MITRAJAYA

MITRAJAYA HOLDINGS BERHAD

(Company No. 268257–T)

YEARS OF EXCELLENCE

1985 - 2015

ANNUAL REPORT 2015

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30TH ANNIVERSARY DINNER

Mitrajaya celebrated its 30 years of nation building together with valued clients, business partners and employees at Shangri-La Hotel Kuala Lumpur with a gala dinner themed “Glitz & Glamour”. Mr. Tan Eng Piow the Group Managing Director of Mitrajaya beamed with pride and joy when he presented the Long Service Awards to 30 out of 123 employees who have served the corporation between 10 to 30 years. The main entertainment of the night was provided by Harith Iskandar, the Godfather of Malaysian stand-up comedy. In conjunction with the 30 years of growth, Mitrajaya also donated RM 30,000 each to two charitable organisations namely, Hospis Malaysia and National Kidney Foundation (NKF).

CORPORATE INFORMATION

Board of Directors

Independent Non-Executive Chairman
General Tan Sri Ismail Bin Hassan (R)

Group Managing Director
Tan Eng Piow

Executive Directors
Foo Chek Lee
Cho Wai Ling

Independent Non-Executive Directors
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Ir Zakaria Bin Nanyan
Roland Kenneth Selvanayagam

Secretary

Leong Oi Wah
(MAICSA No. 7023802)

Registered Office

No. 9, Blok D,
Pusat Perdagangan Puchong Prima,
Persiaran Prima Utama,
Taman Puchong Prima,
47150 Puchong,
Selangor Darul Ehsan.
Tel : (603) 8060 9999
Fax: (603) 8060 9998

Auditors

Baker Tilly Monteiro Heng (AF 0117)
Baker Tilly MH Tower,
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur.

Principal Bankers

- ABSA Bank Limited (South Africa)
- AmBank Islamic Berhad
- AmBank (M) Berhad
- Bank of China (Malaysia) Berhad
- CIMB Islamic Bank Berhad
- Hong Leong Bank Berhad
- Hong Leong Islamic Bank Berhad
- HSBC Amanah Malaysia Berhad
- Malayan Banking Berhad
- Maybank Islamic Berhad
- OCBC Bank (Malaysia) Berhad
- RHB Islamic Bank Berhad

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
Tel No. : 03-27839299
Fax No. : 03-27839222

Solicitors

Joseph Ting & Co.
Suite 12, 13 & 14,
6th Floor, IOI Business Park,
No.1, Persiaran Puchong Jaya Selatan,
Bandar Puchong Jaya, 47170 Puchong,
Selangor Darul Ehsan.

Lio & Partners
B-9-4, Setia Walk,
Persiaran Wawasan, Pusat Bandar Puchong,
47160 Puchong,
Selangor Darul Ehsan.

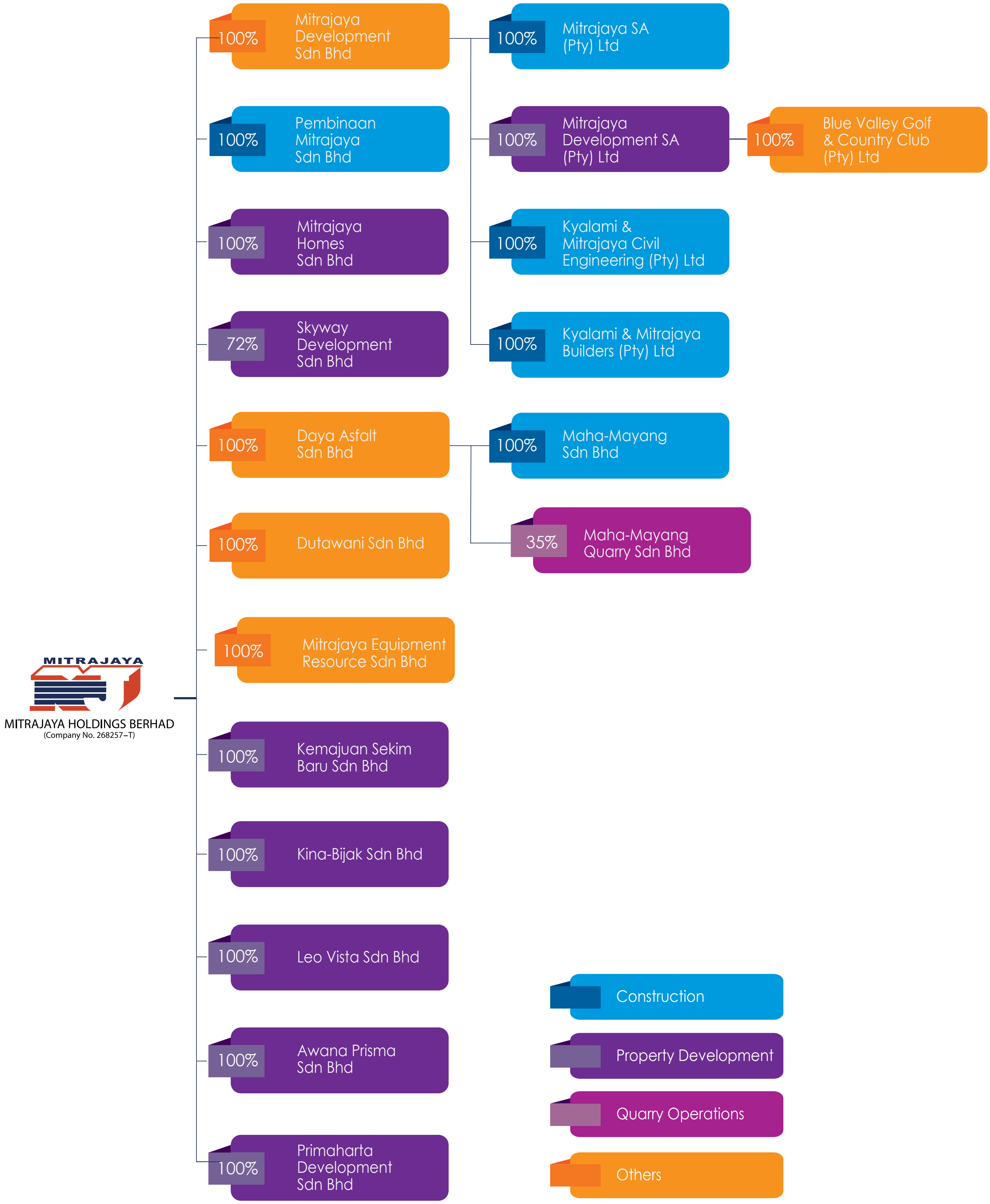
Tee Bee Kim & Partners
No. 25A & 27A (1st Floor),
Jalan 52/1, Merdeka Square,
46200 Petaling Jaya,
Selangor Darul Ehsan.

Van Der Merwe Du Toit
Brooklyn Place,
Cnr Bronkhors and Dey Streets,
Brooklyn, Docex 110 Pretoria,
Republic of South Africa.

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MITRA
Stock Code : 9571

CORPORATE STRUCTURE



Optimax Eye Specialist Centre Sdn Bhd ("Optimax") and its subsidiaries have been excluded as Mitrajaya Holdings Berhad has on 5 February 2016 executed the sale and purchase agreement for the disposal of its entire 51% equity interest in Optimax and the disposal is expected to be completed by the second quarter of 2016.

BOARD OF DIRECTORS

Seated From Left To Right:

Tan Eng Piow

General Tan Sri Ismail Bin Hassan (R)

Cho Wai Ling

Standing From Left To Right:

Ir Zakaria Bin Nanyan

Foo Chek Lee

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

Roland Kenneth Selvanayagam

DIRECTORS' PROFILE

GENERAL TAN SRI ISMAIL BIN HASSAN (R)

General Tan Sri Ismail Bin Hassan (R), aged 73, was appointed as an Independent Non-Executive Director of Mitrajaya Holdings Berhad ("MHB") on 9 August 2000. He was appointed the Chairman of the Company on 26 November 2009. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He is also a Director of Pembinaan Mitrajaya Sdn Bhd.

He graduated from the Universiti Sains Malaysia with a Bachelor of Social Sciences Degree (Hons in Politics). In the Military Professional Education, Tan Sri Ismail graduated from Command and General Staff College, Fort Leavenworth, Kansas, USA (on Commandant's List) in 1975, from Joint Services Staff College Canberra, Australia, in 1982 and he is also a graduate of the National Defense University, Washington, DC, USA in 1987. Later he was inducted into the NDU International Fellows Hall of Fame, in recognition of outstanding achievement accorded to the graduates of the University who had achieved the highest rank/ appointment in their respective Service.

Prior to joining MHB, Tan Sri Ismail has served as a Commission Officer in the Malaysian Army for 36 years and he held many key appointments at Field Command, Training Command and the Ministry of Defence levels before retiring as Chief of Army in December 1997.

Currently, he also holds directorships in Qaleefa Security Sdn Bhd and Camire Sdn. Bhd.

TAN ENG PIOW

Tan Eng Piow, aged 62, was appointed as Group Managing Director of MHB on 9 September 1994. He is one of the founding members of Pembinaan Mitrajaya Sdn Bhd.

He holds a Bachelor of Civil Engineering (Honours) degree from University of Malaya, which was obtained in 1977. He is also a Member of the Institution of Engineers Malaysia.

He began his career as Works Engineer with Jabatan Kerja Raya – JKR (Public Works Department) from 1977 to 1979. From 1980 till 1985, he was a Project Manager with Perkuat Kuari Sdn Bhd (Quarry Operation).

He has over 37 years of extensive technical and management experience in the construction industry and has been actively involved in the management and operations of the MHB Group. He also oversees the Group's development, growth and expansion.

FOO CHEK LEE

Foo Chek Lee, aged 61, was appointed a Director of MHB on 1 August 1995. Currently, he is an Executive Director of MHB. He is also the Managing Director of Pembinaan Mitrajaya Sdn Bhd.

He graduated from University Technology Malaysia in 1978 with a Bachelor of Civil Engineering (Honours) degree.

Prior to joining MHB, he served with Jabatan Kerja Raya (Public Works Department) for a period of 14 years. He last served as Assistant Director of Roads, JKR Kelantan Darul Naim from 1989 to 1991, after which he joined Pembinaan Mitrajaya Sdn Bhd as General Manager. He has over 35 years of extensive technical and management experience which includes all aspects of civil engineering construction and project management.

He is also currently serving as Deputy President of Master Builders Association Malaysia. He is also a Board member of NIOSH Certification Sdn Bhd.

DIRECTORS' PROFILE (cont'd)

CHO WAI LING

Cho Wai Ling, aged 43, was appointed as an Executive Director of MHB on 1 September 2014. She graduated from University of Malaya in 1998 with a Bachelor of Accountancy (Honours) degree and has been a member of the Malaysian Institute of Accountants since 2001.

She started her career with MHB in 1999 as an Executive in the Finance & Accounts Department and rose from rank and file to managerial position and in 2005 was promoted to Group Finance Manager. She heads the Finance & Accounts Department and handles all corporate matters of the Group. In her position as Executive Director, her role was expanded to cover investor relations function and to assist the Group Managing Director on strategic management responsibilities.

TAN SRI DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, aged 71, was appointed as Independent Non-Executive Director of MHB on 26 February 2002. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

He graduated with a Bachelor of Arts (Honours) from University of Malaya and joined the Malaysian civil service in 1968. He has held positions in the Government including State Secretary of Pulau Pinang, Kelantan Federal Development Director (Prime Minister's Department), Perak State Financial Officer, Director General of Kuala Lumpur City Hall, Under Secretary for Ministry of Defence and Ministry of Finance and Secretary General of Ministry of Domestic Trade and Consumer Affairs. His last post in the civil service was as the Secretary General of the Ministry of Home Affairs from 1998-2000.

Currently, he is Chairman of Prinsiptek Corporation Bhd and TSR Capital Berhad. He is also Independent Non-Executive Director of Pinehill Pacific Bhd. He is currently the President of the Malaysian Petanque Association and Vice President of the Malaysia Golf Association.

IR ZAKARIA BIN NANYAN

Ir Zakaria Bin Nanyan, aged 73, was appointed as Independent Non-Executive Director of MHB on 26 February 2002. He is also a member of the Audit Committee and the Nomination and Remuneration Committee.

