BinaPuri Holdings Bhd
SINCE 1975

ONWARD TO 'SCALING NEW HEIGHTS'

40th anniversary
1975-2015

ANNUAL REPORT 2015

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of Bina Puri Holdings Bhd. ("Bina Puri" or "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 Tuesday, 28 June 2016 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Accounts for the year ended 31 December 2015 and the Reports of Directors and Auditors thereon. (Please refer to Note A)

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

   2.1 Dato' Yeow Wah Chin **Ordinary Resolution 1**
   2.2 Ir. Ghazali Bin Bujang **Ordinary Resolution 2**
   2.3 Mohd Najib Bin Abdul Aziz **Ordinary Resolution 3**
   (Please refer to Note B)

3. To ratify and approve directors' annual fees of RM462,000. **Ordinary Resolution 4**

4. 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 5**

SPECIAL BUSINESS

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

5. **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 29 April 2016 which are necessary for their day-to-day operations with:

   5.1 Sea Travel and Tours Sdn. Bhd. **Ordinary Resolution 6**
   5.2 Kumpulan Melaka Bhd. **Ordinary Resolution 7**
   5.3 Ideal Heights Properties Sdn. Bhd. **Ordinary Resolution 8**
   5.4 Dimara Building System Sdn. Bhd. **Ordinary Resolution 9**
   5.5 Dimara Construction Sdn. Bhd. **Ordinary Resolution 10**
   5.6 Dimara Holdings Sdn. Bhd. **Ordinary Resolution 11**

   subject further to the following:

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

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

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

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

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

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

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

Ordinary Resolution 12

"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."

7. 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")

Ordinary Resolution 13

"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 authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares of RM0.50 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:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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

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

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

By Order of the Board

TOH GAIK BEE
MAICSA 7005448
Group Company Secretary

Selangor Darul Ehsan
Date: 29 April 2016

Notes:

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

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

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

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

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

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

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

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

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

9. Only members whose names appear in the Record of Depositors as at 22 June 2016 shall be eligible to attend the Twenty-Fifth Annual General Meeting or appoint proxy(ies) to attend and vote on his behalf.

Note A

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

Note B

Dato' Yeow Wah Chin, Ir. Ghazali Bin Bujang and Mohd Najib Bin Abdul Aziz are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this Annual General Meeting.

YBhg. Datuk Tan Kwe Hee who retires pursuant to Section 129 of the Companies Act, 1965, will not be seeking re-appointment at the Twenty-Fifth Annual General Meeting and therefore, shall retire at the conclusion of the said meeting.

Explanatory Notes on Special Business:

Proposed renewal of shareholders' mandate for recurrent related party transactions

The ordinary resolutions 6, 7, 8, 9, 10 and 11, 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 29 April 2016 despatched with the Annual Report 2015.

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

The ordinary resolution 12, 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. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting.

The Company had successfully placed out 16,000,000 new Bina Puri Shares pursuant to the private placement of up to ten percent (10%) of the enlarged issued and paid-up share capital of the Company (excluding treasury shares, if any), which had been approved by Bursa Malaysia and shareholders of the Company on 30 June 2015 and 17 June 2015 respectively. The gross proceeds from the private placement of RM8.0 million has been utilised in the following manner:-

	Amount raised from the Private Placement (RM'000)	**Amount utilised (RM'000)**	**Amount unutilised (RM'000)**
Working capital requirements	6,346	6,346	–
Repayment of bank borrowings	1,600	1,600	–
Expenses in relation to the Private Placement	54	54	–
Total	8,000	8,000	–

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

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Twenty-Fifth 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 17 June 2015, 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 are 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 31 March 2016 of RM116,819,425 comprising 233,638,850 ordinary shares of RM0.50 each (including 790,000 treasury shares) and an outstanding 18,696,650 ESOS options, a total of 25,723,039 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 and issuance of remaining 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 the retained profits and/or share premium account of the Company for the purchase of its own shares subject to the compliance with Section 67A of the Companies Act, 1965 ("Act") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. Based on the latest audited financial statements of Bina Puri as at 31 December 2015, the retained profits amounted to approximately RM89.406 million and the share premium account amounted to approximately RM5.033 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.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (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 retained 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 31 March 2016, the public shareholding spread of the Company based on the issued and paid-up share capital of RM116,819,425 Bina Puri Shares was 58.13%. 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 purchased 790,000 Bina Puri shares during the financial year ended 31 December 2015.

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

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

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

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

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

4. ADVANTAGES AND DISADVANTAGES

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

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

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

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

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

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

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

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

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

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

Minimum scenario : Assuming none of the outstanding ESOS options granted are exercised.
Maximum scenario : Assuming full exercise of the ESOS options granted and issuance of remaining Placement shares.

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

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	RM'000
Issued and paid-up share capital*	233,639	116,819	233,639	116,819
Shares Buy-Back and retained as treasury shares	(790)	(395)	(790)	(395)
	232,849	**116,424**	**232,849**	**116,424**
Assuming full exercise of the ESOS options granted **			18,696	9,348
	232,849	**116,424**	**251,545**	**125,772**
Assuming issuance of remaining Placement Shares			5,685	2,842
	232,849	**116,424**	**257,230**	**128,614**
Maximum number of purchased shares are cancelled pursuant to the Proposed Renewal of Share Buy-Back	**(23,285)**	**(11,642)**	**(25,723)**	**(12,861)**
Upon completion of the Proposed Renewal of Share Buy-Back	**209,564**	**104,782**	**231,507**	**115,753**

Notes:-
* *As at 31 March 2016*
** *As at 31 March 2016, Bina Puri has 18,696,650 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 31 March 2016 (excluding 790,000 treasury shares):-

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

5.2 Substantial Shareholders' and Directors' Shareholdings (Cont'd)

(i) Minimum Scenario

	As at 31 March 2016				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**	8.76	–	–	20,388,000**	9.73	–	–
Tan Sri Datuk Tee Hock Seng, JP	16,799,778**	7.21	3,218,925 *	1.38	16,799,778**	8.02	3,218,925 *	1.54
Ng Keong Wee	14,093,600	6.05	–	–	14,093,600	6.73	–	–
Directors								
Tan Sri Dato' Ir Wong Foon Meng	–	–	–	–	–	–	–	–
Tan Sri Datuk Tee Hock Seng, JP	16,799,778**	7.21	3,218,925 *	1.38	16,799,778**	8.02	3,218,925 *	1.54
Dr Tony Tan Cheng Kiat	9,368,902**	4.02	–	–	9,368,902**	4.47	–	–
Matthew Tee Kai Woon	2,818,925	1.21	–	–	2,818,925	1.35	–	–
Datuk Henry Tee Hock Hin	5,594,668	2.40	–	–	5,594,668	2.67	–	–
Datuk Tan Kwe Hee	121,000	0.05	–	–	121,000	0.06	–	–
Tay Hock Lee	1,807,707	0.78	–	–	1,807,707	0.86	–	–
Dato' Yeow Wah Chin	–	–	–	–	–	–	–	–
Ir. Ghazali Bin Bujang	–	–	–	–	–	–	–	–
Mohd Najib Bin Abdul Aziz	–	–	–	–	–	–	–	–
Dato' Tan Seng Hu	–	–	–	–	–	–	–	–
We Her Ching	104,900	0.05	–	–	104,900	0.05	–	–

Notes:-

* *indirect interest - 340,000 Shares held by RHB Nominees (Tempatan) Sdn. Bhd., Bank of China pledged securities account for Tee Hock Seng Holdings Sdn. Bhd., 60,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd. and 2,818,925 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Matthew Tee Kai Woon.*

** *includes shares held through nominee company.*

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

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

5.2 Substantial Shareholders' and Directors' Shareholdings (Cont'd)

(ii) Maximum Scenario

	As at 31 March 2016				(I) Assuming full exercise of the ESOS options granted#			
	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**	8.76	-	-	20,388,000**	8.11	-	-
Tan Sri Datuk Tee Hock Seng, JP	16,799,778**	7.21	3,218,925*	1.38	16,799,778**	6.68	3,218,925 *	1.28
Ng Keong Wee	14,093,600	6.05	-	-	14,093,600	5.60	-	-
Directors								
Tan Sri Dato' Ir Wong Foon Meng	–	–	–	–	–	–	–	–
Tan Sri Datuk Tee Hock Seng, JP	16,799,778**	7.21	3,218,925 *	1.38	16,799,778**	6.68	3,218,925 *	1.28
Dr Tony Tan Cheng Kiat	9,368,902**	4.02	–	–	10,797,902**	4.29	–	–
Matthew Tee Kai Woon	2,818,925	1.21	–	–	2,818,925	1.12	–	–
Datuk Henry Tee Hock Hin	5,594,668	2.40	–	–	6,623,668	2.63	–	–
Datuk Tan Kwe Hee	121,000	0.05	–	–	1,441,000	0.57	–	–
Tay Hock Lee	1,807,707	0.78	–	–	2,522,207	1.00	–	–
Dato' Yeow Wah Chin	–	–	–	–	–	–	–	–
Ir. Ghazali Bin Bujang	–	–	–	–	–	–	–	–
Mohd Najib Bin Abdul Aziz	–	–	–	–	–	–	–	–
Dato' Tan Seng Hu	–	–	–	–	–	–	–	–
We Her Ching	104,900	0.05	–	–	933,900	0.37	–	–

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

5.2 Substantial Shareholders' and Directors' Shareholdings (Cont'd)

(ii) Maximum Scenario (Cont'd)

	(II) After (I) and Assuming Issuance of Remaining Placement shares				(III) After (II) 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**	7.93	–	–	20,388,000**	8.81	–	–
Tan Sri Datuk Tee Hock Seng, JP	16,799,778**	6.53	3,218,925 *	1.25	16,799,778**	7.26	3,218,925 *	1.39
Ng Keong Wee	14,093,600	5.48	–	–	14,093,600	6.09	–	–
Directors								
Tan Sri Dato' Ir Wong Foon Meng	–	–	–	–	–	–	–	–
Tan Sri Datuk Tee Hock Seng, JP	16,799,778**	6.53	3,218,925 *	1.25	16,799,778**	8.81	3,218,925 *	1.39
Dr Tony Tan Cheng Kiat	10,797,902**	4.20	–	–	10,797,902**	4.66	–	–
Matthew Tee Kai Woon	2,818,925	1.10	–	–	2,818,925	1.22	–	–
Datuk Henry Tee Hock Hin	6,623,668	2.57	–	–	6,623,668	2.86	–	–
Datuk Tan Kwe Hee	1,441,000	0.56	–	–	1,441,000	0.62	–	–
Tay Hock Lee	2,522,207	0.98	–	–	2,522,207	1.09	–	–
Dato' Yeow Wah Chin	–	–	–	–	–	–	–	–
Ir. Ghazali Bin Bujang	–	–	–	–	–	–	–	–
Mohd Najib Bin Abdul Aziz	–	–	–	–	–	–	–	–
Dato' Tan Seng Hu	–	–	–	–	–	–	–	–
We Her Ching	933,900	0.36	–	–	933,900	0.40	–	–

Notes:-

* *indirect interest - 340,000 Shares held by RHB Nominees (Tempatan) Sdn. Bhd., Bank of China pledged securities account for Tee Hock Seng Holdings Sdn. Bhd., 60,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd. and 2,818,925 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Matthew Tee Kai Woon.*

** *includes shares held through nominee company.*

\# *Assuming 18,696,650 ESOS options were granted and exercised under the Company's ESOS.*

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

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

7. DIRECTORS' RECOMMENDATION

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

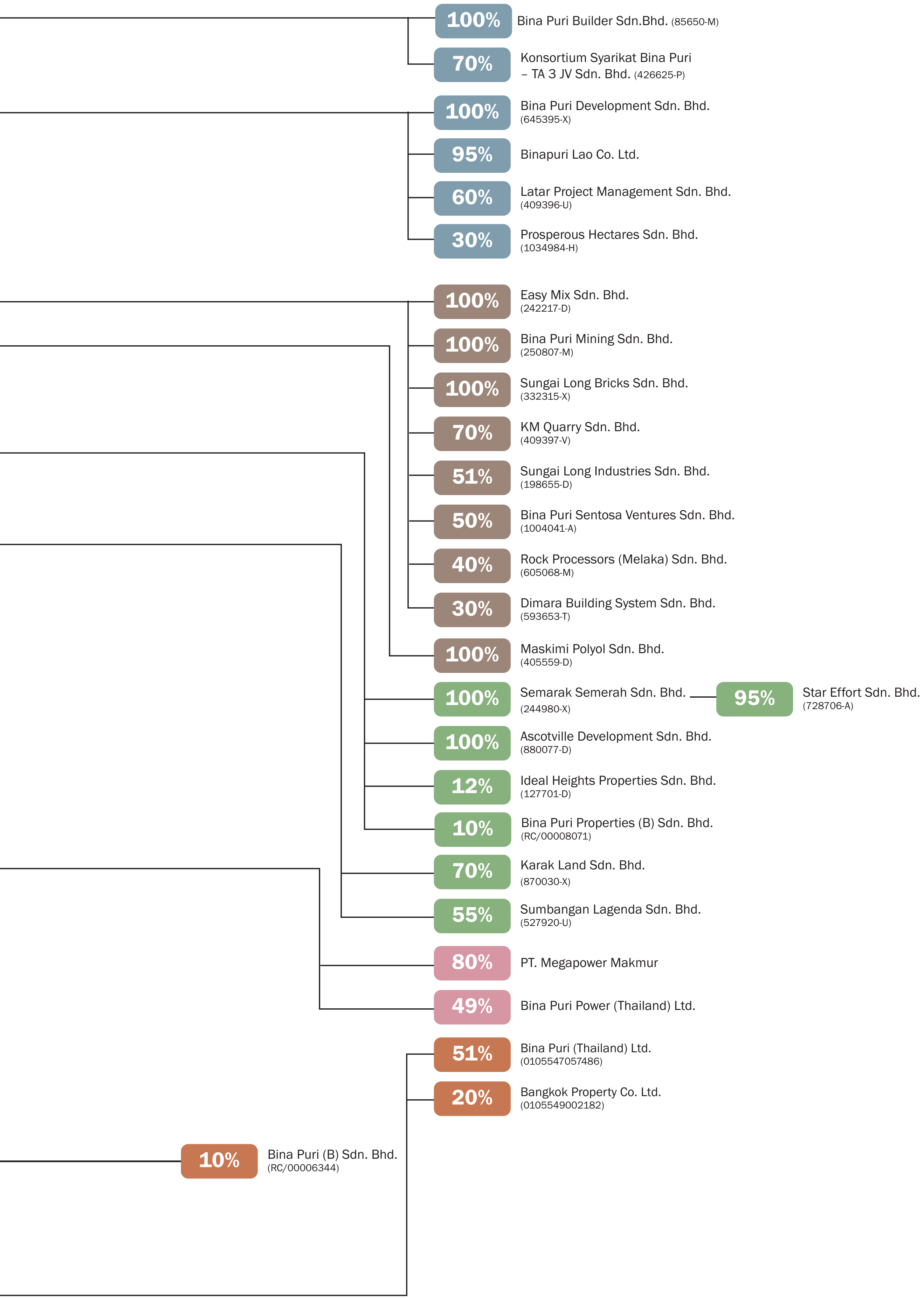
8. DISCLAIMER STATEMENT

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

GROUP CORPORATE STRUCTURE

BinaPuri SINCE 1975
Holdings Bhd
(207184-X)

- **CONSTRUCTION DIVISION**
  - 100% Bina Puri Sdn. Bhd. (23296-X)
  - 100% Bina Puri Construction Sdn. Bhd. (181471-P)
  - 100% Bina Puri Korea Sdn. Bhd. (453355-P)
  - 60% Bina Puri Gah Sdn. Bhd. (721968-H)
  - 60% DPBS-BPHB Sdn. Bhd. (656041-T)
- **MANUFACTURING / QUARRY DIVISION**
  - 100% Bina Puri Juara Sdn. Bhd. (666714-H)
  - 100% Bina Puri Ventures Sdn. Bhd. (107999-M)
- **PROPERTY DEVELOPMENT DIVISION**
  - 100% Gugusan Murni Sdn. Bhd. (231371-T)
  - 100% Bina Puri Properties Sdn. Bhd. (246157-M)
  - 100% Karak Spring Sdn. Bhd. (245505-V)
  - 60% Aksi Bina Puri Sdn. Bhd. (426300-V)
  - 50% Bina Puri Norwest Sdn. Bhd. (207253-K)
- **TOLL CONCESSION**
  - 50% KL-Kuala Selangor Expressway Bhd. (409881-W)
- **OTHER ACTIVITIES**
  - 100% Maskimi Venture Sdn. Bhd. (377437-V)
  - 100% Bina Puri KL Sdn. Bhd. (212673-H)
  - 100% BP Energy Sdn. Bhd. (940700-V)
  - 80% Bina Puri Power Sdn. Bhd. (260433-H)
  - 40% Merta Technologies Sdn. Bhd. (975144-P)
- **INTERNATIONAL VENTURES**
  - 100% Bina Puri Infrastructure Pte. Ltd.
  - 100% Bina Puri Cambodia Ltd.
  - 100% Bina Puri Hong Kong Ltd. (1887330)
  - 99.97% Bina Puri Pakistan (Private) Ltd. (0062406)
  - 90% Bina Puri Properties (B) Sdn. Bhd. (RC/00008071)
  - 80% Bina Puri (B) Sdn. Bhd. (RC/00006344)
  - 50% Bina Puri Saudi Co. Ltd. (1010221761)
  - 49% Bina Puri Holdings (Thailand) Ltd. (0105547046786)
  - 5% Binapuri Lao Co. Ltd.



100% Bina Puri Builder Sdn.Bhd. (85650-M)
70% Konsortium Syarikat Bina Puri – TA 3 JV Sdn. Bhd. (426625-P)
100% Bina Puri Development Sdn. Bhd. (645395-X)
95% Binapuri Lao Co. Ltd.
60% Latar Project Management Sdn. Bhd. (409396-U)
30% Prosperous Hectares Sdn. Bhd. (1034984-H)
100% Easy Mix Sdn. Bhd. (242217-D)
100% Bina Puri Mining Sdn. Bhd. (250807-M)
100% Sungai Long Bricks Sdn. Bhd. (332315-X)
70% KM Quarry Sdn. Bhd. (409397-V)
51% Sungai Long Industries Sdn. Bhd. (198655-D)
50% Bina Puri Sentosa Ventures Sdn. Bhd. (1004041-A)
40% Rock Processors (Melaka) Sdn. Bhd. (605068-M)
30% Dimara Building System Sdn. Bhd. (593653-T)
100% Maskimi Polyol Sdn. Bhd. (405559-D)
100% Semarak Semerah Sdn. Bhd. (244980-X)
95% Star Effort Sdn. Bhd. (728706-A)
100% Ascotville Development Sdn. Bhd. (880077-D)
12% Ideal Heights Properties Sdn. Bhd. (127701-D)
10% Bina Puri Properties (B) Sdn. Bhd. (RC/00008071)
70% Karak Land Sdn. Bhd. (870030-X)
55% Sumbangan Lagenda Sdn. Bhd. (527920-U)
80% PT. Megapower Makmur
49% Bina Puri Power (Thailand) Ltd.
51% Bina Puri (Thailand) Ltd. (0105547057486)
20% Bangkok Property Co. Ltd. (0105549002182)
10% Bina Puri (B) Sdn. Bhd. (RC/00006344)

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

BOARD COMMITTEES

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

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

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

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

GROUP 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

PROFILE OF DIRECTORS

TAN SRI DATO' IR WONG FOON MENG
Chairman/Independent Non-Executive Director

Tan Sri Dato' Ir Wong Foon Meng, Malaysian, aged 62, 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.

PROFILE OF DIRECTORS

TAN SRI DATUK TEE HOCK SENG, JP
Group Managing Director

Tan Sri Datuk Tee Hock Seng, JP, Malaysian, aged 67, 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.

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

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

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

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

As at 31 March 2016, he held 16,799,778 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 189 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

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

DR TONY TAN CHENG KIAT
Founder Director

Dr Tony Tan Cheng Kiat, Malaysian, aged 68, 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 31 March 2016, 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 189 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.

Matthew Tee Kai Woon, Malaysian, aged 41, joined the Company in December 2003 as Special Assistant to the Group Managing Director. He was appointed as Executive Director on 1 December 2009 and was redesignated as Group Executive Director on 7 March 2013.

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

He is currently the President of the Master Builders Association Malaysia (term 2012-2014 and 2014-2016). He has been a Board member of Construction Industry Development Board Malaysia (CIDB Malaysia) since 2013 as well as Construction Labour Exchange Centre Berhad (CLAB) since 2012. He is also the Treasurer of the Malaysian Steel Structural Association (MSSA).

Previously, he was the Administrator of the Chinese Maternity Hospital from 2001 to 2003 and was once attached to PricewaterhouseCoopers in the audit department. He holds directorships in several other companies.

He was recently appointed a member of the National Science Council (term 2016/2017) by the Prime Minister of Malaysia.

As at 31 March 2016, he held 2,818,925 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.

MATTHEW TEE KAI WOON
Group Executive Director

DATUK HENRY TEE HOCK HIN
Executive Director

Datuk Henry Tee Hock Hin, Malaysian, aged 58, 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 31 March 2016, 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 189 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.

Datuk Tan Kwe Hee, Malaysian, aged 72, was appointed to the Board on 7 March 2013 as Group Director, Finance, Credit Control and Legal. He holds a Master Degree in Business Administration from Hull University, UK.

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

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

Datuk 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 and thereafter, appointed as Group Director, Finance, Credit Control and Legal.

As at 31 March 2016, Datuk Tan 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.

DATUK TAN KWE HEE

Group Director, Finance, Credit Control and Legal

TAY HOCK LEE
Non-Independent Non-Executive Director

Tay Hock Lee, Malaysian, aged 62, 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 31 March 2016, 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 189 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Dato' Yeow Wah Chin, a Malaysian, aged 56 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 Maybank for a number of 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 his Certificate in Legal Practice and continued to serve Maybank for two years before he set up his own legal practice, Messrs Yeow & Salleh in 1994.

He specialises in banking and commercial law. He had served as a member of 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 has also been appointed to serve as Legal Advisor for Society of Interpreters of the Deaf in Selangor and Wilayah Persekutuan and Yeow See Association in Melaka. He sits on the Board of Komarkcorp Berhad as an independent non-executive director.

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.

DATO' YEOW WAH CHIN

Independent Non-Executive Director

IR GHAZALI BIN BUJANG
Independent Non-Executive Director

Ir Ghazali Bin Bujang, Malaysian, aged 65, was appointed to the Board of the Company on 31 May 2013. He is an engineer by profession and is currently the Executive Chairman of Ghazali & Associates Sdn. Bhd. He graduated with a Bachelor of Engineering from the University of Liverpool, England in 1974 and obtained a Master of Science from the University of Leeds, England in 1979.

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

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

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

MOHD NAJIB BIN ABDUL AZIZ

Independent Non-Executive Director

Mohd Najib Bin Abdul Aziz, Malaysian, aged 43 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.

DATO' TAN SENG HU
Alternate Director to Dr Tony Tan Cheng Kiat

Dato' Tan Seng Hu, Malaysian, aged 40, 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.

Dato' Tan is the Managing Director of Raya International Berhad and sits on the board of several private limited companies.

He has been involved in the construction industry for more than ten 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 56, was appointed as an Alternate Director to Datuk Henry Tee Hock Hin, Executive Director on 6 June 2011. He graduated with a Bachelor of Applied Science (Construction Management and Economics) and is a member of The Chartered Institute of Building (MCIOB).

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

As at 31 March 2016, he held 104,900 ordinary shares of the Company and did not have any securities holdings in any of its subsidiaries.

WE HER CHING

Alternate Director to Datuk Henry Tee Hock Hin

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.
    - Dato' 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.

Petrie Villa, Johor

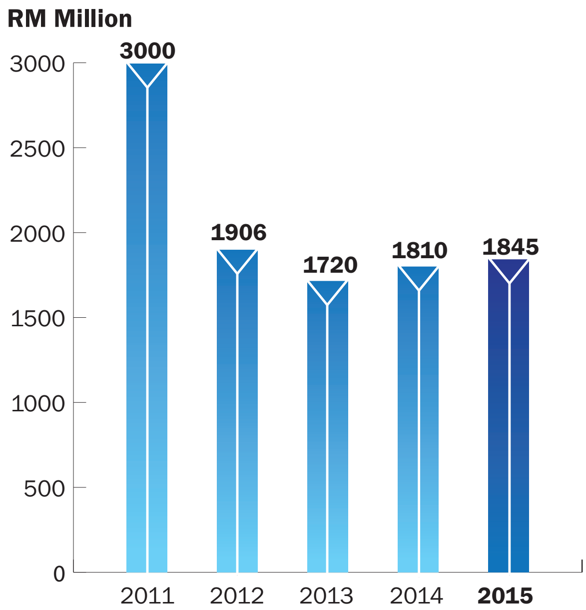
CHAIRMAN'S STATEMENT

To our dear shareholders, on behalf of the Board of Directors of Bina Puri Holdings Bhd, I present to you the Annual Report and Audited Financial Statements for the financial year ended 31 December 2015.

TAN SRI DATO' IR WONG FOON MENG
PSM, DPMT, JMN
Chairman

Perspective of PR1MA Homes, Johor

Unbuilt Book Order from year 2011 to 2015



Malaysia registered a 5% GDP growth in 2015; a respectable figure against a weak global economy overall. However, the country was not immuned to the challenges caused by unanticipated global commodity and currency shocks, financial market turbulence and volatile capital movements. Despite the challenging macro-economic backdrop, Bina Puri has remained resilient and delivered a stellar performance in 2015. I am glad to report that the Group has withstood the negative impacts from these uncertainties and even recorded an annual growth that is consistent with the growth pattern it has attained in the past decade. Bina Puri's growth is attributed to its active involvement in the country's construction industry, which is driven by several major infrastructural projects undertaken by the Federal Government.

The Group registered a strong performance in 2015 with total revenue of RM1.2 billion for the year under review as compared to RM1.1 billion in the previous year. Profit before tax was RM35.7 million for the year under review as compared to RM58.3 million in 2014. We also have an outstanding un-built book order of RM1.6 billion and total on-going projects currently stand at RM3.4 billion.

BUSINESS OVERVIEW ACROSS ALL SEGMENTS

As in previous years, the Group's earnings are derived from its businesses in construction, property development, quarry and ready mix concrete and power generation.

2015 was a strong year for the Malaysian construction industry; it registered a 11.2% growth. Many infrastructural projects were announced in Budget 2016 and this will ensure a constant stream of revenue for the construction sector. The Construction Division has remained the main core business of Bina Puri Group. The Group managed to secure new projects worth RM1.2 billion in 2015. The new projects include additional work and interior design work for Sabah State Administration Building, Bunus Regional Sewage Treatment Plant, Movenpick Spa Resort Kuala Terengganu, Medini Twin Tower at Iskandar Malaysia in Johor, Island Resort Pulau Poh Lake Kenyir and Civil Work at RAPID Steam Cracker Complex in Pengerang Johor.

