

BinaPuri Holdings Bhd

SINCE 1975

The Main Place Mall



Plaza Merdeka, Kuching, Sarawak



The Haven, Ipoh, Perak



The Regalia Service Apartments, Kuala Lumpur



Universiti Malaysia Kelantan (UMK), Bachok, Kelantan



The Malaysian Construction Industry Excellence Awards (MCIEA) 2012
- Major Project Award

Partners in Nation Building



ANNUAL REPORT **2012**

Artist impression of a new development
in Brickfields, Kuala Lumpur



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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of the Company will be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Friday, 28 June 2013 at 11:00 a.m. to transact the following business:-

Ordinary business

1. To receive the Audited Accounts for the year ended 31 December 2012 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**
2. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:
 - 2.1 Tay Hock Lee **Ordinary Resolution 2**
 - 2.2 Matthew Tee Kai Woon **Ordinary Resolution 3**
3. To re-elect the following Directors who retire pursuant to Article 87 of the Company's Articles of Association:
 - 3.1 Tan Kwe Hee **Ordinary Resolution 4**
 - 3.2 Dato' Yeow Wah Chin **Ordinary Resolution 5**
 - 3.3 Ir. Ghazali Bin Bujang **Ordinary Resolution 6**
 - 3.4 Mohd Najib Bin Abdul Aziz **Ordinary Resolution 7**
4. To approve the final dividend of 2% less 25% income tax in respect of the financial year ended 31 December 2012. **Ordinary Resolution 8**
5. To ratify and approve directors' annual fees of RM492,000.00. **Ordinary Resolution 9**
6. To re-appoint Messrs Baker Tilly Monteiro Heng (AF 0117) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 10**

Special business

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

7. Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions

"THAT, subject to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or its subsidiary companies be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature set out in paragraph 2.5 of the Circular to Shareholders of the Company dated 6 June 2013 which are necessary for their day-to-day operations with:

- 7.1 Sea Travel and Tours Sdn. Bhd. and New Hong Wah Holdings Sdn. Bhd. **Ordinary Resolution 11**
- 7.2 Kumpulan Melaka Bhd. **Ordinary Resolution 12**
- 7.3 Ideal Heights Properties Sdn. Bhd. **Ordinary Resolution 13**
- 7.4 Dimara Building System Sdn. Bhd. **Ordinary Resolution 14**
- 7.5 Dimara Construction Sdn. Bhd. **Ordinary Resolution 15**

subject further to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) appropriate disclosure is made in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of the Bursa Securities, which requires an actual breakdown of the aggregate value of the recurrent related party transactions entered into during the financial year, including amongst others, the type of recurrent related party transactions and the names of the related parties involved in each type of the recurrent related party transactions

Notice of Annual General Meeting (Cont'd)



entered into and their respective relationships with the Company and that such approval shall, subject to annual renewal, continue to be in force until:

- i. the conclusion of the next annual general meeting of the Company (unless by a resolution or resolutions passed at the said annual general meeting, the authority is renewed);
 - ii. the expiry of the period within which the next annual general meeting of the Company following the forthcoming annual general meeting at which this mandate is approved, is required to be held pursuant to Section 143(1) of the Companies Act, 1965, without regard to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or
 - iii. revoked or varied by a resolution or resolutions passed by the shareholders of the Company in general meeting, whichever is the earliest; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by these ordinary resolutions."

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

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

Ordinary Resolution 16

9. **Proposed Renewal of Authority by the Company to Purchase up to Ten Percent (10%) of its Issued and Paid-Up Share Capital ("Proposed Renewal of Share Buy-Back")**

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

Ordinary Resolution 17

- (a) the aggregate number of shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the issued and paid-up capital of the Company at any one time; and
- (b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits and/or share premium of the Company;

AND THAT the Directors be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 67A of the Companies Act, 1965) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder



Notice of Annual General Meeting (Cont'd)

and to deal with the Purchased Shares in such other manner as may be permitted by the Companies Act, 1965, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

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

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

10. **Proposed private placement of up to 44,108,000 new ordinary shares of RM1.00 each in Bina Puri Holdings Bhd. ("Bina Puri Shares") ("Placement Shares"), representing approximately thirty percent (30%) of the enlarged issued and paid-up share capital of the Company (excluding treasury shares, if any) ("Proposed Private Placement")**

"THAT, subject to all approvals being obtained from the relevant authorities, including but without limiting, the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, approval be and is hereby given to the Board of Directors of the Company ("Board") to allot and issue up to 44,108,000 Placement Shares at an issue price to be determined based on the five (5)-day volume weighted average market price of Bina Puri Shares immediately preceding the date on which the price of the Placement Shares will be fixed with a discount of not more than ten percent (10%) or at par value, whichever is higher, to such persons and at such time as the Board deem fit, for such purpose and utilisation of proceeds as disclosed in the Circular to Shareholders dated 6 June 2013.

Ordinary Resolution 18

THAT the Placement Shares, shall upon allotment and issue, rank *pari passu* in all respects with the existing Bina Puri Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the Placement Shares.

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Private Placement."

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

Notice of Annual General Meeting (Cont'd)



Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN that the final dividend, if approved, will be paid on 31 July 2013 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 19 July 2013.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 19 July 2013 in respect of transfers; and
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

TOH GAIK BEE
MAICSA 7005448
Company Secretary

Selangor Darul Ehsan
Date: 6 June 2013

Notes:

1. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
2. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.
4. A Member of the Company who is entitled to attend and vote at a meeting of the Company or at a meeting of any class of Members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting.
5. Where a Member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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

8. To be valid the proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selangor, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
9. Only members whose names appear in the Record of Depositors as at 24 June 2013 shall be eligible to attend the Twenty-Second Annual General Meeting or appoint proxy(ies) to attend and vote on his behalf.



Notice of Annual General Meeting (Cont'd)

Explanatory Notes on Special Business:

Proposed renewal of shareholders' mandate for recurrent related party transactions

The ordinary resolutions 11, 12, 13, 14 and 15, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in paragraph 2.5 of the Circular to Shareholders on recurrent related party transactions dated 6 June 2013 despatched with the Annual Report 2012.

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

The ordinary resolution 16, if passed, will give the Directors the authority to allot and issue ordinary shares from the unissued share capital of the Company up to an amount not exceeding 10% of the Company's issued share capital for the time being for such purposes as the Directors consider would be in the interests of the Company without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next general meeting.

This mandate is a renewal of the last mandate granted to the Directors at the Twenty-First Annual General Meeting held on 13 June 2012 which will lapse at the conclusion of the Twenty-Second Annual General Meeting.

The Company has issued 4.7 million new shares of RM1.00 each at an issue price of RM1.00 each, raising net proceeds of RM4.6 million under the general authority pursuant to the private placement which was approved at the Twenty-First Annual General Meeting held on 13 June 2012. RM3.4 million of the proceeds arising from the exercise was utilised for working capital purposes and the balance of RM1.2 million for repayment of bank borrowings.

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

Proposed Renewal of Share Buy-back

The ordinary resolution 17, if passed, will empower the Directors to purchase the Company's shares through Bursa Securities of up to 10% of the total issued and paid-up share capital of the Company.

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

Proposed Private Placement

For ordinary resolution 18, further information on the Proposed Private Placement is set out in the Circular to Shareholders dated 6 June 2013 which is despatched with the Company's Annual Report 2012.

Statement Accompanying Notice of Annual General Meeting

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

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

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

Share Buy-Back Statement



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

1. INTRODUCTION

On 13 June 2012, the Company had obtained approval from the shareholders of the Company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company. The said authority will lapse at the conclusion of this forthcoming Annual General Meeting ("AGM").

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

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

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

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

Based on the issued and paid-up share capital of the Company as at 29 May 2013 of RM129,115,550 comprising 129,115,550 ordinary shares of RM1.00 each and an outstanding 9,248,150 ESOS options, a total of 19,113,770 Bina Puri shares may be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back, assuming full exercise of outstanding ESOS options granted under the Company's existing ESOS, full issuance of the remaining 8,666,000 placement shares pursuant to the Private Placement 2013* ("Remaining Placement Shares") and 44,108,000 placement shares pursuant to the Proposed Private Placement** ("Placement Shares").

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

- (i) the conclusion of the next AGM of Bina Puri following the general meeting at which the ordinary resolution for the Proposed Renewal of Share Buy-Back is passed, at which time such authority shall lapse unless it is renewed by ordinary resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first.

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

The Board proposes to allocate an amount of up to retained profits and/or share premium account of the Company for the purchase of its own shares subject to the compliance with Section 67A of the Companies Act, 1965 ("Act") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. Based on the latest audited financial statements of Bina Puri as at 31 December 2012, the retained profits amounted to approximately RM27.262 million and the share premium account amounted to approximately RM5.145 million.

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



Share Buy-Back Statement (Cont'd)

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

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

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

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

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

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

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

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

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

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

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

As at 29 May 2013, the public shareholding spread of the Company based on the issued and paid-up share capital of RM129,115,550 Bina Puri Shares was 42.46%. The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirements not being met.



The Company did not purchase any Bina Puri shares during the financial year ended 31 December 2012.

Notes:-

- * The private placement exercise of up to ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) to investors to be identified later which was announced on 17 January 2013 ("Private Placement 2013").
- ** The proposed private placement of up to thirty percent (30%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) which was announced on 10 May 2013 ("Proposed Private Placement").

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

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

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

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

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

4. ADVANTAGES AND DISADVANTAGES

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

- (i) allows the Company to take preventive measures against speculation particularly when its shares are undervalued, which would in turn, stabilise the market price of Bina Puri shares and hence, enhance investors' confidence;
- (ii) allows the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- (iii) if the purchased shares which are retained as treasury shares are resold at a higher price, it will provide the Company with opportunities for potential gains; and
- (iv) If the treasury shares are distributed as dividends by the Company, it may then serve to reward the shareholders of the Company.

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

- (i) reduce the financial resources of the Company which may otherwise be retained and used for the businesses of the Group. Nevertheless, the Board will be mindful of the interests of the Group and its shareholders in undertaking the Proposed Renewal of Share Buy-Back; and
- (ii) as the Proposed Renewal of Share Buy-Back can only be made out of retained earnings and the share premium account, it may result in the reduction of financial resources available for distribution as dividends and bonus issues to the shareholders of the Company.



Share Buy-Back Statement (Cont'd)

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

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

- Minimum scenario : Assuming none of the outstanding ESOS options granted are exercised and none of the Remaining Placement Shares and Placement Shares are issued.
- Maximum scenario : Assuming full exercise of the ESOS options granted, full issuance of the Remaining Placement Shares and the Placement Shares.

5.1 Share Capital

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

	Minimum scenario		Maximum scenario	
	No. of shares '000	RM'000	No. of shares '000	Total RM'000
Issued and paid-up share capital*	129,116	129,116	129,116	129,116
Assuming full exercise of the ESOS options granted **	—	—	9,248	9,248
	129,116	129,166	138,364	138,364
Assuming issuance of the Remaining Placement Shares	—	—	8,666	8,666
	129,116	129,116	147,030	147,030
Assuming issuance of the Placement Shares	—	—	44,108	44,108
Enlarged share capital	129,116	129,116	191,138	191,138
Assuming maximum number of purchased shares are cancelled pursuant to the Proposed Renewal of Share Buy- Back	(12,912)	(12,912)	(19,114)	(19,114)
Upon completion of the Proposed Renewal of Share Buy-Back	116,204	116,204	172,024	172,024

Notes:-

* As at 29 May 2013

** As at 29 May 2013, Bina Puri has 9,248,150 ESOS options granted but not exercised

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

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

5.2 Substantial Shareholders' and Directors' Shareholdings

The proforma effects of the Proposed Renewal of Share Buy-Back on the shareholdings of the Directors and substantial shareholders of the Company are set out below based on the Register of Substantial Shareholders and Register of Directors as at 29 May 2013:-

Share Buy-Back Statement (Cont'd)



(i) Minimum Scenario

	As at 29 May 2013				After the Proposed Renewal of Share Buy-Back [^]			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Substantial shareholders								
Jentera Jati Sdn. Bhd.	20,388,000	15.79	—	—	20,388,000	17.55	—	—
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	11.90	400,000*	0.31	15,369,778	13.23	400,000*	0.34
Dr. Tony Tan Cheng Kiat	9,368,902	7.26	—	—	9,368,902	8.06	—	—
Bumimaju Mawar Sdn. Bhd.	8,078,000	6.26	—	—	8,078,000	6.95	—	—
Directors								
Tan Sri Dato' Ir. Wong Foon Meng	—	—	—	—	—	—	—	—
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	11.90	400,000*	0.31	15,369,778	13.23	400,000*	0.34
Dr Tony Tan Cheng Kiat	9,368,902	7.26	—	—	9,368,902	8.06	—	—
Matthew Tee Kai Woon	1,429,625	1.11	—	—	1,429,625	1.23	—	—
Datuk Henry Tee Hock Hin	5,594,668	4.33	—	—	5,594,668	4.81	—	—
Tan Kwe Hee	121,000	0.09	—	—	121,000	0.10	—	—
Tay Hock Lee	1,807,707	1.40	—	—	1,807,707	1.56	—	—
Yusuf Khan bin Ghows Khan	—	—	—	—	—	—	—	—
Khalid bin Sufat	—	—	—	—	—	—	—	—
Dato' Anad Krishnan A/L Muthusamy	—	—	—	—	—	—	—	—
Tan Seng Hu	—	—	—	—	—	—	—	—
We Her Ching	104,900	0.08	—	—	104,900	0.09	—	—

Notes:-

* Deemed interested by virtue of his direct interest in Tee Hock Seng Holdings Sdn. Bhd. pursuant to Section 6A of the Act.

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



Share Buy-Back Statement (Cont'd)

(ii) Maximum Scenario

	As at 29 May 2013			(I) Assuming full exercise of the ESOS options granted#			(II) After (I) and Assuming Issuance of the Remaining Placement Shares		
	Direct No. of shares	%	Indirect No. of shares	Direct No. of shares	%	Indirect No. of shares	Direct No. of shares	%	Indirect No. of shares
Substantial shareholders									
Jentera Jati Sdn. Bhd.	20,388,000	15.79	-	20,388,000	14.74	-	20,388,000	13.87	-
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	11.90	400,000*	15,369,778	11.11	400,000*	15,369,778	10.45	400,000*
Dr. Tony Tan Cheng Kiat	9,368,902	7.26	-	10,368,902	7.49	-	10,368,902	7.05	-
Bumimaju Mawar Sdn. Bhd.	8,078,000	6.26	-	8,078,000	5.84	-	8,078,000	5.49	-
Directors									
Tan Sri Dato' Ir. Wong Foon Meng	-	-	-	-	-	-	-	-	-
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	11.90	400,000*	15,369,778	11.11	400,000*	15,369,778	10.45	400,000*
Dr Tony Tan Cheng Kiat	9,368,902	7.26	-	10,368,902	7.49	-	10,368,902	7.05	-
Matthew Tee Kai Woon	1,429,625	1.11	-	1,429,625	1.03	-	1,429,625	0.97	-
Datuk Henry Tee Hock Hin	5,594,668	4.33	-	6,194,668	4.48	-	6,194,668	4.21	-
Tan Kwe Hee	121,000	0.09	-	121,000	0.09	-	121,000	0.08	-
Tay Hock Lee	1,807,707	1.40	-	2,307,707	1.67	-	2,307,707	1.57	-
Yusuf Khan Bin Ghows Khan	-	-	-	-	-	-	-	-	-
Khalid Bin Sufat	-	-	-	-	-	-	-	-	-
Dato' Anad Krishnan A/L Muthusamy	-	-	-	-	-	-	-	-	-
Tan Seng Hu	-	-	-	-	-	-	-	-	-
We Her Ching	104,900	0.08	-	554,900	0.40	-	554,900	0.38	-

Notes:-

* Deemed interested by virtue of his direct interest in Tee Hock Seng Holdings Sdn. Bhd. pursuant to Section 6A of the Act.

Assuming 9,248,150 options were granted and exercised under the Company's ESOS.

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

Share Buy-Back Statement (Cont'd)



	(III) After (II) and Assuming Issuance of the Placement Shares				(IV) After (III) and the Proposed Renewal of Share Buy-Back [^]			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Substantial shareholders								
Jentera Jati Sdn. Bhd.	20,388,000	10.67	—	—	20,388,000	11.85	—	—
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	8.04	400,000*	0.21	15,369,778	8.93	400,000*	0.23
Dr. Tony Tan Cheng Kiat	10,368,902	5.42	—	—	10,368,902	6.03	—	—
Burmajau Mawar Sdn. Bhd.	8,078,000	4.23	—	—	8,078,000	4.70	—	—
Directors								
Tan Sri Dato' Ir. Wong Foon Meng	—	—	—	—	—	—	—	—
Tan Sri Datuk Tee Hock Seng, JP	15,369,778	8.04	400,000*	0.21	15,369,778	8.93	400,000*	0.32
Dr Tony Tan Cheng Kiat	10,368,902	5.42	—	—	10,368,902	6.03	—	—
Matthew Tee Kai Woon	1,429,625	0.75	—	—	1,429,625	0.83	—	—
Datuk Henry Tee Hock Hin	6,194,668	3.24	—	—	6,194,668	3.60	—	—
Tan Kwe Hee	121,000	0.06	—	—	121,000	0.07	—	—
Tay Hock Lee	2,307,707	1.21	—	—	2,307,707	1.34	—	—
Yusuf Khan Bin Ghows Khan	—	—	—	—	—	—	—	—
Khalid Bin Sufat	—	—	—	—	—	—	—	—
Dato' Anad Krishnan A/L Muthusamy	—	—	—	—	—	—	—	—
Tan Seng Hu	—	—	—	—	—	—	—	—
We Her Ching	554,900	0.29	—	—	554,900	0.32	—	—

Notes:-

* Deemed interested by virtue of his direct interest in Tee Hock Seng Holdings Sdn. Bhd. pursuant to Section 6A of the Act.

Assuming 9,248,150 options were granted and exercised under the Company's ESOS.

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



Share Buy-Back Statement (Cont'd)

5.3 Net Assets

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

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

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

5.4 Earnings

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

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

5.5 Working capital

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

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

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

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

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

Share Buy-Back Statement (Cont'd)



7. DIRECTORS' RECOMMENDATION

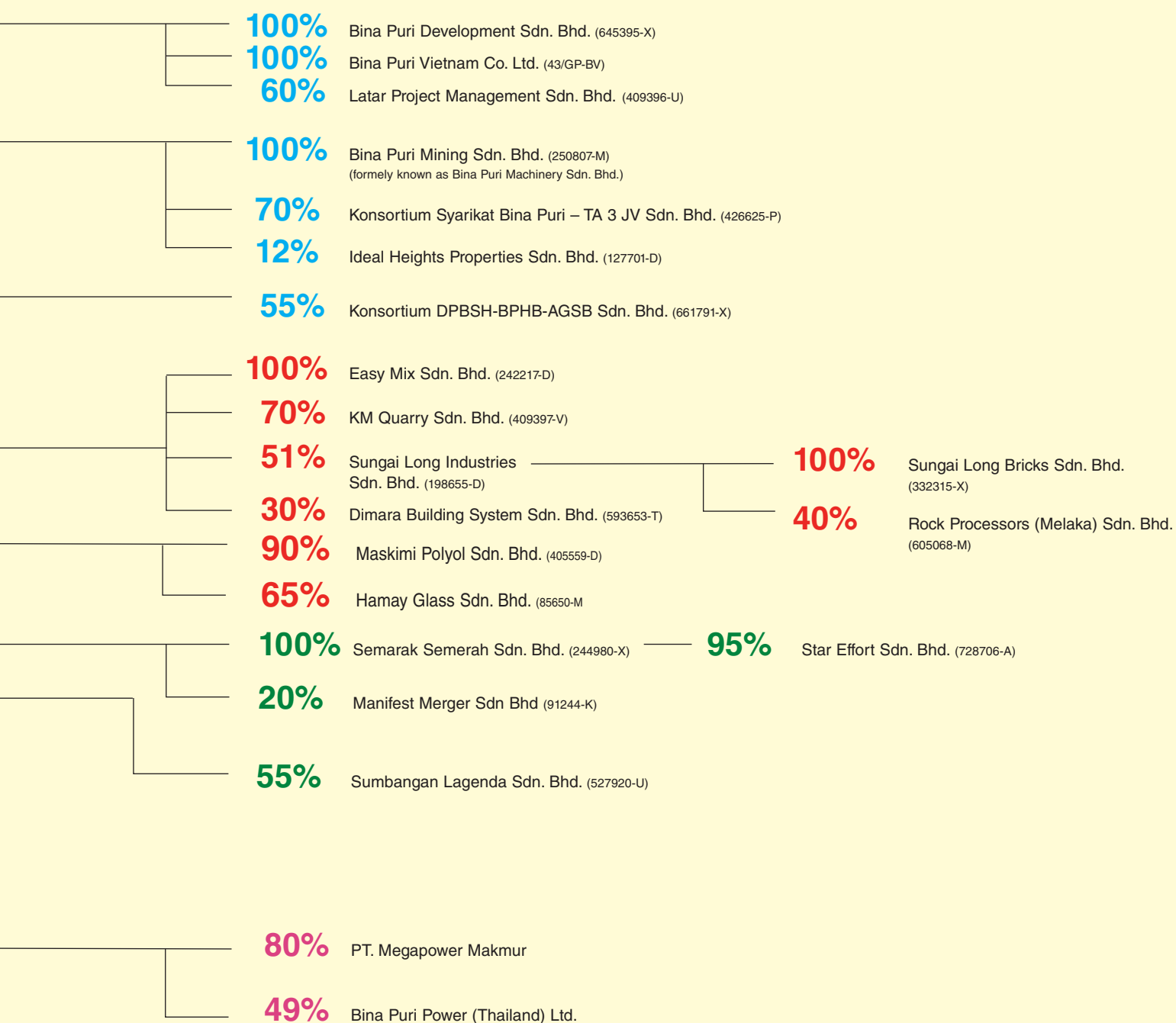
The Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back and after careful deliberation, is of the opinion that the Proposed Renewal of Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the relevant resolutions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

8. DISCLAIMER STATEMENT

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

Group Corporate Structure





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



Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Wong Foon Meng
 Tan Sri Datuk Tee Hock Seng, JP
 Dr. Tony Tan Cheng Kiat
 Datuk Henry Tee Hock Hin
 Matthew Tee Kai Woon
 Tan Kwe Hee (appointed on 07.03.2013)
 Tay Hock Lee
 Dato' Yeow Wah Chin (appointed on 31.05.2013)
 Ir. Ghazali Bin Bujang (appointed on 31.05.2013)
 Mohd Najib Bin Abdul Aziz (appointed on 31.05.2013)
 Tan Seng Hu
 We Her Ching

Chairman / Independent Non-Executive Director
Group Managing Director
Founder Director
Executive Director
Group Executive Director
Group Director, Finance, Credit Control and Legal
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Alternate Director to Dr. Tony Tan Cheng Kiat
Alternate Director to Datuk Henry Tee Hock Hin

BOARD COMMITTEES

Group Executive Committee

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPANY SECRETARY

Toh Gaik Bee
 MAICSA 7005448

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AUDITORS

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

Board of Directors



Tan Sri Dato' Ir Wong Foon Meng

Malaysian, aged 59, was appointed as Chairman/Non-Executive Director of the Company on 1 June 2010 and redesignated as Independent Non-Executive Director on 20 April 2013.