He graduated with B.Sc in Mechanical Engineering from the University of Strathclyde U.K. in 1972 and later obtained Masters of Science in Industrial Hygiene from the University of Pittsburgh USA. He is a Professional Engineer and a Member of The Institution of Engineers Malaysia.

Prior to his appointment to the MHB Board, he was the Director General of the Department of Occupational Safety and Health Malaysia, a position held from 1992 to 1998. He holds directorships in Pressure Care Sdn Bhd.

He is currently serving as Chairman of the Board of Examiners for the Site Safety Supervisors Course conducted by The Master Builders Association Malaysia.

DIRECTORS' PROFILE (cont'd)

ROLAND KENNETH SELVANAYAGAM

Roland Kenneth Selvanayagam, aged 59, was appointed an Executive Director on 23 April 1998. From 1 July 2008, he was redesignated as Non-Executive Director as he left full time employment to start his own business. On 28 March 2011 where having met the Listing Requirements criteria for Independent Director, the Board re-designated him to be an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee.

He is a professionally qualified accountant with over 30 years post qualifying commercial experience. Prior to his involvement with the MHB Group, he was employed variously within the British American Tobacco Group, Sears Roebuck Group and the PT Mayora Indah Group – where he was the pioneer General Manager for their Malaysian operations.

He was President of the Malaysian Division of the Chartered Institute of Management Accountants from June 1996 - May 1998. He is a recipient of the Institute's Bronze medal – awarded in recognition of services rendered to the Institute and the profession at large.

At various times, he has held directorships (listed & unlisted companies) in various countries including South Africa, Sri Lanka, Singapore, Thailand and Australia.

Notes:

- *All Directors of MHB are Malaysian and do not have any conflict of interest with MHB.*
- *They have not been convicted for offences within the past ten (10) years other than traffic offences, if any.*
- *There is no family relationship amongst the Directors and major shareholders of MHB.*

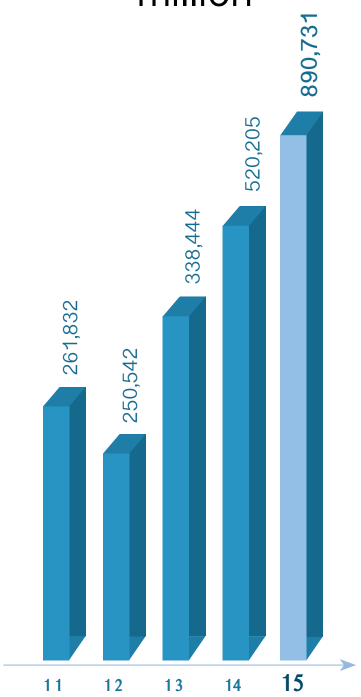
5 YEARS FINANCIAL HIGHLIGHTS

Year Ended 31 December	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Revenue	261,832	250,542	338,444	520,205	890,731
Profit before taxation	56,752	27,837	40,296	72,482	124,876
Profit for the year attributable to owners of the Company	40,797	17,930	29,316	53,769	86,576
Shareholders' fund	329,220	332,395	349,655	394,418	500,500
Issued Share capital	198,766	198,766	198,766	198,766	321,085
Issued Share capital (weighted average) (unit)	386,283	394,557	394,442	394,130	624,989
Return on shareholders' fund (%)	12.39	5.39	8.38	13.63	17.30
Dividend per share (sen)	5.0	2.0	2.0	5.0	5.0 [Note 1]
Basic earnings per share (sen)	10.56	4.54	7.43	13.64	13.85
Net assets per share (sen) [Note 2]	89	84	88	99	78

Note 1: Proposed dividend for financial year ended 31 December 2015 is subject to shareholders' approval at the following AGM.

Note 2: The computation of Net assets per share ("NAPS") does not take into account the number of shares bought back and treasury shares as shown in the Statement of Financial Position. The Board is of the view that the NAPS will be overstated by reflecting the shares bought back in the computation.

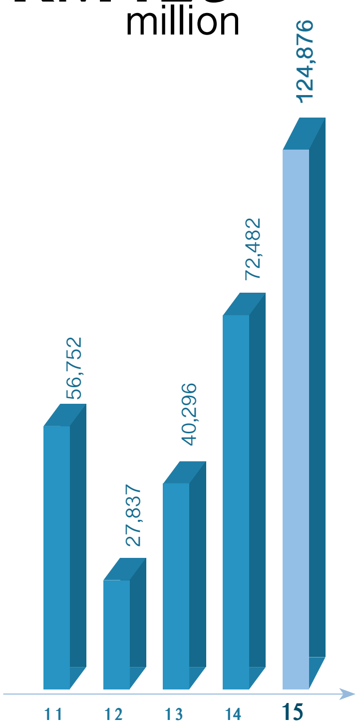
RM891 million



Group Revenue
(RM'000)

+71.2%

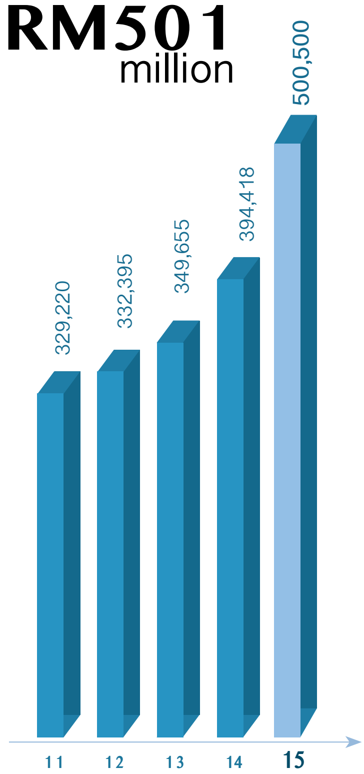
RM125 million



Group Profit Before Taxation
(RM'000)

+72.3%

RM501 million



Group Shareholders' Fund
(RM'000)

+26.9%

CHAIRMAN'S STATEMENT

GENERAL TAN SRI ISMAIL BIN HASSAN (R)
Independent Non-Executive Chairman

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of Mitrajaya Holdings Berhad ("the Company" or "Mitrajaya") and its subsidiary companies ("the Group" or "Mitrajaya Group") for the financial year ended 31 December 2015 ("FY2015").

OVERVIEW

For FY2015, Mitrajaya Group achieved another year of record-breaking revenue of RM890.73 million, which was 71.2% higher compared to RM520.21 million registered in the financial year ended 31 December 2014 ("FY2014"). The Group's revenue grew commendably over the past few years, from RM250.54 million in the financial year ended 31 December 2012 to RM890.73 million in FY2015, registering a compounded annual growth rate of 52.6%.

The increase in revenue in FY2015 was attributable to higher revenue contribution from our Construction division and Investment in South Africa. The Construction division was the highest revenue contributor making up 86.1% of the Group's revenue.

The Group achieved a gross profit margin of 21.2% in FY2015 and on the back of higher revenue earned, the gross profit of the Group increased by 71.1% in FY2015 to RM188.96 million as compared to FY2014.

During the FY2015, the Group had expensed off a share options expenses for RM11.64 million as a result of implementation of Employee Share Options Scheme in July 2015. Nevertheless, the Group was still able to achieve a record high profit before tax and profit after tax ("PAT") of RM124.88 million and RM86.97 million respectively in FY2015, representing an increase of 72.3% and 63.2% compared to FY2014. Relatively lower growth rate was achieved in PAT due to non-tax deductibility for the share options expenses of RM11.64 million.

DIVIDEND

To express our gratitude to our shareholders, the Board is pleased to recommend a first and final single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2015 (2014 : 5 sen). The dividend shall be subject to the shareholders' approval at the forthcoming Annual General Meeting.

CHAIRMAN'S STATEMENT (cont'd)

CORPORATE DEVELOPMENT

On 20 August 2015, the Company has completed the following proposals:-

(i) Listing and quotation of 214,036,654 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"); and

(ii) Listing and quotation of 8,593,789 additional Warrants C arising from the adjustments made in accordance with the provisions of the Deed Poll-C, consequential to the Bonus Issue, on the Main Market of Bursa Securities.

On 1 September 2015, the issuance of Free Warrants (Warrants D) was completed following the listing of and quotation for 85,614,556 Warrants D on the Main Market of Bursa Securities.

On 18 August 2015, the Company granted a total of 20,434,000 options under the Proposed ESOS to the eligible directors and employees of its wholly-owned subsidiaries. An additional 10,217,000 options were granted on 19 August 2015 and the exercise price was adjusted to RM1.15 arising from the adjustments made in accordance with the provisions of the ESOS By-Law, consequential to the Bonus Issue.

Completed LRT Station "Kinrara BK5" for Ampang Extension Line.

MARKET OUTLOOKS AND PROSPECTS

For the full year of 2015, the Malaysian economy advanced by 5% as compared to a 6% expansion in 2014 and was within the Government's and Bank Negara Malaysia's target of GDP growth between 4.5% to 5.5%. Economic growth is likely to moderate in 2016 on ebbing external demand, weak commodity prices and sluggish consumer sentiment, with expectation that the GDP growth will stay within the 2016 targeted growth range of 4.0% to 5.0%.

Malaysia's construction industry is expected to continue to moderate over the coming years, decelerating from an estimated 10.6% in 2015 to 7.6% in 2016 and 6.6% in 2017. The weakening residential and non-residential buildings segments will be a drag on overall growth. The 11th Malaysia Plan and Economic Transformation Programme will be crucial in driving infrastructure development nationally. Public projects are expected to remain the bright spot driving the overall industry growth. Over the last three decades, Mitrajaya has evolved from being an Infrastructure contractor, to a construction company that also involved in building construction, including high-rise and low-rise Residential and Commercial buildings, Industrial buildings, as well as Institutional buildings for Education and Healthcare. With the track record gained, Mitrajaya is in a favourable position to take advantage on the roll out of these projects.

The property market industry will continue to be soft especially with the challenges we are facing both internally and externally. This is due to the oversupply in the current property market along with the aftereffects of the Goods and Services Tax (GST), lower commodity prices and stricter home loan approval. The demand for high-end properties has dwindled considerably since the end of 2014, as interest has shifted towards more affordable properties. In line with trend, the Group has just launched a new project under "Rumah SelangorKu" – the proposed affordable home development at Puchong Prima in early 2016.

Proposed Affordable Home development "Rumah Selangorku"

CHAIRMAN'S STATEMENT (cont'd)

CORPORATE SOCIAL RESPONSIBILITY

In conjunction with Mitrajaya's 30th Anniversary celebration, Mitrajaya donated RM30,000 each to two charitable organisations namely, Hospis Malaysia and National Kidney Foundation. In recognising the service and commitment of long serving employees, a total of 123 staff that have served the Group between 10 to 30 years were presented with the Long Service Awards.

In September 2015, the Company launched the Mitrajaya Scholarship Programme. This initiative grants scholarships every year to the needy to enroll to local and private universities throughout the country. Mitrajaya Scholarship is set up to provide funds, grants, financial assistance and support to assist the individuals to realise their academic aspirations.

Throughout the year, continuous contributions were made and various charitable and social events were sponsored by the Company. The staff had their Buka Puasa with 100 orphans from the Rumah Amal Limpahan Kasih in July 2015 and paid a visit to the senior residents of Rumah Bakti Ci- Hang Tua in February 2016.

Apart from that, Mitrajaya extended its responsibility via donating blood to the blood bank to help patients in the country. Mitrajaya has collected more than 113 pints of blood from the staff via a collaboration programme with Pusat Darah Negara since 2013. This meaningful programme is an annual event in our CSR calendar.

Safety and health of our employees continue to be of upmost importance to us. Within the workplace, the Group will continue to ensure a safe, healthy conducive working environment for its employees and construction workers. In December 2015, Pembinaan Mitrajaya Sdn Bhd our construction division, was recognised by Putrajaya Holdings for 'Excellent Achievement of 1 million man hours without Lost Time Injury (LTI)' for the design and build project of the Malaysian Anti-Corruption Commission office building.