Medini Twin Tower, Iskandar Malaysia, Johor

The Property Division contributed about 6% to the Group's earnings in 2015, as compared to 9% in 2014. The weaker performance was attributable to a soft take-up, partly due to more stringent loans processing of the banking industry. However, the Property Division is expected to remain as one of the key contributor to the Group's revenue. There are several property launches in the pipeline worth in excess of RM3.1 billion in GDV and will be rolled out in both Peninsular and East Malaysia over the next few years.

The Quarry and Ready Mix Concrete Division recorded an improvement in revenue by 12% as compared to year 2014; and loss before tax of RM2.8 million. The results of this division was affected by the non-renewal of the quarry land lease in Hulu Langat, Selangor.

The Polyol Division recorded a drop in revenue to RM11.4 million as compared to the previous year of RM23.4 million. This was mainly due to lower export and local sales. The Group have decided to cease the polyol operations as the business is not sustainable.

On the encouraging side of our businesses, in 2015, the Power Supply Division recorded an increase in revenue of 34% and higher profit before tax of 58% as compared to year 2014. Revenue is primarily generated from the supply of electricity power to PT Perusahaan Listrik Negara (state electricity company owned by Indonesia government). The revenue improvement in 2015 was mainly attributable to the new diesel power plants supply contract, which was secured in 2014 and effective in 2015.

The Group has made significant investment in the Power Supply Division; including USD27.5 million of micro diesel generated power plants (28MW capacity in total) already operating in eight locations across Indonesia together with a Mini Hydro power plant (4.2MW capacity) in Sulawesi Selatan, Indonesia which has commenced operation on 14 April 2016.

Our subsidiary in Indonesia, PT Megapower Makmur has submitted the application for IPO on the Indonesia Stock Exchange on 18 April 2016.

Hydropower Plant, Indonesia

Recurring income businesses help to sustain the Group's earnings in the long term. Highway concession (LATAR) recorded a year-to-year growth of 19%. Other income streams include rentals from service apartments in Brunei, shop office rental in Kuala Lumpur and retail property income from The Main Place Mall USJ21.

ACHIEVEMENTS AND AWARDS

Bina Puri celebrated the Group's 40th anniversary in 2015 - we are proud of our track record of being profitable for 14 consecutive years since 2001. To commemorate the anniversary, the Group gave awards to its loyal and dedicated staff who had worked for the Group for 10 years or more.

New station for Ampang LRT Extension project

Board of Directors during the 40th Anniversary Celebration

I am proud to announce that the Group has bagged not one but two best investor relations awards from The Investor Relations Awards 2015 by MIRA; winning the Best Company for Investor Relations and the Best Investor Relations Website under the Micro Cap Companies Nomination.

The proud winners at The MIRA Awards

OUR BUSINESS OUTLOOK AND PROSPECTS
We expect the Malaysian economy to continue to be resilient and withstand global volatility. While oil price may fall further and consequently affect growth, domestic consumer spending is expected to improve, especially helped by the Government's initiative to reduce the mandatory EPF contributions by 3 percentage points.

Also, the Malaysian construction industry growth is expected to continue to be supported by major infrastructural projects announced in Budget 2016. The projects include 276 km West Coast Expressway from Taiping to Banting, Damansara-Shah Alam Expressway (DASH), LRT 3, the MRT Line 2 from Selayang to Putrajaya, the Pan-Borneo Highway spanning 1,663 km from Sarawak (936km) to Sabah (727km) and the Kuala Lumpur-Singapore High Speed Rail.

The Group is committed to uphold its tag as a Malaysia Landmark Builder. We will continue to seek new business opportunities without compromising on quality and will adhere to the required standards set by the relevant authorities in the process of expanding and delivering new projects.

As mentioned earlier, the Group also expects the Property and Utility Divisions to make bigger contributions to the Group's earnings in 2016 and beyond.

DIVIDEND PAYABLE TO OUR VALUED SHAREHOLDERS
No dividend has been declared for the financial period under review.

ACKNOWLEDGEMENT
Once again, on behalf of the Board of Directors, I would like to express our deepest appreciation to our management team and employees for their hard work and dedication. I would also wish to record our sincere appreciation to our financiers, business partners and relevant approving authorities, for their continuous support and cooperation.

Finally, to all our valued shareholders, thank you once again for your continued support and confidence in us.

TAN SRI DATO' IR WONG FOON MENG
PSM, DPMT, JMN
Chairman

GROUP MANAGING DIRECTOR'S

REVIEW OF OPERATIONS

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

Ampang (AMG) Line Extentsion (Package A) from Seri Petaling to Kinrara.

OVERVIEW

The Malaysian economy has fared fairly well in a volatile global market that had affected less resilient markets. 2015 was characterized by the decline in oil prices, weaker foreign exchange and capital outflow. By all reckoning, the 4.5% growth recorded in 2015 was nonetheless an achievement. Also since April 2015, the Government started imposing the goods and services tax (GST) which collected about RM39 billion during the year. GST has, however, increased the cost of doing business.

It is against this economic scenario that I present to you an overview of the Group's performance.

Despite all the challenges, the Group recorded higher Group Revenue of RM1.2 billion for the year ended 31 December 2015 as compared to the previous corresponding year of RM1.1 billion. The Group's profit before tax was however lower at RM35.7 million in 2015 as compared to the previous corresponding year of RM58.3 million.

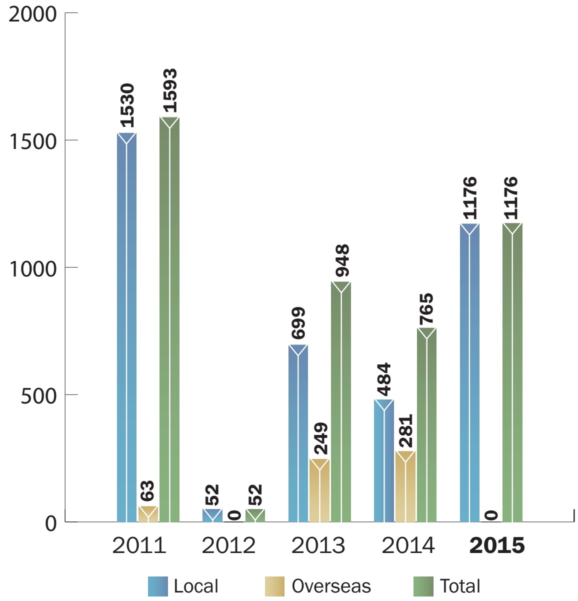
The drop in profit performance was mainly due to revaluation of our Main Place Mall as reflected in our investment and decrease in profits derived from the construction sector. However, we are positive that we will be able to perform better and we will work harder to ensure better results in the future.

CONSTRUCTION DIVISION

Bina Puri has been in the construction industry since 1975, and it will continue to become the main business of the Group. For the year under review, the construction division recorded slightly higher revenue of RM1.0 billion as compared to RM889.5 million in 2014, nevertheless profit before tax for year 2015 recorded lower at RM 7.5 million as compared to the previous corresponding year of RM14.2 million.

LKIM Complex, Kuching, Sarawak

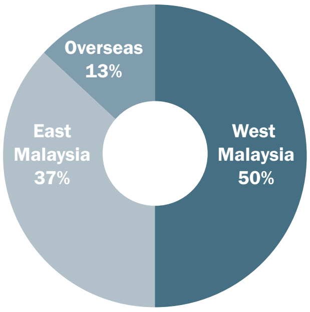
Annual Projects Secured (2011-2015) (RM' Million)



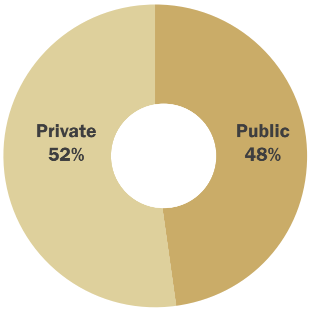
REVIEW OF OPERATIONS (Cont'd)

Project Secured from year 2011 to 2015

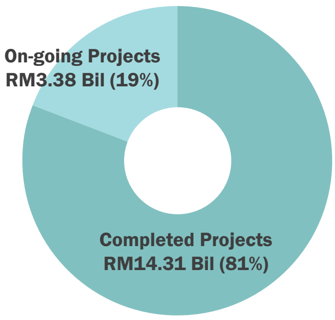
Geographical Breakdown



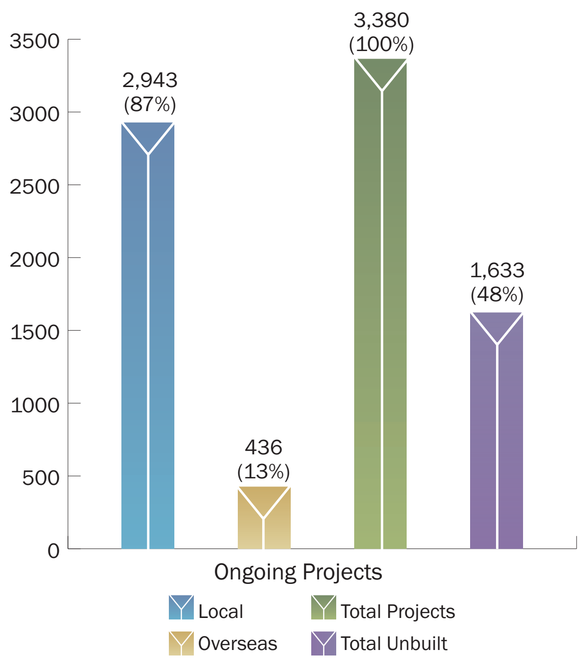
Public vs. Private



Bina Puri Projects Since 1975 - 2015



Current Ongoing Projects @ March 2016 (RM' Million)



The results was mainly attributable to progressive profit recognized from projects secured, which include Melawati Mall, Ampang LRT Line Extension (Package A and B), LKIM Fishery Complex in Kuching, Sarawak, KOUMS Students Hostel and Sabah Ammonia Urea (Samur), both in Kota Kinabalu, Sabah.

The Group has undertaken and completed a total of RM14.3billion projects since 1975. As at December 2015, the total value of on-going projects is RM3.4 billion with unbuilt order book of RM1.6 billion (48%).

Over a decade, the Group has maintained its track record consistently securing an average of RM1.0 billion project annually. In 2015 alone, the total value of projects secured is RM1.2 billion.

The on-going projects include the Additional Works and Interior Design Works for the Sabah New Administrative Complex valued at RM188.3 million, Melawati Mall at RM441 million, LKIM Complex in Kuching at RM247.8 million and Bunus Regional Sewage Treatment Plant, Kuala Lumpur at RM291.1million.

In August 2015, our proposed development for PR1MA Homes on a parcel of land in the Lakehill Resort City, Taman Nusa Damai, Masai Johor was accepted by PR1MA Corporation Malaysia (PR1MA) to construct 4 Blocks PRIMA Homes comprising 994 Units of Apartments and 20 Units of shop lots.

New Major Projects Secured (2015-2016)

1.	Building Works for Movenpick Spa Resort, Chendering, Daerah Kuala Terengganu, Terengganu Darul Iman	RM128.5 million
2.	Pembinaan Loji Rawatan Serantau Bunus, Kuala Lumpur	RM291.2 million
3	Interior Design Works: Block A & Block B for Pusat Pentadbiran Negeri Sabah, Teluk Likas, Kota Kinabalu, Sabah	RM123.3 million
4	Development of 2 Blocks 23-Storey Offices for Medini Iskandar at Johor Bharu, Johor Darul Takzim	RM 195.0 million
5	Design, Construct and Complete the Terengganu State Hotel in Pulau Poh, Tasik Kenyir, Hulu Terengganu, Terengganu	RM 100.0 million

New Major Projects Secured (2015-2016)

6	RAPID SCC Project for Steam Cracker Complex (Civil works in Process Area B), Pengerang, Johor Darul Takzim	RM 94.9 million
7	Construction of Main Control Building and Laboratory Buildings (RAPID Package 14-1701), Pengerang, Johor Darul Takzim	RM 234.1 million
8	Construction of 4 Blocks PR1MA Homes comprising 994 units of apartment and 20 units of shoplots in Masai, Johor Bahru, Johor Darul Takzim	RM 230 million

PROPERTY DIVISION
The Property Division recorded a revenue of RM80.5 million and profit before tax of RM37.1 million in 2015 as compared to the previous corresponding period of RM98.5 million and RM71.3 million respectively.

This was mainly contributed from sales of development properties for The Opus at Jalan Tallala in Kuala Lumpur, Main Place Residence in USJ 21, Puri Tower in Puchong, Laman Vila in Mont' Kiara North and Jesselton View in Kota Kinabalu. The operations of The Main Place Mall in USJ 21 and the fair value adjustment on investment properties also contributed positively to the earnings from this division.

The Group has completed the Puri Tower in Puchong and handed over keys to purchasers in August 2015, adding into the list of successful development by the Group.

In May 2015, Bina Puri Properties Sdn Bhd signed a joint development agreement with Lakehill Resort Development Sdn Bhd to build double-storey houses at Taman Nusa Damai (Phase 1A1), Masai, Johor Darul Takzim. Taman Nusa Damai, being part of the master planning of the Lakehill Resort City, is among the flagship development in Iskandar Malaysia economic corridor. This new development with GDV of RM 204 million is expected to generate future earnings to the Group.

Sabah Administrative Centre in Teluk Likas, Kota Kinabalu, Sabah

Project	Expected GDV (RM Million)
KLANG VALLEY Laman Villa @ Mont Kiara North (30 units of Bungalow Link Houses)	108.0
The Opus at Jalan Tallala, KL (2 blocks of 32-storey Service Apartment)	338.1
Riveria Sentral@KL	1,288.6
Karak Land, Bentong, Pahang	163.0
SOUTHERN REGION Petrie Villa @ Johor Bahru (23 units of 4-storey pool villas)	110.4
Phase 1A1 of Taman Nusa Damai (part of Lake Hill Resort City Development), Masai, Johor Darul Takzim	204.0
EASTERN REGION The Sentosa Residence in Kota Bharu, Kelantan (4 Block 31-Storey with 515 units Apartments, Shops & Offices)	242.0
SABAH Jesselton View @ Kota Kinabalu (80 units of 5 & 11 storey Apartment)	66.6

Main Place Residence in USJ 21

Main Place won two awards at the Asia Pasific Property Awards (APPA) 2016-2017 for Highly Commended Residential Renovation/Redevelopment and Commercial Renovation/Redevelopment Awards

REVIEW OF OPERATIONS (Cont'd)

Project	Expected GDV (RM Million)
One Jesselton @ Kepayan Condominium, Kota Kinabalu (125 units of 11-storey condominium)	110.6
8 Avenue, Kota Kinabalu, Sabah (28-storey Condominium & 2 Levels of Commercial Retails)	265.8
THAILAND	
Bangkok Marina Resort and Spa, Thailand	200.0
Total Expected GDV	3,097.1

Lorry Mixer Trucks of Easy Mix Sdn Bhd

QUARRY AND READY MIX CONCRETE DIVISION
The Quarry and Ready Mix Concrete Division recorded a revenue of RM103.9 million and loss before tax of RM3.8 million as compared to the previous corresponding year of RM92.3 million and profit before tax of RM2.8 million respectively.

This division was severely affected by the non-renewal of the quarry land lease in Hulu Langat by the Selangor State Government after 23 years (1990-2013) of operations. This was a great disappointment by the division. Nevertheless, our ready mixed concrete manufacturer, Easy Mix Sdn Bhd has successfully set up their batching plants at various locations not only focusing in Klang Valley (Hulu Langat, Kajang, Melawati) but also in Melaka namely in Krubung, Kota Laksamana and Alor Gajah. This is to ensure that we remain competitive to supply the ready mixed concrete to the construction industry.

POLYOL DIVISION
The Polyol Division recorded lower revenue of RM11.4 million as compared to the previous corresponding year of RM23.4 million due to lower export and local sales, the Group have decided to cease operations of this division as we felt that we could no longer expand the business after striving to grow it since 1997.

POWER SUPPLY DIVISION
The power supply division recorded revenue of RM15.4 million from the supply of electricity power to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia government) and profit before tax of RM4.8 million as compared to the previous corresponding year of RM10.4 million and RM1.8 million respectively. The improved revenue was mainly contributed from the new diesel power plants supply contract secured in 2014 and started operation in 2015.

Our 4.2MW-capacity Mini Hydro power plant in Bantaeng, Sulawesi Selatan has commenced commercial operation on 14 April 2016.

The documentation process for the IPO of PT Megapower Makmur has been finalized and submitted to the Indonesia Financial Service Authority for approval on 18 April 2016. The IPO process and listing in IDX (Indonesia Stock Exchange) is expected to be completed by end of 2016. We are excited at the prospect of this division and we believe the listing will help us realise the true value of our investments. The listing will also facilitate access to the capital market for growth in the future and raising Bina Puri's presence in Indonesia.

HOSPITALITY DIVISION
Bina Puri invested B$9.2 million (RM23 million) to refurbish 3 apartment blocks at Jalan Ong Sum Ping, Bandar Seri Begawan, Brunei. We are allowed to manage 72 units (3,000 to 3,100 sq ft) of high end service apartments with lease period for 20 years from 2011 to 2031.

RECURRING INCOME
The Group invested RM16 milionl to develop and construct two blocks shop offices at Jalan Pasar, Kuala Lumpur for Chha Yong Association KL. It is entitled to collect investment income for 14 years from May 2013 to April 2027.

Retail Property – Main Place Mall
The Main Place at USJ 21 which has a GDV of RM291 million was completed and the retail mall opened for business in March 2014. Revenue in 2015 was about RM20 million with occupancy at 92% over NLA of 230,000 sqft. It will continue to bring in strong recurring income to the group.

Highway Concession (LATAR)
Bina Puri owns 50% of a 40-year concession of LATAR (KL-Kuala Selangor) Expressway, up to year 2048. LATAR, which started operation in Jun 2011, links the township of Kuala Selangor, Assam Jawa, Ijok, Batang Berjuntai, Kota Puteri, Puncak Alam, Shah Alam, Bukit Jelutong, Sungai Buloh, Kundang, Rawang and Selayang. The total length of 33km has 4 interchanges. The journey from Templer Interchange to Ijok Interchange would only take about 18 minutes.

The annual average daily traffic at all plaza toll in 2015 is 66,512 vehicle, a growth of 18.7% as compared to 2014. Kuang is the busiest toll plaza and reflects the strongest performance as it is the main gateway to the Guthrie and PLUS highways. Ijok performance will be further boosted once the West Coast Expressway is completed. The total revenue recorded in 2015 is RM24.3 million or about 19% growth compared to 2014.

PROSPECTS

The Group will continue to focus on and develop its major business segments, which are in construction and property development. The current value of contract work in progress for the construction of several projects is approximately RM3.4 billion, which is expected to provide a steady stream of revenue for the Group over the next three (3) years.

Under the 11th Malaysia Plan (year 2016-2020) tabled on 21st May 2015, the Government has increased the development expenditure to RM260 billion, with the bulk of the allocations to be used to improve the transportation network. Investment in infrastructure will continue and the construction growth will hover at 10.3%.

With major construction projects announced such as 36km LRT3 Bandar Utama-Damansara-Johan Setia, MRT II Sg Buloh-Serdang-Putrajaya, the BRT Kota Kinabalu, Pan Borneo Sabah-Sarawak Highway, Construction of Mukah New Airport and others; Bina Puri Group as the only major player in East and West Malaysia, will definitely benefit from the new projects as construction activity is our main driver for the Group in the next few years while property is facing a temporary slow down.

RUBY CELEBRATION – 40TH ANNIVERSARY

The 40th anniversary was a grand occasion that the Group celebrated in the Sunway Resort and Sutera Habour Resort, Kota Kinabalu in August 2015. The Group honoured 30% or 270 of loyal and dedicated staff who have been working for the Group for 10 years or more.

Forty years on, we are proud to record our achievement and I believe we still have the potential to grow and outdo ourselves.

APPRECIATION

For 40 years of success, each and everyone in Bina Puri has a very important role to play. The full contribution and dedication of the staff have made the success a reality and moved the company forward for many more years to come.

To all long-serving staff, I would like to express my sincere appreciation for your continuous dedication and loyalty towards the company. Your contribution towards the company has not gone unnoticed.

Bina Puri has evolved into a major force in the construction industry with numerous successfully completed projects throughout Malaysia. It has spread its wings and courageously ventured into the international construction scene and established a name in the international front as a reliable construction company.

The Group has progressed from a reputable contractor to other fields that complement the construction division, namely property development, highway concession, quarry operations and construction materials, and a power utilities supplier.

Lastly, to all our shareholders, business associates, partners and stakeholders, our sincere gratitude for being a part of the Bina Puri Group.

We take pride with our tag as a 'Malaysia's Landmark Builder'.

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

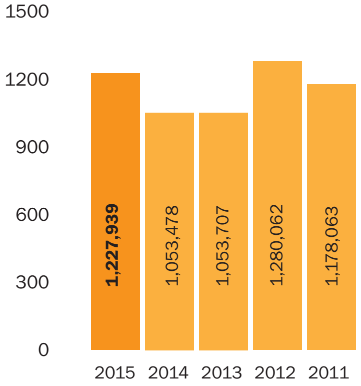
Puri Tower @ Puchong


RAPID Pengerang, Johor

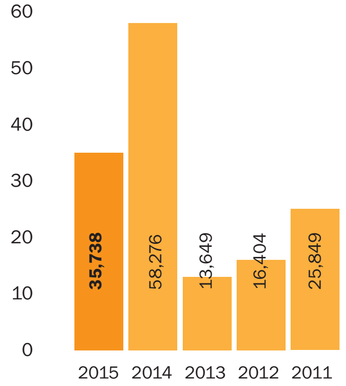
GROUP FINANCIAL HIGHLIGHTS

	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Revenue	1,227,939	1,053,478	1,053,707	1,280,062	1,178,063
Profit before taxation	35,738	58,276	13,649	16,404	25,849
Profit attributable to the shareholders of the Company	3,373	6,473	5,232	5,110	5,997
Dividend paid (Net)	4,346	2,669	1,997	1,861	3,221
Issued share capital	115,319	88,956	157,116	124,416	121,883
Shareholders' equity	216,479	193,751	170,533	135,380	128,987
Total assets employed	1,783,838	1,471,354	1,339,736	1,022,186	886,212
Net earnings per share (sen)	1.60	3.75	3.85	4.12	5.40
Net assets per share (RM)	0.94	1.09	1.09	1.09	1.06
Share price (RM)					
- High	0.65	0.782	0.875	1.05	1.65
- Low	0.33	0.50	0.57	0.80	0.85

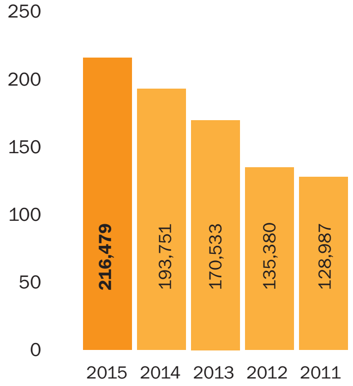
REVENUE (RM'000)



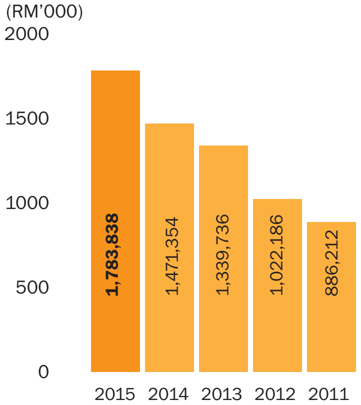
PROFIT BEFORE TAXATION (RM'000)



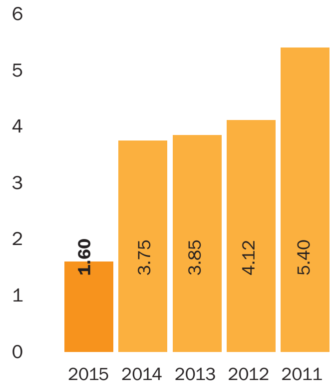
SHAREHOLDERS' EQUITY (RM'000)



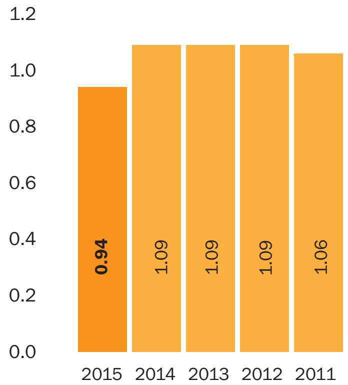
TOTAL ASSETS EMPLOYMENT (RM'000)



EARNING PER SHARE (sen)



NET ASSETS PER SHARE (RM)



CALENDAR OF EVENTS

25th May 2015
The Signing Ceremony on Joint Development Agreement between Bina Puri Properties Sdn Bhd and Lakehill Resort Development Sdn Bhd was held at Wisma Bina Puri, Selayang to build double-story terrace houses with a GDV of RM204 million at Lakehill Resort City near Masai, in Johor.

10th June 2015
The OPUS KL Signature Partners Signing Ceremony was held at Grand Hyatt Kuala Lumpur. The signing ceremony was between Star Effort Sdn Bhd, Calvin Klein Furniture and Gorenje kitchen appliance supplier in a branding exercise for the luxurious condo living of OPUS KL. The OPUS KL is developed by Star Effort Sdn Bhd, a subsidiary of Bina Puri Properties Sdn Bhd.

15th June 2015
Bina Puri Sdn Bhd, a wholly-owned subsidiary of Bina Puri Holdings Bhd, accepted a letter of award from Medini Development Sdn Bhd to undertake the development of 2 blocks of 23-storey office tower in Medini, Iskandar Malaysia. Each block will comprise of 15-storey office tower, an 8-storey podium consisting of a 7-storey car parks and one floor lobby area with facilities, and also a 3-storey basement car parks. The project with the contract value of RM195 million will be completed within 29 months.

17th June 2015
The Bina Puri Holdings Bhd 24th Annual General Meeting was held at Wisma Bina Puri, Selayang. The meeting was chaired by YBhg. Tan Sri Dato' Ir. Wong Foon Meng.

22nd June 2015
Bina Puri Sdn Bhd, a wholly-owned subsidiary of Bina Puri Holdings Bhd., received the letter of award to undertake the project to design, build and complete an Island Resort in Pulau Poh, Kenyir Lake, Terengganu Darul Iman. This eco-resort will have 150 rooms, a banquet hall that can hold up to 300 guests, restaurant, retail areas and a swimming pool. With the contract value of RM100 million, the project will be completed within 3 years.