He graduated in mechanical engineering from the University of Technology Malaysia in 1978. He spent his early career in Government service where he held various positions at technical and administrative level. He had a distinguished career during his 13 years service and had been attending various technical trainings, conferences and management courses at international level among others in Thailand, Philippines, Japan, France, Yugoslavia and USA. He had also been accorded the Excellence Service Award by the Ministry of Science, Technology and Environment in 1982. His last position held was as the Regional Director of Department of Environment for Terengganu and Kelantan before he left the service to be in the private practice in 1991.

He was elected as a State Assemblyman in Terengganu in 1995 and subsequently appointed as a member of the State Executive Council (EXCO). He was appointed as Senator and elected as Deputy President of the Senate of

Parliament of Malaysia in 2004. He was then elected as the President of the Senate from July 2009 until April 2010. During his tenure with the Parliament, he had fostered close bilateral relationships with the Governments and Parliaments of countries in Asia, Africa, Europe as well as South America.

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

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



Board of Directors (Cont'd)



Tan Sri Datuk Tee Hock Seng, JP

Malaysian, aged 64, was appointed to the Board on 5 November 1990 and was subsequently appointed as the Group Managing Director on 22 November 1994. He is an experienced entrepreneur with more than 40 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

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

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

He was accorded the “Most Prominent Player” by the Construction Industry Development Board in 2005 which was one of the highest individual accolade recognised by the industry.

As at 17 May 2013, he held 15,369,778 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 171 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

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



Dr Tony Tan Cheng Kiat



Matthew Tee Kai Woon



Datuk Henry Tee Hock Hin

Malaysian, aged 65, founded Bina Puri Sdn. Bhd. in 1975 and has been the Executive Chairman since its inception. He was appointed to the Board of the Company on 5 November 1990. He is responsible for the growth and ongoing development of the Company's business. He was instrumental in the development of a number of major projects throughout Malaysia for the Group. He holds a doctorate in Business Administration and is also a licensed builder. He has been successful as a private property developer in Australia. With his wide experience, he has brought much progress to the Group.

As at 17 May 2013, he held 9,368,902 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 171 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

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

Malaysian, aged 38, was appointed as Alternate Director to Tan Sri Datuk Tee Hock Seng, JP on 18 December 2007 and became an Executive Director on 1 December 2009. He was redesignated as Group Executive Director on 7 March 2013. He joined the Company in December 2003 as Special Assistant to the Group Managing Director. He is a Chartered Accountant and has been admitted as a member of the Malaysian Institute of Accountants (MIA). He is also a Certified Financial Planner and a member of the Certified Practising Accountant, Australia.

He was the Administrator of the Chinese Maternity Hospital from 2001 to 2003 and was previously attached to PricewaterhouseCoopers in the audit department. He is currently the President of the Master Builders Association Malaysia and Treasurer of the Malaysian Steel Structural Association. He also holds directorships in several other companies.

As at 17 May 2013, he held 1,429,625 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries. He is a member of the Group Executive Committee.

Malaysian, aged 55, was appointed to the Board of the Company on 5 November 1990. He has held the position of Managing Director of Bina Puri Construction Sdn. Bhd. since 22 August 1996. He is responsible for the overall management of projects and operations. He has wide exposure and experience in the management of civil and building construction overseas and in both East and West Malaysia. He represents the Company on the Board of a number of its subsidiaries.

As at 17 May 2013, he held 5,594,668 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 171 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

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



Board of Directors (Cont'd)



Tan Kwe Hee

Malaysian, aged 69, was appointed to the Board on 7 March 2013 as Group Director, Finance, Credit Control and Legal. He holds a Master Degree in Business Administration from Hull University, UK.

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

Mr. Tan was also appointed by Bank Negara Malaysia in August 1996 as Loan Recovery Advisor for the former Rakyat Merchant Bank Assets (RMBB Assets) Loan recovery committee until June 2009 where the remaining accounts were outsourced by BNM to him to take over the entire recovery work.

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

As at 17 May 2013, he held 121,000 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries. He is a member of the Group Executive Committee.



Tay Hock Lee

Malaysian, aged 59, was appointed to the Board of the Company on 5 November 1990. He has more than 20 years experience in the building and civil engineering industry. He is a director of Ideal Heights Holdings Bhd. and also holds directorships in several other companies.

As at 17 May 2013, he held 1,807,707 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 171 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.



Dato' Yeow Wah Chin

Malaysian, aged 53, was appointed to the Board on 31 May 2013. A lawyer by profession, Dato' Yeow holds a Bachelor of Economics (Hons) degree from University Kebangsaan Malaysia in 1984 and worked with Malayan Banking Bhd for a few years before he went for further studies to read law at the University College of Wales, Aberystwyth, United Kingdom in September, 1989 where he graduated with LLB (Hons) degree in 1991. Upon his return, he sat and passed the Certificate in Legal Practice and continued to serve Malayan Banking Bhd. for two years before he set up his own legal practice, Messrs Yeow & Salleh in 1994.

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

Dato' Yeow is an active member and a senior Lion Leader of Lions Clubs International District 308B1 Malaysia. He served as its District Governor in 2010-2011 and Vice Council Chairman of Multiple District 308 in 2011-2012. In 2011 he founded Lions Education Foundation, of which he is the founding Chairman.

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

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



Ir Ghazali Bujang

Malaysian, aged 62, was appointed to the Board of the Company on 31 May 2013. He is an engineer by profession and is currently the Executive Chairman of Ghazali & Associates Sdn. Bhd. He graduated with a Bachelor of Engineering from the University of Liverpool, England in 1974 and obtained a Master of Science from the University of Leeds, England in 1979.

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

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

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



Board of Directors (Cont'd)



Mohd Najib Bin Abdul Aziz

Malaysian, aged 40 was appointed to the Board on 31 May 2013. He is an accountant by profession and graduated from the University of New South Wales, Australia with a Bachelor of Commerce (Accounting) Degree. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA).

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

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

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



Tan Seng Hu

Malaysian, aged 37, was appointed as an Alternate Director to Dr Tony Tan Cheng Kiat, Founder Director on 18 March 2010. He graduated with a Bachelor of Arts, Business Administration, Human Resource and Personnel from the Washington State University in 2001 and obtained a Master of Science, Economics from the University of Idaho in 2003.

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



We Her Ching

Malaysian, aged 53, was appointed as an Alternate Director to Datuk Henry Tee Hock Hin, Executive Director on 6 June 2011. He graduated with a Bachelor of Applied Science (Construction Management and Economics) and is a member of The Chartered Institute of Building (MCI OB).

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

As at 17 May 2013, he held 104,900 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

Notes:-

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

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

None of the Directors has any conflict of interest with the Company.
3. Conviction for offences

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



Plaza Merdeka, Kuching, Sarawak



Chairman's Statement

“The Group performed admirably in 2012 amidst another challenging year which saw the domestic construction sector enjoy robust double digit growth of 18.5%, the highest since 1995. The Group’s revenue has increased to RM1.28 billion as compared to RM1.18 billion in 2011.”



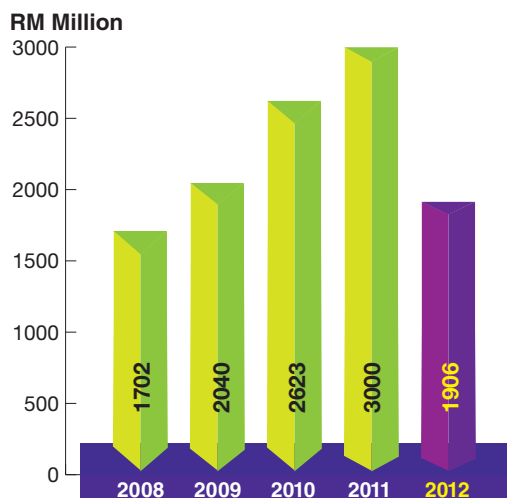
TAN SRI DATO' IR WONG FOON MENG
Chairman, Bina Puri Holdings Bhd
PSM, DPMT, JMN



The Group performed admirably in 2012 amidst another challenging year which saw the domestic construction sector enjoy robust double digit growth of 18.5%, the highest since 1995. The Group's revenue has increased to RM1.28 billion as compared to RM1.18 billion in 2011.

We continued to sustain the momentum enjoyed in 2011 and to date have a current unbuilt book order of RM1.68 billion as at April 2013 which would provide a steady stream of income over the next two (2) to three (3) years.

Unbuilt Book Order from year 2008 to 2012



On behalf of the Board of Directors, I am pleased to present the annual report and audited accounts of Bina Puri Holdings Bhd for the year ended 31 December 2012.

Commendable Performance in a Difficult Year

With a backdrop of many uncertainties in the local and international scene, namely the much anticipated 13th General Election and the outcome of the same, the

shortage of skilled workers in the construction industry and economical slow down in most parts of Europe, Bina Puri Group reported a net profit before tax of RM16.40 million for the financial year ended 31 December 2012 as compared to RM25.85 million in 2011. The drop in profit despite the increase in revenue could be attributed to higher construction costs for our overseas projects coupled with foreign currency exchange losses.

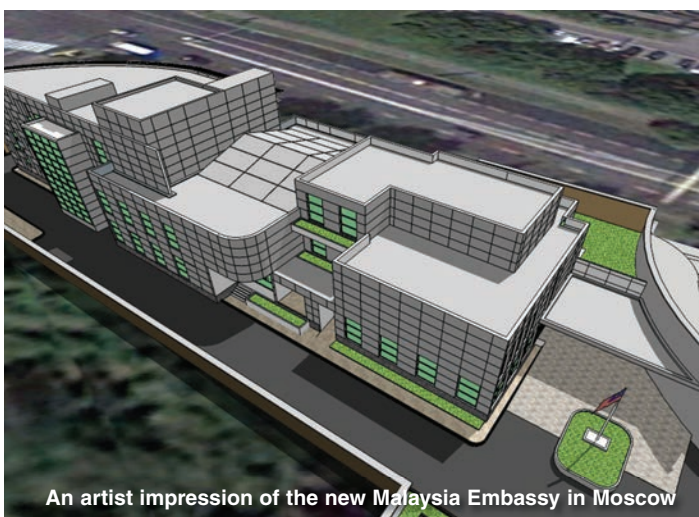
Though our profit level dipped in 2012, it is heartening to note that our subsidiaries performed well with the property, quarry & ready mix and utilities divisions all recording increases in revenue. Of significant mention would be the polyol division which recorded an increase in revenue as well achieving profit in 2012.

The Group has launched several new developments projects in 2012 while also making further inroads abroad in the micro power service sector in Indonesia. This included successfully securing additional capacity of 4MW from PT. PLN (Persero) Wilayah Bangka Belitung for power generation facilities in Pulau Bangka as well as entering into an agreement with PT. PLN (Persero), Wilayah Sulawesi Selatan to build and operate a mini hydro power plant with a capacity of 4.2 MW in Sulawesi. In addition, the Group also secured a contract to design and build a Chancery and Residence Building for Malaysian Embassy in Moscow and also a factory warehouse in Ban Klong Prueng, Suwinthawong Road, Minburi, Bangkok in Thailand.



A Brighter Outlook Moving Forward

The Malaysian economy performed better than expected in 2012, recording a strong growth of 5.6%, while it is expected to remain on a steady growth path, with an expansion of 5-6% in 2013. Building on what was achieved last year, the Group is gradually reaping the benefits of various initiatives as part of its transformation programme in streamlining its property development activities towards reducing the dependency on the construction sector



An artist impression of the new Malaysia Embassy in Moscow



Chairman's Statement (Cont'd)

alone. Measures were also taken to strengthen risks and strategy processes and exercising strict risk assessment procedures for new and potential projects.

In 2012, the construction sector recorded a robust growth driven mainly by the civil engineering sub-sector. This reflected the efforts to improve road and rail accessibility, enhance electricity generation capacity, and increase oil and gas output in Malaysia. Compared to the rapid growth in 1995, existing major projects are more broad-based in terms of sector and geographical location, covering areas beyond the Klang Valley. The strong growth was reflected in higher construction-related financing, manufacturing sales and production activity in 2012.

The construction sector is envisaged to expand strongly by 11.2% for 2013, with all subsectors registering steady growth, complemented by the various government transformation programmes like the ETP, Government Transformation Plan (GTP), the Tenth Malaysian Plan (10MP) and the various Economic Corridors, we foresee a continued healthy trend in the industry in the coming year.

The Group will continue to strengthen its key core businesses while at the same time explore new opportunities to further enhance and expand its presence in the industry both locally and also on the international front.

Sustaining Shareholder Value

In line with the Group's ongoing commitment to shareholders' interest, a final dividend of 2% per share less 25% income tax amounting to RM1,861,009 was paid on 18 July 2012 for the financial year ended 31 December 2011.

For the financial year ended 31 December 2012, the Board of Directors is pleased to recommend a first and final dividend of 2% per share less 25% income tax. The payment of the final dividend for the ordinary shares is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

Striving Towards Excellence



The Group received a couple of awards in 2012 which included The Brand Laureate-Best Brands Awards 2011-2012 for brand excellence in Corporate Branding-Best Brands in Construction, and the Malaysian Construction Industry Excellence Award (MCIEA) 2012 Category Major Project Awards for the Mainline Bridge A, Ramp A, Ramp B, Ramp C and Ramp D package of the Eastern Dispersal Link (EDL) Johor Bahru from the Construction Industry Development Board (CIDB). The awards reflect the Group's continuous efforts in striving to achieve greater levels of excellence in our daily operations.

Our Appreciation

We ended the year on a commendable note and this would not have been possible without the invaluable advice of the Board of Directors, hard work, commitment and effort by the management and staff and the support of our financiers, business partners and the relevant approving authorities. I also wish to extend our appreciation to our valued shareholders. In closing, I look forward to your continuous efforts in working together as a team to embrace and overcome the many new challenges that the year brings in taking the Group to greater heights in the industry.

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

Our Awards



BrandLaureate
Corporate Award for
Best Brand in
Construction 2011-2012



Major Project Award
Category by CIDB for
Malaysian Construction
Industry Excellence
Awards (MCIEA) 2012



International
Achievement Award by
CIDB for Malaysian
Construction Industry
Excellence Awards
(MCIEA) 2011



International
Achievement Award by
CIDB for Malaysia
Construction Industry
Excellence Awards
(MCIEA) 2008



Contractor Award G7
awarded by CIDB for
Malaysian Construction
Industry Excellence
Awards (MCIEA) 2007



Prominent Player Award
to the Group Managing
Director, Tan Sri Datuk
Tee Hock Seng, JP by
CIDB for Malaysian
Construction Industry
Excellence Awards
(MCIEA) 2005

Group Managing Director's

Review of Operations

“I am pleased to report that our subsidiaries performed well for the year ended 2012 as they registered higher revenue as compared to prior year.”



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



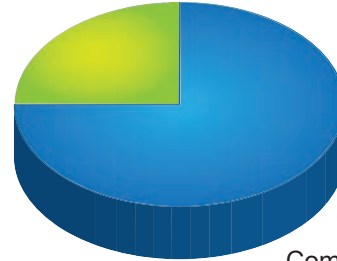
An Overview

The year 2012 has by and large been a good year for the Group as the construction sector enjoyed robust growth driven by various projects under the Economic Transformation Programme and Growth Corridors, initiatives by our Government. As reported, the total output on the construction sector in 2012 was at all time high of RM120 billion, a figure reported by our Construction Industry Development Board. Since the construction division has been the core driver in the Group's operations from the inception of the company, we took the opportunity to capitalise on the growth of the construction sector both locally as well as in the neighbouring region.

On the property front, the Group's total potential Gross Development Value (GDV) is in excess of RM2 billion to be realised over the next five (5) years. We have launched projects in Puchong, USJ 21 Subang Jaya and Mont' Kiara North with several other projects yet to be launched in Sabah, Sarawak and Johor.

Bina Puri Projects Since 1975-2012

On-going projects
RM3.85 Bil (25%)



Completed Projects
RM11.44 Bil (75%)

At the same time the Group is also beginning to reap the benefits of its rebranding and human capital strengthening exercises which were initiated in 2011. The name Bina Puri has now become a recognised name not only within the construction fraternity with higher public awareness of the Group as a whole. We are also proud of the fact that our very own Group Executive Director, Mr Matthew Tee is the new President of the Master Builders Association Malaysia (MBAM) for the term July 2012-June 2014.

The LRT Ampang Line extension



Complementing these are the KLIA2 and LRT Ampang line extension projects currently in progress. On the international scene, we are constructing affordable housing in Kampung Lugu, Brunei Darussalam and high end residential Condominium in Bangkok, Thailand, of which both should be completed by the 2nd quarter of 2013.

Following up from the successful completion of the Malaysian Embassy in Beijing, China, the Government of Malaysia bestowed on us the responsibility of designing and building the Chancery and Residence Building for the Malaysian Embassy in Moscow at a value of RM155 million. These are truly testimonies of the growth of the Group by leaps and bounds over the past few years.



Mr Matthew Tee (5th from left) with MBAM Council in one of the conference recently

Review of Group performance

Our Group's total revenue totalled RM1.28 billion for the year ended 31 December 2012 as compared to RM1.18 billion in 2011 while profit before tax amounted to RM16.40 million in 2012 compared to RM25.85 million the year before. The decrease in profit is mainly due to the fact that our construction division was affected particularly by the overseas projects whereby higher construction costs and foreign currency exchange rates that did not favour our local trading institutions hit our project profitability.

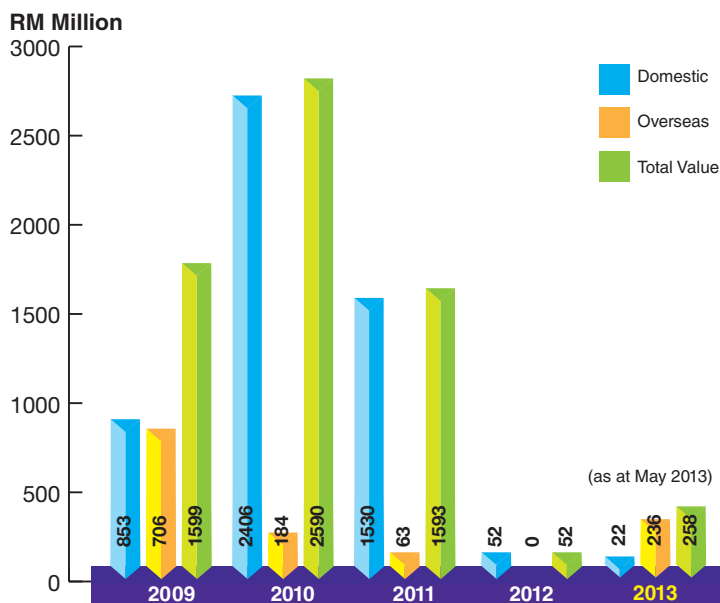


Review of Operations (Cont'd)

Construction

For the year ended 31 December 2012, the construction division recorded a revenue of RM1.16 billion and profit before tax of RM11.84 million as compared to the previous year's total of RM1.09 billion and RM23.56 million respectively. Although every effort was put in place to ensure higher level of productivity and efficiency, we are affected by external forces that were beyond our control.