Mitrajaya Sport Club also promotes the culture of 'Work Smart, Play Hard' amongst our staff by organising sport activities, excursion trips and family day carnivals. In 2015, the Club organised a fully paid staff trip to Redang and a partially sponsored trip to Perth, Australia. The Club remains a good conduit to enhance the well-being of our employees and fostering a strong team spirit.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our appreciation to the management team and employees of their hard work and dedication to the Group's success. I would also like to extend my heartfelt gratitude to my fellow board members, our shareholders, business associates, clients, bankers and various government agencies for their continued support for the Group.

General Tan Sri Ismail Bin Hassan (R)
Independent Non-Executive Chairman

OPERATIONS REVIEW 2015

The year under review was another busy and eventful year for Mitrajaya Holdings Berhad ("Mitrajaya"). In conjunction with the celebration of our 30th Anniversary in 2015, Mitrajaya achieved a creditable and strong overall performance for the financial year ended 31 December 2015 ("FYE 2015"). The Group achieved solid earnings growth for the FYE 2015 with revenue that increased by 71.2% to RM890.73 million from RM520.21 million in the financial year ended 31 December 2014 ("FYE 2014"). Correspondingly, the Group's profit before tax surged by 72.3% from RM72.48 million to RM124.88 million in 2015. After charging out the share options expenses of RM11.64 million, the Group's profit after tax ("PAT") showed significant increase of RM33.68 million (63.2%) to RM86.97 million from RM53.29 million in FYE 2014.

CONSTRUCTION

Pembinaan Mitrajaya Sdn Bhd ("PMSB"), the main construction arm of the Group delivered another set of excellent results in FYE 2015. It registered an all-time high revenue and profits in FYE 2015. The Construction division contributed RM767.23 million equivalent to 86.1% of the Group's revenue. It represents an increase of 107.0% on the revenue of RM370.67 million reported in FYE 2014. On the back of this growth in revenue and despite of charging out of share options expenses for RMRM8.56 million, the profit before tax rose by nearly three folds from RM36.45 million in FYE 2014 to RM98.54 million. The overall improved margins were attributable to improved cost management and project implementation controls initiatives that resulted in higher cost efficiencies.

During the year 2015, PMSB completed and handed over 560 units of Medium Cost Public Apartment (PR1MA) at Precint 11, Putrajaya and Stations 3 & 4 for Ampang Line Extension Project.

In early 2016, we have completed 4 LRT stations for Ampang & Kelana Jaya Extension Line and the Business operation complex in Shah Alam.

The construction outstanding order book currently stands at RM1.81 billion. PMSB has secured the following major projects in 2015 & early 2016 for total contract value of RM918.76 million:-

a) 3 blocks of public apartments (PPA1M) for Putrajaya Homes – 1,062 units

b) Infrastructure works for Pahang Technology Park, Gambang, Pahang

c) Civil and infrastructure works for Rapid project, Pengerang, Johor (51% ownership under joint-venture consortium)

d) 2 blocks of public apartments (PPA1M) for Putrajaya Homes – 800 units

e) Complex building and external works at Seksyen 13, Petaling Jaya (PJ Midtown)

This division will continue to be the Group's core revenue pillar and expect to record strong performance from its existing on-going projects. We are optimistic that the Malaysian construction sector will continue to be vibrant in 2016. Thus, the order book replenishment prospects remain encouraging.

OPERATIONS REVIEW 2015 (cont'd)

LOCAL PROPERTY DEVELOPMENT

The Property development division has contributed lower revenue of RM55.19 million and a loss of RM3.78 million for the financial year ended 31 December 2015, a decrease of 44.1% and 120.8% as compared to the previous financial year. This division has charged out share options expenses for RM2.59 million. The decrease was mainly due to the slowdown in property sales for completed projects and the lower recognition from the existing on-going project namely, Wangsa 9 Residency, as it is currently at the initial construction stage.

In 2014, the Group has launched a new residential project at Wangsa Maju, namely Wangsa 9 Residency. This project is for the proposed development of 3 tower blocks of 565 units of high-rise condominium with an estimated gross development value of RM680 million. The development is situated at a strategic location, right opposite to Wangsa Walk and within close proximity to the Sri Rampai LRT Station. The take up rate has been encouraging from the 2 blocks launched since 2014 despite the soft market conditions. Current unbilled sales of RM179.06 million will be recognised progressively from 2016 onwards. We expect this project will have a higher contribution to the Group's result in 2016 as the construction progresses.

Besides, the property division has completed and handed over phase 1 of 148 units in "280 Park Homes" in February 2015 and phase 2 (consisting the remaining 132 units) in April 2016. This project consists of 11 blocks of 280 units of 6-storey duplex apartments with lift, gated and guarded with clubhouse facilities with a total gross development value of RM330 million.

In line with the state government's commitment to build more affordable homes in Selangor, Mitrajaya has launched a new project under "Rumah SelangorKu" - the proposed affordable home development at Puchong Prima comprising 408 units of apartment with built-up area of 900 sq ft per unit. Piling work has started on this project and the whole project is expected to complete in 2018.

Besides this, the Group is also working on a mixed development project located on our last parcel of commercial land in Taman Puchong Prima. Based on the initial plot ratio of 4.27, this project was planned with an estimated gross development value of RM1.5 billion comprising of a 5-storey shopping mall with an initial net lettable area of 700,000 sq ft and with a future extension of up to 1.0 million sq ft, 3 blocks of serviced apartments and 1 block of boutique hotel consisting of 150 rooms. As the land measuring approximately 15 acres is adjacent to the LRT Station 11 (Ampang Line), the Group expect that the mixed development in this parcel of land will be spearheading the division in the near future.

Proposed mini water theme park and children playground at Wangsa 9 Residency

OPERATIONS REVIEW 2015 (cont'd)

PROPERTY DEVELOPMENT IN SOUTH AFRICA

Our overseas property project in South Africa, Blue Valley Golf & Country Estate, has also increased its contribution to the Group. For the financial year ended 31 December 2015, this division reported a revenue and profit before tax of RM39.28 million and RM16.09 million respectively, representing an increase of 75.0% and 106.0% over the previous financial year.

The recent launching of the last 3 precincts within the development received an over-whelming response whereby 80% stands were booked on the day of launching. We are confident that this division will again make positive contribution to the Group's earnings for 2016 in view of its current unbilled sales of Rand 88.27 million. This unbilled sales revenue will be recognised progressively upon completion of the transfer of stands to the purchasers in 2016.

As part of the Group's strategy to enhance our return from the South Africa investment, this division has embarked in development of the Residential units instead of just selling the lots as land parcel. A total of 130 bungalow houses are expected to be developed over the next 3 years. By doing so, the Group expects a higher margin of profit.

Besides this, there are also plans to develop a business park consisting of neighbourhood shopping mall, office building, medical centre and high-end serviced apartments. We expect both the shopping mall and office building to generate recurring and sustainable income upon completion in 2017.

HEALTHCARE

The Group's healthcare division which is undertaken by Optimax Eye Specialist Centre Sdn Bhd ("OESCSB") has reported a higher revenue and profit before tax of RM29.04 million and RM2.73 million respectively compared to revenue of RM27.32 million and profit before tax of RM0.79 million reported in the previous financial year.

The Board has on 5 February 2016 announced that a Sale and Purchase of Shares Agreement with Optimax Healthcare Services Sdn Bhd to divest 1,275,000 ordinary shares of RM1.00 each in OESCSB for a cash consideration of RM5.1 million. The proposed Divestment is expected to complete by the second quarter of 2016.

ACKNOWLEDGEMENT

On behalf of the management team, I would like to express my sincere appreciation to our shareholders, various government departments, regulatory authorities, customers, bankers, consultants and business associates for their continued trust and support to the Group. I would like to thank our Board members and employees for their strong commitment and dedication towards the continued success of the Group.

TAN ENG PIOW
Group Managing Director

Tuscan designed home in the Blue Valley Golf and Country Estate

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors (“the Board”) of Mitrajaya Holdings Berhad (“MHB” or “the Company”) is committed to ensure the fulfillment of the highest standards of Corporate Governance as set out in the Malaysian Code on Corporate Governance 2012 (“the Code”), which highlights the principles and recommendations of best practices on structures and processes that the Company may use in their operations towards achieving the optimal governance framework.

The Board welcomes the constructive recommendations of the Code and will always evaluate the MHB and its subsidiaries (“MHB Group” or “the Group”) corporate governance practice and procedures as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

During the financial year ended 31 December 2015, the Board considers that it has fundamentally applied the principles and recommendations of the Code and is pleased to report the actions taken by the Company to conform to the Code as set out below:-

THE BOARD OF DIRECTORS

The Board Charter is the key point of reference for the Directors of the Board in relation to its role, powers, duties and functions and there is also a formal schedule of matters reserved for its decision. MHB is led and managed by a competent Board, comprising members with a wide range of experience, knowledge and skills in relevant fields such as engineering, architectural, construction and finance. Together, the Directors contribute to successfully direct and supervise the Group’s business activities, which are vital to the success of the Group and the enhancement of long-term shareholders’ value.

During the financial year ended 31 December 2015, the Board met a total of six (6) times. Details of the attendance are as follow:-

DIRECTORS	POSITION	BOARD MEETINGS ATTENDED
1. General Tan Sri Ismail Bin Hassan (R)	Independent Non- Executive Chairman	6/6
2. Tan Eng Piow	Group Managing Director	6/6
3. Foo Chek Lee	Executive Director	6/6
4. Cho Wai Ling	Executive Director	6/6
5. Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim	Independent Non- Executive Director	5/6
6. Ir Zakaria Bin Nanyan	Independent Non-Executive Director	6/6
7. Roland Kenneth Selvanayagam	Independent Non-Executive Director	5/6

The Board has delegated specific responsibilities to the Audit Committee and the Nomination & Remuneration Committee. These Committees have the authority to examine particular issues and report back to the Board with their recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

BOARD BALANCE

The Board currently comprises seven (7) Directors, categorised as follows:-

Four (4) Independent Non-Executive Directors
Three (3) Executive Directors

A brief profile of the Directors is presented on pages 6 to 8 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT (cont'd)

BOARD BALANCE (cont'd)

The Board composition complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires that at least one-third of the Board members comprise Independent Directors. The Board has taken note of Recommendation 2.2 of the Code pertaining to the establishment of policy formalising the Company's approach to boardroom diversity. The appointment of Ms Cho Wai Ling to the Board on 1 September 2014 reflects that the Board recognized the value of a lady member of the Board and this is an initial step taken towards achieving a more gender diversified Board. The Company does not have a formal policy on diversity of gender, ethnicity and age as the Board views that its current composition already encompasses this.

There is a clear division of responsibility at the head of the Company to ensure that there is a balance of power and authority. The Board is led by the Independent Non-Executive Chairman, General Tan Sri Ismail Bin Hassan (R) and Mr Tan Eng Piow, as the Group Managing Director who is in charge of running the business and implementing the policies and strategies adopted by the Board.

The Independent Non-Executive Directors participate at the Board Meetings and also contribute in Board Committees that have been set up as part of the practice of good corporate governance within the Company. They provide an objective and independent view of the performance of management in attempting to achieve the results to which the strategy of the Company is directed. The Nomination & Remuneration Committee have upon their assessment, concluded that each of the four (4) Independent Non-Executive Directors continues to demonstrate conduct and behavior that are essential indicators of independence and find that their length of service does not in any way interfere with their exercise of independent judgement and ability to act in the interest of the Company. The Board do not see a need to limit the tenure of the Independent Non-Executive Directors at this juncture.

Mr Tan Eng Piow, the Group Managing Director and Mr Foo Chek Lee, the Executive Director have been steeped in the infrastructure and property construction sector since the beginning of their respective careers, and have collectively extensive experience in engineering and construction.

The appointment of a Senior Independent Non-Executive Director to whom concerns may be conveyed has not been made, given that the Board's composition has a majority of Independent Non-Executive Directors reflecting the strong and independent element on the Board and the Independent Chairman maintains an active and objective dialogue with Board members and encourages full deliberation of all matters submitted to the Board and Board Committee Meetings. The Board does not consider it necessary at this juncture to identify a Senior Independent Non-Executive Director.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

BOARD COMMITTEES

The Board has established the Audit Committee and the Nomination & Remuneration Committee. Please refer to the Audit Committee Report and the Nomination & Remuneration Committee Report for further details.

