: (0066) 2-744 1366
(0066) 2-744 1367
Fax: (0066) 2-744 1369

BINA PURI PAKISTAN (PVT) LTD.
No 84, Street No 3 Sector HH,
Phase - IV
DHA Lahore, Pakistan
Tel: 0092 - 4235 74 7888
Fax: 0092 - 4235 745999

BINA PURI (B) SDN. BHD.
No. 2, 2nd Floor, Block C
Bangunan Begawan
Pehin Dato' Hj Md Yusof
Kg Kiulap, Bandar Seri Begawan
BE1518, Brunei Darussalam
Tel: (673) 223 2373
Fax: (673) 223 2371

BINA PURI HOLDINGS BHD. - ABU DHABI BRANCH
PO Box 714 Abu Dhabi
United Arab Emirates
Tel: (0097) 12-650 1112
Fax: (0097) 12-650 1113

BINA PURI SAUDI CO LTD
2nd Floor, Dubai National Emirate Building
Tahlia Street
P.O. Box 300314
Riyadh 11372
Kingdom Of Saudi Arabia
Tel : 00966 1 465 1033
Fax : 00966 1 465 1228

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BINA PURI HOLDINGS BHD.

(207184-X)

PROXY FORM

I/We ....

(Full Name in block letters & IC No../Company no.)

of ....

(Address)

being (a) member(s) of BINA PURI HOLDINGS BHD. hereby appoint ....

(Full name in block letters & IC No.)

of ....

(Address)

No. of shares represented .... % of shareholding represented ....

or failing him/her ....

(Full name in block letters & IC No.)

of ....

(Address)

No. of shares represented .... % 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-First 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 Wednesday, 13 June 2012 at 11:00 a.m. and at any adjournment thereof, as indicated below:

Resolution	Agenda	For	Against
Ordinary Resolution 1	Receipt of Audited Accounts for the year ended 31 December 2011		
Ordinary Resolution 2	Re-election of Dr Tan Cheng Kiat		
Ordinary Resolution 3	Re-election of Datuk Tee Hock Hin		
Ordinary Resolution 4	Re-election of Khalid Bin Sufat		
Ordinary Resolution 5	Approval of final dividend of 2% less 25% income tax		
Ordinary Resolution 6	Ratification and approval of directors' annual fees of RM488,000.00		
Ordinary Resolution 7	Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors		
Ordinary Resolution 8	Re-appointment of En. Yusuf Khan Bin Ghows Khan		
Ordinary Resolution 9	Sea Travel and Tours Sdn. Bhd. and New Hong Wah Holdings Sdn. Bhd.		
Ordinary Resolution 10	Messrs Anad & Noraini		
Ordinary Resolution 11	Kumpulan Melaka Bhd.		
Ordinary Resolution 12	Ideal Heights Properties 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		
Special Resolution	Proposed amendments to Articles of Association		

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.

No. Of Shares Held	
CDS Accounts No.	

Dated this .... day of 2012

....

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 shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. The provision of Section 149(1)(c) of the Act shall not apply to the Company.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy 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 authorized 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 this 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 therof.
9. Only members whose names appear in the Record of Depositors as at 7 June 2012 shall be eligible to attend the Twenty-First 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

Ampang LRT Extension Package A

The Haven, Ipoh, Perak

Bina Puri Holdings Bhd. (207184-X)

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

T : 603-6136 3333
F : 603-6136 9999
E : corpcomm@binapuri.com.my
W : www.binapuri.com.my