24th June 2015
Bina Puri Holdings Bhd was awarded The Best Company for Investor Relations (Micro Cap category) and The Best Investor Relations Website (Micro Cap category) in the 5th Malaysian Investor Relations Awards Ceremony held in Kuala Lumpur. The award was organized by the Malaysian Investor Relations Association (MIRA).

6th August 2015
Bina Puri Sdn Bhd, a wholly-owned subsidiary of Bina Puri Holdings Bhd, secured a contract for civil work in PETRONAS complex in Pengerang, Johor. The Construction works include earthwork, foundation for equipment, fire proofing, installation for PC rack and road, floor (including chemical floor) and paving in Area B for PETRONAS Steam Cracker Complex. The contract, which cost RM94.94 million, will be completed in 27 months.

8th August 2015
Bina Puri 40th Anniversary Grand Celebration was held at the Sunway Resort, Subang Jaya, Selangor. The event was officiated by the Minister of Works Malaysia who was represented by YBhg. Tan Sri Dr Ir Ahmad Tajuddin Ali, Chairman of CIDB Malaysia.

CALENDAR OF EVENTS (CONT'D)

22nd August 2015
Bina Puri celebrated its 40th Anniversary on 22nd August 2015 for East Malaysia to appreciate and acknowledge the management and staff in Sabah, Sarawak and Brunei Darussalam. It was held at Magellan Sutera Harbour Resort, Kota Kinabalu, Sabah, and was officiated by the State Secretary of Sabah, YB Tan Sri Datuk Seri Panglima Sukarti Bin Wakiman.

7th October 2015
Bina Puri co-operated with the Malaysian Royal Police to prevent crime through the establishment of a Police Bit Base at the Main Place Residence and Mall at USJ 21, Subang Jaya. The Police Bit Base was officially opened by Selangor Chief Police CP Dato' Abdul Samah bin Mat to serve the community on 7th October 2015.

9th October 2015
Bina Puri Sdn Bhd, a wholly-owned subsidiary of Bina Puri Holdings Bhd, secured the contract to build two main control buildings and four labs and civil work in PETRONAS complex in Pengerang, Johor. The scope of work includes engineering, procurement, construction and commissioning of the two main control buildings and four laboratory buildings, and external civil works which involve road pavement, drainage, water and sewage reticulation and parameter fencing and gates. This contract, which cost RM234.12 million, is to be completed in 30 months.

31st October 2015
Bina Puri Holdings Bhd & Tim Sekata Sdn Bhd JV successfully completed Ampang (AMG) Line Extentsion (Package A) from Seri Petaling to Kinrara.

31st October 2015
Bina Puri Construction Sdn Bhd, a wholly-owned subsidiary of Bina Puri Holdings Bhd, successfully completed the development of a tourist recreational and commercial development at KK Times Square (Phase II) in Kota Kinabalu, Sabah

26th November 2015
The Signing Ceremony on Framework Agreement between Bina Puri Properties Sdn Bhd and Stone Master Corporation Berhad was held at Wisma Bina Puri, Selayang. With the framework agreement, Stone Master will supply its products and services coupled with interest free vendor financing scheme to Bina Puri Properties valid over the span of 18 months.

13th January 2016
The Media and Analysts & Fund Managers Briefing was held at Aloft Hotel, KL Sentral in Kuala Lumpur. The event was organized to update and disseminate information regarding the latest corporate and business development in the Bina Puri Group to media members, analysts and fund managers.

8th April 2016
Bina Puri Holdings Bhd was awarded the Highly Commended Residential Renovation/Redevelopment and Commercial Renovation/Redevelopment Awards at the Asia-Pacific Property Awards (APPA) 2016-2017 for the Main Place Residence and Mall, USJ 21, Subang Jaya.

CORPORATE SOCIAL RESPONSIBILITY

At Bina Puri, our Corporate Social Responsibility (CSR) activities go beyond mere philanthropy.

We strive to uphold the tenets of CSR that is inclusive. In this respect, our activities embrace humanitarian and relief efforts, employee benefits and skill enhancement, donations to educational and needy causes to sports sponsorship.

CSR activities we organized are dedicated to reach out to our stakeholders and to share with them our achievement and growth. The prime motive is to showcase our contribution towards a better corporate and societal relationship.

The year 2015 saw our CSR programmes targeting projects that promote academic excellence, knowledge and sports activities, community and humanitarian aid and employee well-being and morale.

Academic Excellence
Our priority was in promoting academic excellence, knowledge and the sports' agenda. Thus contributions were channelled through universities, schools, foundations and sport associations to assist them to organise their activities.

Several instances worth mentioning were The Perdana Leadership Foundation, Persatuan Seni Tulis Malaysia, PIBG Sek Keb Wangsa Jaya, PIBG SJK © Chung Hwa Wei Sin, Sek Men Kebangsaan Ideal Heights while in sport the recipients included KL Basketball Association.

Knowledge and Sports
On sports especially basketball, three Bina Puri national players did the country proud when the Malaysian Women Team that they were in bagged the gold medal at the 28th SEA Games in Singapore in June. The trio – Nur Izzati Binti Yaakob, Eugene Ting Chiao Teng and Yap Fook Yee - were rewarded with a cash incentive. Bina Puri's Women Basketball Team has been an active participant in the Malaysian National Basketball Leaque since 2012.

Community and Humanitarian Relief Assistance
Bina Puri has never neglected to meet the needs for financial assistance. Donations were provided for community activities, orphanages, the underprivileged, senior citizens and disaster relief funds among others.

Together with our Sports & Social Club, Bina Puri has built a permanent house for Puan Zaharah and her family members who are among the victims of the flood disaster in Kelantan last year. A house with 3 rooms at Kampung Laloh in Gua Musang, Kelantan, was completed in December 2015. Our employees from LATAR also helped to pack relief goods for flood victims in Kelantan.

In another instance, Bina Puri staff was involved in relief effort to help victims of an earthquake that shook Ranau in Sabah on 5 July 2015. Bina Puri Sports and Social Club mobilised a charity team consisting of 20 club members and working in Sabah to distribute food and drinking water to families affected by the earthquake.

A new Police Bit Base has been set up at the Main Place Mall in Subang USJ 21 on Oct 2015. It is our collaboration with Polis Diraja Malaysia and it is aimed at preventing crime such as snatch thefts in USJ 21 area. This will be beneficial not only for the business community but the residents as a whole. The Police Bit was officially opened by CP Selangor, Dato' Abdul Samah bin Hj Mat on 7 October 2015.

Other beneficiaries included Kiwanis Club Kuala Lumpur, Aman Palestine Malaysia, Yayasan Anak-anak Yatim Sultanah Haminah, Spastic Children's Association of Selangor & Federal Territory, Rumah Jubli King George and others.

Employee Well-Being And Morale.
Charity starts at home. True to this maxim, Bina Puri has an elaborate plan to enhance the skills of its own employee as well as their welfare. Many incentive schemes and skill enhancement programmes have been designed to reciprocate staff loyalty and hard work that have ensured the success of the Group.

The Bina Puri Education Incentive is a monetary incentive managed by Bina Puri Sports & Social Club and given to students of staff's children who score "A" in their main national school examination. Twenty-eight students; 10 UPSR, 6 PT3, 10 SPM & 2 STPM students received the incentives at Bina Puri Headquarters on 24 July 2015.

For 2015, the Group also awarded scholarship to 26 undergraduates who are the children of our staff members. It is the Group's effort to ease the burden of staff members in providing the best education to their children.

Similarly, apart from the Undergraduate Scholarship Awards, the Group also rewards its staff with Long Service Awards, Best Employee Awards, Birthday Incentives, Perfect Attendance and others.

For 2015, the group shared a total of RM1.5 million in contributions that benefitted fifty (50) organisations and associations across Malaysia.

AUDIT COMMITTEE REPORT

A. COMPOSITION, COMPLIANCE AND ATTENDANCE

Members of the Committee	Designation in the Company	No. of meetings attended
Dato' Yeow Wah Chin, Chairman	Independent Non-Executive Director	5/5
Ir. Ghazali Bin Bujang	Independent Non-Executive Director	5/5
Mohd Najib Bin Abdul Aziz	Independent Non-Executive Director	5/5

(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 three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

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

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

B. TERMS OF REFERENCE

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.

Authority

The Committee shall, in accordance with procedures determined by the Board and at the expense of the Company:
- Investigate any activity within its terms of reference, with the co-operation of all employees as directed by the Board and the Committee;
- Have full and unrestricted access to all information, documents and resources required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;
- Obtain independent professional advice or other advice and to secure the attendance of external parties with relevant experience and expertise, if necessary;
- Convene meetings with the internal or external auditors, without the attendance of the Executive Directors, whenever deemed necessary; and
- Make relevant reports when necessary to the relevant authorities when a breach of the Listing Requirements has occurred.

B. TERMS OF REFERENCE (CONT'D)

Responsibilities and Duties

The Audit Committee shall be the focal point for communication between external auditors, internal auditors, Directors and the Management on matters in connection with financial accounting, reporting and controls. It shall also ensure that accounting policies and practices are adhered to by the Company and its subsidiaries.

The duties of the Audit Committee shall include the following:

i. To review the quality of the external auditors and to make recommendations on their appointment, termination and remuneration;
ii. To review the audit plan and audit reports, including the evaluation of the internal control system with the external auditors;
iii. To review the independence and objectivity of the external auditors and their services, including non-audit services;
iv. To review the liaison between the external auditors, Management and the Board, and the assistance given by Management to the external auditors;
v. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss;
vi. To review the external auditors' audit report, management letter and Management's response;
vii. To review the assistance given by the employees of the Company and its subsidiaries to the external auditors;
viii. To consider the appointment of the internal auditor, the audit fees and any questions of their resignation or dismissal;
ix. To review the internal audit functions namely:
    - The adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
    - The internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal auditor; and
    - The performance of the internal auditor, whose role includes the examination and evaluation of the Group's operations and their compliance with the relevant policies, codes and legislations;
x. To review the quarterly reporting to Bursa Malaysia Securities Berhad and year-end annual financial statements before submission to the Board, focusing on major accounting policy changes, significant audit issues in relation to the estimates and judgement areas, significant and unusual events, and compliance with accounting standards and other legal requirements;
xi. To monitor any related party transactions and recurring related party transactions that may arise within the Group and to report, if any, transactions that may arise within the Group and any related party outside the Group that are not based on arms-length terms and are disadvantageous to the Group;
xii. To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or cause of conduct that may raise questions of management integrity;
xiii. To consider the major findings of internal investigations and Management's response;
xiv. To verify the allocation of the Executive Share Option Scheme ("ESOS") in compliance with criteria as stipulated in the by-laws of the ESOS of the Company;
xv. To review and monitor the effectiveness of the Group's system of internal control;
xvi. To consider other matters as defined by the Board.

B. TERMS OF REFERENCE (CONT'D)

Meetings

The Committee will meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. The external auditors may request a meeting if they consider that one is necessary.

The quorum for each meeting shall be two (2) members and the majority of members present must be Independent Non-Executive Directors.

The authorised officers and a representative of the external auditors may attend meetings at the invitation of the Committee. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors without executive Board members present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meeting of the Committee and circulating to the Committee members and to other members of the Board.

A resolution in writing signed or approved by letter by all the members of the Audit Committee who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolution shall be described as "Audit Committee Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

C. SUMMARY OF ACTIVITIES

The following activities were carried out by the Audit Committee during the year review:

(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 auditors' audit plan and report for the year;

(d) Reviewed the external auditors' 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) Verified the allocation of options shares pursuant to the ESOS to eligible employees had been made in accordance with criteria as stipulated in the ESOS by-laws of the Company. The Audit Committee is satisfied that the allocation of options pursuant to the Company's ESOS during the financial year ended 31 December 2015 is in accordance with the criteria set out in the ESOS by-laws.

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

The Committee discharged its duties and responsibilities in accordance with its Terms of Reference.

D. INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to BDO Governance Advisory Sdn. Bhd. ("BDOGA"). The cost incurred for the internal audit function in respect of the financial year ended 31 December 2015 was RM50,000 (2014: RM49,500).

The role of the internal audit function is to assist the Audit Committee and the Board of Directors in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach is used to evaluate and improve the effectiveness of risk management, operational and internal controls and compliance with laws and regulations.

The internal annual audit planning memorandum established is reviewed and approved by the Audit Committee before commencement of the financial year. The internal audit activities are carried out based on a risk-based audit plan, which include both assurance and consulting activities approved by the Audit Committee.

Internal audits are carried out in accordance with the internal annual planning memorandum and reports are issued to the Audit Committee for tabling at the Audit Committee meetings. The Audit Committee deliberates on the findings and recommendations as reported by the Internal Auditors and monitors to ensure appropriate follow-up actions are taken on the recommendations of the internal auditor.

The internal audit review undertaken by BDOGA for the financial year 2015 and the findings arising from the review reported to the Audit Committee include the following:

i. Internal Control Review ("ICR") on Mall Management on Main Place, Subang Jaya;
ii. ICR on Project Management on Opus, Kuala Lumpur; and
iii. ICR on Project Management on Pusat Bandar Melawati.

and when required, they undertake investigations as directed by the Audit Committee. All findings and recommendations arising from the ICRs for financial year 2015 were tabled to the Audit Committee and the reviews were conducted based on an internal audit plan approved by the Audit Committee.

E. EXTERNAL AUDIT

The details of principal activities performed by Audit Committee during the financial year were as follows:

i. Reviewed the external auditors' report on the final audit report for the financial year ended 31 December 2015 and Statement of Risk Management and Internal Control ("SORMIC") in February 2015 before recommending to the Board for approval.
ii. Reviewed the Internal Control Memorandum, together with Management's response to the findings of the external auditors.
iii. Reviewed the 2015 external auditors' audit plan for Bina Puri Group, encompassing their nature and scope for the year's audit and engagement strategy in August 2015 prior to its implementation. Reviewed the terms of engagement of the external auditors for the 2015 statutory audit and SORMIC, upon confirmation of its independence and objectivity in August 2015, prior to tabling for the Board's approval. The engagement of the external auditors for the Group was supervised and processed under the Group's umbrella to streamline their terms of engagement.
iv. Reviewed and approved the non-audit services provided by the external auditors while ensuring there was no impairment of independence or objectivity. This includes monitoring the fee of the total non-audit work carried out by the external auditors so as not to jeopardise the external auditors' independent status. In the financial year 2015, the Company did not engage the external auditors for any non-audit projects.
v. Audit Committee also diligently exercised its right to hold annual meetings with the external auditors without the Management's presence on one separate occasion on 24 February 2015. These sessions were held to enable an open discussion with the Audit Committee and ensure the external auditors' were not restricted in their scope of audit.

F. 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 reserves certain powers for itself and delegates certain matters, such as the day-to-day management of the Company to the management, with strict approving authority limits. These are matters pertaining to:
- annual budget;
- credit policy;
- expenditure within the normal course of business;
- capital expenditures;
- company financing; and
- disposal of assets.

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. The Board Charter, once established, will be made available on Bina Puri's corporate website at www.binapuri.com.my

The Board also intends to take steps to formalise a Sustainability Policy which sets out the business strategy that drives long-term corporate growth and profitability, by including environmental and social considerations in the business model, as well as a Whistleblowing Policy which sets out the principle and grievance procedures for employees or members of the public to raise genuine concerns of possible improprieties perpetrated within the Group. The Board will take steps to make available these policies on the Company's annual report and website.

(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.

1. DIRECTORS (CONT'D)

(b) The Board (Cont'd)

There is a clear division of duties between the Independent Non-Executive Chairman and Group Managing Director of the Company.

The presence and participation of Independent Non-Executive Directors will bring independent judgement in Board decisions. Any one (1) of the three (3) independent directors will be available to act as the Senior Independent Non-Executive Director.

(c) Board Meetings

The Board meets at least four (4) times per year with additional meetings being convened where necessary. The Board obtains the commitment from Directors to devote sufficient time and efforts to carry out their responsibilities at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan and schedule ahead for their attendance to the Board meetings in the coming year.

For the financial year 2015, the Board met four (4) times. Details of attendance of Directors at the Board Meetings are as follows:-

Attendance at Board Meetings

Directors	No. of meetings attended
Tan Sri Dato' Ir Wong Foon Meng	4/4
Tan Sri Datuk Tee Hock Seng, JP	4/4
Dr. Tony Tan Cheng Kiat	4/4
Matthew Tee Kai Woon	4/4
Datuk Tan Kwe Hee	4/4
Datuk Henry Tee Hock Hin	4/4
Tay Hock Lee	4/4
Dato' Yeow Wah Chin	4/4
Ir. Ghazali Bin Bujang	4/4
Mohd Najib Bin Abdul Aziz	4/4

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") (minimum 50% attendance).

(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. It is the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the Listing Requirements allow a Director to sit on the board of 5 listed issuers.

1. DIRECTORS (CONT'D)

(d) Board Meetings

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 Securities.

(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. The Board will undertake an assessment of its Independent Directors annually after developing formal procedure and criteria for this exercise. Justification for retention of Independent Director beyond nine (9) years tenure will be disclosed and approval from shareholders will be sought.

(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 50 to 53

(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.

In the process of selecting and evaluating candidates, the Nomination Committee takes into consideration suitability for the role, Board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age, ethnicity and cultural background.

An assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members including the Managing Director, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge their respective roles. The Board is in the midst of formulating the assessment mechanism.

(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.

1. DIRECTORS (CONT'D)

(i) Remuneration Committee (Cont'd)

The details of remuneration of Directors during the financial year ended 31 December 2015 are as follows:

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

In RM '000	Salaries	Fees	EPF/Socso	Benefits-in-kind	Total
Executive Directors	3,707	48	379	45	4,179
Non-Executive Directors	192	414	24	10	640
Total	3,899	462	403	55	4,819

(ii) Aggregate remuneration of each Director

Range of remuneration	No. of Directors Executive	Non-Executive
Below RM50,000		1
RM50,001 – RM100,000		2
RM200,001 – RM250,000		2
RM250,001 – RM300,000		
RM300,001 – RM350,000	1	
RM650,001 – RM700,000	1	
RM700,001 - RM750,000	1	
RM1,100,001 – RM1,200,000	1	
RM1,300,001 – RM1,350,000	1	
Total	5	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

The Board of Directors continues to evaluate and determine the training needs of its Directors to ensure continuing education to assist them in the discharge of their duties as Directors.

All Directors have attended the Directors' Mandatory Accreditation Programme organised by Bursa Securities. During the financial year 2015, all Directors attended in-house training on Management Discussion and Analysis Statement.

YBhg. Tan Sri Dato' Ir. Wong Foon Meng also attended training on Lead the Change: The National Agenda during the financial year 2015.

1. DIRECTORS (CONT'D)

(k) Directors' Training (Cont'd)

YBhg. Datuk Tan Kwe Hee attended additional training on the following topics during the financial year 2015:-

- Financial Reporting Requirement
- Advocacy Sessions on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Officers
- Corporate Governance Breakfast Series with Directors: "The Board's Response in Light of Rising Shareholder Engagements"
- Half-Day Bursa Malaysia CG Breakfast Series with Directors: "Future of Auditor Reporting - The Game Changer for Boardroom"

(l) Company Secretary

The Company Secretary of Bina Puri is a qualified Chartered Secretary and is responsible for ensuring that Board procedures are adhered to and the applicable rules and regulations for the conduct of the affairs of the Board are complied with.

The Company Secretary advises the Board on issues relating to corporate governance, compliance with Listing Requirements, laws, rules, procedures and regulatory requirements.

The Company Secretary attends all Board meetings and ensure that all Board meetings are properly convened and the proceedings and resolutions passed are properly recorded in the minutes of meetings.

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 Board Papers are furnished to the Directors before the Board meeting to allow time for the Directors to review the Board Papers and to facilitate full discussion during the Board meeting.

The Directors have access to members of the senior management team and the advice and services of the Company Secretary. The Directors also have access to independent professional advice whenever such services are needed to assist them in carrying out their duties.

The Chairman of each Board Committee reports to the Directors at Board meetings on all issues deliberated at the Board Committees' meetings.

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 risk management and internal control is set out in pages 62 to 63 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 Securities.

3. ACCOUNTABILITY AND AUDIT (CONT'D)

(c) Responsibility Statement by the Board of Directors (Cont'd)

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 and internal auditors are disclosed in pages 50 to 53 of the Annual Report.

The Audit Committee will undertake an annual assessment on the performance of internal and external auditors, including the suitability and independence of the auditors, in accordance with the Group's policy. Both the internal and external auditors are independent.

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 Securities 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

During the financial year 31 December 2015, 790,000 shares were retained as treasury shares.

(b) Options, Warrants or Convertible Securities Exercised

There were 16,864,700 options granted to the eligible employees and Directors of the Group during the financial year ended 31 December 2015. A total of 4,197,500 options were exercised during this period.

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

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

(d) Sanctions and/or Penalties Imposed

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

(e) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial year ended 31 December 2015 was RM49,000.

(f) Variation of Results

The results for the financial year ended 31 December 2015 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 2015.

(h) Material Contracts

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

(i) Revaluation Policy on Landed Properties

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

(j) Private Placement

(a) Private placement 2014

The private placement of up to twenty percent (20%) of the enlarged issued and paid-up share capital of the Company (excluding treasury shares, if any), which had been approved by Bursa Malaysia and shareholders of the Company on 19 August 2014 and 8 October 2014 respectively.

5. ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

(j) Private Placement (Cont'd)

(i) Private placement 2014 (Cont'd)

The Company had successfully placed out 35,528,800 new Bina Puri Shares pursuant to the Private Placement 2014, which raised cumulative gross proceeds of approximately RM17.991 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement 2014 (RM'000)	Amount utilised (RM'000)	Amount unutilised (RM'000)
Working capital requirements	12,783	12,783	–
Repayment of bank borrowings	5,020	5,020	–
Expenses in relation to the Private Placement 2014	188	188	–
Total	17,991	17,991	–

The Private Placement is deemed completed on 18 August 2015 pursuant to the deadline to complete the Private Placement by 18 August 2015 as granted by Bursa Securities vide its letter dated 9 February 2015.

(ii) Private placement 2015

The private placement of up to ten percent (10%) of the enlarged issued and paid-up share capital of the Company (excluding treasury shares, if any) had been approved by Bursa Malaysia and shareholders of the Company on 30 June 2015 and 17 June 2015 respectively.

The Company had successfully placed out 16,000,000 new Bina Puri Shares pursuant to the Private Placement 2015, which raised a cumulative gross proceeds of approximately RM8.0 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement 2015 (RM'000)	Amount utilised (RM'000)	Amount unutilised (RM'000)
Working capital requirements	6,346	6,346	–
Repayment of bank borrowings	1,600	1,600	–
Expenses in relation to the Private Placement 2015	54	54	–
Total	8,000	8,000	–

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Malaysian Code of Corporate Governance 2012 (“the Code”) stipulates that the Board of Directors (“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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Guidelines”), 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 2015.

Board’s Responsibility

The Board recognises the importance of maintaining an effective risk management practice and a sound system of internal control of the Group as a whole. The Board also affirms its responsibility of reviewing the adequacy and integrity of these systems, 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 the Group’s strategic business and operational objectives. Accordingly, they can only provide reasonable and not absolute assurance against material misstatement or loss.

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.

Internal Audit Function

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 regular 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 2015, BDOGA has completed three (3) internal control reviews according to the approved 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's Statement on Risk Management and Internal Control

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 effective and adequate to safeguard shareholders' investment, the interest of regulators and employees and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

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 throughout the year under review.

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 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 internal control system is reviewed on an ongoing basis by the Board, Audit Committee and Management for the monitoring of 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.

Review of the Statement by External Auditors

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2015. Their review was performed in accordance with Recommended Practice Guide (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants.

Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the Group's risk management and internal control system.

Conclusion

The Board recognises the ever changing dynamic business environment and will endeavor to continue improving and enhancing the existing system of risk management and internal controls to ensure their continued relevance.

PR1MA Homes at Masai, Johor Bahru

CONTENTS

DIRECTORS' REPORT

DIRECTORS' REPORT

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 2015.

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 7 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) after taxation	22,871	(9,581)
Other comprehensive expense, net of tax	(3,489)	–
Total comprehensive income/(expense) for the financial year	19,382	(9,581)
Attributable to:		
Owners of the Company	(177)	(9,581)
Non-controlling interests	19,559	–
	19,382	(9,581)

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31st December 2014:-	
- Final dividend of 2 sen per share paid on 31st July 2015	4,346

The directors do not recommend the payment of any dividend in respect of the financial year ended 31st December 2015.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment, and had satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts 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

In the opinion of the directors,

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

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

ISSUE OF SHARES AND DEBENTURES

The Company increased its issued and paid-up share capital from RM88.956 million to RM115.319 million by the issuance of:-

(i) 48,528,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise at price of RM0.50 to RM0.515 per share; and

(ii) 4,198,000 new ordinary shares of RM0.50 each for cash pursuant to the Employees' Share Option Scheme ("ESOS") of the Company at an exercise price of RM0.50 to RM0.54 per share.

ISSUE OF SHARES AND DEBENTURES (CONT'D)

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

The Company did not issued any debentures during the financial year.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 67A of the Companies Act, 1965 in Malaysia.

During the financial year, the Company repurchased 790,000 of its issued ordinary shares from the open market at an average price of RM0.52 per share. There was no resale, cancellation or distribution of treasury shares during the financial year.

As at 31st December 2015, the Company held 790,000 treasury shares out of its 230,638,850 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM403,700/-. Further details are disclosed in Note 21 to the financial statements.

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 ("ESOS") 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.

On 15th May 2015, the ESOS Committee has made decision to grant 16,864,700 additional Options under the existing ESOS, at an exercise price of RM0.51 each. The Options granted can be exercised at any time but not later than 6th June 2016.

On 12th April 2016, the Company announced the extension of Executives' Share Option Scheme ("ESOS") which will be expiring on 6th June 2016 for another five (5) years until 6th June 2021. The extension is in accordance with the terms of the ESOS By-Laws.