SUPPLY OF INFORMATION

The Chairman ensures that each Director is provided with timely notices of every Board Meeting and board papers for each agenda item. This is to ensure that Directors have sufficient time to prepare for discussions, and to obtain further explanation or clarification to facilitate the decision process and discharge of their duties. The Board has unrestricted access to timely and accurate information in the furtherance of its duties.

The Board has formalised procedures for Directors, whether as a full Board or in their individual capacity, to take independent advice where necessary, in the furtherance of their duties and at the Group's expense.

Every Director has access to the advice and services of the Company Secretary. The Board believes that the Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board and the terms of appointment of the Company Secretary permits her removal and appointment of a successor only by the Board as a whole.

CORPORATE GOVERNANCE STATEMENT (cont'd)

DIRECTORS' TRAINING

The Directors are mindful that they should receive appropriate continuous training and they have attended seminars and briefings in order to broaden their perspectives and so that they keep abreast with developments in the market place and new statutory and regulatory requirements.

The following Directors attended the following training programs in 2015:-

Name	Title of Course
General Tan Sri Ismail Bin Hassan (R)	• Seminar on Board Chairman Series Part 2: Leadership Excellence from the Chair
Tan Eng Piow	• In-house Training on Goods & Services Tax ("GST") – Joint Venture Development
Foo Chek Lee	• 1st Asean Construction Summit 2015 "Towards Building A Sustainable Future" • MBAM Annual Safety & Health Conference 2015 • Workshop on Heavy Lifting Plan
Cho Wai Ling	• 2015 Business and Tax Seminar • In-house Training on GST – Joint Venture Development • In-house Training on GST – GST Adjustments / Amendments to GST-03 Returns
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	• Seminar on Driving Corporate Performance in 2015 • Workshop on Audit Oversight Board Conversation with Audit Committees
Ir Zakaria Bin Nanyan	• MBAM Annual Safety and Health Conference 2015
Roland Kenneth Selvanayagam	• Seminar on 'Above the Line and Below the Line Financial Planning' • Seminar on 'You have options'

The Board is regularly updated by the Company Secretary on the latest update/amendments on the Bursa Securities Main Market Listing Requirements and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

RE-ELECTION/RE-APPOINTMENT OF DIRECTORS

The Company's Articles of Association provides for all Directors (including the Group Managing Director) to retire at least once in each three (3) years at the Annual General Meeting ("AGM") and the retiring Director shall be eligible for re-election. The Directors who are due for re-election/re-appointment at the AGM will be first assessed by the Nomination & Remuneration Committee as to whether they meet the Board's expectations and have continued to perform in an exemplary manner, which will then submit its recommendation to the Board for deliberation and approval.

CORPORATE GOVERNANCE STATEMENT (cont'd)

DIRECTORS' REMUNERATION

The Nomination & Remuneration Committee is entrusted under its terms of reference to assist the Board in determining the framework of Executive Director's remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary. The Nomination & Remuneration Committee shall ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully.

The Board as a whole shall determine the Non-Executive Directors' fees with the individual concerned abstaining from deliberations and voting on discussions in respect of his fee. The level of Directors' fee shall reflect the experience and responsibilities undertaken by the particular Non-Executive Director.

The breakdown of the remuneration of the Directors in the Company during the financial year is as follows:-

	FEES RM	SALARIES & OTHER EMOLUMENTS RM	TOTAL RM
Executive Directors	-	2,942,291	2,924,291
Non-Executive Directors	110,000	168,816	278,816

The numbers of Directors whose remuneration fall into the following bands are as follow:-

RANGE OF REMUNERATION (RM)	EXECUTIVE	NON-EXECUTIVE
50,000 and below	-	1
50,001 – 100,000	-	3
500,001 – 550,000	1	-
1,150,001-1,200,000	1	-
1,200,001-1,250,000	1	-

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board acknowledges the importance for shareholders to be informed of all key issues and major development affecting the Company. The dissemination of the information to shareholders and other stakeholders of the Company are made through the following:-

- The Annual Report;
- The AGM;
- The various disclosures and announcements made to the Bursa Securities including the Quarterly Financial Results and Annual Financial Results; and
- The Company's website, http://www.mitrajaya.com.my.

Briefings are held with analysts to clarify information in relation to the announcements. Dialogues with institutional investors and the press are held from time to time.

The Company has in place an Investor Relations Policy to ensure that shareholders, stakeholders, investors and the investment community are provided with relevant, timely and comprehensive information about the Company. This policy provides the guidance for communication through its designated spokespersons.

AGM

The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the External Auditors of the Company are present to answer questions raised at the meeting. The Executive Directors meet with members of the press after the AGM to answer any queries that may be raised.

FINANCIAL REPORTING

In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly and annual financial statements are reviewed by the Audit Committee and approved by the Board before its release to Bursa Securities.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have to be made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates as on pages 39 to 128.

The Directors have the responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company, which will then enable them to ensure that the financial statements comply with the requirements of the Companies Act, 1965.

The Directors have the overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

RISK MANAGEMENT AND INTERNAL CONTROL

Please refer to the Statement on Risk Management and Internal Control for further details.

RELATIONSHIP WITH THE AUDITORS

The External Auditors, Messrs. Baker Tilly Monteiro Heng has continued to report to the Audit Committee on their findings which are included as part of the Company's financial report with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the External Auditors to meet their professional requirements.

The independent members of the Audit Committee make it a point to sit and discuss with the External Auditors without the presence of the Management Team to allow the External Auditors to broach issues in an uninhibited and private fashion.

AUDIT COMMITTEE REPORT

The Audit Committee of comprises four (4) members, all of whom are Independent Non-Executive Directors and one Audit Committee Member, namely Mr Roland Kenneth Selvanayagam is a member of the Malaysian Institute of Accountants. The current members of the Audit Committee are as follow:-

CHAIRMAN

General Tan Sri Ismail Bin Hassan (R) *(Independent Non-Executive Director)*

MEMBERS

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim *(Independent Non-Executive Director)*
Ir Zakaria Bin Nanyan *(Independent Non-Executive Director)*
Mr Roland Kenneth Selvanayagam *(Independent Non-Executive Director)*

DUTIES

The duties of the Committee shall be:-

- to consider the appointment of the External Auditors, the audit fee, and any questions of resignation or dismissal.

- to discuss with the External Auditors, the audit plan, the evaluation of the system of internal control, the audit report and the assistance given by the employees of the Company to the external auditors.

- to review the quarterly and annual financial statements before submission to the Board of Directors ("Board") focusing particularly on:-
  - any changes in or implementation of major accounting policies and practices;
  - significant and unusual events or transactions;
  - significant judgements made by Management;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - financial reporting issues;
  - compliance with accounting standards;
  - compliance with stock exchange and legal requirements; and
  - significant matters highlighted by Management, Internal Auditors or External Auditors and how these matters are addressed.

- to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.

- to review the internal audit programme, process, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

- to consider the major findings of internal investigations and Management's response.

- to discuss problems and reservations arising from the audit and any matter the External Auditors may wish to discuss (in the absence of Management where necessary).

- to recommend the nomination of a person or persons as External Auditors.

- to review and report to the Board any related party transaction and conflict of interests situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.

- to consider any other functions or duties as may be agreed to by the Audit Committee and the Board.

AUDIT COMMITTEE REPORT (cont'd)

MEETING ATTENDANCE

The numbers of meetings attended by the Committee Members during the financial year ended 31 December 2015 were as follow:-

Members	No. of Attendance
General Tan Sri Ismail Bin Hassan (R) - Chairman	5/5
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	4/5
Ir Zakaria Bin Nanyan	5/5
Roland Kenneth Selvanayagam	4/5

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2015, the Audit Committee carried out the following activities:-

- Reviewed the report by External Auditors on the review of the financial statements for financial year ended 31 December 2014;
- Considered the change in service provider for internal audit services in view that the previous service provider had rendered services for more than five (5) years;
- Reviewed the Internal Audit Reports, which highlighted the audit issues on the auditable areas of project management, inventory management and fixed asset management;
- Reviewed and appraised the adequacy and effectiveness of Management response in resolving the audit issues reported;
- Reviewed the findings of the Internal Auditors and follow-up on the recommendations;
- Reviewed the unaudited quarterly financial results of the Group and the audited financial statements of the Group and Company and recommended the same to the Board;
- Reviewed the Audit Planning Memorandum for the financial year 2015 presented by the External Auditors;
- Reviewed and approved the Internal Audit Plan;
- Reviewed the recurrent related parties transaction;
- Reviewed the Risk Management Committee report;
- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for the financial year ended 31 December 2014;
- Assessed the independence and performance of the External Auditors;
- Recommended the External Auditors fees and the re-appointment of Auditors;
- Reviewed the performance of the Internal Auditors; and
- Reviewed the allocation of the Employee Share Option Scheme ("ESOS") to ensure it is consistent with the approved basis of allocation per the ESOS By-Law.

The Audit Committee also held discussion with the External Auditors twice during the year without the presence of the Executive Directors and Senior Management.

The Audit Committee has verified that the allocation of options in 2015 pursuant to the ESOS is in compliance with the criteria referred to in the ESOS By-Law.

AUDIT COMMITTEE REPORT (cont'd)

INTERNAL AUDIT FUNCTION

The Group's internal audit functions are outsourced to an external professional internal audit firm which reports to the Audit Committee. The Internal Auditors serves to assist the Audit Committee in the discharge of its duties and responsibilities. Its role is to undertake independent, regular and systematic reviews of internal controls, so as to provide the Audit Committee with independent and objective feedback and reports to enable the internal control systems continue to operate satisfactorily and effectively.

The activities carried out by the Internal Audit function were:-

(a) Prepared and presented the Internal Audit Plan for 2015 for the Audit Committee's consideration and approval;
(b) Regularly performed risk-based audits on strategic business processes of the Company and the Group, which covered reviews of internal control system. Accounting and management information system and risk management;
(c) Issued Internal Audit Reports to the Audit Committee and Senior Management identifying weaknesses and issues as well as highlighting recommendations for improvements and followed up on matters raised.
(d) Acted on comments made by the Audit Committee and/or Senior Management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
(e) Reported to the Audit Committee on the review of the adequacy, appropriateness and compliance with the procedures established to monitor related party transactions.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee ("NRC") comprises of the following members who are all Independent Non-Executive Directors:-

CHAIRMAN
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

MEMBERS
General Tan Sri Ismail Bin Hassan (R)
Ir Zakaria Bin Nanyan

DUTIES

The duties of the NRC shall be:-

- To review regularly the Board of Directors ("Board") structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To propose new nominees for appointment to the Board. In making the recommendations, the NRC shall consider the candidates:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of Independent Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- To recommend to the Board, Directors to fill the seats on the Board Committees.
- To review annually the Board's mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.
- To recommend to the Board for the continuation (or not) in service of Executive Director(s) and Director(s) who are due for retirement by rotation.
- To orientate and educate new Directors as to the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.
- To recommend the remuneration policy and review the payment of Directors' fees and allowance.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2015, the NRC in discharging its functions and duties carried out the following activities:-

- Reviewed the size and composition of the Board and Board Committee;
- Reviewed the mix of skill and experience and other qualities of the Board;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the Directors;
- Discussed and recommended the re-election and re-appointment of retiring Directors;
- Assessed and confirmed the independence of the Independent Directors; and
- Reviewed the payment of Directors fee.

The NRC upon its annual assessment carried out for financial year 2015, was satisfied that:-

- The size and composition of the Board is optimum with appropriate mix of knowledge skills, attribute and core competencies;
- The Board has been able to discharge its duties professionally and effectively;
- All the Directors continues to uphold the highest governance standards in discharging their duties and responsibilities;
- All the members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective working experience, academic and professional qualifications, depth of knowledge, skills and experience and their personal qualities;
- The Independent Directors, General Tan Sri Ismail Bin Hassan (R), Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, Ir Zakaria Bin Nanyan and Mr Roland Kenneth Selvanayagam are demonstrably independent;
- The Directors are able to devote sufficient time commitment to their roles and responsibilities as evidenced by their attendance records; and
- The Directors have received training during the financial year ended 31 December 2015 that is relevant and would serve to enhance their effectiveness in the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors ("the Board") of Mitrajaya Holdings Berhad ("MHB") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2015, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). This statement outlines the nature and state of the internal control of the MHB and its subsidiaries ("the Group").