Project Secured from Year 2009 to 2013



During the year 2012, we secured very few new projects in comparison to previous years. This was because our focus was towards the execution and completion of the mega high profile projects such as the KLIA2 and the LRT Line Extension, which have pulled a lot of our resources. Among the major projects completed in 2012 are the 33 units of two and three storey shops and offices in Alam Mesra, Kota Kinabalu, the Regalia Service Apartments in Jalan Kuching, Kuala Lumpur and the Plaza Merdeka Complex and Hotel in Pearl Street, Kuching, Sarawak. Currently the notable and major projects within the Group are:-

Projects in Malaysia

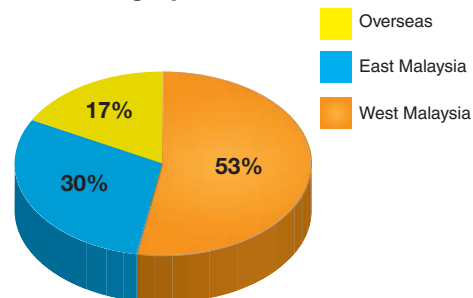
1. UiTM Campus Kampong Pinang
Kota Samaharan, Sarawak RM306.9 million
2. The Kuala Lumpur International
Airport 2 (KLIA2) RM997.2 million
3. Ampang Light Rail Transit (LRT)
Line Extension – Package A RM702.3 million
4. Sabah Administrative Centre
Teluk Likas, Kota Kinabalu, Sabah RM388.7 million
5. K. Kinabalu Times Square RM470.3 million

International Projects

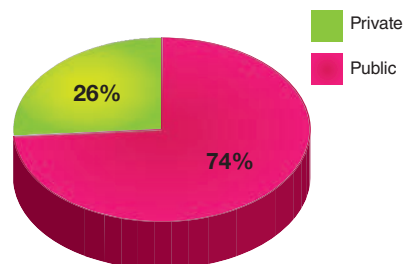
1. Housing Works in
Kampung Lugu, Brunei RM158.4 million
2. Abstract Condominium
Bangkok, Thailand RM62.7 million

Project Secured from Year 2008 to 2012

Geographical Breakdown



Public Vs Private



Property

Revenue for the property division amounted to RM54.15 million which came about mainly as a result of the progressive profit recognition from the sale of development properties that included the Laman Vila, Mont' Kiara North, the Main Place Residence and Mall, USJ 21 Subang Jaya and the Puri Tower, Puchong. With our Central Bank imposing regulatory measures to ease down property prices, this has resulted a steep decline in transactions in the property sector.

The Main Place Residence & Mall, USJ 21





An artist impression of development in Brickfields in Kuala Lumpur

Project	Expected GDV (RM mil)
Laman Villa @ Mont' Kiara North (30 units of bungalow link houses)	108.0
Petrie Villa @ Johor Bahru (23 units of 4-storey pool villas)	110.4
The Main Place Residence, USJ, Subang Jaya (33 storeys of 4 block apartments and 3 levels of retail podium)	341.2
Jesselton View @ Kota Kinabalu (80 units of 5 & 11 storey Apartment)	61.0
The Puri Tower @ Puchong (138 units of 20-storey Apartment)	62.1
One Jesselton @ Kepayan Condominium Kota Kinabalu (137 units of 12-storey condominium)	84.6
Ocean View Residence, Miri (94 units of 9-Storey Condominium)	143.6
The Opus at Jalan Tallala, K. Lumpur (2 blocks of 36-storey Serviced Apartment)	290.0
Proposed Development of Abandoned Site (Adjacent to Monorail Depot), Brickfields at Lot PT. 110, Seksyen 69, Bandar Kuala Lumpur	1,288.6
TOTAL Expected GDV	2,489.5

Hospitality Division

The Puni Indah Residence at Ong Sum Ping, Bandar Seri Begawan Brunei enjoyed full occupancy since early 2013, out of a total of 72 units. These high end service apartments are currently the best of its kind in the city and the success of this division has convinced the Group of a business model which we can embark in the future.

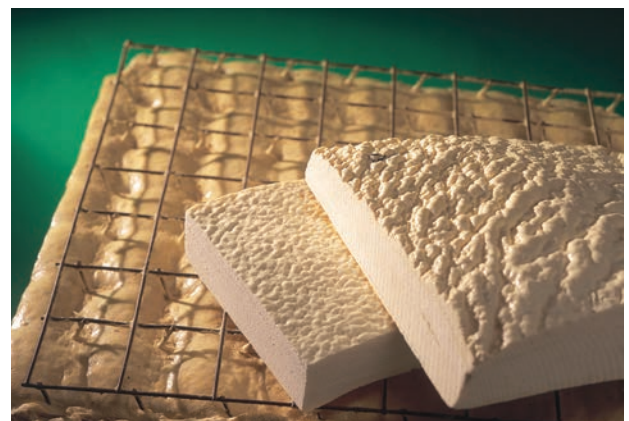
Quarry & Ready Mix

Revenue for the quarry and ready mix concrete division totalled RM98.38 million with a profit before tax of RM1.65 million compared to the previous year's total of RM99.03 million and RM2.24 million respectively. The cement brick plant located in Hulu Langat, operated at full capacity in 2012 to complement our existing clay bricks production. This was due to the higher demand for materials in the construction industry, mainly with the major upgrading works in the Light Rail Transit (LRT) and the newly launched Mass Rail Transit (MRT) which has begun works in the early part of 2012 and will be operational by early 2016. With more civil projects likely to come on board in 2014, we are optimistic that we will be one of the key beneficiaries from this spillover.

Another new business activity within the division is Bina Puri Mining Sdn Bhd, a wholly owned subsidiary of Bina Puri Holdings Bhd which operates on a 180 acres granite rock quarry in Bukit Biru, Simunjan Sarawak with 50,000 metric tonnes production per month. This is the potential business opportunities explored within the division and is expected to contribute positively to the Group's earnings.

Polyol Division

The polyol division ended 2012 on a high note with revenue totalling RM22.85 million and a profit of RM0.55 million compared to RM15.18 million and a loss of RM0.91 million in 2011. A key factor which contributed to this higher revenue was the higher level of awareness of the benefits by using this product and the increase in export sales to countries such as Vietnam, Australia, Thailand, Indonesia, Brunei, Philippines, Singapore, Taiwan, China and the Middle East.





Review of Operations (Cont'd)

Power Supply Division

The power supply division recorded revenue of RM7.58 million resulting from the micro power service to PT Perusahaan Listrik Negara, the state electricity company owned by the Indonesia's Government. The profit before tax was RM2.71 million as compared to the previous year's total of RM6.04 million and RM2.37 million respectively. The improved performance was mainly due to additional micro power plants in operation.

In this respect, PT. Megapower Makmur, an indirect 80% subsidiary of Bina Puri Holdings Bhd entered into an agreement with PT. PLN (Persero), Wilayah Sulawesi Selatan, Sulawesi Tenggara and Sulawesi Barat on 30 May 2012 to build and operate a mini hydro power plant with capacity of 4.2 MW in Desa Patteneteang, Kecamatan Tompobulu, Kabupaten Bantaeng and Propinsi Sulawesi Selatan at an estimated development cost of USD10.0 million.



Financing for the building and operation of the plant amounting to USD7.6 million from Bangkok Bank Berhad was obtained by the Group on 9 October 2012. It is expected that the total number of megawatts operational will increase to 18.2 MW with the completion of the 4.2MW by early 2014.

Prospects

Moving forward, it is expected that the current healthy growth trend of the construction sector will continue by about 11.2%, primarily driven by various projects under the Economic Transformation Programme initiated by the government last year which includes the Petronas Refinery and Petrochemical Intergrated Development (Rapid), MY Rapid Transit (MRT) and the high-speed rail (HSR) linking Kuala Lumpur and Singapore project amongst others. According to the Construction Industry Development Board (CIDB), close to RM110 billion worth of projects are in the pipeline for 2013.

The Property Development Division is expected to contribute positively to the Group with a revamped structure and organisation. A number of projects including the One Jesselton and the Jesselton View in Kota Kinabalu, the Opus at Jalan Tallala, KL and the Ocean View in Miri, Sarawak are all expected to be launched in 2013.

On the international front the Group through Konsortium Bina Puri-Beringin Waja has accepted the letter of award to design and build the new Chancery Building for the Malaysian Embassy in Moscow, Russia to be completed in 3 years. The Group was also awarded the RM 80.88 million Unilever Distribution Centre 2 at Ban Klong Prueng, Suwinthawong Road, Bangkok, Thailand to be completed in 2 years.

Bina Puri Construction Sdn. Bhd., a wholly-owned subsidiary of Bina Puri Holdings Bhd will jointly develop a mixed development parcel of land in Brickfields, Kuala Lumpur comprising small office versatile office (SOVO), service suites, commercial units, a sky bridge, restaurant and car parks on an estimated gross development value of RM1.28 billion. The project awarded by Syarikat Prasarana Negara Berhad is scheduled to be completed in just over five years. With this, the Group's total Gross Development Value (GDV) is expected to touch RM2.48 billion and will contribute significantly to the Group's earnings in future.

With measures to streamline our operations which are already in place we will continue with various initiatives to diversify as well as further enhance and strengthen our competitiveness in the key areas we operate in, while seeking out strategic partners and exploring new opportunities in expanding our footprint both domestically and abroad.

Appreciation

We are always mindful that our people are a key asset and at the centre of what we do and I would like to express my gratitude to all our employees for their efforts and commitment over the past year. My thanks also goes out to the management team for your loyalty and dedication and the Board members for their valuable insights and advice in guiding us through the year that was. Last but not least I thank our bankers, suppliers, subcontractors and professional service providers and our shareholders for your continued support.

It is my hope that we will continue to work together as we embrace the many challenges that lie ahead in delivering another successful performance in 2013.

TAN SRI DATUK TEE HOCK SENG

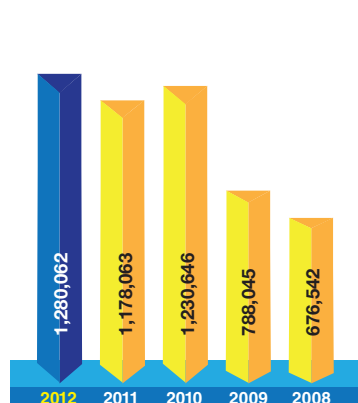
PSM; PGDK; ASDK; JP
Group Managing Director

Group Financial Highlights

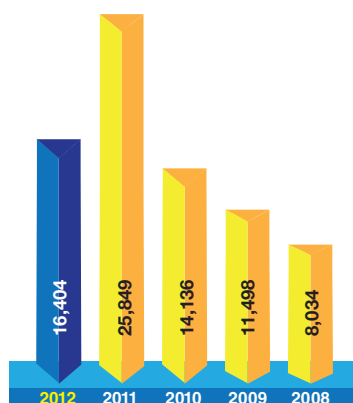


	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
Revenue	1,280,062	1,178,063	1,230,646	788,045	676,542
Profit before taxation	16,404	25,849	14,136	11,498	8,034
Profit attributable to the shareholders of the Company	5,110	5,997	10,603	6,420	4,283
Dividend Paid (Net)	1,861	3,221	3,135	2,511	2,452
Issued share capital	124,416	121,883	107,036	104,194	83,610
Shareholders' equity	135,380	128,987	109,670	100,031	75,429
Total assets employed	1,022,186	886,212	776,020	646,406	473,061
Net earnings per share (sen)	4.12	5.40	10.09	7.13	5.17
Net assets per share (RM)	1.09	1.06	1.02	0.96	0.90
Share price (RM)					
- High	1.05	1.65	1.54	0.96	1.15
- Low	0.80	0.85	0.74	0.72	0.65

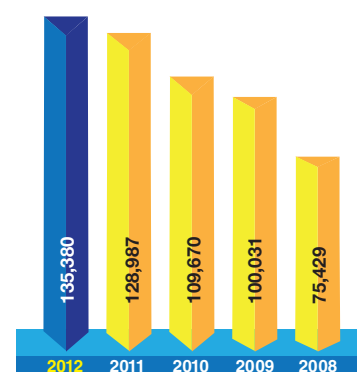
REVENUE (RM'000)



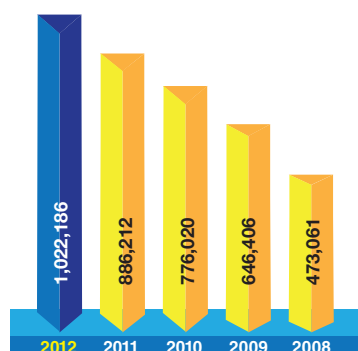
PROFIT BEFORE TAXATION (RM'000)



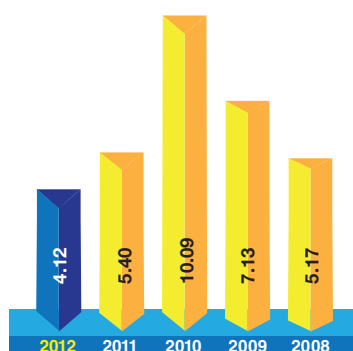
SHAREHOLDERS' EQUITY (RM'000)



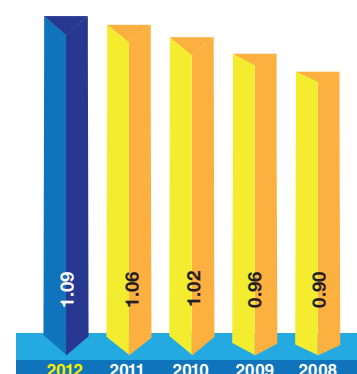
TOTAL ASSETS (RM'000)



EARNINGS PER SHARE (sen)



NET ASSETS PER SHARE (RM)



Calendar Of Events 2012-2013



8th May 2012

Bina Puri received another prestigious award at the Brand Laureate-Best Brand Awards 2011-2012 for brand excellence in Corporate Branding-Best Brand in Construction held at Sunway Hotel & Spa. The Brand Laureate Awards is organised by The Asia Pacific Brands Foundation to honour brand excellence amongst brands in Malaysia and the world.



2nd June 2012

Y.Bhg Tan Sri Dato' Ir Wong Foon Meng Chairman, Bina Puri Holdings Bhd was conferred with the "Darjah Panglima Setia Mahkota (PSM)" which carries the title "Tan Sri" by Yang di-Pertuan Agong Tuanku Abdul Halim Mu'adzam Shah on His Majesty's 84th birthday celebration.

13th June 2012

The 21st Annual General Meeting of Bina Puri Holdings Bhd was held at Bina Puri Headquarters Selayang, Selangor. It was attended by 200 shareholders and all nine members of the Board of Directors.



16th – 21st June 2012

Chairman, Bina Puri Holdings Bhd, Tan Sri Dato' Ir Wong Foon Meng had the chance to join UNICEF humanitarian convoy to Philippines. It was part of the effort taken by UNICEF and Kiwanis International Foundation to eliminate Maternal and Neonatal Tetanus (MNT), a disease threatening millions of mothers and new-borns as a result of unhygienic childbirth practices.

Calendar of Events 2012-2013 (Cont'd)



20th June 2012

The opening of Rest and Services Area (RSA) of Kundang Barat and Kundang Timur at LATAR Expressway by Y.Bhg Dato' Ir Haji Ismail Bin Md Salleh, Director General of Malaysia Highway of Authority (LLM).



30th June 2012

Mr Matthew Tee Kai Woon, Group Executive Director, Bina Puri Holdings Bhd was appointed as the new President of Master Builders Association Malaysia (MBAM) for the term July 2012-June 2014.

13th July 2012

Official launching of Taman Permata Apartment Sandakan, Sabah by Bina Puri Construction Sdn Bhd and its joint-venture partners, Syarikat Perumahan Negara Berhad and Puncak Deras Sdn Bhd. The project consists of six-storey buildings of 1,440 unit apartments.



14th July 2012

Bina Puri Properties Sdn Bhd launched its new project, Puri Tower in Puchong. Puri Tower is a development of 20-storey of 138 units condominium.



Calendar of Events 2012-2013 (Cont'd)

30th August 2012

The successful completion of the Regalia Service Apartment, Jalan Kuching, Kuala Lumpur.



31st August 2012

Bina Puri Construction Sdn Bhd successfully completed the Plaza Merdeka Commercial Complex in Kuching, Sarawak.



22nd September 2012

The launch of Blind Reflexology Centre at UTC Pudu Sentral, Kuala Lumpur by YAB Prime Minister of Malaysia. Bina Puri Blind Reflexology Centre is operated by our own blind masseurs and is part of Bina Puri corporate social responsibility efforts to the community.

19th October 2012

Ideal Heights Development Sdn Bhd, an associate of Bina Puri Group of Companies sealed an agreement with Newston International Group Sdn Bhd to develop a new township, Kuantan Waterfront Resort City at Tanjung Lumpur, Kuantan, Pahang. The signing ceremony was witnessed by KDYMM Sultan of Pahang.



Calendar of Events 2012-2013 (Cont'd)



1st February 2013

The completion of Acacia Tower of The Haven, Ipoh, Perak. The ceremony was attended by His Royal Highness Raja Dr Nazrin Shah Ibni Sultan Azlan Muhibbuddin Shah, The Regent of Perak and Her Royal Highness Tuanku Zara Salim, The Raja Puan Besar of Perak.

28th March 2013

Bina Puri Construction Sdn Bhd won the Major Project Award at the Malaysian Construction Industry Excellence Award (MCIEA) 2012 for the completion of Mainline Bridge A, Ramp A, Ramp B, Ramp C and Ramp D package of the Eastern Dispersal Link (EDL) Johor Bahru, Johor.



4th April 2013

Bina Puri Construction Sdn Bhd accepted the letter of award from Syarikat Prasarana Negara Berhad for a joint development project in Brickfields. The Project with a gross development value (GDV) of RM1.28 billion comprises of 3 Towers of 1660 units of Small Office Versatile Office (SOVO), a 22-Storey of Services Suites, a commercial podium, a sky bridge, restaurants and car parks.

26-28th April 2013

Bina Puri Group of Companies participated in the Malaysia Property Exhibition (MAPEX) 2013 organized by Real Estate and Housing Developers Association Malaysia (REHDA). Bina Puri showcased its Property Development Projects which includes The Laman Vila, The Petrie Vila, The Main Place Residence and Mall and others.





Corporate Social Responsibility



The Local Society That We Care For

As in past years, 2012 was no difference. Bina Puri has continued to lend support both financially and morally to many well deserving organisations in their noble causes towards the betterment of society as a whole. Kuen Cheng High School and Tadika Fajar Didik in Kuala Terengganu were the recipients of Bina Puri's contribution in the education sector. The financial contribution was handed over to the respective school administrators in order to lessen their financial burden as they have been depending heavily on benefactors all these years. Indeed, we are very pleased to be able to help our young ones to have a better education for their future.

Being a multi cultural and multi religious country, Malaysia has been a perfect example of how to co-exist with people of other faiths. In this aspect, Bina Puri took the opportunity to provide financial assistance towards Surau Al-Falah, located in Selayang. By providing this simple token to the surau, they were able to provide a better environment for those attending this surau.



Rumah Amal Budi Bistari is a premis located in Bandar Country Homes, Rawang, Selangor attending to the needs of almost 40 inmates. Bina Puri truly appreciates the excellent work done by this home and found it fit to contribute to the daily expenses and upkeep of this noble

home. The management of this home was indeed very grateful and deeply touched by this act of generosity from Bina Puri.

Helping the less fortunate has always been part of Bina Puri's practice over the years. This year, the management decided to provide some form of financial assistance to Persatuan Pusat Haemodialysis Prihatin Tengku Besar Terengganu, in Terengganu. This Haemodialysis centre provides services to deserving patients and has been in operation since 29 January 2012.



Bina Puri believes that in order to progress, we need to learn from the past, and in order to keep the legacy of past leaders intact, Bina Puri made a generous financial contribution towards Perdana Leadership Foundation. This foundation was set up in 2003 with the aim of preserving, developing and disseminating materials by and on Malaysia's past Prime Ministers. Believing that past leadership can yield valuable insights for future development, the Foundation's objective is to increase awareness and appreciation of Malaysia's intellectual heritage.





In September 2012, the Company began operating a Blind Reflexology Centre in UTC, Kuala Lumpur. This Reflexology Centre was opened to the public by Prime Minister of Malaysia, YAB Dato' Seri Mohd Najib Tun Abdul Razak who gave his full support and cooperation to this centre.

This centre currently employs 3 blind masseurs who have been professionally trained as masseurs and certified by the Malaysian Association for the Blind (MAB). The response from the public towards this centre is encouraging. In the pipeline are plans to further increase the number of masseurs who are visual impaired and help them to fend for themselves and for their loved ones by providing an avenue for them to earn a decent and honest living.



Human Capital, our prized asset

'People make the world go around' was the title of one of The Stylistics hit single in the 1980s. In Bina Puri we dare to say 'Our people keeps the company going on and on.' Without our most prized asset, Bina Puri would not be able to be what it is today. With this, we have always treasured the valuable contribution of our staff and in return made sure all effort by our staff is repaid in one form or another.



We can proudly state, human capital turnover in our company is very low compared to other esteemed organisations within the same industry. This truly attest to the fact, we value every staff of the company just as much as they value us. As such, the management looks into the very needs and the extras of the staff by providing various incentive programmes for the staff throughout the year.

Among these activities are various trips organised by our dynamic and energetic Kelab Sukan & Sosial Bina Puri (KSSBP). In September 2012, there was a trip to the historical and legendary Langkawi Island, followed by a cruise to Penang, Phuket & Krabi in October for a total of 160 staff. In Kota Kinabalu, Sabah, it has become a yearly activity to climb to the top of the Mighty Mount Kinabalu. In November 2012, 19 staff achieved this humongous feat.





Corporate Social Responsibility (Cont'd)



There was also an overseas trip organised by KSSBP to Seoul & Jeju Island, Korea. This exciting and memorable trip was in October 2012 and we had 42 staff who enjoyed this trip to one of the top tourist attractions in the Asian Continent.