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 2015	8,891,050
Granted	16,864,700
Exercised	(4,197,500)
Lapsed	(2,301,450)
At 31st December 2015	19,256,800

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
Datuk Tan Kwe Hee
Tay Hock Lee
Dato' Yeow Wah Chin
Ir. Ghazali Bin Bujang
Mohd Najib Bin Abdul Aziz
Dato' Tan Seng Hu (alternate to Dr. Tan Cheng Kiat)
We Her Ching (alternate to Datuk Tee Hock Hin)

In accordance with the Company's Articles of Association, Dato' Yeow Wah Chin, Ir. Ghazali Bin Bujang and Mohd Najib Bin Abdul Aziz retire at the forthcoming AGM and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be 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 2015 are as follows:-

	Number of ordinary shares of RM0.50 each			
	At 1-1-2015	**Bought**	**Sold**	**At 31-12-2015**
The Company **Bina Puri Holdings Bhd.**				
Direct interests				
Tan Sri Datuk Tee Hock Seng, JP	15,769,778	1,430,000 ^	–	17,199,778 *
Dr. Tan Cheng Kiat	9,368,902	–	–	9,368,902 **
Datuk Tee Hock Hin	5,594,668	–	–	5,594,668
Tay Hock Lee	1,807,707	–	–	1,807,707
Datuk Tan Kwe Hee	121,000	–	–	121,000
Matthew Tee Kai Woon	1,675,825	1,855,100 ^^	752,000	2,778,925
We Her Ching	104,900	50,000 ^	50,000	104,900

	Number of ordinary shares of RM1 / - each			
	At 1-1-2015	**Bought**	**Sold**	**At 31-12-2015**
The subsidiary **Sungai Long Industries Sdn. Bhd.**				
Indirect interest				
Tan Sri Datuk Tee Hock Seng, JP	1,820,000	–	–	1,820,000 @

DIRECTORS' INTERESTS (CONT'D)

Number of options over ordinary shares of RM0.50/ - each

	At 1-1-2015	Granted	Exercised	At 31-12-2015
The Company				
Bina Puri Holdings Bhd.				
Tan Sri Datuk Tee Hock Seng, JP	–	1,430,000	1,430,000	–
Dr. Tan Cheng Kiat	1,000,000	429,000	–	1,429,000
Datuk Tee Hock Hin	600,000	429,000	–	1,029,000
Tay Hock Lee	500,000	214,500	–	714,500
Matthew Tee Kai Woon	–	1,320,000	1,320,000	–
Datuk Tan Kwe Hee	–	1,320,000	–	1,320,000
We Her Ching	450,000	429,000	50,000	829,000

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

** *includes shares held through nominee company*

@ *deemed interested by virtue of his indirect substantial shareholding in the subsidiary*

^ *share options exercised under ESOS*

^^ *including 1,320,000 share options exercised under ESOS*

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

DIRECTORS' BENEFITS

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

SIGNIFICANT SUBSEQUENT EVENT

The significant subsequent event is disclosed in Note 43 to the financial statements.

AUDITORS

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

Sign on behalf of the Board of Directors in accordance with a resolution of the directors:

....
TAN SRI DATUK TEE HOCK SENG, JP
Director

....
MATTHEW TEE KAI WOON
Director

Kuala Lumpur

Date: 22nd April 2016

STATEMENTS OF FINANCIAL POSITION

As At 31st December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**175,182**	148,219	**18,409**	18,376
Investment properties	5	**205,112**	180,112	**–**	–
Goodwill	6	**14,585**	14,585	**–**	–
Investment in subsidiaries	7	**–**	–	**89,740**	89,915
Investment in associates	8	**5,578**	15,486	**34,905**	35,856
Investment in a joint venture	9	**–**	–	**–**	–
Other investments	10	**7,069**	7,274	**6,342**	6,377
Land held for property development	11(a)	**5,394**	62,497	**–**	–
Trade receivables	12	**68,155**	67,040	**15,008**	6,824
Amount owing by subsidiaries	13	**–**	–	**–**	3,147
Deferred tax assets	14	**–**	654	**–**	–
Total non-current assets		481,075	495,867	**164,404**	160,495
Current assets					
Property development costs	11(b)	**205,467**	96,413	**–**	–
Inventories	15	**27,427**	16,543	**–**	–
Trade and other receivables	12	**649,785**	490,199	**25,999**	32,142
Gross amount due from contract customers	16	**296,841**	258,687	**15,683**	28,713
Amount owing by subsidiaries	13	**–**	–	**131,824**	110,783
Amount owing by associates	17	**33,292**	31,410	**32,548**	30,903
Fixed deposits with licensed banks	18	**7,589**	11,223	**54**	54
Cash and bank balances	19	**81,006**	66,908	**930**	9,787
Tax recoverable		**1,356**	4,104	**–**	94
Total current assets		**1,302,763**	975,487	**207,038**	212,476
TOTAL ASSETS		**1,783,838**	1,471,354	**371,442**	372,971

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	115,319	88,956	115,319	88,956
Treasury shares	21	(404)	–	(404)	–
Reserves	22	101,564	104,795	97,571	110,206
Shareholders' funds		216,479	193,751	212,486	199,162
Non-controlling interests		74,985	55,306	–	–
Total equity		291,464	249,057	212,486	199,162
Non-current liabilities					
Term loans	23	183,417	213,103	–	–
Hire purchase payables	24	8,643	10,292	359	553
Trade payables	25	68,536	59,458	11,263	3,268
Deferred tax liabilities	14	12,446	10,714	900	900
Total non-current liabilities		273,042	293,567	12,522	4,721
Current liabilities					
Bank borrowings	26	458,501	406,793	50,726	48,739
Hire purchase payables	24	6,489	6,854	194	185
Trade and other payables	25	711,887	491,191	48,412	62,323
Gross amount due to contract customers	16	20,511	6,542	667	–
Amount owing to subsidiaries	13	–	–	45,868	57,801
Amount owing to associates	17	9,536	7,660	6	6
Amount owing to joint venture	27	34	34	34	34
Tax payable		12,374	9,656	527	–
Total current liabilities		1,219,332	928,730	146,434	169,088
TOTAL LIABILITIES		1,492,374	1,222,297	158,956	173,809
TOTAL EQUITY AND LIABILITIES		1,783,838	1,471,354	371,442	372,971

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31st December 2015

		Group		Company	
	Note	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Revenue	28	**1,227,939**	1,053,478	**98,787**	133,882
Cost of sales	29	**(1,123,760)**	(988,728)	**(88,181)**	(122,037)
Gross profit		**104,179**	64,750	**10,606**	11,845
Other operating income		**19,124**	14,040	**5,710**	4,749
Investment income		**23,982**	75,200	**5,007**	3,982
Administrative expenses		**(84,604)**	(59,680)	**(23,460)**	(25,610)
Operating profit/(loss)		**62,681**	94,310	**(2,137)**	(5,034)
Finance costs		**(15,913)**	(14,364)	**(6,408)**	(5,018)
		46,768	79,946	**(8,545)**	(10,052)
Share of results in associates		**(11,030)**	(21,670)	**–**	–
Share of results in joint venture		**–**	–	**–**	–
Profit/(loss) before taxation	30	**35,738**	58,276	**(8,545)**	(10,052)
Taxation	31	**(12,867)**	(10,798)	**(1,036)**	(1,173)
Profit/(loss) after taxation		**22,871**	47,478	**(9,581)**	(11,225)
Items that may be reclassified subsequently to profit or loss:					
- Foreign currency translation		**(3,489)**	(1,457)	**–**	–
Other comprehensive expense for the financial year, net of tax		**(3,489)**	(1,457)	**–**	–
Total comprehensive income/(expense) for the financial year		**19,382**	46,021	**(9,581)**	(11,225)
Profit/(loss) after taxation attributable to:					
Owners of the Company		**3,373**	6,473	**(9,581)**	(11,225)
Non-controlling interests		**19,498**	41,005	**–**	–
		22,871	47,478	**(9,581)**	(11,225)
Total comprehensive income/(expense) attributable to:					
Owners of the Company		**(177)**	4,960	**(9,581)**	(11,225)
Non-controlling interests		**19,559**	41,061	**–**	–
		19,382	46,021	**(9,581)**	(11,225)
Earnings per share (sen)	32				
- basic		**1.60**	3.75		
- diluted		**1.60**	3.75		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31st December 2015

		Non-distributable						Distributable			
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	Treasury shares RM'000	Retained profits/ (Accumulated losses) RM'000	Attributable to owners of the Company RM'000	Non-Controlling interests RM'000	Total Equity RM'000
At 1st January 2014		157,116	4,890	15,682	(3,090)	1,799	–	(5,864)	170,533	14,215	184,748
Other comprehensive expense, net of tax											
Foreign currency transaction		–	–	–	(1,513)	–	–	–	(1,513)	56	(1,457)
Total other comprehensive expense, net of tax		–	–	–	(1,513)	–	–	–	(1,513)	56	(1,457)
Profit after taxation for the financial year		–	–	–	–	–	–	6,473	6,473	41,005	47,478
Transactions with owners											
Acquisition of non-controlling interest		–	–	–	–	–	–	–	–	30	30
Grant of equity-settled share options to employees		–	–	–	–	306	–	–	306	–	306
Dividends on ordinary shares	33	–	–	–	–	–	–	(2,669)	(2,669)	–	(2,669)
Issuance of ordinary shares	20	20,797	–	–	–	–	–	–	20,797	–	20,797
Capital reduction	20	(88,957)	–	–	–	–	–	88,957	–	–	
Share issuance expenses	22	–	(176)	–	–	–	–	–	(176)	–	(176)
Total transactions with owners		(68,160)	(176)	–	–	306	–	86,288	18,258	30	18,288
At 31st December 2014		88,956	4,714	15,682	(4,603)	2,105	–	86,897	193,751	55,306	249,057

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For The Financial Year Ended 31st December 2015

		← Non-distributable				→		Distributable			
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	Treasury shares RM'000	Retained profits/ (Accumulated losses) RM'000	Attributable to owners of the Company RM'000	Non-Controlling interests RM'000	Total Equity RM'000
At 1st January 2015		88,956	4,714	15,682	(4,603)	2,105	–	86,897	193,751	55,306	249,057
Other comprehensive income, net of tax											
Foreign currency transaction		–	–	–	(3,550)	–	–	–	(3,550)	61	(3,489)
Total other comprehensive income/(expense), net of tax		–	–	–	(3,550)	–	–	–	(3,550)	61	(3,489)
Profit after taxation for the financial year		–	–	–	–	–	–	3,373	3,373	19,498	22,871
Balance brought forward		88,956	4,714	15,682	(8,153)	2,105	–	90,270	193,574	74,865	268,439
Balance carried forward		88,956	4,714	15,682	(8,153)	2,105	–	90,270	193,574	74,865	268,439
Transactions with owners											
Non-controlling interest arising from additional shares issued by a subsidiary		–	–	–	–	–	–	–	–	120	120
Dividends on ordinary shares	33	–	–	–	–	–	–	(4,346)	(4,346)	–	(4,346)
Issuance of ordinary shares	20, 22	24,264	227	–	–	–	–	–	24,491	–	24,491
Exercise of employee share options	20, 22	2,099	349	–	–	(304)	–	–	2,144	–	2,144
Share issuance expenses	22	–	(257)	–	–	–	–	–	(257)	–	(257)
Grant of equity-settled share options to employees		–	–	–	–	1,277	–	–	1,277	–	1,277
Shares buy back	21	–	–	–	–	–	(404)	–	(404)	–	(404)
Total transactions with owners		26,363	319	–	–	973	(404)	(4,346)	22,905	120	23,025
At 31st December 2015		115,319	5,033	15,682	(8,153)	3,078	(404)	85,924	216,479	74,985	291,464

Company	Note	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
		Non-distributable					Distributable	
At 1st January 2014		157,116	4,890	54	1,799	–	28,270	192,129
Loss after taxation for the financial year		–	–	–	–	–	(11,225)	(11,225)
Transactions with owners								
Dividends on ordinary shares	33	–	–	–	–	–	(2,669)	(2,669)
Issuance of ordinary shares	20	20,797	–	–	–	–	–	20,797
Capital reduction	20	(88,957)	–	–	–	–	88,957	–
Share issuance expenses	22	–	(176)	–	–	–	–	(176)
Grant of equity-settled share options to employees		–	–	–	306	–	–	306
Total transactions with owners		(68,160)	(176)	–	306	–	86,288	18,258
At 31st December 2014		88,956	4,714	54	2,105	–	103,333	199,162
At 1st January 2015		88,956	4,714	54	2,105	–	103,333	199,162
Loss after taxation for the financial year		–	–	–	–	–	(9,581)	(9,581)
Transactions with owners								
Dividends on ordinary shares	33	–	–	–	–	–	(4,346)	(4,346)
Issuance of ordinary shares	20	24,264	227	–	–	–	–	24,491
Exercise of employee share options	20	2,099	349	–	(304)	–	–	2,144
Share issuance expenses	22	–	(257)	–	–	–	–	(257)
Grant of equity-settled share options to employees		–	–	–	1,277	–	–	1,277
Shares buy back	21	–	–	–	–	(404)	–	(404)
Total transactions with owners		26,363	319	–	973	(404)	(4,346)	22,905
At 31st December 2015		115,319	5,033	54	3,078	(404)	89,406	212,486

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31st December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit/(loss) before taxation		**35,738**	58,276	**(8,545)**	(10,052)
Adjustments for:-					
Allowance for impairment on amount owing by a subsidiaries		**–**	–	**2,181**	11,992
Allowance for impairment on amount owing by an associate		**1,575**	–	**1,575**	–
Allowance for impairment on other receivables		**3,753**	–	**3,753**	–
Allowance for impairment on investment in a subsidiaries		**–**	–	**1,250**	–
Allowance for impairment on investment in an associate		**461**	–	**461**	–
Allowance for impairment on goodwill		**1,273**	–	**–**	–
Change in fair value of investment properties		**(23,494)**	(67,140)	**–**	–
Depreciation		**13,818**	14,420	**871**	586
Dividend income		**(207)**	(481)	**–**	(481)
Loss/(gain) on disposal of:-					
- property, plant and equipment		**(901)**	(1,248)	**39**	(1,038)
- investment properties		**(374)**	(2,737)	**–**	–
- other investments		**76**	–	**(38)**	–
Interest expense		**38,292**	31,814	**7,805**	6,189
Interest income		**(4,463)**	(9,118)	**(1,568)**	(2,983)
Net effect of unwinding of interest from discounting		**(702)**	4,997	**(1,212)**	339
Property, plant and equipment written off		**17**	484	**–**	–
Reversal of allowance for impairment on trade and other receivables no longer required		**–**	(48)	**–**	–
Reversal of allowance for impairment on amount owing by a subsidiary no longer required		**–**	–	**(19)**	(78)
Remeasurement of previously stakes to fair value		**733**	–	–	–
Impact of changes from associate to subsidiary		**(243)**	–	**–**	–
Other investments written off		**–**	35	**–**	35
Share of results in associates		**11,030**	21,670	**–**	–
Share options granted under ESOS		**1,277**	306	**429**	39
Unrealised loss/(gain) on foreign exchange		**645**	(386)	**–**	–
		78,304	50,844	**6,982**	4,548
Changes in working capital:-					
Inventories		**(10,884)**	(11,126)	**–**	–
Property development costs		**(46,711)**	(11,100)	**–**	–
Receivables		**(196,632)**	59,599	**6,381**	(29,059)
Payables		**235,158**	17,963	**(4,565)**	(24,873)
Subsidiaries		**–**	–	**1,525**	50,911
Associates		**1,125**	6,184	**–**	–
		60,360	112,364	**10,323**	1,527
Interest paid		**(37,380)**	(31,012)	**(7,774)**	(6,174)
Tax paid		**(5,375)**	(11,936)	**(415)**	(585)
Net Operating Cash Flows		**17,605**	69,416	**2,134**	(5,232)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of:-					
- a subsidiary	34	**(495)**	(1,000)	**(1,075)**	(4,000)
- an associate	8(f)	**(900)**	(1,325)	**–**	(1,325)
Acquisition of lands for property development activities		**(5,240)**	(47,520)	**–**	–
Advances to associates		**(1,551)**	–	**(2,065)**	6,024
Advances to subsidiaries		**–**	–	**(20,267)**	(45,877)
Dividend received		**207**	761	**–**	481
Interest received		**4,463**	9,118	**1,568**	2,983
Subscription of shares by non-controlling interest		**120**	30	**–**	–
Proceeds from disposal of:-					
- investments in associates		**–**	–	**490**	–
- investments properties		**661**	7,539	**–**	–
- other investments		**129**	–	**73**	–
- property, plant and equipment		**5,637**	3,509	**152**	2,291
Purchase of:-					
- property, plant and equipment	35	**(13,015)**	(23,218)	**(1,095)**	(165)
- investment properties		**(1,793)**	(14,136)	**–**	–
Purchase of treasury shares	21	**(404)**	–	**(404)**	–
Withdrawal of fixed deposits		**4,253**	3,810	**–**	–
Net Investing Cash Flows		**(7,928)**	(62,432)	**(22,623)**	(39,588)
CASH FLOWS FROM FINANCING ACTIVITIES:					
(Repayment to)/advances from subsidiaries		**–**	–	**(12,171)**	37,140
Dividends paid to shareholders of the Company		**(4,346)**	(2,669)	**(4,346)**	(2,669)
Drawdown/("Repayment") of bank borrowings		**3,488**	(30,490)	**–**	–
Hire purchase interests paid		**(912)**	(802)	**(31)**	(15)
Net repayment of hire purchase obligations		**(7,794)**	(7,191)	**(185)**	(98)
Proceeds from issuance of shares					
- issuance of shares		**24,234**	20,621	**24,234**	20,621
- exercise of employee share options		**2,144**	–	**2,144**	–
Net Financing Cash Flows		**16,814**	(20,531)	**9,645**	54,979
NET CHANGE IN CASH AND CASH EQUIVALENTS		**26,491**	(13,547)	**(10,844)**	10,159
EFFECT OF CHANGES IN EXCHANGE RATE		**(14,028)**	(2,583)	**–**	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**(10,539)**	5,591	**(17,952)**	(28,111)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**1,924**	(10,539)	**(28,796)**	(17,952)

STATEMENTS OF OF CASH FLOWS (Cont'd)

For The Financial Year Ended 31st December 2015

	Note	Group		Company	
		2015	**2014**	**2015**	**2014**
		RM'000	**RM'000**	**RM'000**	**RM'000**
ANALYSIS OF CASH AND CASH EQUIVALENTS:					
Fixed deposits with licensed banks		**7,589**	11,223	**54**	54
Less: fixed deposits pledged to licensed banks	18	**(7,062)**	(10,707)	**(54)**	(54)
		527	516	**–**	–
Cash and bank balances		**81,006**	66,908	**930**	9,787
Bank overdrafts		**(79,609)**	(77,963)	**(29,726)**	(27,739)
		1 ,924	(10,539)	**(28,796)**	(17,952)

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

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

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

The financial statements are expressed in Ringgit Malaysia ("RM"). All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

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

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 FRS, Amendments/Improvements to FRSs

(a) Adoption of Amendments/Improvements to FRSs

The Group and the Company had adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:-

Amendments/Improvements to FRSs	
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 138	Intangible Assets
FRS 140	Investment Property

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

(a) Adoption of Amendments/Improvements to FRSs (Cont'd)

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below:-

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

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

Amendments to FRS 2 Share-based Payment

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

Amendments to FRS 3 Business Combinations

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

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

Amendments to FRS 8 Operating Segments

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

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

Amendments to FRS 13 Fair Value Measurement

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

The amendments also clarify that the scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 or FRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132.

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 clarify the accounting treatment for the accumulated depreciation when an asset is revalued. They clarify that:-

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and

- the accumulated depreciation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

(a) Adoption of Amendments/Improvements to FRSs (Cont'd)

Amendments to FRS 119 Employee Benefits

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

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

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

Amendments to FRS 124 Related Party Disclosures

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

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 clarify the accounting treatment for the accumulated amortisation when an asset is revalued. They clarify that:-

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and

- the accumulated amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to FRS 140 Investment Property

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

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

The Group and the Company have not adopted the following new FRS and amendments/improvements to FRSs that have been issued but are not yet effective for the Group and the Company:-

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

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

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosures of Interests in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
FRS 138	Intangible Assets	1 January 2016

A brief discussion on the above significant new FRS and amendments/improvements to FRSs 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

Key requirements of FRS 9:-

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

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

***FRS 9 Financial Instruments* (Cont'd)**

- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 5 introduce specific guidance on when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held for distribution is discontinued.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/ liabilities and recognition of acquisition-related costs as expenses. The amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

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

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the following limited circumstances:-

- when the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or

- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

- Consolidation of intermediate investment entities: the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

(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 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

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

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 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 the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include 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 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2018. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

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

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

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

2.2 New FRS, Amendments/Improvements to FRSs (Cont'd)

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

Amendments to MFRS 141 Agriculture

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

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2.3 Significant Accounting Policies

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

2.3.1 Basis of Consolidation

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

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

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3.6 to the financial statements. 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.1 Basis of Consolidation (Cont'd)

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

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

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

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

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.

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.

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

2.3.3 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 differences 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.

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.

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.

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

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 50 years
Plant, machinery and equipment	5% - 50%
Truck and motor vehicles	5% - 20%
Renovations, electrical installation, furniture and fittings	10% - 20%
Office equipment	10%

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.

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.

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

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.

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 under construction ("IPUC") are measured at fair value when fair value can be reliably determined. However, the fair value is not reliably determinable, IPUC are measured at cost less impairment, if any.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.5 Investment Properties (Cont'd)

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. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial year in which they arise.

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

2.3.6 Intangible Assets

Goodwill

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

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

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

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

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

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

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

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

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) to the financial statements.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.6 Intangible Assets (Cont'd)

Goodwill (Cont'd)

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

2.3.7 Impairment of Non-Financial Assets

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

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

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

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

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

2.3.8 Subsidiaries

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

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

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

2.3.9 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.9 Associates (Cont'd)

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the differences 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, investment in associates are stated at cost less impairment losses. On disposal of such investments, the differences between net disposal proceeds and their carrying amounts is included in profit or loss.

2.3.10 Joint Arrangements

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

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

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

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

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

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.11 Separate Financial Statements

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

2.3.12 Financial Assets

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.12 Financial Assets (Cont'd)

(iii) Held-to-maturity investments

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

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

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

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

(iv) Available-for-sale financial assets

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

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

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

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

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.13 Impairment of Financial Assets

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

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

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

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

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

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

(ii) Unquoted equity securities carried at cost

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.14 Construction Contracts

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

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

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

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

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

2.3.15 Property Development Activities

(i) Land Held for Property Development

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

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

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

(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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.15 Property Development Activities

(ii) Property Development Costs

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

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

2.3.16 Inventories

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

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

Property development in inventory

Inventories comprising properties held for sale are valued at the lower of cost and net realisable value.

Cost of unsold completed properties comprises costs associated with the acquisition of land, direct construction costs and appropriate proportions of common cost.

2.3.17 Cash and Cash Equivalents

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

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

2.3.18 Financial Liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.18 Financial Liabilities (Cont'd)

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

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 liabilities classified under this category.

(ii) Other financial liabilities

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

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

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

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

2.3.19 Financial Guarantee Contracts

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

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

2.3.20 Leases

(i) Finance 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.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.20 Leases (Cont'd)

(i) Finance leases (Cont'd)

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.

(ii) Operating leases

Leases where the Group retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

Operating lease payments are recognised as expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.23 Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Defined Contribution Plans

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

(iii) Share-based Compensation

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

2.3.24 Revenue Recognition

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

(i) Construction Contracts

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

(ii) Property Development

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

Revenue relating to sale of completed properties is recognised, net of discounts, upon the transfer of significant risks and rewards of ownership to the buyers.

(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 using the effective interest method.

The notional interest income resulting from the accretion or unwinding of its financial asset using effective interest method is recognised in the profit or loss.

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

2.3 Significant Accounting Policies (Cont'd)

2.3.24 Revenue Recognition

(vi) Dividend Income

Dividend income is recognised when the right to receive dividend payment is established.

(vii) Rental Income

Rental income is recognised on an accrual basis.

(viii) Sale of land and completed unsold properties

Revenue from sale of land and completed unsold properties are measured at the fair value of the consideration receivable and are recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

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 be reversed 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 be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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)

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

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

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

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

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

(iii) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax except:-

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated inclusive of goods and services tax.

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 of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.28 Treasury Shares

When shares of the Company, that have been cancelled, recognised as equity are reacquired, the amount of the consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When the treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.3.29 Contingent Liabilities

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

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

2.3.30 Related Parties

A party is related to an entity if:-

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

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

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

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

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

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

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

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

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

2.3 Significant Accounting Policies (Cont'd)

2.3.31 Earnings Per Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

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

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

2.3.32 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:-

(i) Classification of Leasehold Land (Note 4)

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.

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

(ii) Classification between Investment Properties and Owner-Occupied Properties (Note 5)

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

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

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

(iii) Assessment of Significant Influence on Equity Investment (Note 8)

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

(iv) Depreciation of Property, Plant and Equipment (Note 4)

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

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.

(v) Measurement of Income Taxes (Note 31)

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.

(vi) Impairment of Non-Financial Assets

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

(vii) Write-down of Obsolete or Slow Moving Inventories (Note 15)

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

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

(viii) Impairment of Loans and Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. The 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.

(ix) Impairment of Available-for-Sale Financial Assets (Note 10)

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.

(x) Impairment of Goodwill (Note 6)

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.

(xi) Share-based Payments (Note 22)

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 (Note 11)

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 Contract (Note 16)

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.

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

(xiv) Impairment of Investment in Subsidiaries, Associates and Unquoted Shares (Note 7, 8 and 10)

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.

(xv) Classification of finance and operating leases

The Group and the Company classify a lease as a finance lease or an operating lease based on the criterion of the extent to which significant risks and rewards incident to ownership of the underlying asset lie. As a lessee, the Group and the Company recognise a lease as a finance lease if it is exposed to significant risks and rewards incident to ownership of the underlying asset. In applying judgements, the Group and the Company consider whether there is significant economic incentive to exercise a purchase option and any optional renewal periods. A lease is classified as a finance lease if the lease term is for at least 75% the remaining economic life of the underlying asset, the present value of lease payments is at least 90% of the fair value of the underlying asset, or the identified asset in the lease is specialised asset which can only be used by the lease without major modifications. All other leases that do not result in a significant transfer of risks and rewards are classified as operating leases.