Board's Responsibility

The Board acknowledges its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. Such system is however, designed to manage, rather than eliminate, the risk of failure to achieve business and corporate objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The Board annually reviews the results of this process for each business segment on rotational basis, including measures taken by Management to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement.

The Board is assisted by management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

Risk Management

The Group has a risk management framework, which includes a risk management assessment process to identify significant risks and the mitigating measures thereof. The framework also addresses the specific risk profiles of each business division and the key functional unit identified within the Group. The Board has also established a Risk Management Committee to focus on risk management, and which comprises key management staff and is chaired by an Executive Director. Significant risks affecting the Group's strategic and business plans are escalated to the Board at scheduled meetings through the Risk Assessment Report. The Risk Assessment Report is reviewed annually at a minimum to ensure it remains adequate and effective. These risk management practices serve as an on-going process to identify, evaluate and manage significant risks of the Group.

Insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

The Board is committed to continue to foster a risk-aware culture in all decision-making and to manage all key risks proactively and effectively. This is to enable the Group to respond effectively to the changing business and competitive environment which are critical for the Group's sustainability and the enhancement of shareholders' value.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Internal Controls

The Board receives and reviews quarterly reports from the management on key financial data, and operational matters. This is to ensure that matters that require the Board and Management's attention are highlighted for review and, deliberated for decision making purposes on a timely basis. The results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a budgeting system that requires preparation of the annual budget which contain financial, operating targets and performance indicators based on the respective business unit.

Business operations updates are highlighted to the Board's attention during Board meetings by the executive director. Further independent assurance is provided by the Group internal audit function and the Audit and Risk Management Committees. The Audit Committee review internal control matters raised by the Group Internal Audit Function and updates the Board on significant issues for the Board's attention and action.

The other salient features of the Group's system of internal controls are as follows:

- Organisation structure and limits of authority

  Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the Standard Operating Procedures, organizational structures and appropriate authority limits.

- Written policies and procedures

  Clearly defined internal policies and procedures as set out in the Group's Standard Operating Procedures Manual based on the business unit are periodically updated to reflect changing risks or to address operational deficiencies.

- Planning, monitoring and reporting

  - The Audit Committee reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board; and
  - Financial and non-financial information, which includes the quarterly management reports covering key financial and performance indicators based on the respective business unit, is provided to Senior Management for the monitoring purpose.

- International Standards Certification

  The Group's ISO-quality policies and procedures are implemented by its 2 subsidiaries, Pembinaan Mitrajaya Sdn Bhd ("PMSB") and Optimax Eye Specialist Centre Sdn Bhd ("OESC").

  Both PMSB and OESC have been certified for ISO 9001 Quality Management System since year 2000 and 2007 respectively.

  In addition, PMSB has been certified for the following 2 standards since year 2010:
  - ISO 14001 - Environmental Management System; and
  - OHSAS 18001 and MS 1722 - Occupational Health and Safety Management System.

  Audits are carried out to ensure the adherence and application of the policies implemented.

  - Related Party Transactions
    Related party transactions are disclosed, reviewed, and monitored by the Board on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Internal Audit Function

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective. The internal audit function assists the Board and Audit Committee in providing independent assessment of the effectiveness and adequacy of the Group's system of internal controls. The internal audit function reports directly to the Audit Committee.

During the financial year ended 31 December 2015, internal audits were carried out in accordance with an internal audit plan that has been reviewed and approved by the Audit Committee. Observations from these audits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review.

A total of RM48,000 was spent on internal audit activities for the financial year ended 31 December 2015.

Review by the Board

The Board has considered the adequacy and effectiveness of the risk management and internal controls process in the Group during the financial year.

Before producing this Statement, the Group Managing Director and Executive Director-Finance have provided assurance to the Board in writing stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects.

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The external auditors, Messrs Baker Tilly Monteiro Heng, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31st December 2015 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

OTHER INFORMATION

SHARE BUY-BACK

During the financial year ended 31 December 2015, the Company bought back a total of 595,000 ordinary shares of RM0.50 each, which are listed on the Main Market of Bursa Malaysia Securities Berhad on the open market. The details of the shares bought back during the year are as follows:-

Monthly Breakdown	No. of Shares Bought Back & Retained as Treasury Shares	Buy-back Price Per Share		Average Cost Per Share (RM)	Total cost (excluding commission and brokerage paid) (RM)
		Lowest (RM)	Highest (RM)		
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	5,000	1.880	1.880	1.880	9,400
June	-	-	-	-	-
July	30,000	1.810	1.810	1.810	54,300
August	550,000	#0.875	#1.060	0.967	531,625
September	-	-	-	-	-
October	-	-	-	-	-
November	10,000	#1.220	#1.220	1.220	12,200
December	-	-	-	-	-

Price quoted post Bonus Issue.

As at 31 December 2015, a total of 560,000 ordinary shares of RM0.50 each were held as treasury shares.

During the financial year ended 31 December 2015, the Company sold 3,467,646 treasury shares in the open market.

Monthly Breakdown	No. of Shares Sold	Selling Price Per Share		Average Selling Price Per Share (RM)	Total Sales Consideration (RM)
		Lowest (RM)	Highest (RM)		
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	800,000	1.850	1.880	1.856	1,484,588
July	2,019,600	1.800	2.070	1.917	3,872,462
August	648,046	1.740	2.050	1.869	1,211,497
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	-	-	-	-	-

OTHER INFORMATION (cont'd)

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

In financial year 2015, the following securities were issued:-

(a) 30,546,096 new ordinary shares of RM0.50 each arising from the exercise of Warrants C;
(b) 55,000 new ordinary shares of RM0.50 each arising from the exercise of share options issued under the Employee Share Option Scheme ("ESOS");
(c) 214,036,654 new ordinary shares of RM0.50 each pursuant to the bonus issue exercise of one (1) bonus share for every two (2) existing ordinary shares of RM0.50 each ("Bonus Issue");
(d) 8,593,789 new Warrants C as a consequence of the adjustment following the Bonus Issue; and
(e) 85,614,556 free Warrants D in conjunction with the Bonus Issue.

EMPLOYEE SHARE OPTION SCHEME

The Company only has one ESOS in existence during the financial year 2015 and this was approved by the shareholders of the Company in 2015. In regard to options granted to the directors and senior management, the maximum number of options allocated shall not exceed 60% of the total number of new MHB Shares to be issued under the ESOS. The actual percentage granted to them during the financial year 2015 is 32.89%.

	Scheme	Executive Directors	Non-Executive Directors
Total number of options granted	30,651,000	4,381,500	-
Total number of options exercised	55,000	-	-
Total number of options lapsed	184,500	-	-
Total number of options outstanding	30,411,500	4,381,500	-

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR or GDR programme.

SANCTION AND/OR PENALTY

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the regulatory bodies.

NON-AUDIT FEES

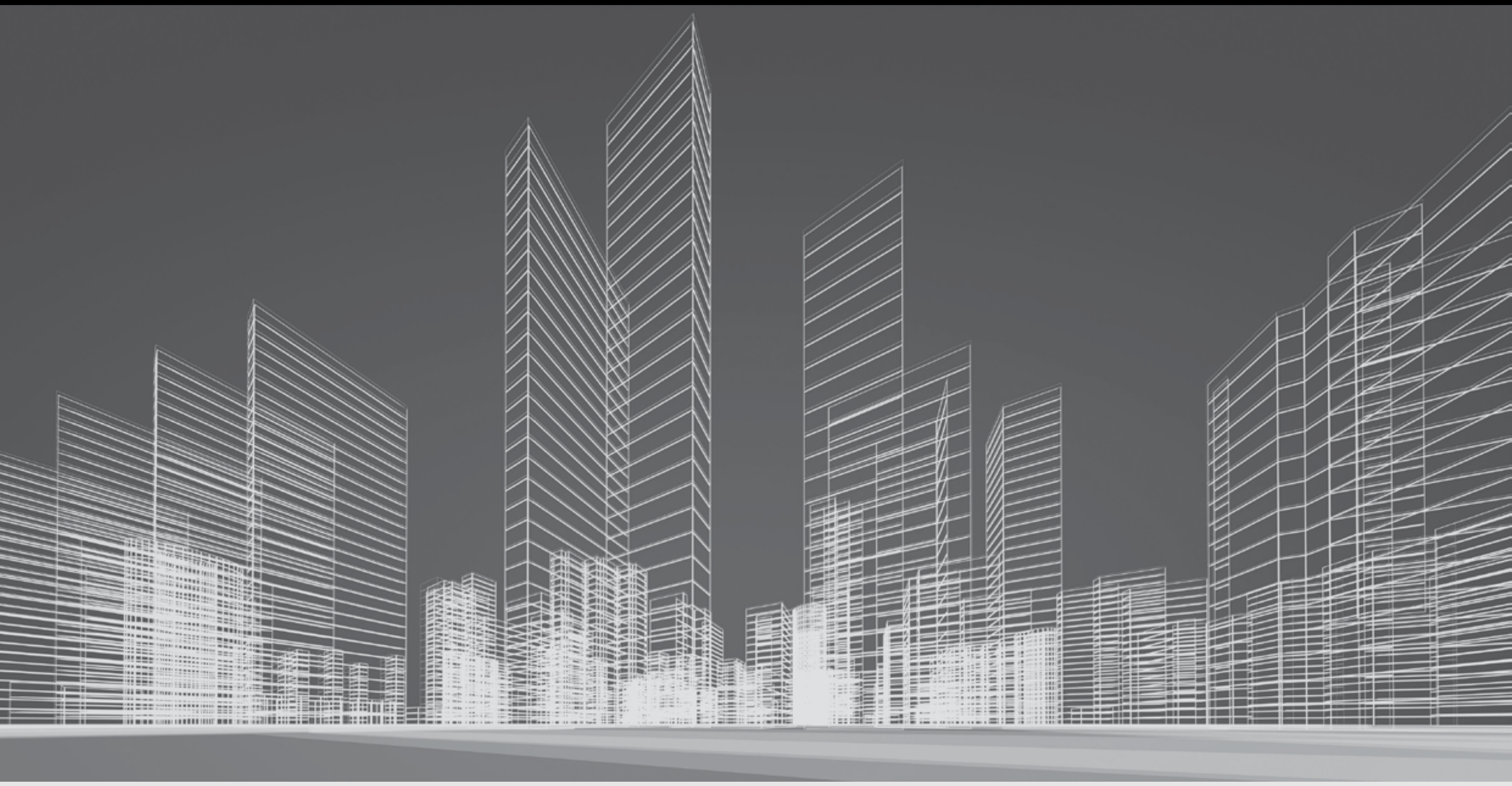
The amount of non-audit fees payable to external auditors by the Group for the financial year 2015 is RM15,000.

PROFIT GUARANTEE

The Company did not receive any profit guarantee during the financial year.

MATERIAL CONTRACTS INVOLVING DIRECTORS'/MAJOR SHAREHOLDERS' INTEREST

There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests for the financial year under review.



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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 investment holding activity whilst the principal activities of the subsidiaries are as disclosed in Note 8 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	86,970,154	28,766,615
Attributable to:-		
Owners of the Company	86,576,295	28,766,615
Non-controlling interests	393,859	-
	86,970,154	28,766,615

DIVIDEND

The amounts of dividends paid by the Company since the end of the previous financial year was as follow:-

	RM
In respect of the financial year ended 31st December 2015:-	
First single tier dividend of 10% on 428,073,397 ordinary shares of RM0.50/- each, paid on 27th August 2015	21,403,670

At the forthcoming Annual General Meeting, a first and final single tier dividend of RM0.05/- per share will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31st December 2016.

RESERVES AND PROVISIONS

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

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 doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render it necessary to written off any bad debts, or to make any allowance for doubtful debts, in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected so to realise.

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.

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 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.

DIRECTORS' REPORT (cont'd)

ITEMS OF AN UNUSUAL NATURE

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company increased from RM198,765,901/- to RM321,084,776/- by way of issuances of:-

(a) 30,546,096 new ordinary shares of RM0.50/- each arising from the exercise of Warrants C;

(b) 55,000 new ordinary shares of RM0.50/- each arising from the exercise of Employees' Share Option Scheme ("ESOS"); and

(c) 214,036,654 new ordinary shares of RM0.50/- each pursuant to the exercise of bonus issue on the basis of one bonus share for every two existing ordinary shares of RM0.50/- each.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, the Company did not issue any debentures.