Apart from all these fun filled and memorable trips, Bina Puri also organised various fun activities for our staff. We had a day filled with fun and challenges in the newly opened Asian Water Sports Centre as well as a friendly laser warzone game, both located in Puchong. A recreational outing with the theme 'back to nature' in the lovely Botanical Garden in Putrajaya was also part of the extra activities of the company.



KSSBP also ensures the staff of Bina Puri remain as fit as fiddles by organising various sports tournaments. Among these tournaments were Futsal, Badminton, Table Tennis, Netball and even a Go-Cart Race at Sepang International Circuit for the speed demons. The KSSBP also took the initiative to organise a Fishing Competition to ensure the bonding among the staff remains strong.

As in previous years, the Management of Bina Puri has always and will continue to encourage the staff to further improve themselves by attaining higher education which makes them better equipped to face the many challenges in work. In this aspect, KSSBP provided the Education Incentive for the staff pursuing their studies at diploma level and above. In addition, the staff's children also benefited from this incentive for those who are successful in their UPSR, PMR, SPM and STPM examination. On top of that Bina Puri also handed out Undergraduates Scholarship to the children, and this year a total of RM210,000.00 was given to 21 children for their personal education.



It remains very obvious that Bina Puri is not just a key player in the construction industry, but rather an organisation that strives to ensure society becomes a better place through the various financial aids and at the same time, value our greatest asset, our very own staff.





Environmental Projects in the Community

A recent report from the UN Office for the Coordination of Humanitarian Affairs (OCHA) states that the amount of greenhouse gas in the atmosphere is already above the threshold that can potentially cause dangerous climate change. When we read of such reports from the body that looks into the global warming issues, it is indeed alarming.

On this note, Bina Puri had arranged various conscious efforts in helping to reduce the global warming, for example by organizing the Mangrove Planting activities both locally and internationally. The mangrove planting projects are not only meant for environmental issues but also to educate the public as well as our staff on the importance of protecting and balancing the eco-system on earth. Apart from this, other projects such as the cleanings-ups along the beaches from the garbage and debris was also organized by the staff, being part of the awareness-building campaigns, especially to the children and the public.

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

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



Audit Committee Report

Members of the Committee

Designation in the Company

Khalid bin Sufat, Chairman (resigned on 31.05.2013)	Independent Non-Executive Director
Yusuf Khan bin Ghows Khan (resigned on 31.05.2013)	Independent Non-Executive Director
Dato' Anad Krishnan a/l Muthusamy (resigned on 31.05.2013)	Independent Non-Executive Director

COMPOSITION

- (a) The Audit Committee shall be appointed by the Directors from amongst their numbers via a Directors' resolution and shall consist of not less than three (3) members. All the Audit Committee members must be non-executive directors with a majority of them being Independent Directors. The composition of the Audit Committee shall meet the independence requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other rules and regulations of the Securities Commission.
- (b) At least one member of the Audit Committee:
- i. is a member of the Malaysian Institute of Accountants; or
 - ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
 - must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.
- (c) In the event of any vacancy in the Audit Committee, the Directors shall within (3) months of that event, appoint such new members to make up the minimum number of three (3) members.
- (d) An Alternate Director shall not be appointed as a member of the Audit Committee.
- (e) The member of the Audit Committee that meets the requirement for having the necessary accounting qualification is En. Khalid bin Sufat.

CHAIRMAN

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

ATTENDANCE AT MEETINGS

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

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

SECRETARY

The Company Secretary shall be the Secretary of the Committee.



FREQUENCY OF MEETINGS

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

During the financial year ended 31 December 2012, the Committee met a total five (5) times. The following is the attendance record of the Audit Committee members:

Audit Committee members	Designation	No. of meetings attended
Khalid bin Sufat	Independent Non-Executive Director	5/5
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director	4/5
Dato' Anad Krishnan a/l Muthusamy	Independent Non-Executive Director	5/5

AUTHORITY

The Committee is authorised by the Board to investigate any activities within its terms of reference. It shall also have full and unrestricted access to the resources required as stated below to perform its duties:

- any information pertaining to the Group;
- both the internal and external auditors; and
- all employees of the Group who are directed to cooperate upon requests made by the Committee.

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

FUNCTIONS

The functions of the Committee shall be:

- to review with the external auditor, the audit plan;
- to review with the external auditor, his evaluation of the system of internal controls;
- to review with the external auditor, his audit report;
- to review the assistance given by the Company's officers to the external auditor;
- to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- to review the internal audit program, processes, the results of the internal audit program, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- to review the quarterly results and year end financial statements, before the approval by the board of directors, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements;
- to review any related party transactions that may arise within the Company or Group;
- to recommend and consider the nomination and appointment of external auditors as well as their audit fee;
- to consider any letter of resignation from the external auditor and any questions of resignation or dismissal;
- to ensure that matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements are promptly reported to Bursa Malaysia Securities Berhad;
- to consider any other functions as may be agreed to by the Committee and the Board of Directors.



Audit Committee Report (Cont'd)

REPORTING PROCEDURE

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

- (a) Reviewed the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- (b) Reviewed the Statement on Risk Management and Internal Control and Statement on Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;
- (c) Reviewed the external auditor's audit plan and report for the year;
- (d) Reviewed the external auditor's evaluation of the system of internal controls;
- (e) Reviewed the internal audit reports, recommendations, programs and plans for the year under review and management's response;
- (f) Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the applicable accounting standards approved by MASB and other legal requirements;
- (g) Reviewed the unaudited quarterly financial results announcements before recommending them for Board approval;
- (h) Reviewed related party transactions that may arise within the Company or the Group;
- (i) Considered and recommended to the Board for approval of the audit fees payable.

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

Appendix 9C, Part A (26) of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad requires a Statement by the Audit Committee in relation to the allocation of share options pursuant to any share scheme for employees as stated in paragraph 8.21A. The Audit Committee is satisfied that the allocation of options pursuant to the Company's ESOS during the financial year ended 31 December 2012 is in accordance with the criteria set out in the ESOS by-laws.

INTERNAL AUDIT FUNCTION

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

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

In 2012, the Company incurred a cost of RM35,000 for the internal audit function.

REVIEW OF THE AUDIT COMMITTEE

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

Corporate Governance Statement



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

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

1. DIRECTORS

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

(a) Roles and Responsibilities

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

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

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

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

(b) The Board

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

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



Corporate Governance Statement (Cont'd)

(c) Board Meetings

The Board meets at least four (4) times per year with additional meetings being convened where necessary. For the financial year 2012, the Board met four (4) times. Details of attendance of Directors at the Board Meetings are as follows:-

Attendance at Board Meetings

<u>Directors</u>	<u>No. of meetings attended</u>
Tan Sri Dato' Ir Wong Foon Meng	3/4
Tan Sri Datuk Tee Hock Seng, JP	3/4
Dr. Tony Tan Cheng Kiat	3/4
Matthew Tee Kai Woon	2/4
Datuk Henry Tee Hock Hin	4/4
Tay Hock Lee	3/4
Yusuf Khan bin Ghows Khan (resigned on 31.05.2013)	3/4
Khalid bin Sufat (resigned on 31.05.2013)	4/4
Dato' Anad Krishnan a/l Muthusamy (resigned on 31.05.2013)	4/4

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

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

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

(e) Reinforce independence

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

(f) Group Executive Committee

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

(g) Audit Committee

The Audit Committee was established in June 1995. Please refer to the Audit Committee report on pages 44 to 46.

(h) Nomination Committee

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

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



(i) Remuneration Committee

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

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

The details of remuneration of Directors during the financial year ended 31 December 2012 are as follows:

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

In RM '000	Salaries	Fees	EPF/Socso	Benefits-in-kind	Total
Executive Directors	2,676	48	323	52	3,099
Non-Executive Directors	192	444	24	10	670
Total	2,868	492	347	62	3,769

(ii) Aggregate remuneration of each Director

Range of remuneration	No. of Directors	Executive	Non-Executive
RM50,001 – RM100,000			3
RM200,001 – RM250,000			2
RM350,001 – RM400,000		1	
RM600,001 – RM650,000		1	
RM950,001 – RM1,000,000		1	
RM1,050,001 – RM1,100,000		1	
Total		4	5

(j) ESOS Committee

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

(k) Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme ("MAP") prescribed by the Bursa Malaysia Securities Berhad with the exception of the four (4) Directors appointed in 2013 who will attend the MAP within the stipulated time frame. During the year, the Directors have attended the in-house training on the Code organised for the Directors and senior management.

The former Chairman of the Audit Committee, En. Khalid Sufat has attended the following external seminars/conferences in 2012:-

- FIDE – Risk Management in Takaful
- MSWG – Corporate Governance the competitive edge
- FIDE - IT Automation and Disaster Recovery
- ACCA Annual Conference – Accounting for the future
- SSM – Key provisions in the proposed companies bill
- MIA International Accountants Conference 2012



Corporate Governance Statement (Cont'd)

2. SUPPLY OF INFORMATION

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

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

3. ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

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

(b) Internal Control

The statement on internal control is set out in page 52 of the Annual Report.

(c) Responsibility Statement by the Board of Directors

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

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

In preparing the financial statements, the Directors have:

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

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

(d) Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors are disclosed in pages 44 to 46 of the Annual Report.

4. SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

(a) Dialogue with Investors

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

- (i) The Annual Report
- (ii) The various disclosures and announcements made to the Bursa Malaysia Securities Berhad including the Quarterly Results and Annual Results; and
- (iii) BPHB website at www.binapuri.com.my



(b) Annual General Meeting

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

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

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

5. ADDITIONAL COMPLIANCE INFORMATION

(a) Share Buy-Back

There was no share buy-back exercise for the financial year ended 31 December 2012.

(b) Options, Warrants or Convertible Securities Exercised

During the financial year ended 31 December 2012, 904,725 options were exercised in relation to the ESOS.

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

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

(d) Sanctions and/or Penalties Imposed

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

(e) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial year ended 31 December 2012 was RM91,000.00.

(f) Variation of Results

The results for the financial year ended 31 December 2012 do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the said financial year.

(g) Profit Guarantee

The Company has not issued any profit guarantee in the financial year ended 31 December 2012.

(h) Material Contracts

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

(i) Revaluation Policy on Landed Properties

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



Statement on Risk Management and Internal Control

The Malaysian Code of Corporate Governance (“the Code”) stipulates that the Board of listed companies should maintain a sound risk management framework and internal control system to safeguard shareholders’ investments and the Group’s assets. Pursuant to paragraph 15.26(b) of the Bursa Malaysia Main Market Listing Requirements, the Board of Directors (“the Board”) is pleased to provide the following statement, which outlines the main features and adequacy of the Group’s risk management and internal control for the year ended 31 December 2012.

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

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

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

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

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

- Systematically documented standard operating policies and procedures that cover various operational areas which are subject to regular review and improvement.
- An ISO 9001:2008 Quality Management System, which is subject to regular review and improvement, continually manages and controls the quality requirement of the Group’s products and services.
- Frequent site visits by contract officers and project management team are established in monitoring the progress of projects undertaken by the Group. The ongoing performance of each business operating unit is reviewed on a monthly basis and these performance reviews are escalated to the Board on a quarterly basis.
- A standardised performance management system is developed to continually appraise and reward the employees of the Group in accordance with their performance.
- Emphasis is also placed on enhancing the quality and capability of human assets through training and development programs, which enhances their ability to meet their performance and job expectations.
- A Safety Committee is in place to be in compliance with Section 30(1) of the Occupational Safety and Health Act, 1994.

Statement on Risk Management and Internal Control (Cont'd)



ASSURANCE MECHANISM

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

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

For the year 2012, BDOGA has completed two (2) internal control reviews according to the annual audit plan. The findings arising from the internal control reviews together with recommendations, management responses and proposed action plans were promptly reported to the Audit Committee.

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

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

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

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

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

GOING FORWARD

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

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



The Haven, Ipoh, Perak



Universiti Malaysia Kelantan (UMK), Bachok, Kelantan

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Directors' Report

For The Year Ended 31 December 2012

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 2012.

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	5,845	1,453
Other comprehensive (loss)/income, net of tax	(517)	46
Total comprehensive income for the financial year	5,328	1,499
Attributable to:		
Owners of the Company	4,753	1,499
Non-controlling interests	575	—
	5,328	1,499

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 2011:-	
- Final dividend of 2% less 25% tax paid on 18th July 2012	1,861
(b) In respect of the financial year ended 31st December 2012:-	
- Proposed first and final dividend of 2% less 25% tax payable in 2013	1,922

At the forthcoming Annual General Meeting, a first and final dividend of 2% per ordinary share less 25% tax amounting to approximately RM1.92 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 2013.

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.



BAD AND DOUBTFUL DEBTS (CONT'D)

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

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year, other than as disclosed in Note 40 to the financial statements.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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



Directors' Report (Cont'd)

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 RM121,882,625/- to RM124,415,550/- by the issuance of:-
 - (i) 904,725 new ordinary shares of RM1/- each pursuant to the Employees' Share Option Scheme at an exercise price of RM1.08 per share; and
 - (ii) 1,628,200 new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1.00 per share.

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

EMPLOYEE SHARE OPTION SCHEME

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

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

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

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

	Number of options over ordinary shares
At 1st January 2012	11,852,275
Granted	—
Exercised	(904,725)
At 31st December 2012	10,947,550

Directors' Report (Cont'd)



DIRECTORS

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

Tan Sri Dato' Ir. Wong Foon Meng
Tan Sri Datuk Tee Hock Seng, JP
Dr. Tan Cheng Kiat
Datuk Tee Hock Hin
Matthew Tee Kai Woon
Tay Hock Lee

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)
Tan Kwe Hee - appointed on 7.3.2013

In accordance with the Company's Article of Association, Tay Hock Lee, Tan Sri Datuk Tee Hock Seng, JP, Matthew Tee Kai Woon, Yusuf Khan Bin Ghows Khan and Tan Kwe Hee 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 2012 are as follows:-

The Company Bina Puri Holdings Bhd.	Number of ordinary shares of RM1 / - each			
	At 1-1-2012 / date of appointment	Bought	Sold	At 31-12-2012
<i>Direct interests</i>				
Tan Sri Datuk Tee Hock Seng, JP	15,700,778	9,000 ^	—	15,709,778 #
Dr. Tan Cheng Kiat	9,368,902	—	—	9,368,902 *
Datuk Tee Hock Hin	5,194,668	400,000 ^^	—	5,594,668
Tay Hock Lee	1,772,707	20,000	—	1,792,707
Matthew Tee Kai Woon	1,300,000	104,625	—	1,404,625
Dato' Anad Krishnan A/L Muthusamy	10,000	—	—	10,000 **
We Her Ching	104,900	—	—	104,900

The Subsidiary Sungai Long Industries Sdn. Bhd.

<i>Indirect interest</i>				
Tan Sri Datuk Tee Hock Seng, JP	1,820,000	—	—	1,820,000 @

The Company Bina Puri Holdings Bhd.	Number of options over ordinary shares RM1 /- each			
	At 1-1-2012 / date of appointment	Granted	Exercised	At 31-12-2012
Dr. Tan Cheng Kiat	1,000,000	—	—	1,000,000
Datuk Tee Hock Hin	1,000,000	—	400,000	600,000
Tay Hock Lee	500,000	—	—	500,000
We Her Ching	450,000	—	—	450,000

^ bought through Tee Hock Seng Holdings Sdn. Bhd.

includes shares held through nominee company and 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd.

* includes shares held through nominee company

^^ includes 400,000 from the exercise of options under the ESOS during the financial year

** 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' Report (Cont'd)

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 36 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: 29th April 2013

Statements of Financial Position

As At 31st December 2012



	Note	The Group		The Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
ASSETS					
Non-current assets					
Investment in subsidiaries	4	—	—	85,740	80,840
Investment in associates	5	5,174	3,717	4,531	3,551
Investment in a jointly controlled entity	6	—	—	—	—
Property, plant and equipment	7	101,589	94,638	20,078	19,921
Investment properties	8	39,604	112	—	—
Land held for property development	9(a)	—	—	—	—
Other investments	10	37,309	37,274	36,412	36,752
Goodwill	11	350	350	—	—
Deferred tax assets	12(a)	654	678	—	—
Total non-current assets		184,680	136,769	146,761	141,064
Current assets					
Inventories	13	5,462	4,996	—	—
Property development cost	9(b)	46,141	33,549	—	—
Gross amount due from contract customers	14	206,409	211,567	10,357	14,285
Trade and other receivables	15	462,169	397,811	24,255	21,808
Amount owing by subsidiaries	16	—	—	72,206	31,560
Amount owing by associates	17	28,265	23,817	28,021	23,764
Tax recoverable		1,804	694	—	330
Fixed deposits with licensed banks	18	15,945	23,220	50	52
Cash and bank balances	19	71,311	53,789	2,238	844
Total current assets		837,506	749,443	137,127	92,643
TOTAL ASSETS		1,022,186	886,212	283,888	233,707



Statements of Financial Position (Cont'd)

As at 31st December 2012

	Note	The Group		The Company	
		2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	124,416	121,883	124,416	121,883
Reserves	21	10,964	7,104	33,841	33,254
Shareholders' funds		135,380	128,987	158,257	155,137
Non-controlling interests		14,022	13,424	–	–
Total equity		149,402	142,411	158,257	155,137
Non-current liabilities					
Hire purchase payables	22	9,625	8,661	336	–
Term loans	23	40,217	27,744	–	–
Deferred tax liabilities	12(b)	2,681	2,295	688	427
Total non-current liabilities		52,523	38,700	1,024	427
Current liabilities					
Gross amount due to contract customers	14	6,707	23,842	23,558	3,309
Trade and other payables	24	417,955	402,458	42,815	25,135
Amount owing to subsidiaries	16	–	–	23,804	18,061
Amount owing to associates	17	8,868	7,638	6	26
Amount owing to a jointly controlled entity	25	31	12	31	12
Hire purchase payables	22	7,245	4,793	85	82
Bank borrowings	26	368,060	252,326	34,204	31,518
Tax payable		11,395	14,032	104	–
Total current liabilities		820,261	705,101	124,607	78,143
TOTAL LIABILITIES		872,784	743,801	125,631	78,570
TOTAL EQUITY AND LIABILITIES		1,022,186	886,212	283,888	233,707

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

Statements of Comprehensive Income

For The Financial Year Ended 31st December 2012



	Note	The Group		The Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	27	1,280,062	1,178,063	77,059	112,088
Cost of sales	28	(1,211,791)	(1,090,007)	(66,281)	(100,151)
Gross profit		68,271	88,056	10,778	11,937
Other operating income		5,645	7,727	988	781
Administrative expenses		(53,170)	(64,883)	(13,112)	(12,457)
Share of results in associates		941	51	—	—
Share of results in a jointly controlled entity		(1,420)	(2,394)	—	—
Investment income		2,948	2,330	6,429	7,450
Finance costs		(6,811)	(5,038)	(2,328)	(1,788)
Profit before taxation	29	16,404	25,849	2,755	5,923
Taxation	30	(10,559)	(19,091)	(1,302)	(1,487)
Profit after taxation		5,845	6,758	1,453	4,436
Other comprehensive (loss)/ income, net of taxation					
- Foreign currency translation		(517)	(162)	46	(10)
Total comprehensive income for the financial year		5,328	6,596	1,499	4,426
Profit after taxation attributable to:					
Owners of the Company		5,110	5,997	1,453	4,436
Non-controlling interests		735	761	—	—
		5,845	6,758	1,453	4,436
Total comprehensive income attributable to:					
Owners of the Company		4,753	5,846	1,499	4,426
Non-controlling interests		575	750	—	—
		5,328	6,596	1,499	4,426
Earnings per share (sen)	31				
- basic		4.12	5.40		
- diluted		4.12	5.40		

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



Statements of Changes in Equity

For The Financial Year Ended 31st December 2012

Group	Note	Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1st January 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	20	5,247	1,880	—	—	(1,622)	—	5,505	—	5,505
Acquisition of subsidiaries		—	—	—	—	—	—	—	450	450
Grant of equity-settled share options to employees	21(d)	—	—	—	—	1,680	—	1,680	—	1,680
Dividends on ordinary shares	32	—	—	—	—	—	(3,221)	(3,221)	—	(3,221)
Issuance of ordinary shares	20	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

Statements of Changes in Equity (Cont'd)

For The Financial Year Ended 31st December 2012



Group	Note	Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Accumulated losses RM'000	to owners of the Company RM'000	Non-controlling interests RM'000	Attributable Total Equity RM'000
At 1st January 2012		121,883	4,762	15,682	(1,708)	735	(12,367)	128,987	13,424	142,411
Total comprehensive income for the financial year										
		-	-	-	(357)	-	5,110	4,753	575	5,328
Transactions with owners										
Exercise of employee share options	20	905	398	-	-	(325)	-	978	-	978
Acquisition of non-controlling interests		-	-	-	-	-	-	-	45	45
Disposal of subsidiaries	34(iii)	-	-	-	-	-	-	-	(203)	(203)
Changes in ownership interests in a subsidiary	34(ii)	-	-	-	-	-	19	19	181	200
Grant of equity-settled share options to employees	21(d)	-	-	-	-	891	-	891	-	891
Dividends on ordinary shares	32	-	-	-	-	-	(1,861)	(1,861)	-	(1,861)
Issuance of ordinary shares	20	1,628	-	-	-	-	-	1,628	-	1,628
Share issuance expenses		-	(15)	-	-	-	-	(15)	-	(15)
Total transactions with owners		2,533	383	-	-	566	(1,842)	1,640	23	1,663
At 31st December 2012		124,416	5,145	15,682	(2,065)	1,301	(9,099)	135,380	14,022	149,402