(xvi) Provision

The Group and the Company use a “best estimate” as the basis for measuring a provision. Management evaluates the estimates based on the Group’s and the Company’s historical experience and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of single estimate (such as a provision for site restoration cost), a reference contractor’s price or market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

4. PROPERTY, PLANT AND EQUIPMENT

Group 2015	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	Power plant under construction RM'000	Total RM'000
Cost										
At 1st January 2015	**10,125**	**26,308**	**2,858**	**91,343**	**29,866**	**17,767**	**63,839**	**3,143**	**24,751**	**270,000**
Additions	**463**	**922**	**–**	**9,257**	**402**	**512**	**2,654**	**868**	**20,605**	**35,683**
Disposals	**–**	**(765)**	**(750)**	**(1,571)**	**(149)**	**(69)**	**(4,193)**	**(2,391)**	**–**	**(9,888)**
Written off	**–**	**–**	**–**	**(5,583)**	**(312)**	**(1,858)**	**–**	**–**	**–**	**(7,753)**
Reclassification	**–**	**–**	**–**	**3,995**	**–**	**–**	**(3,995)**	**–**	**–**	**–**
Exchange differences	**–**	**–**	**–**	**3,879**	**3,038**	**426**	**301**	**–**	**4,361**	**12,005**
At 31st December 2015	**10,588**	**26,465**	**2,108**	**101,320**	**32,845**	**16,778**	**58,606**	**1,620**	**49,717**	**300,047**
Accumulated depreciation										
At 1st January 2015	**184**	**4,102**	**1,905**	**50,211**	**10,803**	**12,627**	**41,938**	**11**	**–**	**121,781**
Depreciation for the financial year	**129**	**585**	**66**	**5,056**	**1 ,371**	**969**	**5,642**	**–**	**–**	**13,818**
Disposals	**–**	**(11)**	**(750)**	**(908)**	**(18)**	**(56)**	**(3,409)**	**–**	**–**	**(5,152)**
Written off	**–**	**–**	**–**	**(5,576)**	**(310)**	**(1,850)**	**–**	**–**	**–**	**(7,736)**
Reclassification	**–**	**11**	**–**	**42**	**–**	**–**	**(42)**	**(11)**	**–**	**–**
Exchange differences	**–**	**–**	**–**	**995**	**751**	**155**	**253**	**–**	**–**	**2,154**
At 31st December 2015	**313**	**4,687**	**1,221**	**49,820**	**12,597**	**11,845**	**44,382**	**–**	**–**	**124,865**
Net book value as at 31st December 2015	**10,275**	**21,778**	**887**	**51,500**	**20,248**	**4,933**	**14,224**	**1,620**	**49,717**	**175,182**

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

Group 2014	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	Power plant under construction RM'000	Total RM'000
Cost										
At 1st January 2014	5,846	25,581	3,626	78,280	30,909	17,065	61,544	4,399	7,764	235,014
Additions	3,200	727	–	17,989	842	1,614	6,783	1,198	16,987	49,340
Disposals	(1,375)	–	–	(275)	(49)	(181)	(4,265)	–	–	(6,145)
Written off	–	–	(768)	(5,653)	(2,399)	(813)	(289)	–	–	(9,922)
Reclassification	2,454	–	–	–	–	–	–	(2,454)	–	–
Exchange differences	–	–	–	1,002	563	82	66	–	–	1,713
At 31st December 2014	10,125	26,308	2,858	91,343	29,866	17,767	63,839	3,143	24,751	270,000
Accumulated depreciation										
At 1st January 2014	264	3,793	2,601	50,169	11,279	12,521	39,613	–	–	120,240
Depreciation for the financial year	47	303	72	5,540	1,405	976	6,066	11	–	14,420
Disposals	(121)	–	–	(139)	(16)	(108)	(3,500)	–	–	(3,884)
Written off	–	–	(768)	(5,608)	(1,987)	(786)	(289)	–	–	(9,438)
Reclassification	(6)	6	–	1	–	(1)	–	–	–	–
Exchange differences	–	–	–	248	122	25	48	–	–	443
At 31st December 2014	184	4,102	1,905	50,211	10,803	12,627	41,938	11	–	121,781
Net book value as at 31st December 2014	9,941	22,206	953	41,132	19,063	5,140	21,901	3,132	24,751	148,219

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

Company 2015	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation furniture and fittings RM'000	Office equipment RM'000	Truck and motor vehicles RM'000	Total RM'000
Cost							
At 1st January 2015	**–**	**20,560**	**875**	**3,542**	**1,518**	**1,177**	**27,672**
Additions	**–**	**922**	**–**	**87**	**86**	**–**	**1,095**
Disposals	**–**	**–**	**(801)**	**–**	**–**	**–**	**(801)**
At 31st December 2015	**–**	**21,482**	**74**	**3,629**	**1,604**	**1,177**	**27,966**
Accumulated depreciation							
At 1st January 2015	**–**	**3,750**	**635**	**3,282**	**1,328**	**301**	**9,296**
Depreciation for the financial year	**–**	**500**	**35**	**55**	**46**	**235**	**871**
Disposals	**–**	**–**	**(610)**	**–**	**–**	**–**	**(610)**
At 31st December 2015	**–**	**4,250**	**60**	**3,337**	**1,374**	**536**	**9,557**
Net book value at 31st December 2015	**–**	**17,232**	**14**	**292**	**230**	**641**	**18,409**
Company 2014							
Cost							
At 1st January 2014	1,375	20,560	875	3,519	1,459	793	28,581
Additions	–	–	–	23	59	583	665
Disposals	(1,375)	–	–	–	–	(199)	(1,574)
At 31st December 2014	–	20,560	875	3,542	1,518	1,177	27,672
Accumulated depreciation							
At 1st January 2014	110	3,527	504	3,221	1,289	380	9,031
Depreciation for the financial year	12	223	131	61	39	120	586
Disposals	(122)	–	–	–	–	(199)	(321)
At 31st December 2014	–	3,750	635	3,282	1,328	301	9,296
Net book value at 31st December 2014	–	16,810	240	260	190	876	18,376

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

(a) Included in property, plant and equipment of the Group is a freehold land with a net book value of RM935,000/- (2014: RM935,000 /-) which is held in trust by a former director of the Company.

(b) 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	
	2015 RM'000	**2014 RM'000**
Freehold land and buildings	**9,342**	9,008
Long leasehold land and buildings	**–**	3,528
Plant, machinery and equipment	**3,044**	3,847
Trucks and motor vehicles	**81**	108
Renovations, electrical installation and furniture and fittings	**464**	443
Office equipment	**478**	571
	13,409	17,505

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Plant, machinery and equipment	**1,289**	3,961	**–**	–
Truck and motor vehicles	**11,548**	19,295	**641**	876
	12,837	23,256	**641**	876

(d) The power plant under construction represents construction costs incurred to date in respect of the mini hydro power plant which will be depreciated upon the completion of construction works and the commencement of operations.

5. INVESTMENT PROPERTIES

	Group	
	2015 RM'000	**2014 RM'000**
At fair value		
At 1st January	**180,112**	103,638
Addition from subsequent expenditure	**1,793**	14,136
Net gain arising from fair value adjustment	**23,494**	67,140
Disposal	**(287)**	(4,802)
At 31st December	**205,112**	180,112
Represented by:-		
Investment property, at fair value	**205,112**	180,112
Included in the above are:-		
At fair value		
Leasehold land	**112**	112
Shopping Mall	**205,000**	180,000
	205,112	180,112

5. INVESTMENT PROPERTIES

An investment property with a carrying value of RM205,000,000/- (2014: RM180,000,000/-) has been pledged as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.

Fair value information

Fair value of investment properties are categorised as follow:-

		Group	
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**
2015			
Leasehold land	**–**	**–**	**112**
Shopping mall	**–**	**–**	**205,000**
	–	**–**	**205,112**
2014			
Leasehold land	–	–	112
Shopping mall	–	–	180,000
	–	–	180,112

There are no Level 1 and Level 2 investment properties or transfers among Level 1, Level 2 and Level 3 during the financial year ended 31st December 2015 or 31st December 2014.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:-

	Group	
	2015 RM'000	**2014 RM'000**
At 1st January	**180,112**	103,638
Additions	**1,793**	14,136
Disposal	**(287)**	(4,802)
Gain recognised in profit or loss	**23,494**	67,140
	205,112	180,112

5. INVESTMENT PROPERTIES (CONT'D)

Level 3 fair value (Cont'd)

The shopping mall and leasehold land of the Group are categorised under the Level 3 fair value. Level 3 fair value is estimated using unobservable input for the investment properties.

The following table shows the valuation techniques used in the determined of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Property category	Valuation technique	Significant unobservable inputs	By the accredited valuers	Relationship of unobservable inputs to
Shopping mall	Investment method	Term yield	6.50%	The higher the term yield, the higher the fair value
Leashold land	Information available through internal research and director' best estimation.	Estimated selling price of comparable properties in close proximity.	N/A	The higher the estimated selling price, the higher the fair value.

Valuation processes applied by the Group

The Group's finance department includes personnel that performs valuation analysis of land and buildings required for financial reporting purposes, including Level 3 fair values. The personnel reports directly to the chief financial officer.

The fair value of the shopping mall is determined by external independent property valuers, a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio every year. Changes in Level 3 fair values are analysed by the management annually after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial year.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The following are recognised in profit and loss in respect of investment properties:-

	Group	
	2015 RM'000	**2014 RM'000**
Rental income	**18,907**	11,546
Direct operating expenses:-		
- income generating investment properties	**12,151**	10,611

6. GOODWILL

	Group 2015 RM'000	Group 2014 RM'000
Cost		
At 1st January	**14,585**	13,585
Addition arising from business combination	**1,273**	1,000
At 31st December	**15,858**	14,585
Accumulated impairment losses		
At 1st January	**–**	–
Additions	**1,273**	–
At 31st December	**1,273**	–
Carrying amount at 31st December	**14,585**	14,585

As disclosed in Note 34 to the financial statements, the Group and the Company acquired additional interest in BP Energy Sdn. Bhd. ("BPESB") for total cash consideration of RM510,000. The acquisition resulted in goodwill of RM1,273,000/-.

The Management of the Company had made a full allowance for impairment of RM1,273,000/- on the goodwill on consolidation arising from the acquisition of BPESB in view that the ability to generate any positive cash flows remained uncertain.

In the previous financial year, Bina Puri Properties Sdn. Bhd., a wholly-owned subsidiary of the Group acquired Ascotville Development Sdn. Bhd. for a total consideration of RM1 million during the financial year. The acquisition resulted in goodwill of RM 1 million.

Impairment testing for cash generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amount of goodwill is allocated to each unit as follows:-

	Group 2015 RM'000	Group 2014 RM'000
Power supply division	**350**	350
Property division	**14,235**	14,235
	14,585	14,585

Management has assessed the recoverable amounts of goodwill based on value-in-use calculations determined by discounting future cash flows generated from the continuing use of the CGU's covering a period of 5 years and considering the terminal value of the CGUs.

Management estimates that the CGUs will generate revenue based on its estimated capacity throughout the projected period.

The value assigned to the key assumptions (eg. sales growth & gross margin) represent management's assessment of future trends of the two divisions and is based on both external and internal sources of information.

6. GOODWILL (CONT'D)

Impairment testing for cash generating units ("CGU") containing goodwill (Cont'd)

The Management prepares cash flows forecasts derived from the most recent financial budgets for next five years and extrapolates cash flows for the next five years based on estimated growth rates ranging from 1% to more than 100%. Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

Sensitivity to changes in assumptions

Management believes that while cash flows projections are subject to inherent uncertainty, any reasonably possible changes to the key assumptions utilised in assessing the recoverable amount have been considered. The Management is of the opinion that any such changes in any of the key assumptions would not cause the recoverable amount of the units to be materially below their carrying amount.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2015	**2014**
	RM'000	**RM'000**
Unquoted shares - at cost		
At 1st January		
In Malaysia	**92,580**	88,580
Outside Malaysia	**1,845**	1,845
	94,425	90,425
Addition during the financial year:		
In Malaysia	**1,075**	4,000
	95,500	94,425
Less: Accumulated impairment losses	**(5,760)**	(4,510)
At 31st December	**89,740**	89,915

(a) Details of the subsidiaries are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	2014 %	Principal activities
Held by the Company				
Bina Puri Sdn. Bhd.	Malaysia	**100**	100	Contractor of earthworks, buildings and road construction
Bina Puri Construction Sdn. Bhd.	Malaysia	**100**	100	Contractor of earthworks, buildings, road construction
Aksi Bina Puri Sdn. Bhd. ^	Malaysia	**60**	60	Investment holding

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:- (Cont'd)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	2014 %	Principal activities
Held by the Company (Cont'd)				
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 KL Sdn. Bhd.	Malaysia	**100**	100	Inactive
Gugusan Murni Sdn. Bhd. ^	Malaysia	**100**	100	Property developer and management
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
Bina Puri Properties (B) Sdn. Bhd. ^	Brunei Darussalam	**100**	100	Renting of service apartment and property management
Bina Puri (B) Sdn. Bhd. ^	Brunei Darussalam	**80**	80	Contractor of earthworks, buildings and road construction
Karak Spring Sdn. Bhd.	Malaysia	**100**	100	Inactive
Bina Puri Properties Sdn. Bhd. ^	Malaysia	**100**	100	Property developer and management
Bina Puri Korea Sdn. Bhd. ^	Malaysia	**100**	70	Inactive
Bina Puri Hong Kong Limited ^	Hong Kong	**100**	100	Inactive
BP Energy Sdn. Bhd.	Malaysia	**100**	49	Oil & gas and related business

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Details of the subsidiaries are as follows:- (Cont'd)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	2014 %	Principal activities
Held through Bina Puri Properties Sdn. Bhd.				
Semarak Semerah Sdn. Bhd. ^	Malaysia	**100**	100	Investment holding
Ascotville Development Sdn. Bhd. ^	Malaysia	**100**	100	Property developer and management
Held through Bina Puri Sdn. Bhd.				
Konsortium Syarikat Bina Puri-TA3 JV Sdn. Bhd.	Malaysia	**70**	70	Contractor of earthworks, buildings and road construction
Bina Puri Builder Sdn. Bhd. ^	Malaysia	**100**	100	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
Held through Bina Puri Ventures Sdn. Bhd.				
Maskimi Polyol Sdn. Bhd.	Malaysia	**90**	90	Manufacturer of polyol
Held through DPBS-BPHB Sdn. Bhd.				
Konsortium DPBSH-BPHB-AGSB Sdn. Bhd. ^	Malaysia	**55**	55	Inactive
Held through Bina Puri Power Sdn. Bhd.				
PT Megapower Makmur ^	Republic of Indonesia	**80**	80	Power supply

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Details of the subsidiaries are as follows:- (Cont'd)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	2014 %	Principal activities
Held through Bina Puri Properties (B) Sdn. Bhd.				
Bina Puri (B) Sdn. Bhd. ^	Brunei Darussalam	**10**	10	Contractor of earthworks, buildings and road construction
Held through Bina Puri Juara Sdn. Bhd.				
Bina Puri Mining Sdn. Bhd. ^	Malaysia	**100**	100	Quarry operator
Sungai Long Bricks Sdn. Bhd.	Malaysia	**100**	100	Manufacturer of bricks
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 Aksi Bina Puri Sdn. Bhd.				
Sumbangan Lagenda Sdn. Bhd. ^	Malaysia	**55**	55	Property developer and management
Karak Land Sdn. Bhd.^	Malaysia	**70**	70	Property developer and management
Held through Semarak Semerah Sdn. Bhd.				
Star Effort Sdn. Bhd. ^	Malaysia	**95**	95	Property developer and management

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

* Subsidiaries without audited financial statements and auditors' reports but the unaudited financial statements of the subsidiaries were adopted by the Group for the purpose of the financial statements of the Group.

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Acquisition of a subsidiary

On 18th May 2015, the Company acquired additional 51% equity interest in BP Energy Sdn. Bhd. ("BPESB") for a total consideration of RM510,000/-. As a result, BPESB became a 100% owned subsidiary of the Company.

Subsequent to the acquisition, the Management of the Company had made a full allowance for impairment of RM1,000,000/- on the investment in BPESB in view that the ability to generate any positive cash flows remained uncertain.

(c) Acquisition of additional interest in Bina Puri Korea Sdn. Bhd.

On 1st January 2015, the Company acquired an additional 30% equity interest in Bina Puri Korea Sdn. Bhd.("BPKSB") from its non-controlling interests for cash consideration of RM2. The Company's ownership in BPKSB increased from 70% to 100% as a result of the additional shares purchased. No disclosure is made on the effects of the acquisition as there is no significant financial impact to the financial position of the Group as at 31st December 2015.

(d) Subscription of additional ordinary shares in Karak Land Sdn. Bhd.

On 26th October 2015, the Company increased its investment in Karak Land Sdn. Bhd. ("KLSB") by subscribing additional 280,000 new ordinary shares for a total cash consideration of RM280,000/- while retained its equity interest of 70% in KLSB. The acquisition has completed in current financial year and had no significant impact to the Group's financial position as at 31st December 2015.

Non-controlling Interests in Subsidiary Companies

	Sumbangan Lagenda Sdn. Bhd. RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
2015			
NCI percentage of ownership interest and voting interest	**67%**		
Carrying amount of NCI	**66,447**	**8,538**	**74,985**
Profit/(loss) allocated to NCI	**20,693**	**(1,195)**	**19,498**

Summarised financial information before intra-group elimination:-

As at 31st December 2015

Non-current assets	**205,793**
Current assets	**13,720**
Non-current liabilities	**(58,046)**
Current liabilities	**(62,292)**
Net assets	**99,175**
Financial year ended 31st December 2015	
Revenue	**35,371**
Profit for the financial year	**30,884**
Total comprehensive income	**30,884**
Cash flows from operating activities	**5,373**
Cash flows from investing activities	**(1,212)**
Cash flows from financing activities	**(5,580)**
Net increase in cash and cash equivalents	**(1,419)**
Dividend paid to NCI	**–**

8. INVESTMENT IN ASSOCIATES

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares - at cost					
In Malaysia		**32,550**	31,225	**31,940**	30,615
Outside Malaysia		**3,916**	3,916	**3,916**	3,916
		36,466	35,141	**35,856**	34,531
Addition during the financial year:					
In Malaysia		**900**	1,325	**–**	1,325
Disposal during the financial year:					
In Malaysia	7(b)	**(490)**	–	**(490)**	–
		36,876	36,466	**35,366**	35,856
Add: Share of post acquisition results		**(30,837)**	(20,980)	**–**	–
Less: Allowance for impairment		**(461)**	–	**(461)**	–
		5,578	15,486	**34,905**	35,856

(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.

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	2014 %	Nature of Relationship
Held through the Company				
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 and management
Bina Puri Saudi Co. Ltd. *	Arab Saudi	**50**	50	Inactive
KL-Kuala Selangor Expressway Berhad ^	Malaysia	**50**	50	Builder and operator of an expressway
Held through Bina Puri Juara Sdn. Bhd.				
Dimara Building System Sdn. Bhd. ^	Malaysia	**30**	30	Contractor in steel engineering works
Rock Processors (Melaka) Sdn. Bhd. ^	Malaysia	**40**	40	Quarry operator and contractor of road paving project
Bina Puri Sentosa Venture Sdn. Bhd. ^	Malaysia	**50**	–	Inactive

8. INVESTMENT IN ASSOCIATES (CONT'D)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	2014 %	Principal activities
Held through Bina Puri Power Sdn. Bhd.				
BP Power (Thailand) Ltd. ^	Thailand	**49**	–	Inactive
Prosperous Hectares Sdn. Bhd.	Malaysia	**30**	–	Property development and management

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

* *Associates without audited financial statements and auditors' reports but the unaudited financial statements of the associates were adopted by the Group for the purpose of the financial statements of the Group.*

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

	Group 2015 RM'000	2014 RM'000
Assets and liabilities		
Total assets	**1,297,570**	1,284,871
Total liabilities	**1,375,808**	1,344,876
Results		
Revenue	**115,730**	102,385
Loss after taxation	**26,818**	45,038

(d) On 27th April 2015, Bina Puri Juara Sdn. Bhd. acquired 50% equity interest in Bina Puri Sentosa Ventures Sdn. Bhd. for a total cash consideration of RM1/-. No disclosure is made on the effects of this acquisition as there is no significant financial impact to the financial position of the Group.

(e) On 18th March 2015, Bina Puri Construction Sdn. Bhd. acquired 30% equity interest in Prosperous Hectares Sdn. Bhd. for a total cash consideration of RM900,000/-. No disclosure is made on the effects of this acquisition as there is no significant financial impact to the financial position of the Group.

(f) In the previous financial year, Sungai Long Industries Sdn. Bhd. disposed of its 40% equity interests in Rock Processors (Melaka) Sdn. Bhd. to Bina Puri Juara Sdn. Bhd. for a total cash consideration of RM400,000/-. No disclosure is made on the effects of this disposal as there is no significant financial impact to the financial position of the Group.

(g) In the previous financial year, the Group increased its investment in Bina Puri Norwest Sdn. Bhd. ("BPNSB") by subscribing additional 1,325,000 new ordinary shares for a total cash consideration of RM1,325,000/- while retains its equity interest of 50% in BPNSB.

9. INVESTMENT IN A JOINT VENTURE

	Group 2015 RM'000	Group 2014 RM'000
Unincorporated, outside Malaysia		
- share of post-acquisition results and reserves	–	–

(a) Details of the joint venture are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights 2015 %	Effective Proportion Ownership/ Voting Rights 2014 %	Nature of Relationship
SPK-Bina Puri Joint Venture *	United Arab Emirates	30	30	Builder and contractor for general engineering and construction works

* *The joint venture without audited financial statements and auditors' reports but the unaudited financial statements of the joint venture were adopted by the Group for the purposes of the financial statements of the Group.*

There is no initial cost of investment in this entity.

(b) The Group's share of the assets and liabilities as at the end of the reporting period and revenue and results for the financial year in the joint venture are as follows:-

	Group 2015 RM'000	Group 2014 RM'000
Assets and liabilities		
Current assets	–	4,135
Current liabilities	**3,624**	8,128
Results		
Revenue	–	–
Profit for the financial year	–	–

(c) The unincorporated joint venture has no capital commitment as at the end of the reporting period.

10. OTHER INVESTMENTS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost				
Unquoted shares in Malaysia	**6,780**	6,815	**6,342**	6,377
Transferable corporate membership in golf and country resort	**422**	422	**35**	35
	7,202	7,237	**6,377**	6,412
Less:				
Written off during the year:-				
Unquoted shares in Malaysia	**–**	(35)	**–**	(35)
Disposal of transferable corporate membership in golf and country resort	**(205)**	–	**(35)**	–
	6,997	7,202	**6,342**	6,377
At fair value				
Quoted shares outside Malaysia	**72**	72	**–**	–
	7,069	7,274	**6,342**	6,377

(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) Included in the Group's and the Company's other investment is an amount of RM6,017,000/- in respect to an investment in Redeemable Preference Shares ("RPS") in a concession company ("concessionaire"), the RPS is entitled to an 8% dividend per annum.

The concessionaire has engaged in legal proceedings against the grantor of the concession (the "grantor") to fulfil the terms and conditions of the concession and at the same time negotiating with the grantor to purchase the concession which, in the opinion of the concessionaire's solicitors will result in a claimed amount and/or sale proceeds which is in excess of the concessionaire's liabilities including its obligations to the Group and the Company. The recoverability of the Group's and the Company's other investment is dependent on the successful outcome of the concessionaire's claims against and negotiations with the grantor which in the opinion of the directors is highly likely. Therefore, the directors are of the opinion that the other investment is recoverable. Hence, no allowance for impairment is required.

11. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group 2015 RM'000	Group 2014 RM'000
At the beginning of the financial year		
- freehold land	**35,415**	–
- leasehold land	**12,105**	–
- development costs	**14,977**	–
	62,497	–
Add: Costs incurred during the financial year		
- freehold land	**–**	35,415
- leasehold land	**5,240**	12,105
- development costs	**154**	14,977
	5,394	62,497
Transfer to property development costs (Note 11(b))		
- freehold land	**(35,415)**	–
- leasehold land	**(12,105)**	–
- development costs	**(14,977)**	–
	(62,497)	–
At the end of the financial year		
- freehold land	**–**	35,415
- leasehold land	**5,240**	12,105
- development costs	**154**	14,977
	5,394	62,497

(b) Property development costs

	Group 2015 RM'000	Group 2014 RM'000
Development costs		
At 1st January		
- freehold land	**33,583**	37,085
- leasehold land	**17,393**	17,393
- development costs	**45,437**	45,812
	96,413	100,290
Add: Costs incurred during the financial year		
- freehold land	**–**	20
- leasehold land	**–**	–
- development costs	**75,775**	77,667
	75,775	77,687

11. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (Cont'd)

	Group 2015 RM'000	Group 2014 RM'000
Transfer from land held for property development (Note 11(a))		
- freehold land	**35,415**	–
- leasehold land	**12,105**	–
- development costs	**14,977**	–
	62,497	–
Less: Costs recognised in profit or loss during the financial year		
- freehold land	**–**	(290)
- development costs	**(28,799)**	(69,680)
	(28,799)	(69,970)
Transfer to inventories:		
- freehold land	**–**	(3,232)
- development costs	**(419)**	(8,362)
	(419)	(11,594)
At 31st December		
- freehold land	**68,998**	33,583
- leasehold land	**29,498**	17,393
- development costs	**106,971**	45,437
Property development costs as at 31st December	**205,467**	96,413

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

	Group 2015 RM'000	Group 2014 RM'000
Depreciation	17	33
Finance costs	5,056	3,178

The land and development costs of the Group amounting to RM72,212,000/- (2014: RM19,766,000/-) were charged to a licensed bank to secure a banking facility granted to the Group as stated in Note 23 to the financial statements.

12. TRADE AND OTHER RECEIVABLES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current				
Trade receivables				
Retention sums	**68,155**	67,040	**15,008**	6,824
Current				
Trade receivables				
Third parties	**435,822**	290,468	**15,798**	15,760
A related party	**263**	663	**–**	–
	436,085	291,131	**15,798**	15,760
Less: Allowance for impairment	**–**	–	**–**	–
Total trade receivables, net	**436,085**	291,131	**15,798**	15,760
Other receivables				
Other receivables				
- third parties	**187,134**	167,914	**14,088**	16,632
- a related party	**590**	740	**–**	–
	187,724	168,654	**14,088**	16,632
Less: Allowance for impairment	**(4,406)**	(653)	**(4,371)**	(618)
Other receivables, net	**183,318**	168,001	**9,717**	16,014
Deposits	**7,692**	10,685	**362**	336
Prepayments	**15,082**	9,989	**122**	32
Total other receivables, net	**206,092**	188,675	**10,201**	16,382
Accrued billings in respect of property development costs	**7,608**	10,393	**–**	–
	649,785	490,199	**25,999**	32,142
Total trade and other receivables	**717,940**	557,239	**41,007**	38,966

(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 90 days (2014: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

As at the end of the reporting period, the Company has significant concentration of credit risk in the form of outstanding balances owing by 2 (2014: 2) customers represents 99.96% (2014:92%) of the total trade receivables respectively.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables are as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	**260,576**	227,346	**24,040**	14,488
Past due but not impaired				
1 to 30 days past due but not impaired	**68,379**	63,678	**–**	–
31 to 60 days past due but not impaired	**65,135**	3,952	**–**	–
61 to 90 days past due but not impaired	**4,994**	2,793	**–**	–
91 to 120 days past due but not impaired	**9,660**	4,310	**–**	3,011
More than 120 days past due but not impaired	**95,496**	56,092	**6,766**	5,085
	243,664	130,825	**6,766**	8,096
	504,240	358,171	**30,806**	22,584

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.

(i) Included in the Group's trade receivables is an amount of RM3,346,000/- receivable from contract customer in respect of construction costs incurred in which the Group is in the process of finalising the final settlement accounts in relation to the joint venture project. The details of the said joint venture project are as disclosed in Note 40(b)(ii) to the financial statements.