WARRANTS

Warrants C

By virtue of a Deed Poll executed on 21st June 2011 for the 47,729,947 Warrants C ("Warrants C") issued in connection with the Share Split and Bonus Issue allotted and credited on 1st July 2011, each Warrants C entitles the registered holder the right at any time during the exercise period from 5th July 2011 to 4th July 2016 to subscribe in cash for one new ordinary share at an exercise price of RM0.90/- each.

The salient terms of Warrants C are disclosed in Note 19(b) to the financial statements.

In accordance with the provisions under the Deed Poll-Warrants C and consequential to the Bonus Issue on 19th August 2015, an additional 8,593,789 Warrants C were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20th August 2015. The exercise price for the Warrants C was revised from RM0.90/- to RM0.60/- each.

WARRANTS (cont'd)

Warrants D

By virtue of a Deed Poll executed on 3rd July 2015 for the 85,614,556 Warrants D ("Warrants D") issued in connection with the Bonus Issue of free warrants allotted and credited on 1st September 2015, each Warrants-D entitles the registered holder the right at any time during the exercise period from 24th August 2015 to 23rd August 2020 to subscribe in cash for one new ordinary share at an exercise price of RM1.09/- each.

The salient terms of Warrants D are disclosed in Note 19(b) to the financial statements.

	Number of Warrants				
	At 1.1.2015	**Alloted**	**Exercised**	**Lapsed**	**At 31.12.2015**
Warrants C	47,729,947	8,593,789	(30,546,096)	-	25,777,640
Warrants D	-	85,614,556	-	-	85,614,556

TREASURY SHARES

The shareholders of the Company by an ordinary resolution passed in the fifteenth Annual General Meeting held on 17th June 2008, approved the mandate for the Company's plan to repurchase its own ordinary shares. On 23rd June 2015, the shareholders of the Company at the twenty-second Annual General Meeting granted their mandate for the Company's renewal of authority to repurchase its own ordinary shares.

During the financial year, the Company repurchased 595,000 shares from the open market at an average price of RM1.03/- per share. The total consideration paid for the repurchase, was RM610,842/- and they were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

During the financial year, the Company sold 3,467,646 treasury shares on the open market at an average price of RM1.89/- per share. The total consideration received from the sale was RM6,568,547/-.

As at 31st December 2015, the Company held a total of 560,000 treasury shares of its 642,169,551 issued ordinary shares. Such treasury shares are held at a carrying amount of RM546,652 /-. Details are disclosed in Note 19(c) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 23rd June 2015.

The salient features and other details of the ESOS are disclosed in Note 19(d) to the financial statements.

DIRECTORS' REPORT (cont'd)

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

The Company has been granted an exemption by the Companies Commission of Malaysia to disclose the names of option holders that ranged top 20 during the financial year. Details as follows:-

Name	Exercise price RM	Grant date	Expiry date	Number of options Granted Unit	Number of options Exercised Unit
Tan Eng Piow	1.15	18.08.2015	23.07.2020	1,987,500	-
Foo Chek Lee	1.15	18.08.2015	23.07.2020	1,528,500	-
Kok Siew Leng	1.15	18.08.2015	23.07.2020	1,462,500	-
Sia Guat Hun	1.15	18.08.2015	23.07.2020	895,500	-
Cho Wai Ling	1.15	18.08.2015	23.07.2020	865,500	-
Tan Mei Yin	1.15	18.08.2015	23.07.2020	838,500	-
Tan Eng Ching	1.15	18.08.2015	23.07.2020	787,500	-
Choo Yee Ling	1.15	18.08.2015	23.07.2020	753,000	-
Soong Hong Kun	1.15	18.08.2015	23.07.2020	697,500	-
Khoo Kui Hong	1.15	18.08.2015	23.07.2020	693,000	-
Ng Chau Meng	1.15	18.08.2015	23.07.2020	570,000	-
Ong Teck Chong	1.15	18.08.2015	23.07.2020	528,000	-
Amin Chua Bin Abdullah	1.15	18.08.2015	23.07.2020	513,000	-
Ong Kat	1.15	18.08.2015	23.07.2020	492,000	-
Chan Yeen Kong	1.15	18.08.2015	23.07.2020	423,000	-
Tan Tuan Hiok	1.15	18.08.2015	23.07.2020	391,500	-
Chong Thiam Soon	1.15	18.08.2015	23.07.2020	375,000	-
Wee Joon Koon	1.15	18.08.2015	23.07.2020	375,000	-
Lee Choy Yun	1.15	18.08.2015	23.07.2020	364,500	-
Fauziah Binti Ismail	1.15	18.08.2015	23.07.2020	363,000	-

DIRECTORS

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

General Tan Sri Ismail Bin Hassan (R)
Tan Eng Piow
Foo Chek Lee
Cho Wai Ling
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Ir Zakaria Bin Nanyan
Roland Kenneth Selvanayagam

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those Directors who held office at the end of the financial year in shares and warrants of the Company and its related corporations during the financial year ended 31st December 2015 are as follows:-

DIRECTORS' INTERESTS (cont'd)

	Number of Ordinary Shares of RM0.50/- Each				
	At 1.1.2015	Execise of Warrants/ Bought	Bonus Issue	Sold	At 31.12.2015
The Company					
Direct interest					
Tan Eng Piow	161,781,659	11,250,000	86,515,830	-	259,547,489
Foo Chek Lee	723,335	87,500	405,417	-	1,216,252
Indirect interest					
Tan Eng Piow	2,170,000	262,500	1,216,250	-	3,648,750
Foo Chek Lee	2,170	2,625	12,162	-	36,487

	Number of Warrants-C Issued Pursuant To the Deed Poll Dated 21.6.2011 Exercisable at Any Time From 5.7.2011 to 4.7.2016				
	At 1.1.2015	Alloted	Bonus Issue	Exercised	At 31.12.2015
The Company					
Direct interest					
Tan Eng Piow	19,448,390	-	4,099,195	(11,250,000)	12,297,585
Foo Chek Lee	87,500	-	-	(87,500)	-
Indirect interest					
Tan Eng Piow	262,500	-	-	(262,500)	-
Foo Chek Lee	2,625	-	-	(2,625)	-

	Number of Warrants-D Issued Pursuant To the Deed Poll Dated 3.7.2015 Exercisable at Any Time From 24.8.2015 to 23.8.2020			
	At 1.1.2015	Alloted	Exercised	At 31.12.2015
The Company				
Direct interest				
Tan Eng Piow	-	34,606,331	-	34,606,331
Foo Chek Lee	-	162,166	-	162,166
Indirect interest				
Tan Eng Piow	-	486,500	-	486,500
Foo Chek Lee	-	4,865	-	4,865

DIRECTORS' REPORT (cont'd)

	No . of Shares Under the ESOS			
	At 1.1.2015	Granted	Exercised	At 31.12.2015
The Company				
Direct interest				
Tan Eng Piow	-	1,987,500	-	1,987,500
Foo Chek Lee	-	1,528,500	-	1,528,500
Cho Wai Ling	-	865,500	-	865,500
Indirect interest				
Tan Eng Piow	-	838,500	-	838,500

By virtue of his interest in the share and warrants of the Company, the Directors, Tan Eng Piow and Foo Chek Lee are deemed to have an interest in the shares of the subsidiaries of the Company to the extent the Company has an interest.

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 warrants of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Company or a related corporation was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, and/or debentures of the Company or any other body corporate, other than as may arise from the share options granted under the Company's ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 33 to the financial statements or the fixed salary of a full time employee of the Company and its related corporations) by reason of a contract made by the Company or a related corporation with any 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 deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 40(b) to the financial statements.

SIGNIFICANT EVENTS

Details of significant events during the financial year and subsequent to the end of the financial year are disclosed in Notes 44 and 45 to the financial statements.

AUDITORS

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

On behalf of the Board,

....
TAN ENG PIOW
Director

....
FOO CHEK LEE
Director

Selangor Darul Ehsan

Date: 7th April 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	75,281,611	41,394,540	1	1
Land held for property development	6	94,225,338	87,107,349	-	-
Investment properties	7	6,920,529	9,327,091	-	-
Investment in subsidiaries	8	-	-	152,049,025	140,695,694
Investment in an associate	9	584,346	-	-	-
Goodwill on consolidation	10	3,300,760	3,248,574	-	-
Deferred tax assets	11	2,627,195	1,939,595	-	-
Total non-current assets		182,939,779	143,017,149	152,049,026	140,695,695
Current assets					
Amount due from customers for contract work	12	96,511,226	20,031,362	-	-
Property development costs	13	175,098,360	174,302,210	-	-
Inventories	14	131,238,678	93,940,741	-	-
Trade and other receivables	15	391,651,823	183,474,923	123,404	112,167
Tax recoverable		2,218,494	1,171,575	-	-
Other investment	16	1,463,394	-	1,463,394	-
Amount due from subsidiaries	17	-	-	222,322,257	188,475,840
Deposits, cash and bank balances	18	39,830,636	23,918,656	11,839,870	11,372,538
Total current assets		838,012,611	496,839,467	235,748,925	199,960,545
TOTAL ASSETS		1,020,952,390	639,856,616	387,797,951	340,656,240
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	321,084,776	198,765,901	321,084,776	198,765,901
Treasury shares	19(c)	(546,652)	(1,038,417)	(546,652)	(1,038,417)
Reserves	20	179,962,236	196,690,596	64,340,074	134,635,147
Shareholders' funds		500,500,360	394,418,080	384,878,198	332,362,631
Non-controlling interests		1,126,775	749,781	-	-
Total equity		501,627,135	395,167,861	384,878,198	332,362,631

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31ST DECEMBER 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Non-current liabilities					
Borrowings	22	18,976,372	19,043,850	-	-
Deferred tax liabilities	11	1,440,694	1,101,634	-	-
Total non-current liabilities		20,417,066	20,145,484	-	-
Current liabilities					
Amount due to customers for contract work	12	6,811,954	11,224,697	-	-
Trade and other payables	27	336,657,138	125,249,140	2,134,275	7,035,340
Amount due to subsidiaries	28	-	-	10,809	224,172
Borrowings	22	143,503,975	82,966,507	174,700	635,495
Tax payable		11,935,122	5,102,927	599,969	398,602
Total current liabilities		498,908,189	224,543,271	2,919,753	8,293,609
TOTAL LIABILITIES		519,325,255	244,688,755	2,919,753	8,293,609
TOTAL EQUITY AND LIABILITIES		1,020,952,390	639,856,616	387,797,951	340,656,240

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	2014 RM	2015 RM	2014 RM
Revenue	29	890,731,317	520,204,899	23,000,000	95,600,000
Cost of sales	30	(701,774,560)	(409,757,406)	-	-
GROSS PROFIT		188,956,757	110,447,493	23,000,000	95,600,000
Other income		6,803,088	5,082,969	9,365,723	6,819,917
Administrative expenses		(34,179,453)	(24,353,020)	(637,392)	(486,392)
Other operating expenses		(19,995,420)	(15,094,908)	(623,433)	(58,381)
Share option expenses		(11,641,531)	-	-	-
OPERATING PROFIT	31	129,943,441	76,082,534	31,104,898	101,875,144
Finance costs	34	(5,301,493)	(3,600,205)	(37,329)	(38,262)
Share of results of an associate, net of tax		234,346	-	-	-
PROFIT BEFORE TAX		124,876,294	72,482,329	31,067,569	101,836,882
Tax expense	35	(37,906,140)	(19,197,589)	(2,300,954)	(1,673,213)
PROFIT FOR THE FINANCIAL YEAR		86,970,154	53,284,740	28,766,615	100,163,669
Other Comprehensive Income/(Loss):					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		(4,205,432)	(1,036,003)	-	-
Other comprehensive loss for the year, net of tax		(4,205,432)	(1,036,003)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		82,764,722	52,248,737	28,766,615	100,163,669
Profit/(Loss) attributable to:					
Owners of the Company		86,576,295	53,768,982	28,766,615	100,163,669
Non-controlling interests		393,859	(484,242)	-	-
		86,970,154	53,284,740	28,766,615	100,163,669
Total comprehensive income/(loss) attributable to:					
Owners of the Company		82,370,863	52,732,979	28,766,615	100,163,669
Non-controlling interests		393,859	(484,242)	-	-
		82,764,722	52,248,737	28,766,615	100,163,669
Earnings per share (sen)					
- basic	36(a)	13.85	9.10		
- diluted	36(b)	11.32	9.10		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