Statements of Changes in Equity (Cont'd)

For The Financial Year Ended 31st December 2012

Company	Note	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Retained profits RM'000	Total Equity RM'000
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	32	—	—	—	—	(3,221)	(3,221)
Exercise of employee share options	20	5,247	1,880	—	(1,622)	—	5,505
Issuance of ordinary shares	20	9,600	—	—	—	—	9,600
Share issuance expenses		—	(93)	—	—	—	(93)
Grant of equity-settled share options to employees	21(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
At 1st January 2012		121,883	4,762	87	735	27,670	155,137
Total comprehensive income for the financial year		—	—	46	—	1,453	1,499
Transactions with owners							
Dividends on ordinary shares	32	—	—	—	—	(1,861)	(1,861)
Exercise of employee share options	20	905	398	—	(325)	—	978
Issuance of ordinary shares	20	1,628	—	—	—	—	1,628
Share issuance expenses		—	(15)	—	—	—	(15)
Grant of equity-settled share options to employees	21(d)	—	—	—	891	—	891
Total transactions with owners		2,533	383	—	566	(1,861)	1,621
At 31st December 2012		124,416	5,145	133	1,301	27,262	158,257

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

Statements of Cash Flow

For The Financial Year Ended 31st December 2012



	Group		Company	
	2012	2011	2012	2011
Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before taxation	16,404	25,849	2,755	5,923
Adjustments for:-				
Allowance for impairment loss on:-				
- amount owing by subsidiaries	-	-	-	49
- trade and other receivables	368	9,266	368	250
Amortisation of government grant	-	(58)	-	-
Depreciation	10,783	10,376	571	537
Dividend income	(481)	(1,925)	(4,556)	(7,418)
Gain on disposal of:-				
- property, plant and equipment	(1,099)	(967)	(50)	-
- investment in subsidiary	(1,858)	-	(1,872)	-
- other investment	-	(50)	-	-
Gain arising from changes in ownership interests:-				
- investment in subsidiary to associate	(70)	-	-	-
Impact of changes in accounting treatment from associate to other investment	-	226	-	-
Interest expense	17,980	15,983	2,841	2,536
Interest income	(686)	(412)	-	(32)
Net effect of unwinding of interest from discounting	(95)	(1,033)	207	940
Property, plant and equipment written off	26	29	-	-
Reversal of allowance for impairment loss on trade and other receivables no longer required	(5)	(334)	-	-
Receivables written off	25	-	25	-
Share of results in:-				
- associates	(941)	(51)	-	-
- jointly controlled entity	1,420	2,394	-	-
Share options granted under ESOS	891	1,680	115	458
Unrealised loss/(gain) on foreign exchange	197	2	46	(50)
	42,859	60,975	450	3,193
Changes in working capital:-				
Inventories	(466)	33	-	-
Property development costs	(12,592)	(20,468)	-	-
Receivables	(61,738)	(56,022)	1,328	4,896
Payables	(2,174)	28,289	38,019	(1,789)
Subsidiaries	-	-	(24,918)	(4,499)
Associates	975	3,411	(20)	3,018
	(33,136)	16,218	14,859	4,819
Interest paid	(16,967)	(15,107)	(2,830)	(2,518)
Tax paid	(13,810)	(5,154)	(88)	-
Net Operating Cash Flows	(63,913)	(4,043)	11,941	2,301



Statements of Cash Flow (Cont'd)

For The Financial Year Ended 31st December 2012

		Group	Company	
		2012	2011	
	Note	RM'000	RM'000	
		2012	2011	
		RM'000	RM'000	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of:-				
- a subsidiary	33	-*	180	
- an associate		(1,040)	(2,019)	
- non-controlling interests		45	128	
Advances to associates		(4,193)	(4,941)	
Advances to subsidiaries		-	-	
Dividend received		881	2,326	
Interest received		686	412	
Net of cash, disposal of investment in subsidiaries	34 (iv)	2,868	-	
Proceeds from disposal of:-				
- investment in a subsidiary		-	-	
- other investments		375	74	
- property, plant and equipment		1,531	1,965	
Purchase of:-				
- investment in subsidiaries		-	-	
- other investments		(35)	-	
- property, plant and equipment	35	(10,354)	(18,685)	
- investment property		(39,492)	-	
Release of fixed deposits		6,108	8,070	
Repayment by jointly controlled entity		19	-	
Net Investing Cash Flows		(42,602)	(12,490)	
CASH FLOWS FROM FINANCING ACTIVITIES:				
Advances from/(repayment to) subsidiaries		-	-	
Dividends paid to shareholders of the Company		(1,861)	(3,221)	
Net drawdown of bank borrowings		144,997	73,580	
Hire purchase interests paid		(1,013)	(876)	
Net repayment of hire purchase obligations		(4,708)	(5,257)	
Proceeds from:-				
- issuance of shares		1,613	9,507	
- exercise of employee share options		978	5,505	
Net Financing Cash Flows		140,006	79,238	

Statements of Cash Flow (Cont'd)

For The Financial Year Ended 31st December 2012



		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS		33,491	62,705	2,762	3,917
EFFECT OF CHANGES IN EXCHANGE RATE		(121)	339	46	(10)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		4,790	(58,254)	(13,774)	(17,681)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		38,160	4,790	(10,966)	(13,774)
ANALYSIS OF CASH AND CASH EQUIVALENTS:					
Fixed deposits with licensed banks		15,945	23,220	50	52
Less: fixed deposits pledged to licensed banks	18	(15,945)	(22,020)	(50)	(52)
Cash and bank balances		71,311	53,789	2,238	844
Bank overdrafts		(33,151)	(50,199)	(13,204)	(14,618)
		38,160	4,790	(10,966)	(13,774)

* Represent consideration paid for acquisition of subsidiary of RM2/- as disclosed in Note 33 to the financial statements.

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



Notes to The Financial Statements

1. GENERAL INFORMATION

The Company is principally engaged in business as a contractor for earthworks and building, project management services and investment holding. The principal activities of the subsidiaries are as stated in Note 4 to the financial statements. There has been no significant 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 29th April 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

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

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

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

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

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

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

Revised FRS

FRS 124 Related Party Disclosures

Amendments/Improvements to FRSs

FRS 1 First-time Adoption of Financial Reporting Standards

FRS 7 Financial Instruments: Disclosures

FRS 112 Income Taxes

New IC Int

IC Int 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Int

IC Int 14 FRS 119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction



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

The adoption of the above revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company.

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

The Group and the Company have not adopted the following new 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	Disclosure 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 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	1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
		and
		1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
		and
		1 January 2014
FRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013
		and
		1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013



Notes to The Financial Statements (Cont'd)

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, but not yet effective and have not been early adopted (Cont'd)

		Effective for financial periods beginning on or after
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

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.

FRS 9 Financial Instruments

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

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

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

FRS 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 FRS 127 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 IC Int 12 Consolidation-Special Purpose Entities, 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.



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, but not yet effective and have not been early adopted (Cont'd)

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 venture 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, associated companies 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.

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.

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 associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company 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.

Amendments to FRS10, FRS12 and FRS127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate 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

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 to financial periods beginning on or after 1st January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1st January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1st January 2014. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 31st December 2014.

As at 31st December 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b). The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

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

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1st January 2014 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.



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)

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.

2.3 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.



Notes to The Financial Statements (Cont'd)

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

2.3 Significant Accounting Policies (Cont'd)

2.3.1 Basis of Consolidation (Cont'd)

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.

2.3.2 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.



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

2.3 Significant Accounting Policies (Cont'd)

2.3.3 Foreign Currency (Cont'd)

(ii) Foreign Currency Transactions

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

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

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

(iii) Foreign Operations

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

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

2.3.4 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.



Notes to The Financial Statements (Cont'd)

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)

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

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

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

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

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.6 Intangible Assets

Goodwill

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

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

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

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

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

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

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

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.7 Impairment of Non-Financial Assets

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

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

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

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

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

2.3.8 Subsidiaries

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

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

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

2.3.9 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.



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

2.3 Significant Accounting Policies (Cont'd)

2.3.9 Associates (Cont'd)

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

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

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

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

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

2.3.10 Joint 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.



Notes to The Financial Statements (Cont'd)

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

2.3 Significant Accounting Policies (Cont'd)

2.3.11 Financial Assets (Cont'd)

(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.

(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.



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

2.3 Significant Accounting Policies (Cont'd)

2.3.11 Financial Assets (Cont'd)

(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.

2.3.12 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.



Notes to The Financial Statements (Cont'd)

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

2.3 Significant Accounting Policies (Cont'd)

2.3.12 Impairment of Financial Assets (Cont'd)

(i) *Trade and other receivables and other financial assets carried at amortised cost (Cont'd)*

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.

(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.



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

2.3 Significant Accounting Policies (Cont'd)

2.3.13 Construction Contracts (Cont'd)

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

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

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

2.3.14 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.



Notes to The Financial Statements (Cont'd)

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

2.3 Significant Accounting Policies (Cont'd)

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.

2.3.16 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.



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

2.3 Significant Accounting Policies (Cont'd)

2.3.17 Financial Liabilities (Cont'd)

(ii) *Other financial liabilities (Cont'd)*

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

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

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

2.3 Significant Accounting Policies (Cont'd)

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.

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

2.3 Significant Accounting Policies (Cont'd)

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.

(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.



Notes to The Financial Statements (Cont'd)

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

2.3 Significant Accounting Policies (Cont'd)

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.

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.



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

2.3 Significant Accounting Policies (Cont'd)

2.3.25 Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

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.

2.3.28 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;



Notes to The Financial Statements (Cont'd)

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

2.3 Significant Accounting Policies (Cont'd)

2.3.29 Related Parties (Cont'd)

- (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 the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements Made in Applying Accounting Policies

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

(i) Classification of Leasehold Land

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

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

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

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

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



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

3.1 Judgements Made in Applying Accounting Policies (Cont'd)

(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 last 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.

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

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

(ii) Income Taxes

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

(iii) 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.



Notes to The Financial Statements (Cont'd)

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

3.2 Key Sources of Estimation Uncertainty (Cont'd)

(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.

(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 and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(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.



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

3.2 Key Sources of Estimation Uncertainty (Cont'd)

(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.

(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.



Notes to The Financial Statements (Cont'd)

4. INVESTMENT IN SUBSIDIARIES

	Company	
	2012	2011
	RM'000	RM'000
Unquoted shares - at cost		
In Malaysia	88,405	83,505
Outside Malaysia	1,845	1,845
	90,250	85,350
Less: Accumulated impairment losses		
At 1st January	4,510	4,510
Addition during the financial year	—	—
At 31st December	4,510	4,510
	85,740	80,840

Details of the subsidiaries are as follows:-

	Country of Incorporation	Equity interest 2012 %	2011 %	Principal activity
Name of Company				
Held by the Company				
Bina Puri Sdn. Bhd.	Malaysia	100	100	Contractor of earthworks, buildings and road construction
Bina Puri Construction Sdn. Bhd.	Malaysia	100	100	Contractor of earthworks, buildings, road construction and property development
Aksi Bina Puri Sdn. Bhd. ^	Malaysia	60	100	Investment holding
Bina Puri Ventures Sdn. Bhd. @	Malaysia	100	100	Investment holding and contractor of earthworks, buildings and road construction
Bina Puri Infrastructure Pte. Ltd. ^	India	100	100	Inactive
Bina Puri (Libya) Sdn. Bhd. @	Malaysia	100	80	Inactive
Gugusan Murni Sdn. Bhd. ^	Malaysia	100	100	Property developer
Maskimi Venture Sdn. Bhd.	Malaysia	100	100	Commission agent
Bina Puri Power Sdn. Bhd.	Malaysia	80	80	Investment holding
DPBS-BPHB Sdn. Bhd. ^	Malaysia	60	60	Investment holding
Bina Puri Juara Sdn Bhd.	Malaysia	100	100	Investment holding
Bina Puri Gah Sdn. Bhd. @ ^	Malaysia	60	60	Inactive
Bina Puri Pakistan (Private) Ltd. @ ^	Pakistan	99.97	99.97	Builder of motorway



4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Equity interest 2012 %	2011 %	Principal activity
Held by the Company (Cont'd)				
Bina Puri (B) Sdn. Bhd. @ ^	Brunei Darusalam	90	90	Contractor of earthworks, buildings and road construction
Bina Puri Properties (B) Sdn. Bhd. @ ^	Brunei Darusalam	100	100	Renting of service apartment and property management
Medini Square Sdn. Bhd. ^	Malaysia	—	80	Property developer
Bina Puri Power Nepal Sdn. Bhd. @	Malaysia	100	100	Inactive
Bina Puri Properties Sdn. Bhd. ^	Malaysia	100	100	Property developer and management
BP Energy Sdn. Bhd. @	Malaysia	49	70	Oil and gas and related business
Held through Bina Puri Sdn. Bhd.				
Bina Puri Mining Sdn. Bhd. (f.k.a. Bina Puri Machinery Sdn. Bhd.)	Malaysia	100	100	Quarry operator
Konsortium Syarikat Bina Puri-TA3 JV Sdn. Bhd.	Malaysia	70	70	Contractor of earthworks, buildings and road construction
Held through Bina Puri Construction Sdn. Bhd.				
Latar Project Management Sdn. Bhd. @ ^	Malaysia	60	60	Inactive
Bina Puri Cambodia Ltd. *	Cambodia	100	100	Inactive
Bina Puri Development Sdn. Bhd. ^	Malaysia	100	100	Inactive
Bina Puri Vietnam Co. Ltd. @ ^	Vietnam	100	100	Inactive
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-BPHBSdn. Bhd.				
Konsortium DPBSH-BPHB-AGSB Sdn. Bhd. ^	Malaysia	55	55	Contractor of earthworks, buildings and road construction



Notes to The Financial Statements (Cont'd)

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Equity interest 2012 %	Equity interest 2011 %	Principal activity
Held through Bina Puri Power Sdn. Bhd.				
PT Megapower Makmur ^	Republic of Indonesia	80	80	Power supply
Held through Bina Puri Juara Sdn. Bhd.				
Sungai Long Industries Sdn. Bhd.	Malaysia	51	51	Quarry operator and contractor of road paving projects
Easy Mix Sdn. Bhd. ^	Malaysia	100	100	Producer of ready mix concrete
KM Quarry Sdn. Bhd. @	Malaysia	70	70	Quarry operator and contractor of road paving projects
Held through Sungai Long Industries Sdn. Bhd.				
Sungai Long Bricks Sdn. Bhd.	Malaysia	100	100	Manufacturer of bricks
Held through Aksi Bina Puri Sdn. Bhd.				
Sumbangan Lagenda Sdn. Bhd. ^	Malaysia	55	55	Property developer

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

^ Audited by audit firms other than Baker Tilly Monteiro Heng.

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

5. INVESTMENT IN ASSOCIATES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unquoted shares - at cost				
In Malaysia	1,165	615	615	125
Outside Malaysia	3,916	3,426	3,916	3,426
	5,081	4,041	4,531	3,551
Add: Share of post acquisition results	93	(324)	—	—
	5,174	3,717	4,531	3,551

(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.



5. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Details of the associates are as follows:-

Name of Company	Country of Incorporation	Equity 2012 %	interest 2011 %	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 construction
Bina Puri Norwest Sdn. Bhd.	Malaysia	50	50	Property development
Bina Puri Saudi Co. Ltd.	Arab Saudi	50	50	Contractor of earthworks, buildings and road construction
BP Energy Sdn. Bhd.	Malaysia	49	70	Oil & gas and related business
Held through Sungai Long Industries Sdn. Bhd.				
Rock Processors (Melaka) Sdn. Bhd.	Malaysia	40	40	Quarry operator and contractor of road paving project
Held through Bina Puri Juara Sdn. Bhd.				
Dimara Building System Sdn. Bhd.	Malaysia	30	30	Contractor in steel engineering works

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

	2012 RM'000	Group 2011 RM'000
Assets and liabilities		
Total assets	95,413	82,742
Total liabilities	83,263	73,376
Results		
Revenue	55,012	50,687
Profit after taxation	2,054	4,026

(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:-

	2012 RM'000	Group 2011 RM'000
At 1st January	—	3,801
Share of current year's profit	—	(1,783)
Capitalisation of equity investment	—	(2,018)
At 31st December	—	—



Notes to The Financial Statements (Cont'd)

6. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group 2012 RM'000	2011 RM'000
Unincorporated, outside Malaysia		
- share of post-acquisition results and reserves	–	–

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

Name of Company	Country of Incorporation	Equity interest 2012 %	2011 %	Principal activity
SPK-Bina Puri Joint Venture	United Arab Emirates*	30	30	Builder and contractor for general engineering and construction works

* Audited by audit firm other than Baker Tilly Monteiro Heng.

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 2012 RM'000	2011 RM'000
Assets and liabilities		
Non-current assets	16	70
Current assets	5,087	5,052
Total assets	5,103	5,122
Liabilities		
Non-current liabilities	–	40
Current liabilities	8,798	7,530
Total liabilities	8,798	7,570
Results		
Revenue	1,736	(1,231)
Loss for the financial year	(1,420)	(2,394)

(c) In the last financial year, the unincorporated jointly controlled entity is exposed to a contingent liability amounting to 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 2012	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1st January 2012	5,846	23,350	3,626	70,275	28,876	16,066	50,573	316	198,928
Additions	-	-	-	8,490	466	743	8,374	738	18,811
Disposals	-	-	-	(1,126)	(38)	(83)	(3,268)	-	(4,515)
Written off	-	-	-	-	(288)	(282)	-	-	(570)
Reclassification	-	-	-	(142)	33	(68)	177	-	-
Exchange differences	-	-	-	(1,136)	332	67	(5)	-	(742)
At 31st December 2012	5,846	23,350	3,626	76,361	29,381	16,443	55,851	1,054	211,912
Accumulated depreciation									
At 1st January 2012	207	3,289	2,475	43,792	8,818	10,812	34,813	-	104,206
Depreciation for the financial year	25	246	72	3,945	1,212	1,089	4,194	-	10,783
Disposals	-	-	-	(1,012)	(5)	(30)	(3,029)	-	(4,076)
Written off	-	-	-	-	(205)	(255)	-	-	(460)
Reclassification	-	-	-	(82)	(1)	(1)	84	-	-
Exchange differences	-	-	-	(173)	31	6	6	-	(130)
At 31st December 2012	232	3,535	2,547	46,470	9,850	11,621	36,068	-	110,323
Accumulated impairment loss									
At 1st January 2012	-	-	-	-	84	-	-	-	84
Written off	-	-	-	-	(84)	-	-	-	(84)
At 31st December 2012	-	-	-	-	-	-	-	-	-
Net book value as at 31st December 2012	5,614	19,815	1,079	29,891	19,531	4,822	19,783	1,054	101,589



Notes to The Financial Statements (Cont'd)

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

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)

Company 2012	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation and furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Total RM'000
Cost							
At 1st January 2012	1,375	20,560	875	3,386	1,407	643	28,246
Additions	-	-	-	90	55	594	739
Disposals	-	-	-	-	-	(386)	(386)
Written off	-	-	-	-	(22)	-	(22)
Transfer to subsidiaries	-	-	-	(6)	(16)	-	(22)
At 31st December 2012	1,375	20,560	875	3,470	1,424	851	28,555
Accumulated depreciation							
At 1st January 2012	77	3,080	242	3,137	1,190	599	8,325
Depreciation for the financial year	17	223	131	40	75	85	571
Disposals	-	-	-	-	-	(386)	(386)
Written off	-	-	-	-	(22)	-	(22)
Transfer to subsidiaries	-	-	-	(2)	(9)	-	(11)
At 31st December 2012	94	3,303	373	3,175	1,234	298	8,477
Net book value at 31st December 2012	1,281	17,257	502	295	190	553	20,078



Notes to The Financial Statements (Cont'd)

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 and 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)

- (a) The title deeds to certain land and buildings of the Group and of the Company with net book value of RM1,445,771/- (2011: RM2,298,116/-) and RM1,445,771/- (2011: RM2,551,818/-) 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/- (2011: RM934,690/-) which is held in trust by a former director of the Company.
- (c) The net book value of property, plant and equipment of the Group charged to licensed financial institutions for banking facilities granted to the Group are as follows:-

	Group	
	2012	2011
	RM'000	RM'000
Freehold land and buildings	3,397	3,105
Long leasehold land and buildings	2,804	—
Plant, machinery and equipment	4,721	5,263
Trucks and motor vehicles	732	542
Renovations, electrical installation and furniture and fittings	46	63
Office equipment	329	341
Capital work-in-progress	542	168
	12,571	9,482

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Plant, machinery and equipment	3,084	5,892	—	545
Renovation, electrical installation, furniture and fittings	—	100	—	—
Office equipment	—	346	—	—
Truck and motor vehicles	17,505	13,158	531	10
	20,589	19,496	531	555

8. INVESTMENT PROPERTIES

	Group	
	2012	2011
	RM'000	RM'000
At 1st January	112	112
Addition arising from acquisition of property under construction	39,492	—
At 31st December	39,604	112



Notes to The Financial Statements (Cont'd)

8. INVESTMENT PROPERTIES (CONT'D)

Included in the above are:-

	Group	
	2012 RM'000	2011 RM'000
At fair value		
Leasehold land	112	112
At cost		
Freehold land and building under construction	39,492	–
	39,604	112

- (a) Except for investment property under construction, the investment property is 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.
- (b) The investment property under construction which comprise of land and building is being valued at cost as the directors are of the opinion that the fair value of the investment property cannot be reliably and separately determined due to the nature of the property which is under construction and project risk involved in completing the investment property.
- (c) Details of the freehold land and building under construction are as follows:-

	Group	
	2012 RM'000	2011 RM'000
Freehold land, at cost		
At 1st January	–	–
Costs incurred during the financial year	19,951	–
At 31st December	19,951	–
Development cost		
At 1st January	–	–
Costs incurred during the financial year	19,541	–
At 31st December	19,541	–
Total freehold land and building under construction	39,492	–



9. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Group	
	2012 RM'000	2011 RM'000
Leasehold land, at cost		
At 1st January	–	12,893
Transfer to property development cost (Note 9(b))	–	(12,893)
At 31st December	–	–
Development costs		
At 1st January	–	188
Transfer to property development cost (Note 9(b))	–	(188)
At 31st December	–	–
Net carrying amount as at 31st December	–	–

(b) Property development costs

	Group	
	2012 RM'000	2011 RM'000
Cumulative property development costs		
At 1st January		
- freehold land	6,100	–
- leasehold land	17,393	–
- development costs	10,056	–
	33,549	–
Add: Costs incurred during the financial year		
- freehold land	2,049	6,100
- leasehold land	–	4,500
- development costs	54,115	9,868
	56,164	20,468
Less: Costs recognised in profit or loss during the financial year (Note 28)		
- freehold land	(2,265)	–
- development costs	(41,307)	–
	(43,572)	–
Transfer from:		
- land held for property development (Note 9(a))		
- leasehold land	–	12,893
- development costs	–	188
	–	13,081
As 31st December		
- freehold land	5,884	6,100
- leasehold land	17,393	17,393
- development costs	22,864	10,056
Property development costs at 31st December	46,141	33,549



Notes to The Financial Statements (Cont'd)

9. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

(b) Property development costs (Cont'd)

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

	Group	
	2012	2011
	RM'000	RM'000
Depreciation	69	–
Finance costs	1,191	202

The freehold land and development costs and leasehold land and development costs of the Group amounting to RM30,345,374/- (2011: Nil) and RM5,423,840/- (2011: RM4,911,282/-) respectively were charged to a licensed bank to secure a banking facility granted to the Group as stated in Note 23 to the financial statements.