(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.

12. 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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Individually impaired				
Other receivables, nominal value	**4,406**	653	**4,371**	618
Less: Allowance for impairment	**(4,406)**	(653)	**(4,371)**	(618)
	–	–	**–**	–

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1st January	**653**	653	**618**	618
Additions	**3,753**	–	**3,753**	–
At 31st December	**4,406**	653	**4,371**	618

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

(i) Included in the Group's other receivables is an amount of RM3,407,000/- receivable from a joint venture in respect of construction costs incurred in which the Group is in the process of finalising the final settlement accounts in relation to the joint venture project. The details of the said joint venture project are as disclosed in Note 40(b)(ii) to the financial statements.

13. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company	
	2015 RM'000	**2014 RM'000**
Non-current		
Amount owing by a subsidiary		
- Trade	**–**	3,147

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

	Company 2015 RM'000	Company 2014 RM'000
Current		
Amount owing by subsidiaries		
- Trade	18,270	16,410
- Non-trade	158,272	136,929
	176,542	153,339
Less: Allowance for impairment losses		
- Trade	(11,520)	(11,520)
- Non-trade	(33,198)	(31,036)
	(44,718)	(42,556)
	131,824	110,783
Amount owing to subsidiaries		
- Trade	**(2,574)**	(2,336)
- Non-trade	**(43,294)**	(55,465)
	(45,868)	(57,801)

(a) Trade amounts owing

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2014: 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 2015 RM'000	Company 2014 RM'000
Neither past due nor impaired	**6,750**	8,037
Past due but not impaired		
1 to 30 days past due but not impaired	**–**	–
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 but not impaired	**–**	–
	–	–
Impaired	**11,520**	11,520
	18,270	19,557

13. 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 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	
	2015	**2014**
	RM'000	**RM'000**
Individually impaired		
Trade amount owing by subsidiaries, nominal value	**11,520**	11,520
Less: Allowance for impairment	**(11,520)**	(11,520)
	–	–

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

	Company	
	2015	**2014**
	RM'000	**RM'000**
At 1st January	**11,520**	–
Allowance for impairment	**–**	11,520
At 31st December	**11,520**	11,520

Trade amount owing by subsidiaries that are individually impaired at the end of the reporting period relate to a subsidiary that is in significant financial difficulties and have defaulted on payments. The 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.

13. 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	
	2015	**2014**
	RM'000	**RM'000**
Individually impaired		
Non-trade amount owing by subsidiaries, nominal value	**45,364**	36,134
Less: Allowance for impairment	**(33,198)**	(31,036)
	12,166	5,098

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

	Company	
	2015	**2014**
	RM'000	**RM'000**
At 1st January	**31,036**	30,642
Addition	**2,181**	472
Reversal	**(19)**	(78)
At 31st December	**33,198**	31,036

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.

(i) Included in the Company's amount owing by subsidiaries is an advance of RM16,650,000/- to a foreign subsidiary to undertake a project awarded by the Government of Pakistan. The project had been subsequently terminated by the Government of Pakistan. As disclosed in Note 16(a) to the financial statements, included in the Group's and the Company's gross amount due from contract customers is an amount of RM17,909,000/- which relates to the construction costs incurred on the same project. The Group and the Company are currently engaged in an arbitration process to recover the said amounts from the Government of Pakistan. The details of the arbitration proceedings are as disclosed in Note 40(b)(iii) to the financial statements. The recoverability of the said amounts is dependent on the successful outcome of the arbitration process which, based on the advice of the Group's and the Company's solicitors, the directors are of the opinion that there is a reasonable likelihood of success in the arbitration process. Hence, no allowance for impairment is required.

14. DEFERRED TAXATION

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1st January	**(10,060)**	(7,157)	**(900)**	(809)
Recognised in profit or loss (Note 31)	**(2,272)**	(2,862)	**–**	(91)
Foreign exchange	**(114)**	(41)	**–**	–
Acquisition of subsidiary	**–**	–	**–**	–
At 31st December	**(12,446)**	(10,060)	**(900)**	(900)
Presented after appropriate offsetting:-				
Deferred tax assets	**–**	654	**–**	–
Deferred tax liabilities	**(12,446)**	(10,714)	**(900)**	(900)
	(12,446)	(10,060)	**(900)**	(900)

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	
	2015	**2014**
	RM'000	**RM'000**
At 1st January	**654**	654
Recognised in profit or loss	**(654)**	–
At 31st December	**–**	654

Deferred tax assets are attributable to the following items:-

	Group	
	2015	**2014**
	RM'000	**RM'000**
Unutilised tax losses	**–**	221
Unabsorbed capital allowances	**–**	326
Others	**–**	107
	–	654

In the previous financial year, deferred tax assets are recognised by a subsidiary based on the expected probable future taxable profit generated by the said subsidiary.

14. DEFERRED TAXATION (CONT'D)

(a) Deferred tax assets (Cont'd)

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

	Group 2015 RM'000	Group 2014 RM'000
Unutilised tax losses	**35,296**	28,554
Unabsorbed capital allowances	**2,538**	2,083
	37,834	30,637

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against the future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967 and guidelines issued by the tax authorities. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset against taxable profits of other subsidiaries in the Group.

(b) Deferred tax liabilities

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1st January	**10,714**	7,811	**900**	809
Recognised in profit or loss	**1,618**	2,862	**–**	91
Foreign exchange	**114**	41	**–**	–
At 31st December	**12,446**	10,714	**900**	900
Representing tax effect of:				
- property, plant and equipment	**8,166**	6,434	**900**	900
- arising from business combination	**4,280**	4,280	**–**	–
	12,446	10,714	**900**	900

15. INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000
At cost:-		
Completed development units	**25,217**	11,701
Raw materials and consumables	**1,271**	3,240
Finished goods	**939**	1,602
	27,427	16,543

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group is RM77,378,000/- (2014: RM77,363,000/-).

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Aggregate construction contract costs incurred to-date	**4,400,416**	3,171,499	**567,282**	500,372
Add: Attributable profits	**251,190**	190,885	**12,938**	11,968
	4,651,606	3,362,384	**580,220**	512,340
Less: Progress billings	**(4,375,276)**	(3,110,239)	**(565,204)**	(483,627)
	276,330	252,145	**15,016**	28,713
Represented by gross amount:				
- due from contract customers	**296,841**	258,687	**15,683**	28,713
- due to contract customers	**(20,511)**	(6,542)	**(667)**	–
	276,330	252,145	**15,016**	28,713
Recognised to profit or loss during the financial year:				
- contract revenue (Note 28)	**1,024,687**	832,451	**93,697**	128,562
- contract costs (Note 29)	**965,618**	788,913	**88,181**	122,037
Retention sums receivable from customers included in trade receivables	**151,979**	127,830	**21,403**	12,663
Advances received for contract work not yet performed included in other payables	**27,374**	12,374	**–**	–

(a) Included in Group's and the Company's gross amount due from contract customers is an amount of RM17,909,000/- which relates to the construction costs incurred on a project related to the project as disclosed in Note 13(b)(i) to the financial statements. The Group and the Company are currently engaged in an arbitration process to recover the said amounts from the Government of Pakistan. The recoverability of the said amounts is dependent on the successful outcome of the arbitration process which, based on the advice of the Group's and the Company's solicitors, the directors are of the opinion that there is a reasonable likelihood of success in the arbitration process. Hence, no allowance for impairment is required.

(b) Included in the Group's gross amount due from contract customers is an amount of RM49,264,000/- in which the Group is in the process of finalising the final settlement accounts in relation to the joint venture project. The details of the said joint venture project are as disclosed in Note 40(b)(ii) to the financial statements.

17. AMOUNT OWING BY/(TO) ASSOCIATES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount owing by associates:-				
- Trade	**9,283**	8,585	**9,283**	8,585
- Non-trade	**25,584**	22,825	**24,840**	22,318
	34,867	31,410	**34,123**	30,903
Less: Allowance for impairment				
- Trade	**–**	–	**–**	–
- Non-trade	**(1,575)**	–	**(1,575)**	–
	(1,575)	–	**(1,575)**	–
	33,292	31,410	**32,548**	30,903
Amount owing to associates:-				
- Trade	**(8,718)**	(7,593)	**(6)**	(6)
- Non-trade	**(818)**	(67)	**–**	–
	(9,536)	(7,660)	**(6)**	(6)

(a) Trade amounts owing

The trade amounts owing are subject to the normal trade credit terms ranging from 30 to 60 days (2014: 30 to 60 days). The amounts owing are to be settled in cash.

Ageing analysis of the Group's and the Company's trade-related amount owing by associates

The ageing analysis of the Group's and the Company's trade-related amount owing by associates are as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
More than 120 days past due but not impaired	**9,283**	8,585	**9,283**	8,585

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.

(b) Non-trade amounts owing

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

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

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

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	
	2015	**2014**
	RM'000	**RM'000**
Individually impaired		
Nominal value	**1,575**	–
Less: Allowance for impairment	**(1,575)**	–
	–	–

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

	Group and Company	
	2015	**2014**
	RM'000	**RM'000**
At 1st January	**–**	–
Allowance for impairment	**1,575**	–
At 31st December	**1,575**	–

Non-trade related amount owing by associates that are individually impaired at the end of the reporting period relate to an associate that is in significant financial difficulties and have defaulted on payments. This receivable is not secured by any collateral or credit enhancements.

(c) Included in the Group's and the Company's amount owing by associates are amounts of RM25,497,000/- (2014: RM21,961,000/-) owing by certain associates which have been long outstanding. The directors are of the opinion that the amounts due from these associates are recoverable as these associates have committed to the Group and the Company to repay the amounts owing when they have successfully recovered the compensation in their legal claims from their completed project. Hence, no allowance for impairment is required.

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 3.40% (2014: 0.50% to 3.26%) 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 were amounts of RM7,062,000/- (2014: RM10,707,000/-) and RM54,000/- (2014: RM54,000/-) respectively, which have been pledged to licensed banks 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 RM30,379,000/- (2014: RM21,375,000/-) 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 RM4,117,000/- (2014: RM520,000/-) which maintained in housing development account in accordance with the Housing Development (Housing Development Account) Regulations 1991. Withdrawals from the Housing Development Account are restricted to property development expenditure incurred in respect of the specific development project.

20. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of Shares Unit '000	**RM'000**	**Number of Shares Unit '000**	**RM'000**
Ordinary shares of RM0.50 each				
Authorised:				
At 1st January	**1,000,000**	500,000	**500,000**	500,000
Created during the financial year	**–**	–	**500,000**	–
At 31st December	**1,000,000**	500,000	**1,000,000**	500,000
Issued and fully paid:				
At 1st January	**177,913**	88,956	**157,116**	157,116
Issuance of ordinary shares	**48,528**	24,264	**20,797**	20,797
Capital reduction	**–**	–	**–**	(88,957)
Exercise of ESOS	**4,198**	2,099	**–**	–
At 31st December	**230,639**	115,319	**177,913**	88,956

During the financial year, the Company had completed the following corporate proposals:-

(i) the Company increased its issued and paid-up share capital from RM88.956 million to RM115.319 million by the issuance of 48,528,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise at price of RM0.50 to RM0.515 per share; and

(ii) 4,198,000 new ordinary shares of RM0.50 each for cash pursuant to the Employees' Share Option Scheme ("ESOS") of the Company at an exercise price of RM0.51 to RM0.54 per share.

In the previous financial year, the Group and the Company had completed the following corporate proposals:-

(i) increased their issued and paid-up share capital from RM157.116 million to RM177.913 million through the issuance of 20,797,000 new ordinary shares of RM1/- each pursuant to the private placement exercise at a price of RM1/- per share; and

(ii) share capital reduction by the cancellation of RM0.50 of the par value of every existing ordinary share of RM1/- each to be off-set against the retained profits of the Company.

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

21. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The Company's share buyback scheme was approved by the Company's shareholders in the Annual General Meeting held on 17th June 2015 for the Company to repurchase 10% of its issued and paid-up ordinary shares at any one time. The directors of the Company believe that the repurchase plan are applied in the best interests of the Company and its shareholders. 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. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 in Malaysia.

For the financial year ended 31st December 2015, the Company repurchased 790,000 shares (2014: Nil) of its issued shares from the open market. The average price paid for the shares repurchased was RM0.52 (2014: Nil).

At 31st December 2015, the Company's treasury shares are held at a carrying amount of RM403,700/- (2014: Nil).

There was no resale, cancellation or distribution of treasury shares during the financial year.

The details of repurchase of treasury shares during the financial year are as follows:-

Month	No. of shares repurchased	Price per share RM	Total consideration RM
2015			
March 2015	360,000	0.56	201,600
October 2015	430,000	0.47	202,100
			403,700

22. RESERVES

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Share premium	**5,033**	4,714	**5,033**	4,714
Other capital reserves	**15,682**	15,682	**–**	–
Translation reserve	**(8,153)**	(4,603)	**54**	54
Employee share option reserve	**3,078**	2,105	**3,078**	2,105
Retained profits	**85,924**	86,897	**89,406**	103,333
Total reserves	**101,564**	104,795	**97,571**	110,206

(a) Share premium

	Group and Company	
	2015 RM'000	**2014 RM'000**
At 1st January	4,714	4,890
Issuance of ordinary shares	227	–
Exercise of employee share options	349	–
Share issuance expenses	(257)	(176)
At 31st December	5,033	4,714

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.

22. RESERVES (CONT'D)

(b) Other capital reserves

The capital reserve represents the capitalisation of subsidiaries' retained earnings upon their bonus issue of shares in the previous financial years.

(c) Translation reserve

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

(d) Employee share option reserve

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

On 12th April 2016, the Company announced the extension of Executives' Share Option Scheme ("ESOS") which will be expiring on 6th June 2016 for another five (5) years until 6th June 2021. The extension is in accordance with the terms of the ESOS By-Laws.

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

(a) The maximum number of shares to be offered and allotted under the New ESOS shall not exceed 15% of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS.

(b) Any employee of the Group who meets the following criteria as at the Date of Offer shall be eligible to participate in the New ESOS:-

- i. If he has attained the age of eighteen (18) years of age and is not an undischarged bankrupt;
- ii. (i) If he has been employed for a continuous period of at least twelve (12) months in the Group and his employment must have been confirmed on the Date of Offer; or

  (ii) If he is employed on a contractual basis for a continuous period of twelve (12) months in the Group and his employment must have been confirmed on the Date of Offer;
- iii. If he fulfils any other criteria and/or falls within such category as may be set by the ESOS Committee from time to time;
- iv. An employee who during the tenure of the New ESOS becomes an Eligible Person may be eligible to a grant of an Option under the New ESOS which shall be decided by the ESOS Committee;

(c) Any director of the Group who holds a directorship and/or management position, and/or is involved in the day-to-day operations of any subsidiary within the Group and who meets the following criteria as at the Date of Offer shall be eligible to participate in the New ESOS:-

- i. If he has attained the age of eighteen (18) years of age and is not an undischarged bankrupt;
- ii. If he has been appointed as a director of a subsidiary within the Group for a continuous period of at least three (3) months; and
- iii. Approved by the shareholders of the Company in a general meeting.

(d) No more than 50% of the total number of shares to be issued under the New ESOS shall be granted to the director and senior management of the Group and no more than 10% of the number of shares to be issued to any individual Eligible Person who, either singly or collectively through person connected with him (as defined in the Listing Requirements), hold 20% or more of the issued and paid-up share capital of the Company;

22. RESERVES (CONT'D)

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

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

(e) The Option price will be determined by the ESOS Committee, and which shall be the higher of the following:-

i. At a discount not more than 10% of the five (5) days weighted average market price of the Company's share price as quoted on the Bursa Securities immediately preceding the Date of Offer; or

ii. The par value of the Company's share price.

(f) An offer shall be valid for a period of sixty (60) days from the date of offer or such longer period as may be determined by the ESOS Committee on a case-by-case basis at its discretion. An offer shall be accepted by an Eligible Employee within the offer period by written notice to the ESOS Committee accompanied by a non-refundable sum of RM1/- as consideration. If the offer is not accepted in the manner aforesaid, such offer shall automatically lapse upon the expiry of the offer period and become null and void and be of no further force and effect.

(g) The new ordinary shares to be allotted upon any exercise of Options under the ESOS shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares. However, the new ordinary shares so issued shall not be entitled to any dividend or other distributions declared, made or paid prior to the date of exercise of the Options.

(h) The ESOS shall be in force for a period of up to five (5) years commencing from the Effective Date. Upon the expiry of the ESOS, all unexercised Options shall become null and void unless the ESOS is extended for a further five (5) years upon recommendation of the ESOS Committee.

(i) These Options may be exercised at any date during the Option Period not later than 6th June 2016 subject to a maximum limit of 20% per year over the exercise period of five (5) years. Any such exercise of these Options of more than 20% in a year shall subject to the review and approval by the ESOS Committee.

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

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

On 15th May 2015, the ESOS Committee has made decision to grant 16,864,700 additional Options under the existing ESOS, at an exercise price of RM0.51 each. The Options granted can be exercised at any time but not later than 6th June 2016.

22. RESERVES (CONT'D)

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

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

The movements in the Options during the financial year to take up the unissued new ordinary shares of RM0.50 (2014: RM0.50) each in the Company were as follows:-

	2015		**2014**	
	Number of of Options Over Ordinary Shares Unit '000	**RM'000**	**Number of of Options Over Ordinary Shares Unit '000**	**RM'000**
At 1st January	**8,891**	**13,627**	9,181	9,181
Granted	**16,865**	**8,433**	–	–
Exercised	**(4,198)**	**(2,099)**	–	–
Capital reduction	**–**	**–**	–	4,591
Lapsed	**(2,301)**	**(1,151)**	(290)	(145)
At 31st December	**19,257**	**18,810**	8,891	13,627

The fair value of the shares options granted on 1st June 2012, 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 shares options are as follows:-

Fair value of share options granted (RM)	0.18
Weighted average share price (RM)	0.60
Estimated exercise price (RM)	0.54
Expected volatility (%)	20
Expected exercise period (years)	1
Risk free rate (%)	3.60

The fair value of share options granted during the financial year was estimated using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:-

Fair value of share options granted (RM)	0.073
Weighted average share price (RM)	0.55
Estimated exercise price (RM)	0.51
Expected volatility (%)	24.72
Expected exercise period (years)	1.06
Expected dividend (%)	3.64
Risk free rate (%)	3.17

23. TERM LOANS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current				
- not later than one year (Note 26)	**60,706**	32,772	–	–
Non-current				
- later than one year but not later than two years	**33,392**	53,492	–	–
- later than two years but not later than five years	**74,359**	81,368	–	–
- more than five years	**75,666**	78,243	–	–
	183,417	213,103	–	–
	244,123	245,875	–	–

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 the grantor;

(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 7.10% per annum is repayable in 72 monthly instalments of RM4,000/- effective from April 2010.

(ii) Term loan at an effective interest rate of 6.00% per annum repayable in 117 monthly instalments of Brunei Dollar 73,041/- effective from October 2012.

(iii) Term loan at an effective interest rate of 7.10% per annum repayable in 144 monthly instalments of RM124,047/- effective from September 2013.

(iv) Term loan at an effective interest rate of 5.40% per annum repayable via proceeds to be received from the project effective from December 2014.

(v) Term loan at an effective interest rate of 7.35% per annum repayable in 120 monthly instalments of RM20,224/- effective from August 2011.

(vi) Term loan at an effective interest rate of 7.10% per annum is repayable in 96 monthly instalments of RM12,500/- effective from May 2013.

(vii) Term loan at an effective interest rate of 4.1% per annum repayable in 83 monthly instalments of US Dollar 91,000/- and final repayment of US Dollar 115,000/- effective from May 2015.

(viii) Term loan at an effective interest rate of 7.35% per annum repayable by way of redemption settlement of sold units effective from December 2016.

23. TERM LOANS (CONT'D)

The repayment terms of the term loans are as follows:- (Cont'd)

(ix) Term loan at an effective interest rate of 4.5% per annum repayable in 180 monthly instalments of RM3,000/- effective from June 2013.

(x) Term loan at an effective rate of 5.85% per annum repayable in 60 monthly instalments of RM577,893/- effective from June 2014.

(xi) Term loan at an effective rate of 4.95% per annum repayable in 240 monthly instalments of RM13,147/- effective from January 2015.

(xii) Term loan at an effective rate of 5.25% per annum repayable in 9 monthly instalments of RM407,708/-, 17 monthly instalments of RM158,007/- and 93 monthly instalments of RM469,442/- effective from December 2014.

(xiii) Term loan at an effective rate of 3.9% per annum repayable in 6 monthly instalments of US Dollar 25,000/- effective for month of 1-6, US Dollar 50,000/- for month 7-12, US Dollar 55,000/- for month 13-23 and final repayment of US Dollar 30,000/- effective from January 2015.

(xiv) Term loan at an effective rate of 3.9% per annum repayable in 24 monthly instalments of US Dollar 25,000/- effective for month 1-6, US Dollar 50,000/- for month 7-12, US Dollar 40,000/- for month 13-30, US Dollar 100,000/- for month 31-37 and final repayment of US Dollar 97,460 effective from July 2014.

(xv) Term loan at an effective rate of 7.85% per annum repayable in 84 monthly instalments of RM120,000/- effective from October 2014.

(xvi) Term loan at an effective rate of 5.5% per annum repayable in 140 monthly instalments of RM465,000/- effective from January 2015.

(xvii) Term loan at an effective rate of 4.1% per annum repayable in 36 monthly instalments of US Dollar 73,000/- and a final repayment of US Dollar 75,000/- effective from January 2015.

(xviii) Term loan at an effective rate of 4.1% per annum repayable in 84 monthly instalments of US Dollar 36,000/- and final repayment of US Dollar 12,000/- effective from November 2015.

(xix) Term loan at an effective rate of 4.65% per annum repayable in 120 monthly instalments of RM6,412/- effective from July 2015.

(xx) Term loan at an effective rate of 7.35% per annum repayable in 120 monthly instalments of RM32,079/- effective from March 2015.

(xxi) Term loan at an effective rate of 8.1% per annum repayable in 24 monthly instalments of RM41,667/- effective from May 2014.

24. HIRE PURCHASE PAYABLES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Minimum hire purchase payables:				
- not later than one year	**7,324**	7,625	216	216
- later than one year but not later than five years	**9,038**	10,949	382	599
	16,362	18,574	598	815
Less: Future finance charges	**(1,230)**	(1,428)	(45)	(77)
Present value of hire purchase payables	**15,132**	17,146	553	738
Represented by:-				
Current				
- not later than one year	**6,489**	6,854	194	185
Non-current				
- later than one year but not later than five years	**8,643**	10,292	359	553
	15,132	17,146	553	738

The Group's and the Company's hire purchase payables bear effective interest rates ranging from 2.36% to 12.32% (2014: 3.10% to 12.32%) and 2.36% to 3.20% (2014: 2.36% to 3.20%) per annum respectively.

25. TRADE AND OTHER PAYABLES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current				
Trade payables				
Cost:-				
Amortised cost	**68,536**	59,458	**11,263**	3,268
Current				
Cost:-				
- third parties	**479,623**	293,687	35,278	44,829
Amortised cost	**82,237**	88,435	8,788	15,278
Total trade payables	**561,860**	382,122	44,066	60,107
Other payables				
Other payables	**102,861**	84,591	3,309	1,910
Provision for foreseeable losses	**3,624**	3,624	–	–
Sundry deposits	**13,108**	4,844	107	106
Accruals	**16,844**	16,010	930	200
Progress billings	**13,590**	–	–	–
Total other payables	**150,027**	109,069	4,346	2,216
	711,887	491,191	48,412	62,323
Total trade and other payables	**780,423**	550,649	59,675	65,591

25. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from 30 to 90 days (2014: 30 to 90 days). Whereas, retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months.

(b) Other payables

The Group's and the Company's amounts owing to other payables are unsecured, interest free and are repayable on demand

26. BANK BORROWINGS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Secured				
Bank overdrafts	**60,752**	58,037	**–**	–
Revolving credit	**105,726**	171,022	**–**	–
Term loans (Note 23)	**60,706**	32,772	**–**	–
Bridging loan	**17,051**	–	**–**	–
Trust receipt	**68,625**	54,175	**–**	–
	312,860	316,006	**–**	–
Unsecured				
Bank overdrafts	**18,857**	19,926	**29,726**	27,739
Bankers acceptance	**13,635**	12,016	**–**	–
Revolving credit	**113,149**	58,845	**21,000**	21,000
	145,641	90,787	**50,726**	48,739
	458,501	406,793	**50,726**	48,739

The Group's and the Company's bank borrowings bear effective interest rates ranging from 3.75% to 8.75% (2014: 3.20% to 10.35%) and 4.70% to 8.35% (2014: 4.83% to 7.60%) per annum respectively.

The bank borrowings are secured by:-

(i) Fixed charges over the property, plant and equipment and floating charges over the entire assets of certain subsidiaries;

(ii) A negative pledge over the assets of the Company; and

(iii) Deeds of assignment over the proceeds of contracts awarded to the Group.

The unsecured bank borrowings of the Group are guaranteed by the Company.

27. AMOUNT OWING TO JOINT VENTURE

The amount owing to joint venture represents unsecured interest-free advances which is repayable on demand. The amounts owing are to be settled in cash.