		← Attributable to owners of the Company										
					← Non-distributable →							
Group	Note	Share capital RM	Share premium RM	Other reserves Total RM	Foreign exchange reserves RM	Revaluation reserves RM	Share option (ESOS) reserve RM	Distributable retained profits RM	Treasury shares RM	Equity attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
At 1st January 2015		198,765,901	-	(8,847,410)	(19,454,276)	10,606,866	-	205,538,006	(1,038,417)	394,418,080	749,781	395,167,861
Profit for the financial year		-	-	-	-	-	-	86,576,295	-	86,576,295	393,859	86,970,154
Other comprehensive income												
Foreign currency translation	21	-	-	(4,205,432)	(4,205,432)	-	-	-	-	(4,205,432)	-	(4,205,432)
Total comprehensive income		-	-	(4,205,432)	(4,205,432)	-	-	86,576,295	-	82,370,863	393,859	82,764,722
Realisation of revaluation reserves	21	-	-	(1,505,824)	201,583	(1,707,407)	-	1,505,824	-	-	-	-
Transactions with owners												
Purchase of treasury shares	19(c)	-	-	-	-	-	-	-	(610,842)	(610,842)	-	(610,842)
Share option (ESOS) granted		-	-	11,641,531	-	-	11,641,531	-	-	11,641,531	-	11,641,531
		-	-	11,641,531	-	-	11,641,531	-	(610,842)	11,030,689	-	11,030,689

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

		Attributable to owners of the Company										
					Non-distributable							
Group	Note	Share capital RM	Share premium RM	Other reserves Total RM	Foreign exchange reserves RM	Revaluation reserves RM	Share option (ESOS) reserve RM	Distributable retained profits RM	Treasury shares RM	Equity attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Transactions with owners (cont'd)												
Dividends on ordinary shares	37	-	-	-	-	-	-	(21,403,670)	-	(21,403,670)	-	(21,403,670)
Resale of treasury shares		-	5,465,940	-	-	-	-	-	1,102,607	6,568,547	-	6,568,547
Issuance of ordinary shares arising from:-												
- exercise of Warrants		15,273,048	12,217,088	-	-	-	-	-	-	27,490,136	-	27,490,136
- exercise of share option (ESOS)		27,500	58,102	(22,352)	-	-	(22,352)	-	-	63,250	-	63,250
- bonus issue		107,018,327	-	-	-	-	-	(107,018,327)	-	-	-	-
Member's voluntary winding up of a subsidiary		-	-	-	-	-	-	(37,535)	-	(37,535)	(16,865)	(54,400)
Total transactions with owners		122,318,875	17,741,130	11,619,179	-	-	11,619,179	(128,459,532)	491,765	23,711,417	(16,865)	23,694,552
At 31st December 2015		321,084,776	17,741,130	(2,939,487)	(23,458,125)	8,899,459	11,619,179	165,160,593	(546,652)	500,500,360	1,126,775	501,627,135

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

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

Group	Note	Share capital RM	Share premium RM	Other reserves Total RM	Foreign exchange reserves RM (Non-distributable)	Revaluation reserves RM (Non-distributable)	Share option (ESOS) reserve RM (Non-distributable)	Distributable retained profits RM	Treasury shares RM	Equity attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the Company										
At 1st January 2014		198,765,901	-	(4,949,658)	(18,764,646)	13,814,988	-	156,789,658	(950,883)	349,655,018	1,258,523	350,913,541
Profit for the financial year		-	-	-	-	-	-	53,768,982	-	53,768,982	(484,242)	53,284,740
Other comprehensive income												
Foreign currency translation	21	-	-	(1,036,003)	(1,036,003)	-	-	-	-	(1,036,003)	-	(1,036,003)
Total comprehensive income		-	-	(1,036,003)	(1,036,003)	-	-	53,768,982	-	52,732,979	(484,242)	52,248,737
Realisation of revaluation reserves	21	-	-	(2,861,749)	346,373	(3,208,122)	-	2,861,749	-	-	-	-
Transactions with owners												
Purchase of treasury shares	19(c)	-	-	-	-	-	-	-	(87,534)	(87,534)	-	(87,534)
Dividends on ordinary shares	37	-	-	-	-	-	-	(7,882,383)	-	(7,882,383)	-	(7,882,383)
Acquisition of non-controlling interest		-	-	-	-	-	-	-	-	-	(24,500)	(24,500)
Total transactions with owners		-	-	-	-	-	-	(7,882,383)	(87,534)	(7,969,917)	(24,500)	(7,994,417)
At 31st December 2014		198,765,901	-	(8,847,410)	(19,454,276)	10,606,866	-	205,538,006	(1,038,417)	394,418,080	749,781	395,167,861

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

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

		Attributable to owners of the Company					
				Non-distributable		Distributable	
Company	**Note**	**Share capital RM**	**Share premium RM**	**Share option (ESOS) reserve RM**	**Treasury shares RM**	**Retained profits RM**	**Total equity RM**
At 1st January 2014		198,765,901	-	-	(950,883)	42,353,861	240,168,879
Profit for the financial year		-	-	-	-	100,163,669	100,163,669
Transactions with owners							
Purchase of treasury shares	19(c)	-	-	-	(87,534)	-	(87,534)
Dividends on ordinary shares	37	-	-	-	-	(7,882,383)	(7,882,383)
Total transactions with owners		-	-	-	(87,534)	(7,882,383)	(7,969,917)
At 31st December 2014		198,765,901	-	-	(1,038,417)	134,635,147	332,362,631
Profit for the financial year		-	-	-	-	28,766,615	28,766,615
Transactions with owners							
Purchase of treasury shares	19(c)	-	-	-	(610,842)	-	(610,842)
Dividends on ordinary shares	37	-	-	-	-	(21,403,670)	(21,403,670)
Share option (ESOS) granted		-	-	11,641,531	-	-	11,641,531
Resale of treasury shares		-	5,465,940	-	1,102,607	-	6,568,547
Issuance of ordinary shares arising from:							
- exercise of Warrants		15,273,048	12,217,088	-	-	-	27,490,136
- exercise of share option (ESOS)		27,500	58,102	(22,352)	-	-	63,250
- bonus issue		107,018,327	-	-	-	(107,018,327)	-
Total transactions with owners		122,318,875	17,741,130	11,619,179	491,765	(128,421,997)	23,748,952
At 31st December 2015		321,084,776	17,741,130	11,619,179	(546,652)	34,979,765	384,878,198

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before taxation	124,876,294	72,482,329	31,067,569	101,836,882
Adjustments for:				
Bad debts written off	202,108	-	-	-
Depreciation of:				
- property, plant and equipment	18,051,177	9,419,908	-	-
- investment properties	252,252	81,958	-	-
Gain on disposal of property, plant and equipment	(927,513)	(1,672,633)	-	-
Member's voluntary liquidation of a subsidiary	149,130	-	(36,463)	-
Impairment losses of:				
- investment properties	2,154,310	-	-	-
- investment in a subsidiary	-	-	136,004	-
Interest expense	5,301,493	3,600,205	37,329	38,262
Interest income	(849,157)	(570,257)	-	-
Property, plant and equipment written off	2,087,877	446,116	-	-
Reversal of impairment loss on trade receivable	(202,108)	(200)	-	-
Unrealised loss from foreign exchange	186,337	-	-	-
Changes in fair value of other investment	(36,120)	-	(36,120)	-
Share of profit in an associate	(234,346)	-	-	-
Share option expense	11,641,531	-	-	-
	162,653,265	83,787,426	31,168,319	101,875,144
Changes in working capital:				
Amount due from/(to) customers for contract work	(81,083,668)	(5,718,628)	-	-
Inventories	(39,248,353)	30,965,150	-	-
Property development costs	2,259,380	(32,487,434)	-	-
Trade and other receivables	(208,528,978)	(60,323,996)	(23,011,238)	(32,158,851)
Trade and other payables	211,760,583	6,647,200	(4,901,065)	(729,653)
	47,812,229	22,869,718	3,256,016	68,986,640
Tax paid	(32,469,057)	(15,376,814)	(2,099,589)	(2,018,405)
Net Operating Cash Flows	15,343,172	7,492,904	1,156,427	66,968,235

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	849,157	570,257	-	-
Placement of deposits with licensed banks	(455,576)	(1,347,975)	(455,576)	(1,347,975)
Additional investment in a subsidiary	-	(24,500)	-	(55,000,000)
Investment in an associate	(350,000)	-	-	-
Placement of other investment	(1,427,274)	-	(1,427,274)	-
Proceeds from disposal of property, plant and equipment	2,052,928	1,679,000	-	-
Proceeds from winding up of investment in subsidiary	-	-	188,660	-
Expenditure on land held for development	(11,793,593)	(14,085)	-	-
Purchase of property, plant and equipment (Note 5(b))	(23,654,439)	(6,688,968)	-	-
Net Investing Cash Flows	(34,778,797)	(5,826,271)	(1,694,190)	(56,347,975)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(5,301,493)	(3,600,205)	(37,329)	(38,262)
Advances to subsidiaries	-	-	(11,059,779)	(3,109,017)
Dividend paid	(21,403,670)	(7,882,383)	(21,403,670)	(7,882,383)
Drawdown/(Repayment) of:				
- borrowings	(2,997,452)	(3,532,879)	-	-
- bankers' acceptance	2,261,000	18,684,000	-	-
- on-shore foreign currency loan	(3,106,079)	3,106,079	-	-
- short term revolving credit	23,500,000	10,000,000	-	-
Payment of hire purchase	(16,017,264)	(2,459,808)	-	-
Proceeds from the warrants exercised	27,490,136	-	27,490,136	-
Proceeds from the re-sale of treasury shares	6,568,547	-	6,568,547	-
Purchase of treasury shares	(610,842)	(87,534)	(610,842)	(87,534)
Proceeds from ESOS exercised	63,250	-	63,250	-
Net Financing Cash Flows	10,446,133	14,227,270	1,010,313	(11,117,196)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,989,492)	15,893,903	472,550	(496,936)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(743,208)	(97,706)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	(11,371,131)	(27,167,328)	(610,932)	(113,996)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	(21,103,831)	(11,371,131)	(138,382)	(610,932)

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Deposits with licensed financial banks	18	20,402,323	18,999,274	11,824,781	11,368,559
Cash and bank balances	18	19,428,313	4,919,382	15,089	3,979
		39,830,636	23,918,656	11,839,870	11,372,538
Bank overdrafts	23	(49,130,916)	(23,941,812)	(174,700)	(635,495)
		(9,300,280)	(23,156)	11,665,170	10,737,043
Less: Non short term fixed deposits		(11,803,551)	(11,347,975)	(11,803,552)	(11,347,975)
		(21,103,831)	(11,371,131)	(138,382)	(610,932)

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 investment holding activity whilst the principal activities of the subsidiaries are as disclosed in Note 8. There has been no significant change in the nature of these principal activities during the financial year.

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

The registered office and principal place of business of the Company are located at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 7th April 2016.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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.

2.2 New FRS and Amendments/ Improvements to FRSs

(a) Adoption of Amendments/ Improvements to FRSs

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

Amendments/ Improvements to FRSs	
FRS 1	First-time Adoption of Malaysian 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

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.

2. BASIS OF PREPARATION (cont'd)

2.2 New FRS and 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

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

		Effective for financial periods beginning on or after
New 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	Deferred/ 1 January 2016
FRS 10	Consolidated Financial Statements	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 statement 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 statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. BASIS OF PREPARATION (cont'd)

2.2 New FRS and 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)

Key requirements of FRS 9:- (cont'd)

- 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.

- 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 7 Financial Instruments: Disclosures

Amendments to FRS 7 provides 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 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 (whether it is housed in a subsidiary or not), as defined in FRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to FRS 101 Presentation of Financial Statements

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

2. BASIS OF PREPARATION (cont'd)

2.2 New FRS and 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 116 Property, Plant and Equipment

Amendments to FRS 116 prohibits 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 127 Separate Financial Statements

Amendments to FRS 127 allows 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.