10. OTHER INVESTMENTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At cost				
Unquoted shares in Malaysia	36,815	36,780	36,377	36,717
Transferable corporate membership in golf and country resort	422	422	35	35
	37,237	37,202	36,412	36,752
At fair value				
Quoted shares outside Malaysia	72	72	–	–
	72	72	–	–
	37,309	37,274	36,412	36,752

- (a) Investments in unquoted shares of the Group and of the Company which were designated as available-for-sale financial assets are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the unquoted shares.
- (b) 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.

In the previous 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.



11. GOODWILL

	Group	
	2012	2011
	RM'000	RM'000
At 1st January/ 31st December	350	350

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

	Group	
	2012	2011
	RM'000	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 cashgenerating 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.

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.



Notes to The Financial Statements (Cont'd)

12. DEFERRED TAXATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1st January	(1,617)	(445)	(427)	–
Recognised in profit or loss (Note 30)	(416)	(1,174)	(261)	(427)
Foreign exchange	6	2	–	–
At 31st December	(2,027)	(1,617)	(688)	(427)
Presented after appropriate offsetting:-				
Deferred tax assets	654	678	–	–
Deferred tax liabilities	(2,681)	(2,295)	(688)	(427)
	(2,027)	(1,617)	(688)	(427)

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	
	2012 RM'000	2011 RM'000
At 1st January	678	654
Recognised in profit or loss	(24)	24
At 31st December	654	678

Deferred tax assets are attributable to the following items:-

	Group	
	2012 RM'000	2011 RM'000
Unutilised tax losses	221	221
Unabsorbed capital allowances	374	374
Excess of capital allowances over depreciation	(48)	(48)
Others	107	131
	654	678

Deferred tax assets are recognised by certain subsidiaries based on the expected probable future taxable profit generated by the said subsidiaries.



12. DEFERRED TAXATION (CONT'D)

(a) Deferred tax assets (Cont'd)

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

	Group	
	2012 RM'000	2011 RM'000
Unutilised tax losses	11,685	7,887
Unabsorbed capital allowances	9,932	10,159
	21,617	18,046

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.

(b) Deferred tax liabilities

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1st January	2,295	1,099	427	—
Recognised in profit or loss	392	1,198	261	427
Foreign exchange	(6)	(2)	—	—
At 31st December	2,681	2,295	688	427
Representing tax effect of:				
- property, plant and equipment	2,681	2,295	688	427

13. INVENTORIES

	Group	
	2012 RM'000	2011 RM'000
At cost:-		
Completed development units	278	278
Raw materials and consumables	3,310	2,537
Finished goods	1,874	2,181
	5,462	4,996



Notes to The Financial Statements (Cont'd)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Aggregate construction contract costs incurred to-date	2,361,833	1,859,888	276,772	211,713
Add: Attributable profits	177,665	168,536	6,329	5,062
	2,539,498	2,028,424	283,101	216,775
Less: Progress billings	(2,339,796)	(1,840,699)	(296,302)	(205,799)
	199,702	187,725	(13,201)	10,976
Represented by gross amounts:				
- due from contract customers	206,409	211,567	10,357	14,285
- due to contract customers	(6,707)	(23,842)	(23,558)	(3,309)
	199,702	187,725	(13,201)	10,976
Recognised to profit or loss during the financial year:				
- contract revenue (Note 27)	1,097,278	1,083,599	72,987	103,758
- contract costs (Note 28)	1,047,013	1,007,064	66,281	100,151
Retention sums receivable from customers included in trade receivables	100,957	83,857	5,085	9,522
Advances received for contract work not yet performed included in other payables	15,436	80,609	—	—

In previous financial year, included in the gross amount due from contract customers of the Group were project costs incurred during the period from 2006 to 2009 amounting to RM3.4 million in relation to a project awarded by the Government of Malaysia ("Project") which has been called off in the financial year 2010.

On 17th February 2012, the Group received a new letter of intent from the Government of Malaysia.

On 4th February 2013, the Group received a new letter of award from the Government of Malaysia in relation to the said Project.

The directors, having considered all available information relating to the Project, are confident that all costs incurred will be recoverable. Accordingly, the directors are of the opinion that no impairment loss is necessary.



15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables				
Third parties	347,533	357,755	20,575	16,994
A related party	1,003	1,438	–	–
	348,536	359,193	20,575	16,994
Less: Allowance for impairment	(7,634)	(18,823)	(437)	(678)
Total trade receivables, net	340,902	340,370	20,138	16,316
Other receivables				
- third parties	85,988	51,414	4,595	5,606
- a related party	740	960	–	–
	86,728	52,374	4,595	5,606
Less: Allowance for impairment	(653)	(6,600)	(618)	(400)
Other receivables, net	86,075	45,774	3,977	5,206
Deposits	8,139	4,485	123	225
Prepayments	4,802	7,182	17	61
Total other receivables, net	99,016	57,441	4,117	5,492
Accrued billings in respect of property development costs	22,251	–	–	–
Total trade and other receivables	462,169	397,811	24,255	21,808

(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 (2011: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

As at the end of the reporting period, the Company has significant concentration of credit risk in the form of outstanding balances owing by 1 (2011: 1) customer represents 98% (2011: 79%) of the total receivables respectively.



Notes to The Financial Statements (Cont'd)

15. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Neither past due nor impaired	188,922	191,011	17,354	10,579
Past due but not impaired				
1 to 30 days past due but not impaired	30,715	62,396	—	619
31 to 60 days past due but not impaired	29,120	27,186	92	758
61 to 90 days past due but not impaired	14,983	46,898	239	532
91 to 120 days past due but not impaired	57,694	5,492	2,453	3,828
More than 120 days past due not impaired	19,468	7,387	—	—
	151,980	149,359	2,784	5,737
Impaired				
Not past due	7,548	7,261	437	678
Past due	86	11,562	—	—
	7,634	18,823	437	678
	348,536	359,193	20,575	16,994

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group and the Company. The Group and the Company monitor the credit quality of the trade receivables through ageing analysis. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Trade receivables that are past due but not impaired

The Group and the Company believe that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.



15. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Individually impaired				
Trade receivables, nominal value	93,924	95,936	5,085	9,522
Less: Allowance for impairment	(7,634)	(18,823)	(437)	(678)
	86,290	77,113	4,648	8,844

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1st January	18,823	18,093	678	790
Additions	—	9,016	—	—
Reversal	(5)	(334)	—	—
Written off	(11,519)	(8,747)	—	—
Discounting effect of FRS 139	1,459	1,468	—	—
Unwinding of discount	(1,124)	(673)	(241)	(112)
At 31st December	7,634	18,823	437	678

Trade receivables that are individually impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(b) Other receivables

The Group's and the Company's amounts owing by other receivables are unsecured, interest free and are repayable on demand.

The Group's amount owing by related parties represents interest receivable from companies on which certain directors have interests. The amount is unsecured, interest free and is repayable on demand.



Notes to The Financial Statements (Cont'd)

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (Cont'd)

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the end of the reporting period are as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Individually impaired				
Other receivables, nominal value	653	6,968	618	768
Less: Allowance for impairment	(653)	(6,600)	(618)	(400)
	–	368	–	368

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1st January	6,600	6,350	400	151
Additions	368	250	368	250
Written off	(6,315)	–	(150)	(1)
At 31st December	653	6,600	618	400

Other receivables that are individually impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(c) Included in the trade receivables of the Group were:-

- (i) an amount of approximately RM4.0 million owing by a developer of a housing project. The debt relates to progress billings raised in previous financial years. The debtor has agreed to settle the outstanding amount with interest.

During the financial year, the Group has sought legal consultation for the recovery of the outstanding balance due from the said developer. Based on the representation from the legal advisor, the Group will be able to recover the balance outstanding through the sale of the development properties.

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

- (ii) an amount of RM0.35 million owing by a debtor in India is under arbitration process since year 2009.

The Group has provided allowance for impairment losses in respect of the amount owing by the said debtor in India during the current financial year.



16. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company	
	2012	2011
	RM'000	RM'000
Amount owing by subsidiaries:-		
- Trade	41,983	17,989
- Non-trade	61,402	44,213
	103,385	62,202
Less: Allowance for impairment losses		
- Trade	(537)	—
- Non-trade	(30,642)	(30,642)
	(31,179)	(30,642)
	72,206	31,560
Amount owing to subsidiaries:-		
- Trade	(1,269)	(1,610)
- Non-trade	(22,535)	(16,451)
	(23,804)	(18,061)

(a) Trade amounts owing

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2011: 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	
	2012	2011
	RM'000	RM'000
Neither past due nor impaired	13,642	556
Past due but not impaired		
1 to 30 days past due but not impaired	9,928	5,006
31 to 60 days past due but not impaired	5,271	—
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	12,605	12,427
	27,804	17,433
Impaired	537	—
	41,983	17,989



Notes to The Financial Statements (Cont'd)

16. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(a) Trade amounts owing (Cont'd)

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

The Company monitors the credit quality of the trade-related amount owing by subsidiaries through ageing analysis. Any subsidiaries having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Trade-related amount owing by subsidiaries that are past due but not impaired

The Company believes that no impairment allowance is necessary in respect of these subsidiaries. The directors are of the opinion that no impairment is required based on past experience and the likelihood of recoverability of these subsidiaries.

Trade amount owing by subsidiaries that are impaired

The Company's trade amount owing by subsidiaries that are impaired at the end of the reporting period are as follows:-

	Company	
	2012	2011
	RM'000	RM'000
Individually impaired		
Trade amount owing by subsidiaries, nominal value	6,750	—
Less: Allowance for impairment	(537)	—
	6,213	—

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

	Company	
	2012	2011
	RM'000	RM'000
At 1st January	—	—
Discounting effect of unwinding interests	537	—
At 31st December	537	—

(b) Non-trade amounts owing

The non-trade amounts owing represent unsecured interest-free advances and payments made on behalf. The amounts owing are receivable/(repayable) on demand and are to be settled in cash.



16. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

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

Non-trade amount owing by subsidiaries that are impaired

The Company's non-trade amount owing by subsidiaries that are impaired at the end of the reporting period are as follows:-

	Company	
	2012	2011
	RM'000	RM'000
Individually impaired		
Non-trade amount owing by subsidiaries, nominal value	38,115	32,743
Less: Allowance for impairment	(30,642)	(30,642)
	7,473	2,101

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

	Company	
	2012	2011
	RM'000	RM'000
At 1st January	30,642	30,593
Additions	—	49
At 31st December	30,642	30,642

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



Notes to The Financial Statements (Cont'd)

17. AMOUNT OWING BY/(TO) ASSOCIATES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amount owing by associates:-				
- Trade	9,513	9,332	9,283	9,283
- Non-trade	19,907	15,640	19,893	15,636
	29,420	24,972	29,176	24,919
Less: Allowance for impairment				
- Trade	(698)	(698)	(698)	(698)
- Non-trade	(457)	(457)	(457)	(457)
	(1,155)	(1,155)	(1,155)	(1,155)
	28,265	23,817	28,021	23,764
Amount owing to associates:-				
- Trade	(8,868)	(7,564)	(6)	(26)
- Non-trade	—	(74)	—	—
	(8,868)	(7,638)	(6)	(26)

(a) Trade amounts owing

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2011: 30 to 60 days). The amounts owing are to be settled in cash.



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

(a) Trade amounts owing (Cont'd)

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Neither past due nor impaired	150	—	—	—
Past due but not impaired				
1 to 30 days past due but not impaired	66	41	—	—
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	8,599	8,593	8,585	8,585
	8,665	8,634	8,585	8,585
Impaired	698	698	698	698
	9,513	9,332	9,283	9,283

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

The Group and the Company monitor the credit quality of the trade-related amount owing by associates through ageing analysis. Any associates having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Trade-related amount owing by associates that are past due but not impaired

The Group and the Company believe that no impairment allowance is necessary in respect of these associates. The directors are of the opinion that no impairment is required based on past experience and the likelihood of recoverability of these associates.



Notes to The Financial Statements (Cont'd)

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

(a) Trade amounts owing (Cont'd)

Trade-related amount owing by associates that are impaired

The Group's and the Company's trade-related amount owing by associates that are impaired at the end of the reporting period are as follows:-

	Group and Company 2012 RM'000	2011 RM'000
Individually impaired		
Nominal value	9,283	9,283
Less: Allowance for impairment	(698)	(698)
	8,585	8,585

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

	Group and Company 2012 RM'000	2011 RM'000
At 1st January	698	—
Discounting effect of FRS 139	—	698
At 31st December	698	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:-

	Group and Company 2012 RM'000	2011 RM'000
Individually impaired		
Nominal value	8,630	6,076
Less: Allowance for impairment	(457)	(457)
	8,173	5,619



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

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

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

	2012 RM'000	2011 RM'000
At 1st January	457	—
Discounting effect of FRS 139	—	457
At 31st December	457	457

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

- (c) Included in the Group's and the Company's amounts owing by associates is an amount of RM16,758,140/- owing by an associate which has been long outstanding.

The directors are of the opinion that the balance due from the associate is recoverable as the associate have committed to the Group to repay the amount owing when it has successfully recovered the compensation in its legal claims from its completed project or from its additional cash flows to be generated from a secured project.

18. FIXED DEPOSITS WITH LICENSED BANKS

- (i) The deposits with licensed banks of the Group and of the Company at the end of the reporting period bear effective interest rates ranging from 0.50% to 5.25% (2011: 1.00% to 5.25%) per annum. The deposits have maturity periods of not more than one year.
- (ii) Included in deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM15,945,389/- (2011: RM22,020,202/-) and RM49,801/- (2011: RM51,583/-) respectively, which have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company.

19. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are:-

- (a) an amount of RM4,252,069/- (2011: RM13,800,240/-), 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 RM3,184,541/- (2011: RM167,822/-) 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.



Notes to The Financial Statements (Cont'd)

20. SHARE CAPITAL

	Group and Company			
	2012		2011	
	Number of shares '000	RM'000	Number of shares '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	121,883	121,883	107,036	107,036
Exercise of employee share options	905	905	5,247	5,247
Issuance of shares	1,628	1,628	9,600	9,600
At 31st December	124,416	124,416	121,883	121,883

In previous financial year, the Group and the Company increased their issued and paid-up ordinary shares from RM107.036 million to RM121.883 million through the issuance of:-

- (i) 0.964 million new ordinary shares of RM1/- each pursuant to the Employee Share Option Scheme 2003 at an exercise price of RM1.00/- per share;
- (ii) 4.283 million new ordinary shares of RM1/- each pursuant to the Employee Share Option Scheme 2011 at an exercise price of RM1.08/- per share; and
- (iii) 9.600 million new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1/- per share.

During the financial year, the Group and the Company increased its issued and paid-up share capital from RM121.883 million to RM124.416 million through the issuance of:-

- (i) 904,725 new ordinary shares of RM1/- each pursuant to the Employees' Share Option Scheme at an exercise price of RM1.08 per share; and
- (ii) 1,628,200 new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1/- per share.

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

21. RESERVES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Share premium	5,145	4,762	5,145	4,762
Other capital reserves	15,682	15,682	—	—
Translation reserve	(2,065)	(1,708)	133	87
Employee share option reserve	1,301	735	1,301	735
(Accumulated losses)/retained profits	(9,099)	(12,367)	27,262	27,670
Total reserves	10,964	7,104	33,841	33,254



21. RESERVES (CONT'D)

(a) Share premium

	Group and Company	
	2012	2011
	RM'000	RM'000
At 1st January	4,762	2,975
Exercise of employee share options	398	1,880
Share issuance expenses	(15)	(93)
At 31st December	5,145	4,762

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

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

The salient features of the New ESOS are as follows:-

- (a) The maximum number of shares to be offered and allotted under the New ESOS shall not exceed 15% of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS.
- (b) Any employee of the Group who meets the following criteria as at the Date of Offer shall be eligible to participate in the New ESOS:-
 - i. If he has attained the age of eighteen (18) years of age and is not an undischarged bankrupt;
 - ii. (i) If he has been employed for a continuous period of at least twelve (12) months in the Group and his employment must have been confirmed on the Date of Offer; or
 - (ii) If he is employed on a contractual basis for a continuous period of twelve (12) months in the Group and his employment must have been confirmed on the Date of Offer;
 - iii. If he fulfils any other criteria and/or falls within such category as may be set by the ESOS Committee from time to time;
 - iv. An employee who during the tenure of the New ESOS becomes an Eligible Person may be eligible to a grant of an Option under the New ESOS which shall be decided by the ESOS Committee;



Notes to The Financial Statements (Cont'd)

21. RESERVES (CONT'D)

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

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

- (c) Any director of the Group who holds a directorship and/or management position, and/or is involved in the day-to-day operations of any subsidiary within the Group and who meets the following criteria as at the Date of Offer shall be eligible to participate in the New ESOS:-
- If he has attained the age of eighteen (18) years of age and is not an undischarged bankrupt;
 - 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
 - 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:-
- 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
 - The par value of the Company's share price.
- (f) An offer shall be valid for a period of sixty (60) days from the date of offer or such longer period as may be determined by the ESOS Committee on a case-by-case basis at its discretion. An offer shall be accepted by an Eligible Employee within the offer period by written notice to the ESOS Committee accompanied by a non-refundable sum of RM1/- as consideration. If the offer is not accepted in the manner aforesaid, such offer shall automatically lapse upon the expiry of the offer period and become null and void and be of no further force and effect.
- (g) The new ordinary shares to be allotted upon any exercise of Options under the ESOS shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares. However, the new ordinary shares so issued shall not be entitled to any dividend or other distributions declared, made or paid prior to the date of exercise of the Options.
- (h) The ESOS shall be in force for a period of up to five (5) years commencing from the Effective Date. Upon the expiry of the ESOS, all unexercised Options shall become null and void unless the ESOS is extended for a further five (5) years upon recommendation of the ESOS Committee.
- (i) These Options may be exercised at any date during the Option Period not later than 6th June 2016 subject to a maximum limit of 20% per year over the exercise period of five (5) years. Any such exercise of these Options of more than 20% in a year shall subject to the review and approval by the ESOS Committee.

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years but not later than 6th June 2016. All unexercised Options shall be exercisable in the last year of the Option Period. Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated.

An Eligible Employee serving under an employment contract may exercise any remaining Options exercisable in the year (the particular year of which his contract is expiring) within sixty (60) days before the expiry of the employment contract if the remaining duration of the contract as at the date on which the Options are granted is less than the Option Period.



21. RESERVES (CONT'D)

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

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

The movements in the Options during the financial year to take up the unissued new ordinary shares of RM1/- each in the Company were as follows:-

	2012		2011	
	Number of options over ordinary shares '000	RM'000	Number of options over ordinary shares '000	RM'000
At 1st January	11,852	11,852	—	—
Granted	—	—	16,135	16,135
Exercised	(905)	(905)	(4,283)	(4,283)
At 31st December	10,947	10,947	11,852	11,852

The fair value of the share options granted under the new ESOS 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 0.180	At 31.12.2012 0.360
Fair value of share options		
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.