28. REVENUE

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Contract revenue (Note 16)	**1,024,687**	832,451	**93,697**	128,562
Sales of goods	**106,240**	111,408	**–**	–
Sales of electricity	**15,704**	10,377	**–**	–
Management fees	**768**	775	**5,090**	5,320
Rental income	**25,570**	17,644	**–**	–
Sales of development properties	**54,970**	80,823	**–**	–
	1,227,939	1,053,478	**98,787**	133,882

29. COST OF SALES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Contract costs (Note 16)	**965,618**	788,913	**88,181**	122,037
Costs of goods sold	**101,462**	106,903	**–**	–
Costs of electricity sold	**5,665**	4,909	**–**	–
Property development costs	**33,719**	72,783	**–**	–
Operation costs for rental income	**17,296**	15,220	**–**	–
	1,123,760	988,728	**88,181**	122,037

30. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at:-

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
After charging:-				
Allowance for impairment on:-				
- goodwill	**1,273**	–	**–**	–
- amount owing by subsidiaries	**–**	–	**2,181**	11,992
- amount owing by an associate	**1,575**	–	**1,575**	–
- other receivables	**3,753**	–	**3,753**	–
- investment in an associate	**461**	–	**461**	–
- investment in subsidiaries	**–**	–	**1,250**	–
Audit fees:-				
- current year	**512**	394	**164**	122
- prior year	**41**	23	**59**	–
Depreciation	**13,818**	14,420	**871**	586
Directors' fee:-				
- directors of the Company (Note 36)	**462**	476	**462**	476
Directors' non-fee emoluments:-				
- directors of the Company (Note 36)	**4,356**	4,270	**2,273**	2,244
- directors of the subsidiaries (Note 38)	**2,773**	2,422	**–**	–
Interest expense:-				
- bank borrowings	**37,377**	30,993	**7,255**	6,037
- hire purchase	**912**	802	**31**	15
- others	**3**	19	**519**	137
Loss on disposal of:-				
- property, plant and equipment	**–**	–	**39**	–
- other investments	**76**	–	**–**	–
Net effect of unwinding of interest from discounting	**4,180**	4,997	**855**	339
Property, plant and equipment written off	**17**	484	**–**	–
Other investment written off	**–**	35	**–**	35
Rental expense of:-				
- land and premises	**2,440**	2,226	**156**	63
- machinery and equipment	**912**	3,924	**12**	51
- motor vehicles	**341**	268	**–**	–

30. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
After charging (Cont'd):-				
Research and development expenditure	**8**	6	**–**	–
Share of result in associates	**11,030**	21,670	**–**	–
Staff costs:				
- salaries, wages, bonuses and allowances	**51,753**	51,965	**4,719**	3,066
- Employee Provident Fund	**5,859**	5,624	**587**	383
- SOCSO	**–**	**–**	**37**	33
- share options granted under ESOS	**1,277**	306	**429**	39
- other benefits	**5,867**	4,729	**544**	412
Unrealised loss on foreign exchange	**645**	**–**	**–**	–

And crediting:-				
Change in fair value of investment property	**23,494**	67,140	**–**	–
Dividend income	**207**	481	**–**	481
Gain on disposal of:				
- property, plant and equipment	**901**	1,248	**–**	1,038
- investment properties	**374**	2,737	**–**	–
- other investment	**–**	–	**38**	–
Gain on foreign exchange, net:				
- realised	**–**	329	**506**	–
- unrealised	**–**	386	**–**	–
Interest income:				
- fixed deposits	**161**	185	**–**	–
- others	**4,302**	8,933	**1,568**	2,983
Net effect of unwinding interest from discounting	**4,882**	–	**2,067**	–
Rental income of:				
- machinery and motor vehicles	**359**	810	**50**	86
- others	**514**	757	**476**	583
Reversal of allowance for impairment on trade and other receivables no longer required	**–**	48	**–**	–
Reversal of allowance for impairment on amount owing by a subsidiary no longer required	**–**	–	**19**	78

31. TAXATION

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Income tax				
- current year				
- Malaysian income tax	**(7,418)**	(6,213)	**–**	(10)
- Foreign income tax	**(734)**	(251)	**–**	–
- prior year				
- Malaysian income tax	**(2,443)**	(1,472)	**(1,036)**	(1,072)
	(10,595)	(7,936)	**(1,036)**	(1,082)
Deferred taxation (Note 14)				
- current year	**(2,272)**	(3,491)	**–**	(91)
- prior years	**–**	629	**–**	–
	(2,272)	(2,862)	**–**	(91)
	(12,867)	(10,798)	**(1,036)**	(1,173)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated taxable profit for the fiscal year. The statutory tax rate will be reduced to 24% from current year is rate of 25% with effect from year of assessment 2016.

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

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

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Profit/(loss) before taxation	**35,738**	58,276	**(8,545)**	(10,052)
Tax at applicable statutory tax rate of 25%	**(8,935)**	(14,569)	**2,136**	2,513
Tax effects arising from:				
- non-taxable income	**950**	12,379	**1,250**	1,681
- non-deductible expenses	**(1,944)**	(6,776)	**(3,386)**	(4,295)
- deferred tax asset not recognised	**(1,727)**	(1,151)	**–**	–
- utilisation of deferred tax assets not previously recognised	**1,232**	145	**–**	–
- differential in tax rates	**–**	17	**–**	–
- under provision of tax in prior year	**(2,443)**	(843)	**(1,036)**	(1,072)
Tax expense for the year	**(12,867)**	(10,798)	**(1,036)**	(1,173)

32. EARNINGS PER SHARE

(a) Basic earnings per share

	Group	
	2015	**2014**
	'000	**'000**
Profit after taxation (RM)	**22,871**	47,478
Profit after taxation attributable to owners of the Company (RM)	**3,373**	6,473
Weighted average number of ordinary shares (unit):		
Issued ordinary shares at 1st January	**177,913**	157,116
Effect of issuance of ordinary shares	**30,411**	15,692
Effect of shares issued from ESOS	**2,442**	–
Weighted average number of ordinary shares at 31st December	**210,766**	172,808
Basic earnings per share (sen)	**1.60**	3.75

(b) Diluted earnings per share

The diluted earnings per share is equivalent to the basic earnings per share as the potential ordinary shares arising from the exercise of options under the ESOS have antidilutive effect.

33. DIVIDENDS ON ORDINARY SHARES

	Group and Company	
	2015	**2014**
	RM'000	**RM'000**
Final dividend for the financial year ended		
- 31st December 2013 (1.5% per ordinary share less 25% tax)	**–**	2,669
- 31st December 2014 (2 sen per share)	**4,346**	–
	4,346	2,669

The directors do not recommend the payment of any dividend in respect of the financial year ended 31st December 2015.

34. ACQUISITION OF SUBSIDIARIES

2015

On 18th May 2015, the Company acquired additional 51% equity interest in BP Energy Sdn. Bhd. ("BPESB") for a total consideration of RM510,000/-. As a result, BPESB became a 100% owned subsidiary of the Company.

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**
Total assets	**26**	**26**
Total liabilities	**(1,522)**	**(1,522)**
Net identifiable assets and liabilities	**(1,496)**	**(1,496)**
Less:		
Remeasurement of previously stakes to fair value		**733**
Purchase consideration for the acquisition		**(510)**
Goodwill		**(1,273)**

	Group At carrying amount RM'000
Total cost of business combination	**(510)**
Less: Cash and cash equivalents of subsidiaries acquired	**15**
Net cash outflows from the acquisition	**(495)**

2014

(a) On 3rd September 2014, Bina Puri Properties Sdn. Bhd. ("BPPSB") acquired 100% equity interest in Ascotville Development Sdn. Bhd. ("ADSB") for a total cash consideration of RM1 million. As a result of this acquisition, ADSB became a wholly owned subsidiary of the Group.

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	**	**
Current liabilities	–	–
Net identifiable assets and liabilities	–	–
Add: Goodwill on acquisition		1,000
Total purchase consideration		1,000
Less: Cash and cash equivalents of subsidiary acquired		*
Net cash outflow for acquisition of subsidiary		1,000

* Represent RM2/- cash and cash equivalents acquired

** Current assets represent carrying amount and fair value of RM53/- as at date of acquisition.

34. ACQUISITION OF SUBSIDIARIES (CONT'D)

2014

(b) On 7th October 2014, Aksi Bina Puri Sdn. Bhd. ("ABPSB") acquired 70% equity interest in Karak Land Sdn. Bhd. ("KLSB") (formerly known as M Kod Innovations Sdn. Bhd.) for a total cash consideration of RM70,000/-. As a result of this acquisition, KLSB became subsidiary of the Group.

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	6,019	6,019
Current liabilities	(6,019)	(6,019)
Net identifiable assets and liabilities	–	–
Add: Goodwill on acquisition		–
Total purchase consideration		–
Less: Cash and cash equivalents of subsidiary acquired		–
Net cash outflow for acquisition of subsidiary		–

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Purchase of property, plant and equipment	**35,683**	49,340	**1,095**	665
Financed by:-				
- hire purchase	**(5,780)**	(7,135)	**–**	(500)
- term loan	**(16,888)**	(18,987)	**–**	–
Cash payments on purchase of property, plant and equipment	**13,015**	23,218	**1,095**	165

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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Executive directors				
Fees	**48**	48	**48**	48
Non-fee emoluments	**4,086**	3,992	**2,273**	2,244
Non-executive directors				
Fees	**414**	428	**414**	428
Non-fee emoluments	**215**	223	**–**	–
	4,763	4,691	**2,735**	2,720
Benefit-in-kind	**55**	55	**–**	–

(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	
	2015	**2014**	**2015**	**2014**
Executive directors				
Below RM50,000	**–**	–	**2**	2
RM250,001 - RM300,000	**–**	–	**–**	–
RM300,001 - RM350,000	**1**	1	**1**	1
RM350,001 - RM400,000	**–**	–	**–**	–
RM400,001 - RM450,000	**–**	–	**–**	–
RM600,001 - RM650,000	**–**	–	**–**	–
RM650,001 - RM700,000	**1**	2	**1**	1
RM700,001 - RM750,000	**1**	–	**–**	–
RM1,100,001 - RM1,200,000	**1**	1	**–**	–
RM1,250,001 - RM1,300,000	**–**	–	**–**	–
RM1,300,001 - RM1,350,000	**1**	1	**1**	1
Non-executive directors				
Below RM50,000	**1**	1	**2**	2
RM50,001 - RM100,000	**2**	2	**2**	2
RM200,001 - RM250,000	**2**	1	**1**	–
RM250,001 - RM300,000	**–**	1	**–**	1

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.

37. SEGMENT REPORTING (CONT'D)

(a) Business Segments

2015	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
External customer	1,025,455	80,540	94,844	11,396	15,704	–	1,227,939
Inter-segment revenue	5,767	–	9,186	–	–		14,953
	1,031,222	80,540	104,030	11,396	15,704	–	1,242,892
Adjustments and eliminations							(14,953)
Consolidated revenue							1,227,939
Results							
Segment results	18,008	22,229	(1,245)	(252)	4,976	(29)	43,687
Adjustments and eliminations							(4,988)
							38,699
Investment income	115	23,867	–	–	–	–	23,982
Adjustments and eliminations							–
							23,982
Share of results in associates	(220)	712	366	–	–	(11,888)	(11,030)
Finance costs	(10,380)	(9,693)	(686)	(171)	(788)	–	(21,718)
Adjustments and eliminations							5,805
							(15,913)
Consolidated profit/(loss) before taxation	7,523	37,115	(1,565)	(423)	4,188	(11,917)	35,738
Taxation							(12,867)
Consolidated profit after taxation							22,871
Capital expenditures	5,263	165	5,216	485	24,554	–	35,683
Depreciation of property, plant and equipment	7,696	1,520	2,076	248	2,277	1	13,818

37. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2015	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
Other non-cash expenses/(income)							
Allowance for impairment on:-							
- goodwill	1,273	–	–	–	–	–	1,273
- amount owing by an associate	1,575	–	–	–	–	–	1,575
- other receivables	3,753	–	–	–	–	–	3,753
- investment in an associate	461	–	–	–	–	–	461
(Gain)/loss on disposal of:-							
- property, plant and equipment	(938)	(15)	44	–	8	–	(901)
- investment properties	–	(374)	–	–	–	–	(374)
- other investment	76	–	–	–	–	–	76
Property, plant and equipment written off	9	–	–	8	–	–	17
Share option granted under ESOS	1,223	–	60	(48)	–	42	1,277
Net effect of unwinding of interest from discounting	(702)	–	–	–	–	–	(702)
Unrealised (gain)/loss on foreign exchange	(2,250)	–	–	–	2,895	–	645
Share of results in associates	220	(712)	(366)	–	–	11,888	11,030
Change in fair value of investment properties	–	(23,494)	–	–	–		(23,494)

** Others – involved as commission agent.*

37. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2015	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	1,261,392	526,967	123,699	6,272	160,734	2,479	(326,293)	1,755,250
Investment in associates	35,451	1,483	3,374	–	–	–	(34,730)	5,578
Other investments	6,630	545	–	–	–	–	(106)	7,069
Goodwill	–	14,235	–	–	350	–	–	14,585
Tax recoverable	368	–	972	–	–	16	–	1,356
Total assets	1,303,841	543,230	128,045	6,272	161,084	2,495	(361,129)	1,783,838
Liabilities								
Segment liabilities	722,854	242,008	55,586	1,845	91,211	3,358	(306,358)	810,504
Borrowings	356,940	180,847	55,653	2,198	61,412	–	–	657,050
Deferred tax liabilities	1,116	8,950	1,298	–	1,082	–	–	12,446
Tax payable	7,464	3,531	6	–	1,373	–	–	12,374
Total liabilities	1,088,374	435,336	112,543	4,043	155,078	3,358	(306,358)	1,492,374

** Others – involved as commission agent.*

36. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2014	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	833,226	98,467	88,030	23,378	10,377	–	1,053,478
Inter-segment revenue	56,227	–	4,283	–	–	–	60,510
	889,453	98,467	92,313	23,378	10,377	–	1,113,988
Adjustments and eliminations							(60,510)
Consolidated revenue							1,053,478
Results							
Segment results	16,918	3,653	(2,659)	251	2,068	131	20,362
Adjustments and eliminations							(1,252)
							19,110
Investment income	4,159	74,541	–	–	–	75	78,775
Adjustments and eliminations							(3,575)
							75,200
Share of results in associates	(11)	527	397	–	–	(22,583)	(21,670)
Finance costs	(6,866)	(7,420)	(543)	(236)	(294)	–	(15,359)
Adjustments and eliminations							995
							(14,364)
Consolidated profit/(loss) before taxation	14,200	71,301	(2,805)	15	1,774	(22,377)	58,276
Taxation							(10,798)
Consolidated profit after taxation							47,478
Capital expenditures	7,814	1,157	8,217	768	31,381	3	49,340
Depreciation of property, plant and equipment	8,303	1,429	2,230	186	2,272	–	14,420

37. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2014	**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**
Other non-cash expenses/(income)							
(Gain)/loss on disposal of:-							
- property, plant and equipment	(1,570)	–	336	(14)	–	–	(1,248)
- investment properties	–	(2,737)	–	–	–	–	(2,737)
Property, plant and equipment written off	394	46	23	21	–	–	484
Share option granted under ESOS	236	–	36	16	–	18	306
Reversal of allowance for impairment on trade and other receivables no longer required	–	–	(48)	–	–	–	(48)
Net effect of unwinding of interest from discounting	4,986	–	11	–	–	–	4,997
Unrealised (gain)/loss on foreign exchange	(1,371)	–	–	35	950	–	(386)
Share of results in associates	11	(527)	(397)	–	–	22,583	21,670
Change in fair value of investment properties	–	(67,140)	–	–	–	–	(67,140)

37. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

2014	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	1,033,056	437,371	115,970	10,665	105,947	854	(274,612)	1,429,251
Investment in associates	34,526	771	3,029	–	–	–	(22,840)	15,486
Other investments	7,274	–	–	–	–	–	–	7,274
Goodwill	–	14,235	–	–	350	–	–	14,585
Deferred tax assets	–	–	–	654	–	–	–	654
Tax recoverable	104	–	547	–	3,453	–	–	4,104
Total assets	1,074,960	452,377	119,546	11,319	109,750	854	(297,452)	1,471,354
Liabilities								
Segment liabilities	519,015	178,917	36,682	2,588	62,997	1,665	(236,979)	564,885
Borrowings	348,793	178,516	62,384	5,424	41,925	–	–	637,042
Deferred tax liabilities	1,115	7,779	722	–	1,098	–	–	10,714
Tax payable	8,678	950	–	–	–	28	–	9,656
Total liabilities	877,601	366,162	99,788	8,012	106,020	1,693	(236,979)	1,222,297

* *Others – involved as commission agent.*

37. SEGMENT REPORTING (CONT'D)

(b) Reconciliation of reportable segment results, profit and loss, assets and other material items are as follow:-

	Segment result	
	2015	**2014**
	RM'000	**RM'000**
Total segment results	**43,687**	20,362
Elimination of inter-segment profit	**(4,988)**	(1,252)
Consolidated total	**38,699**	19,110

	Segment assets	
	2015	**2014**
	RM'000	**RM'000**
Total reportable segments	**2,144,967**	1,768,806
Elimination of inter-segment transactions or balances	**(361,129)**	(297,452)
Consolidated total	**1,783,838**	1,471,354

	Segment liabilities	
	2015	**2014**
	RM'000	**RM'000**
Total reportable segments	**1,798,732**	1,459,276
Elimination of inter-segment transactions or balances	**(306,358)**	(236,979)
Consolidated total	**1,492,374**	1,222,297

(c) 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
2015			
Revenue from external customers	**1,031,885**	**196,054**	**1,227,939**
Non-current assets (exclude deferred tax assets)	**380,698**	**100,377**	**481,075**
Segment assets	**1,530,268**	**253,570**	**1,283,838**
Segment liabilities	**1,212,273**	**280,101**	**1,492,374**
2014			
Revenue from external customers	1,016,338	37,140	1,053,478
Non-current assets (exclude deferred tax assets)	425,407	69,806	495,213
Segment assets	1,320,428	150,926	1,471,354
Segment liabilities	1,047,086	175,211	1,222,297

37. SEGMENT REPORTING (CONT'D)

(d) Information about a major customer

Revenue from a major customer amounting to RM302,482,000/- (2014: RM177,200,000/-) 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.

(b) Significant related party transactions and balances

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Transactions with:-				
Subsidiaries				
Dividend income	**–**	–	**5,000**	3,500
Management fees	**–**	–	**4,322**	4,544
Project commission	**–**	–	**1,535**	2,373
Rental income	**–**	–	**367**	502
Secretarial fee	**–**	–	**39**	36
Security and safety fee	**–**	–	**(216)**	(216)
Associates				
Construction services	**–**	454	**–**	(2,903)
Purchases of quarry product	**(20,394)**	(24,115)	**–**	24
Management fees	**768**	776	**768**	776
Secretarial fee	**4**	4	**4**	4
A company in which a director of the Company has interests in				
Project management fee	**(887)**	(120)	**(887)**	(120)
Purchase of:-				
- air tickets	**(1,112)**	(1,088)	**(414)**	(378)
- diesel	**–**	(156)	**–**	–

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions and balances (Cont'd)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
A corporate shareholder of a subsidiary				
Sales of quarry product	**3,336**	–	**–**	–
Construction works	**75,053**	18,906	**–**	–
A company in which a director of a subsidiary of the Company has interests in				
Sales of quarry product and ready mix concrete	**–**	480	**–**	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 13, Note 17 and Note 27 to the financial statements.

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term employee benefits	**12,372**	11,967	**3,417**	3,617
Employee Provident Fund	**1,089**	1,045	**358**	351
Share based payments	**728**	193	**399**	16
	14,189	13,205	**4,174**	3,984

Included in the key management personnel remuneration is:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors' remuneration:-				
- directors of the Company (Note 36)	**4,818**	4,746	**2,735**	2,720
- directors of the subsidiaries (Note 30)	**2,773**	2,422	**–**	–
	7,591	7,168	**2,735**	2,720

39. CAPITAL COMMITMENTS

	Group	
	2015 **RM'000**	**2014** **RM'000**
Approved and contracted for but not provided in the financial statements		
- property, plant and equipment	**423**	5,096
Approved and not contracted for		
- construction of power plant	**6,450**	14,938

40. FINANCIAL GUARANTEES AND CONTINGENCIES

(a) Financial guarantees

	Group		Company	
	2015 **RM'000**	**2014** **RM'000**	**2015** **RM'000**	**2014** **RM'000**
Corporate guarantees given to licensed banks for credit facilities granted to:-				
- subsidiaries	**–**	–	**883,705**	568,398
- associates	**175,251**	278,975	**175,251**	278,975
- other investment	**–**	–	**–**	–
Guarantee given in favour of suppliers of goods for credit terms granted to subsidiaries	**–**	–	**10,521**	4,002
Guarantee given to secure hire purchase payables of subsidiaries	**–**	–	**7,835**	11,539

The fair value of financial guarantees is Nil in respect to the abovementioned contracts.

(b) Contingencies

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

The nature of the proceeding is an Arbitration which has been instituted by EP against BPSB together with KH for an amount of RM16,834,000/- together with interest thereon for loss and damages suffered by reason of KH's repudiation of a subcontract which was awarded by KH to EP for the execution and completion of a Chilled Water Loop System in respect of the KLIA MAS Cargo Complex. BPSB denies the claim on the ground that there is no contract in existence between EP and BPSB and the alleged amount of loss and damage suffered was by reason of KH's repudiation of the aforementioned subcontract.

EP has closed its case in the Arbitration proceeding. Directions have been given by the arbitrator to file written submissions. EP's submission has been forwarded and served. On 9th April 2013, BPSB has been informed that KH has been directed by the arbitrator to submit their counter claim by 15th August 2013.

EP had duly filed their written submissions. KH requested for an extension of time to file their reply and the Arbitration has granted KH's request up to 31st May 2016.

BPSB has also entered into a settlement agreement with EP wherein EP has agreed with BPSB not to enforce against BPSB any award, if any, which may be made by the arbitrator against BPSB.

40. FINANCIAL GUARANTEES AND CONTINGENCIES (CONT'D)

(b) Contingencies (Cont'd)

(i) EP Engineering Sdn. Bhd. ("EP") v. Bina Puri Sdn. Bhd. ("BPSB") & Kris Heavy Engineering & Construction Sdn. Bhd. ("KH") (Cont'd)

There is a more than average probability that the claim by EP against BPSB will be dismissed with cost. In the worst case scenario, BPSB will be liable to EP for the full amount awarded (if any) by the arbitrator against KH. The Parties are presently filing their respective written submissions and on 31st October 2014, the Arbitrator may fix a date for decision or clarification.

(ii) One of the Group's projects was carried out by its wholly owned subsidiary together with a Joint Venture partner (JV). Due to, amongst others, the timing of variation orders and site instructions issued to the JV, the JV has submitted applications for extension of the completion date of the project. These applications are currently still pending decision from the contracting party. Based on the circumstances of this matter, the directors are of the opinion that the JV would be entitled to an extension of the completion date applied for. In view that the decision for the applications for the extension of the completion date are still pending, the directors have not made any provision in the Financial Statements of the Group. The directors are also unable to disclose further information on the subject matter, so as not to prejudice the position of the Group.

(iii) Bina Puri Pakistan (Private) Limited ("BPPPL") v. National Highway Authority of Pakistan ("NHA")

BPPPL had filed an application under Section 20 of the Arbitration Act, 1940 of Pakistan to refer the disputes out of the unlawful termination of the concession agreement by NHA to arbitration.

The Court in Pakistan had directed the parties to proceed with arbitration. First arbitration hearing of this matter has already taken place before the Hon'ble Arbitrators in Pakistan where BPPPL has claimed Pak Rupees 26,760,301,000/-, which is equivalent to RM892,010,000/- from NHA as damages (including loss of profit), interest, cost and expenses.

Arbitration proceedings continue from 12th May 2014 until 16th May 2014 in Pakistan.

The hearing which was scheduled on 17th November 2014 was adjourned to another date to be fixed as one of the witnesses was unwell.

On 26th February 2015, 3 witnesses from the Group had given evidence but were not cross-examined by NHA's lawyers. The Arbitrators fixed 16th and 17th April 2015 for continue hearing. After that, the case shall be closing and the NHA will then call their witness to start their defendant. No decision date had been fixed.

On 16th April 2015, NHA applied for adjournment and the proceedings on 16th and 17th April, 2015 was adjourned to 18th August 2015 for continue hearing.

The hearing proceeded on 29th January 2016 and further fixed for continue hearing on 26th February 2016. Cross-examination of BPPPL's witnesses was concluded on 2nd of April 2016. The next hearing date is fixed on 22nd April 2016. The Arbitrator directed parties on 22nd April 2016 to submit both transcripts to the arbitrators by 25th May 2016 and follow by written arguments by 30th June 2016.

The estimated maximum exposure to liabilities is minimal as there is no counter-claim being filed by NHA against BPPPL. The exposure to liability would be in terms of cost and expenses incurred in bringing the matter to arbitration. There is also the commitment to the contractors and consultants engaged, both local and in Pakistan, for the project, to be settled.

Based on facts of the case, BPPPL's Pakistan lawyer is of the opinion that BPPPL has a strong case with a reasonable likelihood of success upon conclusion of arbitration proceedings leading to an award in BPPPL's favour.

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, amount owing by subsidiaries and amount owing by associates. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an on-going basis. For other financial assets (including other investments, fixed deposits placed with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

Exposure to credit risk

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

(i) The carrying amounts of each class of financial assets recognised in the statements of financial position as disclosed in Note 10, Note 12, Note 13, 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.

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	
Countries	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Brunei Darussalam	**99,523**	27,688	**–**	–
Pakistan	**4,620**	3,877	**–**	–
US	**–**	1,014	**–**	–
Singapore	**–**	102	**–**	–
Indonesia	**3,003**	2,502	**–**	–
Malaysia	**406,377**	331,573	**46,839**	39,206
	513,523	366,756	**46,839**	39,206

41. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit Risk (Cont'd)

Financial assets that are neither past due nor impaired

Information regarding financial assets that are neither past due nor impaired are disclosed in Note 12, Note 13 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 12, Note 13 and Note 17 to the financial statements.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries and associates. The Company monitors the results of the subsidiaries and associates and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM1,065,791,000/- (2014: RM858,912,000/-) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 40(a). As at the reporting date, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand or Within One Year RM'000	One to Five Years RM'000	Over Five Years RM'000
2015					
Financial liabilities					
Trade and other payables**	**749,425**	**754,831**	**680,893**	**73,938**	**–**
Amount owing to associates	**9,536**	**9,536**	**9,536**	**–**	**–**
Amount owing to joint venture	**34**	**34**	**34**	**–**	**–**
Hire purchase payables	**15,132**	**16,362**	**7,324**	**9,038**	**–**
Term loans	**244,123**	**290,534**	**67,235**	**116,837**	**106,462**
Bank borrowings	**397,795**	**397,795**	**397,795**	**–**	**–**
	1,416,045	**1,469,092**	**1,162,817**	**199,813**	**106,462**

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)

Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand or Within One Year RM'000	One to Five Years RM'000	Over Five Years RM'000
2014					
Financial liabilities					
Trade and other payables**	534,651	544,816	475,190	69,626	–
Amount owing to associates	7,660	7,660	7,660	–	–
Amount owing to joint venture	34	34	34	–	–
Hire purchase payables	17,146	18,574	7,625	10,949	–
Term loans	245,875	285,948	37,049	160,122	88,777
Bank borrowings	374,021	374,021	374,021	–	–
	1,179,387	1,231,053	901,579	240,697	88,777
Company					
2015					
Financial liabilities					
Trade and other payables**	**59,675**	**60,913**	**48,412**	**12,501**	**–**
Amount owing to subsidiaries	**45,868**	**45,868**	**45,868**	**–**	**–**
Amount owing to associates	**6**	**6**	**6**	**–**	**–**
Amount owing to joint venture	**34**	**34**	**34**	**–**	**–**
Hire purchase payables	**553**	**598**	**216**	**382**	**–**
Bank borrowings	**50,726**	**50,726**	**50,726**	**–**	**–**
	156,862	**158,145**	**145,262**	**12,883**	**–**

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
2014					
Financial liabilities					
Trade and other payables**	65,591	66,144	62,323	3,821	–
Amount owing to subsidiaries	57,801	57,801	57,801	–	–
Amount owing to associates	6	6	6	–	–
Amount owing to joint venture	34	34	34	–	–
Hire purchase payables	738	815	216	599	–
Bank borrowings	48,739	48,739	48,739	–	–
	172,909	173,539	169,119	4,420	–

** exclude provision for foreseeable losses and advances received for contracts work not yet performed.

(iii) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

Interest rate profile

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows:-

Group	Effective Interest Rate %	Within 1 Year RM'000	1 - 5 Years RM'000	> 5 Years RM'000	Total RM'000
2015					
Financial asset					
Fixed deposits with licensed banks	**0.50 - 3.4**	**7,589**	**–**	**–**	**7,589**

41. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Interest Rate Risk (Cont'd)

Interest rate profile (Cont'd)

Group	Effective Interest Rate %	Within 1 Year RM'000	1 - 5 Years RM'000	> 5 Years RM'000	Total RM'000
2015					
Financial liabilities					
Hire purchase payables	**2.36 - 12.32**	**6,489**	**8,643**	**–**	**15,132**
Term loans	**3.9 - 8.10**	**60,706**	**107,751**	**75,666**	**244,123**
Bank borrowings	**3.75 - 8.75**	**397,795**	**–**	**–**	**397,795**
2014					
Financial asset					
Fixed deposits with licensed banks	0.50 - 4.25	11,223	–	–	11,223
Financial liabilities					
Hire purchase payables	3.1 - 12.32	6,854	10,292	–	17,146
Term loans	3.0 - 8.10	32,772	134,860	78,243	245,875
Bank borrowings	3.2 - 10.35	374,021	–	–	374,021
Company					
2015					
Financial asset					
Fixed deposits with licensed banks	**3.45**	**54**	**–**	**–**	**54**
Financial liabilities					
Hire purchase payables	**2.36 - 3.20**	**194**	**359**	**–**	**553**
Bank borrowings	**4.70 - 8.35**	**50,726**	**–**	**–**	**50,726**
2014					
Financial asset					
Fixed deposits with licensed banks	3.45	54	–	–	54
Financial liabilities					
Hire purchase payables	2.36 - 3.20	185	553	–	738
Bank borrowings	4.83 - 7.60	48,739	–	–	48,739

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 RM2,048,000/- (2014: RM1,876,000/-) and RM109,000/- (2014: RM158,000/-). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 5% on financial assets and financial liabilities of the Group and of the Company which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

(iv) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currencies of the Group entities. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Brunei, Hong Kong, Indonesia, Thailand, Vietnam, Abu Dhabi, Pakistan, Cambodia and India. The Group's investments in foreign operations are not hedged.