Notes to The Financial Statements (Cont'd)

22. HIRE PURCHASE PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Minimum hire purchase payables:				
- not later than one year	8,097	5,609	104	83
- later than one year but not later than five years	10,274	9,236	367	—
	18,371	14,845	471	83
Less: Future finance charges	(1,501)	(1,391)	(50)	(1)
Present value of hire purchase payables	16,870	13,454	421	82
Represented by:-				
Current				
- not later than one year	7,245	4,793	85	82
Non-current				
- later than one year but not later than five years	9,625	8,661	336	—
	16,870	13,454	421	82

The Group's and the Company's hire purchase payables bear effective interest rates ranging from 2.40% to 12.32% (2011: 4.25% to 11.10%) and 4.48% to 6.00% (2011: 4.25% to 5.75%) per annum respectively.

23. TERM LOANS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current				
- not later than one year (Note 26)	20,185	5,739	—	900
Non-current				
- later than one year but not later than two years	8,526	6,805	—	—
- later than two years but not later than five years	15,342	17,957	—	—
- more than five years	16,349	2,982	—	—
	40,217	27,744	—	—
	60,402	33,483	—	900



23. TERM LOANS (CONT'D)

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 3.77% per annum is repayable in 34 monthly instalments of USD Dollar 25,000/- effective from June 2011.
- (iv) Term loan at an effective interest rate of 3.77% per annum is repayable in 36 monthly instalments of USD Dollar 25,000/- effective from August 2011.
- (v) Term loan at an effective interest rate of 3.77% per annum is repayable in 24 monthly instalments of US Dollar 36,150/- effective for month 1 - 12, US Dollar 72,000/- for month 13 - 23 and final repayment of US Dollar 72,000/-.
- (vi) Term loan at an effective interest rate of 6.00% per annum repayable in 84 monthly instalments of Brunei Dollar 73,041/- effective from October 2012.
- (vii) Term loan at an effective interest rate of 7.10% per annum repayable in 144 monthly instalments of RM124,047/- effective 1 months from the full disbursement of the term loan.
- (viii) Term loan at an effective interest rate of 7.30% per annum repayable in 60 monthly instalments of RM71,795/- effective from June 2011.
- (ix) Term loan at an effective interest rate of 7.35% per annum repayable in 120 monthly instalments of RM20,224/- effective from August 2011.
- (x) Term loan at an effective interest rate of 7.35% per annum repayable in 48 monthly instalments of RM240,000/- effective 7 months from the full disbursement of the term loan.
- (xi) Term loan at an effective interest rate of 5.05% per annum repayable via proceeds to be received from the project.



Notes to The Financial Statements (Cont'd)

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables				
Cost:				
- third parties	207,914	192,515	27,879	12,942
- related parties	—	129	—	32
Amortised cost	121,688	83,900	9,472	7,045
Total trade payables	329,602	276,544	37,351	20,019
Other payables				
Other payables				
- third parties	72,897	109,641	4,490	3,868
- a related party	—	40	—	18
Provision for foreseeable losses	72,897	109,681	4,490	3,886
Sundry deposits	3,357	2,085	—	—
Accruals	1,679	894	—	—
	10,420	13,254	974	1,230
Total other payables	88,353	125,914	5,464	5,116
Total trade and other payables	417,955	402,458	42,815	25,135

(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 (2011: 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.

25. 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.

**26. BANK BORROWINGS**

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Secured				
Bank overdrafts	21,393	31,828	6,440	8,215
Revolving credit	132,418	144,496	—	—
Term loans (Note 23)	20,185	4,839	—	—
Bridging loan	45,791	—	—	—
Trust receipt	49,377	21,569	—	—
	269,164	202,732	6,440	8,215
Unsecured				
Bank overdrafts	11,758	18,371	6,764	6,403
Bankers acceptance	49,138	14,323	—	—
Term loans (Note 23)	—	900	—	900
Revolving credit	38,000	16,000	21,000	16,000
	98,896	49,594	27,764	23,303
	368,060	252,326	34,204	31,518

The Group's and the Company's bank borrowings bear effective interest rates ranging from 2.97% to 9.10% (2011: 2.97% to 9.35%) and 4.79% to 7.60% (2011: 4.26% to 8.40%) 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.

27. REVENUE

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Contract revenue (Note 14)	1,097,278	1,083,599	72,987	103,758
Sales of good	120,358	87,964	—	—
Sales of electricity	7,575	6,040	—	—
Management fees	702	460	4,072	8,330
Rental income	9,024	—	—	—
Sales of development properties	45,125	—	—	—
	1,280,062	1,178,063	77,059	112,088



Notes to The Financial Statements (Cont'd)

28. COST OF SALES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Contract costs (Note 14)	1,047,013	1,007,064	66,281	100,151
Costs of goods sold	112,023	80,669	—	—
Costs of electricity sold	2,733	2,274	—	—
Property development costs (Note 9(b))	43,572	—	—	—
Operation costs for rental income	6,450	—	—	—
	1,211,791	1,090,007	66,281	100,151

29. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
After charging:-				
Allowance for impairment loss on:				
- amount owing by subsidiaries	—	—	—	49
- trade and other receivables	368	9,266	368	250
Audit fees:				
- current year	306	223	70	40
- prior year	54	51	30	45
Depreciation	10,783	10,376	571	537
Directors' fee:				
- directors of the Company (Note 36)	492	488	492	488
- directors of the subsidiaries	600	501	—	—
Directors' non-fee emoluments:				
- directors of the Company (Note 36)	3,277	3,825	1,453	1,715
- directors of the subsidiaries	1,153	1,069	—	—
Impact of changes in accounting treatment from associate to other investment	—	226	—	—
Interest expense:				
- bank borrowings	16,920	15,103	2,830	2,518
- hire purchase	1,013	876	11	18
- others	47	4	—	—
Loss on foreign exchange, net:				
- unrealised	197	2	46	—
Net effect of unwinding of interest from discounting	—	—	207	940
Property, plant and equipment written off	26	29	—	—
Receivables written off	25	—	25	—
Rental expense of:				
- land and premises	394	365	11	94
- machinery and equipment	8,003	4,479	491	1,885
- motor vehicles	184	678	—	—
Research and development expenditure	51	6	—	—

Notes to The Financial Statements (Cont'd)



29. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Share of result in jointly controlled controlled entity	1,420	2,394	—	—
Staff costs:				
- salaries, wages, bonuses allowances	48,489	42,795	4,239	4,447
- Employee Provident Fund	5,069	4,464	509	550
- share options under ESOS	891	1,680	115	458
- other benefits	4,888	4,457	228	262
And crediting:-				
Amortisation of government grant	—	58	—	—
Dividend income	481	1,925	4,556	7,418
Gain on disposal of:				
- property, plant and equipment	1,099	967	50	—
- investment in a subsidiary	1,858	—	1,872	—
- other investment	—	50	—	—
Gain on foreign exchange, net:				
- realised	110	49	—	26
- unrealised	—	—	—	50
Gain arising from change in ownership interests:				
- investment in subsidiary to associate	—	—	—	—
Interest income:				
- fixed deposits	608	404	—	32
- others	78	8	—	—
Net effect of unwinding interest from discounting	95	1,033	—	—
Rental income of:				
- machinery and motor vehicles	542	88	230	16
- others	824	951	617	617
Reversal of allowance for impairment loss on trade and other receivables no longer required	5	334	—	—
Share of results in:				
- associates	941	51	—	—



Notes to The Financial Statements (Cont'd)

30. TAXATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income tax				
- current year				
- Malaysian income tax	(10,412)	(9,954)	(766)	(1,060)
- Foreign income tax	(162)	(569)	-	-
- prior year				
- Malaysian income tax	431	(7,624)	(275)	-
- Foreign income tax	-	230	-	-
	(10,143)	(17,917)	(1,041)	(1,060)
Deferred taxation (Note 12)				
- current year	(416)	(861)	(261)	(427)
- prior years	-	(313)	-	-
	(416)	(1,174)	(261)	(427)
	(10,559)	(19,091)	(1,302)	(1,487)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before taxation	16,404	25,849	2,755	5,923
Tax at applicable statutory tax rate of 25%	(4,101)	(6,462)	(689)	(1,481)
Tax effects arising from:				
- non-taxable income	1,373	1,063	968	707
- non-deductible expenses	(5,363)	(5,907)	(1,306)	(784)
- deferred tax asset not recognised	(4,227)	(1,512)	-	-
- utilisation of deferred tax assets not previously recognised	657	1,192	-	71
- differential in tax rates	671	242	-	-
- under accrual in prior year	431	(7,707)	(275)	-
Tax expense for the year	(10,559)	(19,091)	(1,302)	(1,487)



31. EARNINGS PER SHARE

(a) Basic earnings per share

	Group	
	2012 RM'000	2011 RM'000
Profit after taxation (RM)	5,845	6,758
Profit after taxation attributable to owners of the Company (RM)	5,110	5,997
Weighted average number of ordinary shares (Unit):		
Issued ordinary shares at 1st January	121,883	107,036
Effect of issuance of ordinary shares	1,575	1,192
Effect of shares issued from ESOS	570	2,773
Weighted average number of ordinary shares at 31st December	124,028	111,001
Basic earnings per share (sen)	4.12	5.40

(b) Diluted earnings per share

The diluted earnings per share is not disclosed as the potential ordinary shares arising from the exercise of options under the ESOS have anti-dilutive effect.

32. DIVIDENDS ON ORDINARY SHARES

	Group and Company	
	2012 RM'000	2011 RM'000
Interim dividend of 2% (2011: 2%) per ordinary shares less 25% tax in respect of the financial year ended - 31st December 2010	—	1,601
Final dividend of 2% (2011: 2%) per ordinary shares less 25% tax in respect of the financial year ended - 31st December 2010	—	1,620
- 31st December 2011	1,861	—
	1,861	3,221

At the forthcoming Annual General Meeting, a first and final dividend of 2% per ordinary share less 25% tax amounting to approximately RM1.92 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 2013.



Notes to The Financial Statements (Cont'd)

33. ACQUISITION OF SUBSIDIARIES

2012

On 8th October 2012, the Group acquired an additional 20% equity interest in Bina Puri (Libya) Sdn. Bhd. ("BPLSB") from its non-controlling interests for a cash consideration of RM2/-. As a result of this acquisition, BPLSB became a wholly-owned subsidiary of the Group. The difference between the consideration and the book value of the interest acquired of RM2/- is reflected in equity as acquisition of non-controlling interest.

2011

In the previous 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 is a company incorporated in Malaysia and is involved in property development.

The fair values of the identifiable assets and liabilities of the above subsidiary 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)



34. DISPOSAL OF INVESTMENT IN SUBSIDIARIES

During the financial year, the Group and the Company disposed of the following subsidiaries:-

- (i) The Group disposed of its 21% equity interests in BP Energy Sdn. Bhd. ("BPESB") on 12th January 2012 for a total cash consideration of RM21/-.

The disposal had the following effects on the financial position of the Group as at the end of the financial year:-

	2012 RM'000
Office equipment	4
Trade and other receivables	5
Cash and bank balances	4
Trade and other payables	(84)
Net liabilities disposed	(70)
Non-controlling interests	-
	(70)
Total disposal proceed	-
Gain on disposal to the Group	(70)
Disposal proceed settled by:-	
Cash	-
Cash inflow arising on disposal:-	
Cash consideration	-
Cash and cash equivalents of subsidiary disposed	(4)
Net of cash outflow on disposal	(4)

- (ii) On 5th April 2012, the Group disposed of its 40% equity interest in Aksi Bina Puri Sdn. Bhd. ("ABPSB") to its non-controlling interests for a total cash consideration of RM200,000/-. As a result of this disposal, the Group retains equity interest of 60% in ABPSB. On the date of disposal, the carrying value of the interest disposed was RM181,420/-. The difference between the consideration and the book value of interest disposed of RM18,580/- is reflected in equity as premium received on disposal of non-controlling interest.



Notes to The Financial Statements (Cont'd)

34. DISPOSAL OF INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial year, the Group and the Company disposed of the following subsidiaries:- (Cont'd)

- (iii) On 28th December 2012, the Group disposed of its 80% equity interest in Medini Square Sdn. Bhd. ("MSSB") for a total cash consideration of RM 2,671,700/-.

The disposal had the following effects on the financial position of the Group as at the end of the financial year:-

	2012 RM'000
Other receivables, deposits and prepayment	1,613
Other payables	(128)
Redeemable preference shares	(468)
Net assets disposed	1,017
Non-controlling interests	(203)
Total disposal proceed	814 (2,672)
Gain on disposal to the Group	(1,858)
Disposal proceed settled by:-	
Cash	2,672
Cash inflow arising on disposal:-	
Cash consideration	2,672
Cash and cash equivalents of subsidiary disposed	-
Net of cash inflow on disposal	2,672

- (iv) Total net cash inflow arising from the disposals in Note 34(i), 34(ii) and 34(iii) is RM2,868,000/-.

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 2012 RM'000	2011 RM'000	Company 2012 RM'000	2011 RM'000
Purchase of property, plant and equipment	18,811	49,573	739	99
Financed by:				
- hire purchase	(8,083)	(9,811)	(460)	-
- term loan	(374)	(21,077)	-	-
Cash payments on purchase of property, plant and equipment	10,354	18,685	279	99



36. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive directors				
Fees	48	48	48	48
Non-fee emoluments	2,999	3,544	1,453	1,715
Non-executive directors				
Fees	444	440	444	440
Non-fee emoluments	216	234	—	—
	3,707	4,266	1,945	2,203
Benefit-in-kind	62	47	—	—

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive directors				
Below RM50,000	—	—	2	2
RM350,001 - RM400,000	1	—	1	—
RM400,001 - RM450,000	—	1	—	1
RM600,001 - RM650,000	1	—	—	—
RM700,001 - RM750,000	—	1	—	—
RM950,001 - RM1,000,000	1	—	—	—
RM1,050,001 - RM1,100,000	1	1	1	—
RM1,250,001 - RM1,300,000	—	1	—	1
Non-executive directors				
Below RM50,000	—	—	1	1
RM50,001 - RM100,000	3	3	3	3
RM200,001 - RM250,000	2	1	1	1
RM250,001 - RM300,000	—	1	—	—



Notes to The Financial Statements (Cont'd)

37. SEGMENT REPORTING

The information reported to the Group Executive Committee, as the Group's chief operating decision maker, in making decisions to allocate resources to segments and to assess their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Business Segments

For management purposes, the Group is organised into business units based on their products and services provided. The Group is organised into five (5) main business segments as follows:-

- (i) Construction segment – involved in construction of earthworks, building and road;
- (ii) Property development segment – involved in property development;
- (iii) Quarry and readymix concrete segment – involved in quarry operation and production of readymix concrete;
- (iv) Polyol manufacturing segment – involved in the manufacturing of polyol; and
- (v) Power supply segment – involved in the generation and supply of electricity.

Geographical information

The Group's five (5) major business segments are operating in two (2) principal geographical areas, namely Malaysia and other Asian countries. The other Asian countries include Brunei, Hong Kong, Indonesia, Thailand, Vietnam, Abu Dhabi, Pakistan, Cambodia and India.



38. SEGMENT REPORTING (CONT'D)

(a) Business Segments

2012	Construction RM'000	Property Development RM'000	Quarry and Readymix Concrete RM'000	Polyol RM'000	Power Supply RM'000	Others RM'000	Group RM'000
Revenue							
External customer	1,097,980	54,149	97,513	22,845	7,575	–	1,280,062
Inter-segment revenue	59,545	–	868	–	–	–	60,413
	1,157,525	54,149	98,381	22,845	7,575	–	1,340,475
Adjustments and eliminations							(60,413)
Consolidated revenue							1,280,062
Results							
Segment results	15,426	679	1,357	699	2,965	16	21,142
Adjustments and eliminations							(396)
Investment income	2,910	38	–	–	–	–	20,746
Share of results in associates	(82)	129	894	–	–	–	2,948
Share of results in a jointly controlled entity	(1,420)	–	–	–	–	–	941
Finance costs	(4,990)	(812)	(601)	(150)	(258)	–	(1,420)
							(6,811)
Consolidated profit before taxation	11,844	34	1,650	549	2,707	16	16,404
Taxation							(10,559)
Consolidated profit after taxation							5,845
Capital expenditures	10,558	877	1,455	465	5,452	4	18,811
Depreciation of property, plant and equipment	6,293	1,105	1,807	130	1,448	–	10,783
Other non-cash expenses/(income)	11,641	3,877	(512)	141	480	45	15,672



Notes to The Financial Statements (Cont'd)

37. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2012	Construction RM'000	Property Development RM'000	Quarry and Readymix Concrete RM'000	Polyol RM'000	Power Supply RM'000	Others RM'000	Elimination RM'000	Group RM'000
Assets								
Segment assets	807,062	228,456	54,914	7,992	31,239	512	(153,280)	976,895
Investment in associates	2,801	-	2,247	-	-	-	126	5,174
Other investments	37,309	-	-	-	-	-	-	37,309
Goodwill	-	-	-	-	350	-	-	350
Deferred tax assets	-	-	-	654	-	-	-	654
Tax recoverable	5	36	866	-	876	21	-	1,804
Total assets	847,177	228,492	58,027	8,646	32,465	533	(153,154)	1,022,186
Liabilities								
Segment liabilities	394,975	119,133	31,823	1,822	20,815	33,703	(168,710)	433,561
Borrowings	315,009	90,906	8,180	3,711	7,341	-	-	425,147
Deferred tax liabilities	1,546	-	751	-	384	-	-	2,681
Tax payable	11,278	45	72	-	-	-	-	11,395
Total liabilities	722,808	210,084	40,826	5,533	28,540	33,703	(168,710)	872,784



37. 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	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



Notes to The Financial Statements (Cont'd)

37. 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
Investment in a jointly controlled entity	37,649	—	—	—	—	—	(375)	—
Other investments	—	—	—	—	350	—	—	37,274
Goodwill	—	—	—	—	—	—	—	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



37. 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.

	Malaysia RM'000	Other Asian Countries RM'000	Consolidated RM'000
2012			
Revenue from external customers	1,155,975	124,087	1,280,062
Segment assets	871,167	151,019	1,022,186
Segment liabilities	717,562	155,222	872,784
2011			
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

(c) Information about a major customer

Revenue from a major customer amounting to RM189,186,000/- (2011: RM153,549,000/- from one major customer) arising from the construction segment.

38. 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.



Notes to The Financial Statements (Cont'd)

38. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Transactions with:-				
Subsidiaries				
Consultancy fee	—	—	—	(240)
Dividend income	—	—	4,075	5,493
Management fees	—	—	3,370	7,870
Project commission	—	—	5,439	1,398
Rental income	—	—	537	527
Secretarial fee	—	—	36	36
Security and safety fee	—	—	(216)	(216)
Associates				
Construction services	5,492	3,625	—	—
Purchases of quarry product	(22,140)	(18,238)	—	—
Management fees	180	100	132	100
Secretarial fee	5	7	5	7
A company in which a director of the Company has interests in				
Project management fee	(280)	(60)	(280)	(60)
Legal fee	(74)	—	—	—
Purchase of:-				
- air tickets	(896)	(936)	(419)	(473)
- diesel	(332)	(795)	—	(170)
A corporate shareholder of a subsidiary				
Sales of quarry product	6	—	—	—

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 15, Note 16, Note 17, Note 24 and Note 25 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Short-term employee benefits	8,131	8,854	2,756	2,779
Employee Provident Fund	776	822	266	285
Share based payments	302	721	16	325
	9,209	10,397	3,038	3,389



38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

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

Included in the key management personnel remuneration is:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Directors' remuneration:				
- directors of the Company (Note 36)	3,769	4,313	1,945	2,203
- directors of the subsidiaries	1,753	1,570	—	—
	5,522	5,883	1,945	2,203

39. CAPITAL COMMITMENTS

	Group	
	2012 RM'000	2011 RM'000
Approved and contracted for but not provided in the financial statements		
- property, plant and equipment	5,368	1,723
- construction of power plant	31,000	—
	36,368	1,723

40. CONTINGENT LIABILITIES

(a) Unsecured guarantees

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to:				
- subsidiaries	—	—	733,800	575,908
- associates	24,156	34,339	24,156	34,339
- other investment	1,040,000	985,830	1,040,000	985,830
Guarantee given in favour of suppliers of goods for credit terms granted to subsidiaries	—	—	3,660	11,385
Guarantee given to secure hire purchase payables of subsidiaries	—	—	12,235	7,469



40. CONTINGENT LIABILITIES (CONT'D)

(b) Material litigation

- (i) 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.

KM Quarry has received the total sum of RM4,259,726/- in full and has agreed to discharge the guarantor accordingly.

- (ii) 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.

EP has closed its case in the Arbitration proceeding. On 30th January 2013, the Arbitrator directed EP to file its written submission by 15th February 2013. On 8th February 2013, EP has further applied for an extension of time to file its written submission by 15th March 2013. BPSB have yet to receive any direction from the Arbitrator. On 9th April 2013, BPSB has been informed that the second respondent has been directed by the Arbitrator to submit their counterclaim by 15th August 2013.

- (iii) 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.

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.



40. CONTINGENT LIABILITIES (CONT'D)

(b) Material litigation (Cont'd)

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

The trial for this matter was concluded on 13th September 2012. The written Submission was thereafter filed on 25th October 2012 and the Oral Submission was completed on 19th November 2012. The Company have yet to receive any confirmation from the Court on the date of the decision.

- (iv) 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.

On 25th May 2012, the Learned High Court Judge has granted the MDC's Summary Judgment but has further allowed a stay of execution of the judgment on the basis that BPSB has a plausible counterclaim against MDC. BPSB's Appeal against the Summary Judgment decision was allowed on 25th September 2012 and the High Court decision was set aside. MDC had appealed against the decision. The matter has been fixed for full trial on 9th May 2013, 3rd June 2013 and 5th June 2013.

41. 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 on-going basis. For other financial assets (including other investments, fixed deposits placed with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company established an allowance account for impairment that represents its estimate of incurred losses in respect of the financial assets as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:-

- (i) The carrying amounts of each class of financial assets recognised in the statements of financial position as disclosed in Note 10, Note 15, Note 16, Note 17, Note 18 and Note 19 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 40(a) to the financial statements.



Notes to The Financial Statements (Cont'd)

41. 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 on-going basis.

The credit risk concentration profile of the Group's and of the Company's trade receivables at the end of the reporting period are as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Brunei Darussalam	68,015	60,333	—	—
Pakistan	—	3,861	—	—
Indonesia	782	694	—	—
Malaysia	280,920	284,116	70,706	42,890
	349,717	349,004	70,706	42,890

Financial assets that are neither past due nor impaired

Information regarding financial assets that are neither past due nor impaired are disclosed in Note 15, Note 16 and Note 17 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 15, Note 16 and Note 17 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.



41. 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

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.

Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Within 1 Year RM'000	One to five Years RM'000	Over five Years RM'000
2012					
Financial liabilities					
Trade and other payables	417,955	427,396	371,561	55,835	—
Amount owing to associates	8,868	8,868	8,868	—	—
Amount owing to a jointly controlled entity	31	31	31	—	—
Hire purchase payables	16,870	18,371	8,097	10,274	—
Term loans	60,402	39,298	7,237	28,937	3,124
Bank borrowings	347,875	347,875	347,875	—	—
	852,001	841,839	743,669	95,046	3,124
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
Company					
2012					
Financial liabilities					
Trade and other payables	42,815	43,498	38,071	5,427	—
Amount owing to subsidiaries	23,804	23,804	23,804	—	—
Amount owing to associates	6	6	6	—	—
Amount owing to a jointly controlled entity	31	31	31	—	—
Bank borrowings	34,204	34,204	34,204	—	—
	100,860	101,543	96,116	5,427	—



Notes to The Financial Statements (Cont'd)

41. 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
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	—

(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.



41. 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 interestbearing 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
2012					
Financial asset					
Fixed deposits with licensed banks	0.50 – 5.25	15,945	–	–	15,945
Financial liabilities					
Hire purchase payables	2.40 – 12.32	7,245	9,625	–	16,870
Term loans	3.60 – 7.85	20,185	23,868	16,349	60,402
Bank borrowings	2.97 – 9.10	347,875	–	–	347,875
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
Company					
2012					
Financial asset					
Fixed deposits with licensed banks	2.00 – 3.00	50	–	–	50
Financial liabilities					
Hire purchase payables	4.48 – 6.00	85	336	–	421
Bank borrowings	4.79 – 7.60	34,204	–	–	34,204
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	8.40	900	–	–	900
Bank borrowings	4.80 – 8.40	30,618	–	–	30,618



Notes to The Financial Statements (Cont'd)

41. 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 RM880,444/- (2011: RM814,000/-) and RM102,630/- (2011: RM183,000/-). 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.

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	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2012							
Financial assets							
Quoted and unquoted shares	—	—	—	—	—	36,887	36,887
Trade and other receivables *	68,526	1,043	2,943	—	1	384,854	457,367
Amount owing by associates	—	—	—	—	—	28,265	28,265
Fixed deposits placed with licensed banks	1,275	—	74	—	—	14,596	15,945
Cash and bank balances	3,551	14	1,819	—	25	65,902	71,311
	73,352	1,057	4,836	—	26	530,504	609,775

* exclude prepayments



41. 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	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
Trade and other payables	50,172	3,087	1,676	—	58	362,962	417,955
Amount owing to associates	—	—	—	—	—	8,868	8,868
Amount owing to a jointly controlled entity	—	—	—	—	—	31	31
Hire purchase payables	171	—	731	—	—	15,968	16,870
Term loans	15,463	—	—	5,998	—	38,941	60,402
Bank borrowings	27,322	—	—	612	—	319,941	347,875
	93,128	3,087	2,407	6,610	58	746,711	852,001

Group	Brunei Dollar RM'000	Pakistani Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Ringgit Malaysia RM'000	Total RM'000
2011							
Financial assets							
Quoted and unquoted shares	—	—	—	—	—	36,852	36,852
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	454,285	528,307

* exclude prepayments



Notes to The Financial Statements (Cont'd)

41. 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	US Dollar 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	—	—	4,596	—	13,463	33,483
Bank borrowings	13,587	—	—	634	—	232,366	246,587
	94,947	3,223	1,104	5,230	107	599,021	703,632

Company	United Arab Emirates Dirham RM'000	Ringgit Malaysia RM'000	Total RM'000
2012			
Financial assets			
Quoted and unquoted shares	—	36,377	36,377
Trade and other receivables *	—	24,238	24,238
Amount owing by subsidiaries	—	72,206	72,206
Amount owing by associates	—	28,021	28,021
Fixed deposits placed with licensed banks	44	6	50
Cash and bank balances	1	2,237	2,238
	45	163,085	163,130

* exclude prepayment



41. 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
2012			
Financial liabilities			
Trade and other payables	—	42,815	42,815
Amount owing to subsidiaries	—	23,804	23,804
Amount owing to associates	—	6	6
Amount owing to a jointly controlled entity	—	31	31
Hire purchase payables	—	421	421
Bank borrowings	—	34,204	34,204
	—	101,281	101,281
2011			
Financial assets			
Quoted and unquoted shares	—	36,717	36,717
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	114,587	114,684
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

* 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.



Notes to The Financial Statements (Cont'd)

41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 2.3 to the financial statements describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and 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 liabilities at amortised cost RM'000	Total RM'000
2012				
Financial assets				
Quoted and unquoted shares	–	36,887	–	36,887
Trade and other receivables *	457,367	–	–	457,367
Amount owing by associates	28,265	–	–	28,265
Fixed deposits placed with licensed banks	15,945	–	–	15,945
Cash and bank balances	71,311	–	–	71,311
Total carrying amount	572,888	36,887	–	609,775
Financial liabilities				
Trade and other payables	–	–	417,955	417,955
Amount owing to associates	–	–	8,868	8,868
Amount owing to a jointly controlled entity	–	–	31	31
Hire purchase payables	–	–	16,870	16,870
Term loans	–	–	60,402	60,402
Bank borrowings	–	–	347,875	347,875
Total carrying amount	–	–	852,001	852,001

* exclude prepayment



41. FINANCIAL INSTRUMENTS (CONT'D)

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

Group	Loans and receivables RM'000	Available for sales RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2011				
Financial assets				
Quoted and unquoted shares	—	36,852	—	36,852
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	36,852	—	528,307
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
Company				
2012				
Financial assets				
Quoted and unquoted shares	—	36,377	—	36,377
Trade and other receivables *	24,238	—	—	24,238
Amount owing by subsidiaries	72,206	—	—	72,206
Amount owing by associates	28,021	—	—	28,021
Fixed deposits placed with licensed banks	50	—	—	50
Cash and bank balances	2,238	—	—	2,238
Total carrying amount	126,753	36,377	—	163,130

* exclude prepayment



Notes to The Financial Statements (Cont'd)

41. FINANCIAL INSTRUMENTS (CONT'D)

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

Company	Loans and receivables RM'000	Available for sales RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2012				
Financial liabilities				
Trade and other payables	—	—	42,815	42,815
Amount owing to subsidiaries	—	—	23,804	23,804
Amount owing to associates	—	—	6	6
Amount owing to a jointly controlled entity	—	—	31	31
Hire purchase payables	—	—	421	421
Bank borrowings	—	—	34,204	34,204
Total carrying amount	—	—	101,281	101,281
2011				
Financial assets				
Quoted and unquoted shares	—	36,717	—	36,717
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	36,717	—	114,684
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

* exclude prepayment



41. FINANCIAL INSTRUMENTS (CONT'D)

(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

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:-

	2012		2011	
Financial Assets	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Group				
Other investments - unquoted shares	36,815	*	36,780	*
Company				
Other investments - unquoted shares	36,377	*	36,717	*

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



Notes to The Financial Statements (Cont'd)

42. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as long and short-term borrowings less fixed deposits with licensed banks and cash and bank balances.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Borrowings				
Hire purchase payables	16,870	13,454	421	82
Term loans	60,402	33,483	—	900
Bank borrowings	347,875	246,587	34,204	30,618
	425,147	293,524	34,625	31,600
Less:				
Fixed deposits with licensed banks	(15,945)	(23,220)	(50)	(52)
Cash and bank balances	(71,311)	(53,789)	(2,238)	(844)
Net debt	337,891	216,515	32,337	30,704
Total equity	149,402	142,411	158,257	155,137
Debt-to-equity ratio	2.26	1.52	0.20	0.20

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Supplementary Information

on The Disclosure of Realised and Unrealised Profits or Losses



On 25th March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits or losses of the Group and the Company as at 31st December are as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total (accumulated losses)/ retained profits:-				
- realised	(3,369)	(8,246)	27,996	28,047
- unrealised	(2,399)	(1,794)	(734)	(377)
	(5,768)	(10,040)	27,262	27,670
Total share of retained profits/ (accumulated losses) of associates:-				
- realised	93	(324)	-	-
- unrealised	-	-	-	-
	93	(324)	-	-
Total share of accumulated losses of jointly controlled entity:-				
- realised	(3,424)	(2,003)	-	-
- unrealised	-	-	-	-
	(3,424)	(2,003)	-	-
At 31st December	(9,099)	(12,367)	27,262	27,670

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 61 to 162 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 2012 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 163 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: 29th April 2013

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 61 to 162 and the supplementary information set out on page 163 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, 1960.

Subscribed and solemnly declared by)
abovenamed at Kuala Lumpur)
in the Federal Territory on this 29th April 2013)
)

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 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 61 to 162.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 17(c) to the financial statements which disclose that included in the Group's and the Company's amounts owing by associates is an amount of RM16,758,140/- owing by an associate which has been long outstanding. The directors are of the opinion that the balance due from the associate is recoverable as the associate has committed to the Group to repay the amount owing when it has successfully recovered the compensation in its legal claims from its completed project or from its additional cash flows to be generated from a secured project.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- (b) Other than the subsidiary without the auditors' report as indicated in Note 4 to the financial statements, we have considered the financial statements of all the subsidiaries and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.



Independent Auditors' Report to The Members (Cont'd)

Report on Other Legal and Regulatory Requirements (Cont'd)

- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) Other than the subsidiary without the auditors' report as indicated in Note 4 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 163 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Heng Ji Keng
No. 578/05/14 (J/PH)
Chartered Accountant

Kuala Lumpur

Date: 29th April 2013

Analysis of Shareholdings



as at 17 May 2013

Authorised Capital : RM500,000,000.00
 Issued and Paid-up Capital : RM128,115,550.00
 Class of Shares : Ordinary shares of RM1.00 each

Substantial Shareholders (As per Register of Substantial Shareholders)

	No. Of Shares	% Of Shares
Jentera Jati Sdn. Bhd.	20,388,000	15.91
Tan Sri Datuk Tee Hock Seng, JP	15,769,778#	12.31
Dr. Tony Tan Cheng Kiat	9,368,902*	7.31
Bumimaju Mawar Sdn. Bhd.	8,078,000	6.31

includes shares held through nominee company and 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.

* includes beneficial interest held through nominee company.

Directors' Interest (As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Tee Hock Seng, JP	15,369,778*	12.00	400,000#	0.31
Dr. Tony Tan Cheng Kiat	9,368,902*	7.31	—	—
Datuk Henry Tee Hock Hin	5,594,668	4.37	—	—
Tay Hock Lee	1,807,707	1.41	—	—
Matthew Tee Kai Woon	1,429,625	1.12	—	—
Tan Kwe Hee	121,000	0.09	—	—
We Her Ching (Alternate Director to Datuk Henry Tee Hock Hin)	104,900	0.08	—	—

indirect holding-340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.

* includes beneficial interest held through nominee company.

Distribution of Shareholdings (As per Record of Depositors)

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	9	0.29	376	0
100 - 1,000	567	18.18	514,124	0.40
1,001 - 10,000	1,767	56.67	8,979,925	7.01
10,001 - 100,000	694	22.26	19,925,277	15.55
100,001 to less than 5% of issued shares	77	2.47	46,458,168	36.26
5% and above of issued shares	4	0.13	52,237,680	40.77
Total	3,118	100	128,115,550	100



Thirty Largest Shareholders

as at 17 May 2013

	No. of Shares	% of Shares
1. Jentera Jati Sdn. Bhd.	20,388,000	15.91
2. RHB Nominees (Tempatan) Sdn. Bhd. Qualifier: Bank Of China (Malaysia) Berhad Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP	15,342,778	11.98
3. Dr. Tony Tan Cheng Kiat	8,768,902	6.84
4. Bumimaju Mawar Sdn. Bhd.	8,078,000	6.31
5. Datuk Henry Tee Hock Hin	5,594,668	4.37
6. Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Dato' Mohamed Feisal Bin Ibrahim (514123808681)	5,238,000	4.09
7. Maju Offshore Sdn. Bhd.	4,744,000	3.70
8. MSX Ventures Sdn. Bhd.	3,941,800	3.08
9. Cheo Chet Lan @ Chow Sak Nam, KMN	3,046,884	2.38
10. Tay Hock Lee	1,807,707	1.41
11. Matthew Tee Kai Woon	1,429,625	1.12
12. Tee Hock Loo	1,215,207	0.95
13. Mercsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	1,140,000	0.89
14. Razali Bin Daud	1,123,000	0.88
15. Ng Keong Wee	1,093,600	0.85
16. Maybank Nominees (Asing) Sdn. Bhd. Qualifier : Pledged Securities Account for San Tuan Sam	1,004,000	0.78
17. Public Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dato' Yap Kun Lee (E-KPG)	1,001,000	0.78
18. Lim Seng Chee	919,500	0.72
19. Kong Sing Chu	804,900	0.63
20. Toh Hoon Kheng	725,000	0.57
21. RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	600,000	0.47

Thirty Largest Shareholders

as at 17 May 2013 (Cont'd)



	No. of Shares	% of Shares
22. Ang Beng Eng	551,077	0.43
23. Lee Yow Chun	400,000	0.31
24. Teo Peng Boon	365,400	0.29
25. Maybank Securities Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Ramli Bin Yusuff (Dealer 060-Margin)	360,000	0.28
26. Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB Bank for Ang Poh Eng (M66001)	350,800	0.27
27. RHB Nominees (Tempatan) Sdn. Bhd. Qualifier : Bank Of China (Malaysia) Berhad Pledged Securities Account for Tee Hock Seng Holdings Sdn Bhd	340,000	0.27
28. Chung Yoke Loong	323,300	0.25
29. Tai Chong Yih	311,400	0.24
30. Usha A/P K Gunagnanam	290,000	0.23
Total	91,298,548	71.28



List of Properties

31 December 2012

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 31 Dec 12 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	15	Office	14,735
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	20	Guest House	1,075
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	20	Office	473
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	20	Office	560 173
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	18	Office cum factory	1,283
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	8	Office	2,804
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	16	Guest House	296
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	14	Vacant	112
Lot 3261, Mukim Beranang Daerah Ulu Langat Negeri Selangor Darul Ehsan	Freehold land	26 Oct 2009	Freehold	—	3318 sq m	—	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	688
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	277
Lot 709, 952, 954, 955, 956,958, 1060 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Freehold land	12 Aug 1997	Freehold	—	15.4 acres	—	Weigh bridge & Crusher plant	935
Lot 2615, 2616 Mukim Krubang District of Melaka Tengah Melaka	Freehold land	1 Feb 2012	Freehold	—	86,412 sq ft	—	Office cum factory	2,554

Recurrent Related Party Transactions



At the Annual General Meeting held on 13 June 2012, 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 2012 pursuant to the Shareholders' Mandate are disclosed as follows:

Nature of transactions undertaken by the Company and its subsidiaries

	Related Parties	Transacting Parties	Value of Transactions RM'000
Purchase of air tickets (to facilitate air travel in the course of business, eg. travel to project sites)	Sea Travel and Tours Sdn Bhd, a company in which Director Tan Sri Datuk Tee Hock Seng, JP and a member of his family collectively hold approximately 100% equity interest	(i) Bina Puri Holdings Bhd (ii) Bina Puri Sdn Bhd (iii) Bina Puri Construction Sdn Bhd (iv) Sungai Long Industries Sdn Bhd (v) Maskimi Polyol Sdn Bhd	419 78 326 41 32
Purchase of diesel	New Hoong Wah Holdings Sdn Bhd, a company in which Director Tan Sri Datuk Tee Hock Seng, JP has 50% financial interest	(i) Sungai Long Industries Sdn Bhd (ii) Easy Mix Sdn Bhd	267 65
Project management services	Ideal Heights Properties Sdn Bhd, a company in which Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat, Mr Tay Hock Lee, Datuk Tee Hock Hin, collectively hold 51% equity interest	(i) Bina Puri Holdings Bhd	280
Sale of quarry products	Kumpulan Melaka Bhd, a company which holds 30% equity interest in the Company's subsidiary, KM Quarry Sdn. Bhd.	(i) KM Quarry Sdn Bhd	6
Legal services	Anad & Noraini, a legal firm which Dato' Anad Krishnan A/L Muthusamy is a partner	(i) Bina Puri Holdings Bhd	74



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 : corpcomm@binapuri.com.my

Kuching Office

No. 19 & 20
Travillion Commercial Centre
Jalan Petanak, 93100
Kuching, Sarawak, Malaysia
Tel : (6082) 241 991 / 240 992
Fax : (6082) 241 994
E-mail : corpcomm@binapuri.com.my

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 : corpcomm@binapuri.com.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
Km12 Lebuhraya KL-Kuala Selangor
45600 Bestari Jaya, Selangor Darul Ehsan
Malaysia
Tel : (603) 6145 1500
Call Centre : (603) 6145 1515
Fax : (603) 6145 1400
E-mail : corpcomm@binapuri.com.my

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@idealheights.com.my

QUARRY OPERATIONS & CONSTRUCTION MATERIALS

EASY MIX SDN. BHD. (242217-D)

Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (603) 9021 5851
Fax : (603) 9021 5798
E-mail : enquiry@sglong-ind.com

KM QUARRY SDN. BHD. (409397-V)

No. 16-1, Jalan PE 35
Taman Paya Emas Fasa 2A
76450 Paya Rumpit, Melaka
Malaysia
Tel : (606) 312 4286
Fax : (606) 312 4278
E-mail : kmquarry@binapuri.com.my

SUNGAI LONG INDUSTRIES SDN. BHD.

(198655-D)

SUNGAI LONG BRICKS SDN. BHD.

(332315-X)
Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (603) 9021 2400
Fax : (603) 9021 2425
E-mail : enquiry@sglong-ind.com

POLYOL DIVISION

MASKIMI POLYOL SDN. BHD. (405559-D)

Unit 1-8, Lot 5815
Jalan Reko, 43000 Kajang
Selangor Darul Ehsan, Malaysia
Tel : (603) 8733 2078
Fax : (603) 8733 2084
E-mail : sales@maskimi.com.my

UTILITIES

PT MEGAPOWER MAKMUR

Komplek Galeri Niaga Mediterania 2,
Blok M8-i El. 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.

No 11 Soi Bangna Trad
25, Bangna Trad Road
Bangna District, 10260 Bangkok
Thailand
Tel : (0066) 2-744 1366 / 1367
Fax : (0066) 2-744 1369

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

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-Second Annual General Meeting of the Company to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Friday, 28 June 2013 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 2012		
Ordinary Resolution 2	Re-election of Tay Hock Lee		
Ordinary Resolution 3	Re-election of Matthew Tee Kai Woon		
Ordinary Resolution 4	Re-election of Tan Kwe Hee		
Ordinary Resolution 5	Re-election of Dato' Yeow Wah Chin		
Ordinary Resolution 6	Re-election of Ir. Ghazali Bin Bujang		
Ordinary Resolution 7	Re-election of Mohd Najib Bin Abdul Aziz		
Ordinary Resolution 8	Approval of final dividend of 2% less 25% income tax		
Ordinary Resolution 9	Ratification and approval of directors' annual fees of RM492,000.00		
Ordinary Resolution 10	Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors		
Ordinary Resolution 11	Sea Travel and Tours Sdn. Bhd. and New Hong Wah Holdings Sdn. Bhd.		
Ordinary Resolution 12	Kumpulan Melaka Bhd.		
Ordinary Resolution 13	Ideal Heights Properties Sdn. Bhd.		
Ordinary Resolution 14	Dimara Building System Sdn. Bhd.		
Ordinary Resolution 15	Dimara Construction Sdn. Bhd.		
Ordinary Resolution 16	Proposed authority to allot shares		
Ordinary Resolution 17	Proposed renewal of share buy-back		
Ordinary Resolution 18	Proposed private placement		

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.	

.....
Signature of Shareholder / Common Seal

Dated this day of 2013

Notes:

- 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.
- If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- 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.
- A Member of the Company who is entitled to attend and vote at a meeting of the Company or at a meeting of any class of Members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting.
- Where a Member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
- To be valid the proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 24 June 2013 shall be eligible to attend the Twenty-Second Annual General Meeting or appoint proxy(ies) to attend and vote on his behalf.

Fold here

Fold here

STAMP

BINA PURI HOLDINGS BHD (207184-X)
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1, Bukit Idaman
68100 Selayang, Selangor Darul Ehsan
Malaysia

The Upcoming development
— “The Opus, Kuala Lumpur”

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OPUS KUALA LUMPUR

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

Email : corpcomm@binapuri.com.my

Website : www.binapuri.com.my