Foreign currency exposure profile

The foreign currency exposure profile of the financial instruments of the Group and of the Company is as follows:-

Group	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Total RM'000
2015						
Financial assets						
Gross amount due from contract customer	2,503	17,909	–	–	–	20,412
Trade and other receivables *	100,184	6,898	5,116	–	–	112,198
Fixed deposits with licensed banks	5,290	–	–	–	48	5,338
Cash and bank balances	1,441	16	702	–	12	2,171
	109,418	24,823	5,818	–	60	140,119
Financial liabilities						
Trade and other payables**	110,623	2,050	4,436	–	24	117,133
Hire purchase payables	–	–	120	–	–	120
Term loans	14,080	–	–	–	–	14,080
Bank borrowings	13,745	–	–	–	–	13,745
	138,448	2,050	4,556	–	24	145,078

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	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other Currency RM'000	Total RM'000
2014						
Financial assets						
Gross amount due from contract customer	301	15,545	–	–	–	15,846
Trade and other receivables *	27,671	5,789	3,855	–	–	37,315
Fixed deposits with licensed banks	4,641	–	–	–	48	4,689
Cash and bank balances	7,736	13	612	–	13	8,374
	40,349	21,347	4,467	–	61	66,224
Financial liabilities						
Trade and other payables**	33,199	1,678	5,431	–	24	40,332
Hire purchase payables	–	–	149	–	–	149
Term loans	13,951	–	–	–	–	13,951
Bank borrowings	24,273	–	–	–	–	24,273
	71,423	1,678	5,580	–	24	78,705

	United Arab Emirates Dirham 2015 RM'000	United Arab Emirates Dirham 2014 RM'000
Company		
Financial assets		
Fixed deposits with licensed banks	**48**	48
Cash and bank balances	**1**	1
	49	49

* *exclude prepayments and accrued billings.*
** *exclude provision for foreseeable losses and advances received for contract work not yet performed.*

(b) Classification of Financial Instruments

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

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

41. FINANCIAL INSTRUMENTS (CONT'D)

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

Group	Loans and receivables RM'000	Available for sales RM'000	Financial liabiilities at amortised cost RM'000	Total RM'000
2015				
Financial assets				
Quoted and unquoted shares	**–**	**6,852**	**–**	**6,852**
Gross amount due from contract customers	**296,841**	**–**	**–**	**296,841**
Trade and other receivables*	**695,250**	**–**	**–**	**695,250**
Amount owing by associates	**33,292**	**–**	**–**	**33,292**
Fixed deposits with licensed banks	**7,589**	**–**	**–**	**7,589**
Cash and bank balances	**81,006**	**–**	**–**	**81,006**
Total carrying amount	**1,113,978**	**6,852**	**–**	**1,120,830**
Financial liabilities				
Trade and other payables**	**–**	**–**	**749,425**	**749,425**
Amount owing to associates	**–**	**–**	**9,536**	**9,536**
Amount owing to joint venture	**–**	**–**	**34**	**34**
Hire purchase payables	**–**	**–**	**15,132**	**15,132**
Term loans	**–**	**–**	**244,123**	**244,123**
Bank borrowings	**–**	**–**	**397,795**	**397,795**
Total carrying amount	**–**	**–**	**1,416,045**	**1,416,045**
2014				
Financial assets				
Quoted and unquoted shares	–	6,852	–	6,852
Gross amount due from contract customers	258,687	–	–	258,687
Trade and other receivables*	536,857	–	–	536,857
Amount owing by associates	31,410	–	–	31,410
Fixed deposits with licensed banks	11,223	–	–	11,223
Cash and bank balances	66,908	–	–	66,908
Total carrying amount	905,085	6,852	–	911,937
Financial liabilities				
Trade and other payables**	–	–	534,651	534,651
Amount owing to associates	–	–	7,660	7,660
Amount owing to joint venture	–	–	34	34
Hire purchase payables	–	–	17,146	17,146
Term loans	–	–	245,875	245,875
Bank borrowings	–	–	374,021	374,021
Total carrying amount	–	–	1,179,387	1,179,387

41. FINANCIAL INSTRUMENTS (CONT'D)

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

Company	Loans and receivables RM'000	Available for sales RM'000	Financial liabiilities at amortised cost RM'000	Total RM'000
2015				
Financial assets				
Quoted and unquoted shares	**–**	**6,342**	**–**	**6,342**
Gross amount due from contract customers	**15,683**	**–**	**–**	**15,683**
Trade and other receivables*	**40,885**	**–**	**–**	**40,885**
Amount owing by subsidiaries	**131,824**	**–**	**–**	**131,824**
Amount owing by associates	**32,548**	**–**	**–**	**32,548**
Fixed deposits with licensed banks	**54**	**–**	**–**	**54**
Cash and bank balances	**930**	**–**	**–**	**930**
Total carrying amount	**221,924**	**6,342**	**–**	**228,266**
Financial liabilities				
Trade and other payables	**–**	**–**	**59,675**	**59,675**
Amount owing to subsidiaries	**–**	**–**	**45,868**	**45,868**
Amount owing to associates	**–**	**–**	**6**	**6**
Amount owing to joint venture	**–**	**–**	**34**	**34**
Hire purchase payables	**–**	**–**	**553**	**553**
Bank borrowings	**–**	**–**	**50,726**	**50,726**
Total carrying amount	**–**	**–**	**156,862**	**156,862**
2014				
Financial assets				
Quoted and unquoted shares	–	6,342	–	6,342
Gross amount due from contract customers	28,713	–	–	28,713
Trade and other receivables*	38,934	–	–	38,934
Amount owing by subsidiaries	113,930	–	–	113,930
Amount owing by associates	30,903	–	–	30,903
Fixed deposits with licensed banks	54	–	–	54
Cash and bank balances	9,787	–	–	9,787
Total carrying amount	222,321	6,342	–	228,663
Financial liabilities				
Trade and other payables	–	–	65,591	65,591
Amount owing to subsidiaries	–	–	57,801	57,801
Amount owing to associates	–	–	6	6
Amount owing to joint venture	–	–	34	34
Hire purchase payables	–	–	738	738
Bank borrowings	–	–	48,739	48,739
Total carrying amount	–	–	172,909	172,909

* *exclude prepayments and accrued billing.*
** *exclude provision for foreseeable losses and advances received for contract work not yet performed.*

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of Financial Instruments

Determination of Fair Value

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:-

(i) Cash and bank balances, trade and other receivables and payables

The carrying amounts of cash and bank balances, trade and other current receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments. The fair value of non-current receivables and payables are estimated by discounting future cash flow using current lending rates for similar types of arrangements.

(ii) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

Fair Values Hierarchy

Policy on transfer between levels

The fair value of asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 December 2015 and 2014, there was no transfer between the fair value measurement hierarchy.

Policy on transfer between levels

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:-

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Transfer between Level 1 and Level 2

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either directions).

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

41. FINANCIAL INSTRUMENTS (CONT'D)

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

The carrying amount of 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.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2015										
Group										
Financial assets										
Other investments										
- Unquoted shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**#**	**6,780**
- Quoted shares	**72**	**–**	**–**	**72**	**–**	**–**	**–**	**–**	**72**	**72**
- Transferable corporate membership	**–**	**–**	**–**	**–**	**217**	**–**	**–**	**217**	**217**	**217**
	72	**–**	**–**	**72**	**217**	**–**	**–**	**217**	**289**	**7,069**
2014										
Group										
Financial assets										
Other investments										
- Unquoted shares	–	–	–	–	–	–	–	–	#	6,780
- Quoted shares	72	–	–	72	–	–	–	–	72	72
- Transferable corporate membership	–	–	–	–	422	–	–	422	422	422
	72	–	–	72	422	–	–	422	494	7,274

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

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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Borrowings				
Hire purchase payables	**15,132**	17,146	**553**	738
Term loans	**244,123**	245,875	**–**	–
Bank borrowings	**397,795**	374,021	**50,726**	48,739
	657,050	637,042	**51,279**	49,477
Less:				
Fixed deposits with licensed banks	**(7,589)**	(11,223)	**(54)**	(54)
Cash and bank balances	**(81,006)**	(66,908)	**(930)**	(9,787)
Net debt	**568,455**	558,911	**50,295**	39,636
Total equity	**291,464**	249,057	**212,486**	199,162
Debt-to-equity ratio	**1.95**	2.24	**0.24**	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.

43. SIGNIFICANT SUBSEQUENT EVENTS

On 12th April 2016, the Company announced the extension of Executives' Share Option Scheme ("ESOS") which will be expiring on 6th June 2016 for another five (5) years until 6th June 2021. The extension is in accordance with the terms of the ESOS By-Laws.

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

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

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

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Total retained profits/(accumulated losses):-				
- realised	**44,893**	54,990	**90,306**	104,233
- unrealised	**72,506**	53,790	**(900)**	(900)
	117,399	108,780	**89,406**	103,333
Total share of accumulated losses of associates:-				
- realised	**(28,073)**	(18,481)	**–**	–
- unrealised	**–**	–	**–**	–
	(28,073)	(18,481)	**–**	–
Total share of accumulated losses of joint venture:-				
- realised	**(3,402)**	(3,402)	**–**	–
- unrealised	**–**	–	**–**	–
	(3,402)	(3,402)	**–**	–
At 31st December	**85,924**	86,897	**89,406**	103,333

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 72 to 178 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 179 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: 22nd April 2016

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 72 to 178 and the supplementary information set out on page 179 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, I960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur)
in the Federal Territory on 22nd April 2016)
)

MATTHEW TEE KAI WOON
Director

Before me,

Commissioner for Oaths
ZULKIFLA MOHD DAHLIM
NO. W 541

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements

We have audited the financial statements of Bina Puri Holdings Bhd., which comprise the statements of financial position as at 31st December 2015 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 72 to 178.

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 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matters

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

(a) As disclosed in Note 40(b)(ii) to the financial statements, one of the Group's projects was carried out by its wholly owned subsidiary together with a Joint Venture partner (JV). Due to, amongst others, the timing of variation orders and site instructions issued to the JV, the JV has submitted applications for extension of the completion date of the project. These applications are currently still pending decision from the contracting party. Based on the circumstances of this matter, the directors are of the opinion that the JV would be entitled to an extension of the completion date applied for. In view that the decision for the applications for the extension of the completion date are still pending, the directors have not made any provision in the financial statements of the Group. The directors are also unable to disclose further information on the subject matter, so as not to prejudice the position of the Group. As disclosed in Note 12(a)(i), Note 12(b)(i) and Note 16(b) to the financial statements, included in the Group's trade receivables, other receivables and gross amount due from contract customers are RM3,346,000/-, RM3,407,000/- and RM49,264,000/- respectively in which the Group is in the process of finalising the final settlement accounts in relation to the said joint venture project.

(b) As disclosed in Note 17(c) to the financial statements, included in the Group's and the Company's amount owing by associates are amounts of RM25,497,000/- owing by certain associates which have been long outstanding. The directors are of the opinion that the amounts due from these associates are recoverable as these associates have committed to the Group and the Company to repay the amounts owing when they have successfully recovered the compensation in their legal claims from their completed project. Hence, no allowance for impairment is required.

Emphasis of Matters (Cont'd)

(c) As disclosed in Note 13(b)(i) to the financial statements, included in the Company's amount owing by subsidiaries is an advance of RM16,650,000/- to a foreign subsidiary to undertake a project awarded by the Government of Pakistan. The project had been subsequently terminated by the Government of Pakistan. As disclosed in Note 16(a) to the financial statements, included in the Group's and the Company's gross amount due from contract customers is an amount of RM17,909,000/- which relates to the construction costs incurred on the same project. The Group and the Company are currently engaged in an arbitration process to recover the said amounts from the Government of Pakistan. The details of the arbitration proceedings are as disclosed in Note 40(b)(iii) to the financial statements. The recoverability of the said amounts is dependent on the successful outcome of the arbitration process which, based on the advice of the Group's and the Company's solicitors, the directors are of the opinion that there is a reasonable likelihood of success in the arbitration process. Hence, no allowance for impairment is required.

(d) As disclosed in Note 10(b) to the financial statements, included in the Group's and the Company's other investment is an amount of RM6,017,000/- in respect to an investment in Redeemable Preference Shares in a concession company ("concessionaire"). The concessionaire has engaged in legal proceedings against the grantor of the concession (the "grantor") to fulfil the terms and conditions of the concession and at the same time negotiating with the grantor to purchase the concession which, in the opinion of the concessionaire's solicitors will result in a claimed amount and/or sale proceeds which is in excess of the concessionaire's liabilities including its obligations to the Group and the Company. The recoverability of the Group's and the Company's other investment is dependent on the successful outcome of the concessionaire's claims against and negotiations with the grantor which in the opinion of the directors is highly likely. Therefore, the directors are of the opinion that the other investment is recoverable. Hence, no allowance for impairment is required.

We have considered the importance of these factors that are fundamental to the understanding of the financial statements and draw your attention to them, but our opinion is not qualified.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) Other than those subsidiaries without the financial statements and the auditors' reports as disclosed in Note 7 to the financial statements, we have considered the financial statements and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

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

(d) Other than those subsidiaries without the auditors' reports as disclosed in Note 7 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 179 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

Tan Ban Tatt
No. 3099/03/18(J)
Chartered Accountant

Kuala Lumpur

Date: 22nd April 2016

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2016

Authorised Capital	:	RM500,000,000.00
Issued and Paid-up Capital	:	RM116,424,425.00
Class of Shares	:	Ordinary shares of RM0.50 each

Substantial Shareholders (As per Register of Substantial Shareholders)	**No. Of Shares**	**% Of Shares**
Jentera Jati Sdn. Bhd.	20,388,000*	8.76
Tan Sri Datuk Tee Hock Seng, JP	17,199,778#	7.39
Ng Keong Wee	14,093,600	6.05

* *includes beneficial interest held through nominee company.*
\# *includes shares held through nominee company, 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.*

Note:-
Based on adjusted issued share capital of 232,848,850 ordinary shares of RM0.50 each after deducting 790,000 treasury shares retained by the Company as per Record of Depositors.

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

Name of Directors	**Direct Interest**	**%**	**Indirect Interest**	**%**
Tan Sri Datuk Tee Hock Seng, JP	16,799,778*	7.21	400,000#	0.17
Dr. Tony Tan Cheng Kiat	9,368,902*	4.02	–	–
Datuk Henry Tee Hock Hin	5,594,668	2.40	–	–
Tay Hock Lee	1,807,707	0.78	–	–
Matthew Tee Kai Woon	2,818,925	1.21	–	–
Datuk Tan Kwe Hee	121,000	0.05	–	–
We Her Ching (Alternate Director to Datuk Henry Tee Hock Hin)	104,900	0.05	–	–

* *includes beneficial interest held through nominee company.*
\# *indirect interest – 340,000 shares held through nominee company for Tee Hock Seng Holdings Sdn. Bhd. and 60,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.*

Distribution of Shareholdings
(As per Record of Depositors)

Range of Shareholdings	**No. of Shareholders**	**% of Shareholders**	**No. of Shares**	**% of Shares**
Less than 100	15	0.33	476	0
100 - 1,000	571	12.60	491,924	0.21
1,001 - 10,000	2,282	50.38	13,022,525	5.60
10,001 - 100,000	1,467	32.39	46,832,377	20.11
100,001 to less than 5% of issued shares	193	4.26	143,065,170	61.44
5% and above of issued shares	2	0.04	29,436,378	12.64
Total	4,530	100.00	232,848,850	100.00

THIRTY LARGEST SHAREHOLDERS

		No. of Shares	% of Shares
1.	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	6.59
2.	Ng Keong Wee	14,093,600	6.05
3.	Jentera Jati Sdn. Bhd.	10,388,000	4.46
4.	Kittipat Songcharoen	10,000,000	4.29
5.	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Jentera Jati Sdn. Bhd. (KLC)	10,000,000	4.29
6.	MSX Ventures Sdn. Bhd.	8,467,600	3.64
7.	Datin Lee Kuan Chen	8,000,000	3.44
8.	Datuk Henry Tee Hock Hin	5,594,668	2.40
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Dato' Mohamed Feisal Bin Ibrahim (514123808681)	5,238,000	2.25
10.	Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Dr. Tan Cheng Kiat	5,000,000	2.15
11.	Chan Fong Yun	5,000,000	2.15
12.	Dr. Tan Cheng Kiat	4,368,902	1.88
13.	Maybank Nominees (Asing) Sdn. Bhd. Qualifier: Pledged Securities Account For San Tuan Sam	3,638,800	1.56
14.	Cheo Chet Lan @ Chow Sak Nam, KMN	3,126,884	1.34
15.	Maju Offshore Sdn. Bhd.	3,046,000	1.31
16.	Taraf Cendana Sdn. Bhd.	3,000,000	1.29
17.	Goh Kui Lian	2,860,000	1.23
18.	Matthew Tee Kai Woon	2,818,925	1.21
19.	Lim Seng Chee	2,425,500	1.04
20.	Tay Hock Lee	1,807,707	0.78
21.	Tan Sri Datuk Tee Hock Seng, JP	1,430,000	0.61
22.	Foong Ai Lin	1,426,000	0.61
23.	Mercsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account For Siow Wong Yen @ Siow Kwang Hwa	1,320,000	0.57
24.	Tee Hock Loo	1,215,207	0.52
25.	Dato' Razali Bin Daud, JP	1,123,000	0.48

THIRTY LARGEST SHAREHOLDERS (Cont'd)

		No. of Shares	% of Shares
26.	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledge Securities Account For Ng Cheng Lean (E-JBU)	1,038,000	0.45
27.	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB Bank for Teo Geok Kiam (MY1156)	1,000,000	0.43
28.	Lye Wee Ken	1,000,000	0.43
29.	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB Bank for Tay Hock Soon (MY1055)	898,900	0.39
30.	Yeong Ah Sung	880,600	0.38
	Total	**135,549,071**	**58.22**

LIST OF PROPERTIES

31 DECEMBER 2015

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 31 Dec 15 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	18	Office	13,937
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	23	Guest House	1,018
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	23	Office	456
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	23	Office	531 165
Parcel No B-5-3 Tower Banyan The Haven Lakeside Residences Held under master title PN 342582 Lot 398127, Mukim Hulu Kinta Daerah Kinta, Perak	Condominium	14 Jan 15	Leasehold	2108	1,455 sq ft	2	Guest House	904
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	11	Office	2,638
Unit 65, Block H Alamesra Plaza Permai Alamesra, Sabah	2 storey shop cum office	8 March 2013	Leasehold	2098	228.8 sg mt	3	Office	1,410
H.S.(D) 102462 PT No. 17604 32 Jalan Kajang Perdana 2/3 Taman Kajang Perdana Kajang, Selangor Darul Ehsan	3 storey shoplot	10 July 2014	Freehold	–	7,389 sq ft	11	Office	3,194
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	19	Guest House	270
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	17	Vacant	112

LIST OF PROPERTIES
31 DECEMBER 2015 (Cont'd)

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 31 Dec 15 RM'000
Lot 3261, Mukim Beranang Daerah Ulu Langat Negeri Selangor Darul Ehsan	Freehold land Building	26 Oct 2009 July 2014	Freehold	–	 1,996.43 sq m	2	Factory	547 2,840
3 level shopping Mall Main Place Mall Lot 49113 Pekan Subang Jaya District of Petaling Selangor Darul Ehsan	Shopping Mall	20 Mar 14	Freehold	–	645,834 sq ft	2	Renting	205,000
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	570
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	233
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
Lot No. J-GF-5, Block J Lot No. J-GF-7, Block J Lot No. J-GF-8, Block J Lot No. J-GF-9, Block J Ground Floor, Apartment Angkasa, Kampung Darau, Menggatal, Kota Kinabalu, Sabah	Angkasa Apartment	21 Oct 2013	Leasehold	2074	850 sq ft 850 sq ft 850 sq ft 850 sq ft	3	Guest House	716

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 27 June 2015, 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 2015 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 members of his family collectively hold approximately 100% equity interest	(i) Bina Puri Holdings Bhd	414
		(ii) Bina Puri Sdn Bhd	456
		(iii) Bina Puri Properties Sdn Bhd	231
		(iv) Sungai Long Industries Sdn Bhd	1
		(v) Maskimi Polyol Sdn Bhd	4
		(vi) Easy Mix Sdn Bhd	6
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 Henry Tee Hock Hin, collectively hold 51% equity interest	(i) Bina Puri Holdings Bhd	110
		(ii) Star Effort Sdn Bhd	777
Sale of quarry material, brick and ready-mix concrete	Dimara Construction Sdn Bhd, a company in which Director of the Company's subsidiary Mr Ang Kiam Chai has 61.66% equity interest	(i) Easy Mix Sdn Bhd	3,336
Contract works	Dimara Holdings Sdn Bhd, a company in which Director of the Company's subsidiary Mr Ang Kiam Chai has 61.66% equity interest	(i) Bina Puri Holdings Bhd	75,053

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

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

Kuching Office
No. 19 & 20
Travillian Commercial Centre
Jalan Petanak, 93100
Kuching, Sarawak, Malaysia
Tel : (6082) 241 991 / 240 992
Fax : (6082) 241 994
E-mail : bp.kuc@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
Website : www.latar.com.my

PROPERTY DEVELOPMENT

BINA PURI PROPERTIES SDN. BHD. (246157-M)
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

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)
No 32, Jalan Kajang Perdana 2/3
Taman Kajang Perdana, Kajang
43000 Selangor Darul Ehsan
Tel : (603) 8740 9612
Fax : (603) 8740 8253

SUNGAI LONG BRICKS SDN. BHD. (332315-X)
No 32, Jalan Kajang Perdana 2/3
Taman Kajang Perdana, Kajang
43000 Selangor Darul Ehsan
Tel : (603) 8740 9612
Fax : (603) 8740 8253

KM QUARRY SDN. BHD. (409397-V)
No. 16-1, Jalan PE 35
Taman Paya Emas Fasa 2A
76450 Paya Rumput, Melaka
Malaysia
Tel : (606) 312 4286
Fax : (606) 312 4278
E-mail : kmquarry@binapuri.com.my

UTILITIES

BINA PURI POWER SDN. BHD. (260433-H)
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

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.
947/127 Moo 12, Bangna Sub District
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

BINA PURI HOLDINGS BHD.

(207184-X)

PROXY FORM

I/We ....

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

of ....

(Address)

being a member of BINA PURI HOLDINGS BHD. hereby appoint ....

(Full name in block letters & IC No.)

of ....

(Address)

No. of shares represented .... Percentage (%) of shareholding represented ....

or failing him/her ....

(Full name in block letters & IC No.)

of ....

(Address)

No. of shares represented .... Percentage (%) of shareholding represented ....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fifth 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 Tuesday, 28 June 2016 at 11:00 a.m. and at any adjournment thereof, as indicated below:

Resolution	Agenda	For	Against
Ordinary Resolution 1	Re-election of Dato' Yeow Wah Chin		
Ordinary Resolution 2	Re-election of Ir. Ghazali Bin Bujang		
Ordinary Resolution 3	Re-election of Mohd Najib Bin Abdul Aziz		
Ordinary Resolution 4	Ratification and approval of directors' annual fees of RM462,000		
Ordinary Resolution 5	Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors		
Ordinary Resolution 6	Sea Travel and Tours Sdn. Bhd.		
Ordinary Resolution 7	Kumpulan Melaka Bhd.		
Ordinary Resolution 8	Ideal Heights Properties Sdn. Bhd.		
Ordinary Resolution 9	Dimara Building System Sdn. Bhd.		
Ordinary Resolution 10	Dimara Construction Sdn. Bhd.		
Ordinary Resolution 11	Dimara Holdings Sdn. Bhd.		
Ordinary Resolution 12	Proposed authority to allot shares		
Ordinary Resolution 13	Proposed renewal of share buy-back		

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

CDS Account No.	
No. of Shares Held	

....

Signature of Shareholder / Common Seal

Dated this .... day of 2016

Notes:

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

   An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
8. To be valid the proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
9. Only members whose names appear in the Record of Depositors as at 22 June 2016 shall be eligible to attend the Twenty-Fifth Annual General Meeting or appoint proxy(ies) to attend and vote on his behalf.

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STAMP

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


MEGAPOWER
PLTM BANTAENG -1

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