(c) MASB Approved Accounting Standards, MFRSs

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

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1st 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 1st January 2012.

MASB also has issued MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 (Agriculture: Bearer Plants). MFRS 15 is effective for annual periods beginning on or after 1st January 2018 while the Bearer Plants amendments is effective for annual periods beginning on or after 1st January 2016.

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 ending 31st 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. BASIS OF PREPARATION (cont'd)

2.2 New FRS and Amendments/ Improvements to FRSs (cont'd)

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

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

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs 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.

The relevant standards under the MFRS Framework that will be applicable to the Group are as follows:-

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.

2.3 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in the summary of significant accounting policies.

2. BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgement

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 reporting period. It also requires management 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 management's 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 that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in financial statements of the Group and of the Company.

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.

In business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the cost of acquisition over the Group's share in the net fair value of the 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 3.7. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised as bargain purchase gain in profit or loss on the date of acquisition.

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 31st December 2010, 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of Consolidation (cont'd)

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

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

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

Prior to 1st January 2011, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

3.2 Transactions with Non-Controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group 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.

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

Prior to 1st January 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.

3.3 Separate financial statements

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Foreign Currency

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

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

(iii) Foreign Operations

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Property, Plant and Equipment and Depreciation

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

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

Buildings	2%
Fixtures, fittings and office equipment	10% - 50%
Renovations	10% - 20%
Plant and machinery	10% - 40%
Motor vehicles	20% - 25%

The residual values, useful life and depreciation method are reviewed at each financial year-end 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

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.

3.6 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment loss.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11.

No depreciation is provided on the freehold land as it has indefinite useful life. Depreciation of buildings is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at 2% of annual rates.

Freehold land of the Group under investment properties have not been revalued since they were first revalued in 1993. The Directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standard No. 16 ("IAS16") (Revised), Property, Plant and Equipment, these assets continue to be stated at their 1993 valuation less accumulated depreciation. Surplus arising from revaluation is credited directly to revaluation reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Intangible Assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any impairment loss.

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 31st December 2010, 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.

For acquisition on or after 1st January 2011, the Group considers 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.

When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

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 off and the portion of the cash-generating unit retained.

As permitted under the transitional provision of FRS 121: The Effects of Changes in Foreign Exchange Rates, 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 3.4 (iii).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The transaction costs of the investments shall be recognised as expense in the profit or loss in the period in which the costs are incurred.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

3.9 Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Financial Assets

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

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

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

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

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

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

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

(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 amortization process.

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

(iii) Held-to-maturity investment

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Financial Assets (cont'd)

(iv) Available-for-sale financial assets

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

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

3.11 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 of disposal 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment of Non-Financial Assets (cont'd)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

3.12 Impairment of Financial Assets

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 Impairment of Financial Assets (cont'd)

(iii) Available-for-sale financial assets

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

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

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

3.13 Construction Contracts

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

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

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

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

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

3.14 Land Held for Property Development and Property Development Costs

(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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14 Land Held for Property Development and Property Development Costs (cont'd)

(ii) Property Development Costs

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

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

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

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

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

3.15 Inventories

Inventories are stated at the lower of cost and net realisable value and cost is determined based on the following methods:-

Raw materials	First-in-first-out
Medicine and consumables	First-in-first-out
Completed development properties	Specific identification

The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of unsold completed development units and leasehold land comprises cost associated with the acquisition of land, construction costs and appropriate proportions of common development costs.

Net realisable value is the estimated selling price in ordinary course of business less the estimated costs to completion and estimated costs necessary to make the sale.

3.16 Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash in hand and at bank, deposits at call and short term (with maturity of three months or less) highly liquid investments which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Financial Liabilities

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

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

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

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

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

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

(ii) Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. 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 end of 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.

3.18 Financial Guarantee Contracts

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.19 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(i) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Any upfront lease payments are classified as land use rights within intangible assets.

(ii) Lessor accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.20 Provisions for Liabilities

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

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 Provisions for Liabilities (cont'd)

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 economic resources will be required to settle the obligation, the provision is reversed.

3.21 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. 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.

3.22 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. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution 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.

(iii) Share-based Compensation

The Company Employees' Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

The Company recognised the impact of the estimate of the number of options that are expected to become exercisable on vesting date, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred directly to retained profits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.22 Employee Benefits (cont'd)

(iii) Share-based Compensation (cont'd)

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

3.23 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 3.13.

(ii) Sale of properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 3.14 (ii).

(iii) Golf Management, Photorefractive and Keratectomy

Revenue of the Group from golf management and photorefractive keratectomy are recognised when services are rendered.

(iv) Sales of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(v) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) Dividend Income

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

(vii) Rental Income

Rental income is recognised on a straight line basis over the term of the lease.

(viii) Income from Short Term Funds

Income from short term funds is recognised when right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.24 Taxes

(i) Income Tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current Tax

Income tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred Tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.24 Taxes (cont'd)

(i) Income Tax (cont'd)

Deferred Tax (cont'd)

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.

(ii) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:-

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.25 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.26 Share Capital and Share Issuance Expenses

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.27 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of 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 treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

3.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3.29 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 a 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 and the Company use observable market data as far as possible. Fair value is 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 identical assets or liabilities that the Group and the Company 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 and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. 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) Deferred Tax Assets (Note 11)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when its probable that future taxable profits will be available against which the assets can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

(ii) Net Realisable Values of Inventories (Note 14)

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.

As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required resulting from the review.

(iii) Depreciation of Property, Plant and Equipment (Note 5)

The cost of property, plant and machinery is depreciated on a straight-line basis over the assets's useful lives. Management estimates the useful lives of these property, plant and machinery to be within 2 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iv) Impairment of Investment Properties (Note 7)

The Group assesses impairment of investment properties when events or changes in circumstances indicate that the carrying amounts of the assets may not recoverable. The Group considers internal and external factors such as market price and latest transacted price of properties within the same vicinity and nature.

The Group assessed the market price of the investment properties based on information available through internal research and Directors' best estimates.

Where there is objective evidence, impairment losses are recognised in profit or loss.

(v) Impairment of Investment in Subsidiaries (Note 8)

The Group review the investment in subsidiaries for impairment when there is an indication of impairment. The Group and the Company carried out the impairment test based on a variety of estimation including fair value less costs of disposal and valuation techniques. Valuation techniques includes amongst others, and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

(vi) Impairment of Goodwill (Note 10)

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flow from the CGU and also choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill are given in Note 10.

(vii) Impairment of Trade and Other Receivables (Note 15)

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(viii) Construction (Note 12)

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 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.

(ix) Property Development (Note 13)

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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

(x) Income Tax (Note 35)

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(xi) Share-based payments (Note 19)

The Company grants share options to employees who have met the specified conditions. The share options granted are measured at fair value at grant date using a binomial option pricing model. The key assumptions or inputs used in binomial option pricing model include: (a) the current price, (b) the exercise price, (c) the risk-free rate, (d) the volatility of the share price, (e) the dividend yield and (f) the time period of maturity, and with an adjustment for early exercise of option. As the volatility of the share price is estimated based on past price movements, the actual vitality may not coincide with the estimates made. Similarly, the actual early exercise of options granted may not coincide with the estimates made.

These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The carrying amount of share option reserve and assumptions and models used for estimating fair value for share based payment transactions are disclosed in Note 19(d).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Fixtures, fittings and office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Total RM
Group							
2015							
Cost							
At 1st January 2015	1,154,110	7,160,399	8,369,603	6,693,512	13,558,247	104,397,196	141,333,067
Additions	-	1,422,451	2,292,008	1,323,477	5,420,595	44,836,589	55,295,120
Disposals	-	(1,102,996)	(98,771)	-	(1,275,708)	(1,268,820)	(3,746,295)
Written off	-	-	(1,091,955)	(1,752,438)	(4,650)	(9,456,131)	(12,305,174)
Exchange differences	(115,103)	-	(32,336)	-	(39,865)	(88,356)	(275,660)
At 31st December 2015	1,039,007	7,479,854	9,438,549	6,264,551	17,658,619	138,420,478	180,301,058
Accumulated Depreciation							
At 1st January 2015	-	1,511,886	6,486,693	4,136,765	8,649,690	79,153,493	99,938,527
Depreciation for the financial year	-	124,824	710,929	457,834	2,044,332	14,713,258	18,051,177
Disposals	-	(211,407)	(79,522)	-	(1,117,262)	(1,212,689)	(2,620,880)
Written off	-	-	(1,072,447)	(1,223,905)	(4,649)	(7,916,296)	(10,217,297)
Exchange differences	-	-	(29,512)	-	(39,865)	(62,703)	(132,080)
At 31st December 2015	-	1,425,303	6,016,141	3,370,694	9,532,246	84,675,063	105,019,447
Carrying Amount							
At 31st December 2015	1,039,007	6,054,551	3,422,408	2,893,857	8,126,373	53,745,415	75,281,611

5. **PROPERTY, PLANT AND EQUIPMENT (cont't)**

	Freehold land RM	Buildings RM	Fixtures, fittings and office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Total RM
Group							
2014							
Cost							
At 1st January 2014	1,185,667	7,160,399	7,906,295	6,455,178	10,987,367	98,177,703	131,872,609
Additions	-	-	1,056,753	238,334	3,180,692	9,139,339	13,615,118
Disposals	-	-	(32,073)	-	(593,094)	(2,317,348)	(2,942,515)
Written off	-	-	(548,627)	-	-	(577,357)	(1,125,984)
Exchange differences	(31,557)	-	(12,745)	-	(16,718)	(25,141)	(86,161)
At 31st December 2014	1,154,110	7,160,399	8,369,603	6,693,512	13,558,247	104,397,196	141,333,067
Accumulated Depreciation							
At 1st January 2014	-	1,368,678	6,438,180	3,623,540	7,594,863	75,162,387	94,187,648
Depreciation for the financial year	-	143,208	567,901	513,225	1,658,626	6,536,948	9,419,908
Disposals	-	-	(31,862)	-	(587,081)	(2,317,205)	(2,936,148)
Written off	-	-	(476,169)	-	-	(203,699)	(679,868)
Exchange differences	-	-	(11,357)	-	(16,718)	(24,938)	(53,013)
At 31st December 2014	-	1,511,886	6,486,693	4,136,765	8,649,690	79,153,493	99,938,527
Carrying Amount							
At 31st December 2014	1,154,110	5,648,513	1,882,910	2,556,747	4,908,557	25,243,703	41,394,540

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment	
	2015	**2014**
	RM	**RM**
Company		
Cost		
At 1st January/31st December	1,511	1,511
Accumulated Depreciation		
At 1st January/31st December	1,510	1,510
Carry Amount		
At 31st December	1	1

(a) Carrying amount of property, plant and equipment held under hire purchase are as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Plant and machinery	38,650,922	6,867,819
Motor vehicles	6,920,142	3,551,734
	45,571,064	10,419,553

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM55,295,120/- (2014: RM13,615,118/-) of which RM31,640,681/- (2014: RM6,926,150/-) were acquired by means of hire purchase.

(c) Included in property, plant and equipment is a building and certain plant and machinery with carrying amount of RM1,507,576/- (2014: RM3,047,705/-) which is pledged to a financial institution to secure the term loan facility granted to the Group as disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM	Leasehold land RM	Development cost RM	Total RM
2015				
Cost				
At 1st January	37,913,070	46,076,697	3,817,582	87,807,349
Additions	11,793,593	-	-	11,793,593
Transfer to property development costs (Note 13)	(3,052,307)	-	(493,397)	(3,545,704)
Exchange difference	(1,129,900)	-	-	(1,129,900)
At 31st December	45,524,456	46,076,697	3,324,185	94,925,338
Accumulated impairment losses				
At 1st January/ 31st December	700,000	-	-	700,000
Net carrying amount				
At 31st December	44,824,456	46,076,697	3,324,185	94,225,338
2014				
Cost				
At 1st January	55,333,762	62,400,427	3,803,497	121,537,686
Additions	-	-	14,085	14,085
Transfer to property development costs (Note 13)	(17,420,692)	(16,323,730)	-	(33,744,422)
At 31st December	37,913,070	46,076,697	3,817,582	87,807,349
Accumulated impairment losses				
At 1st January/ 31st December	700,000	-	-	700,000
Net carrying amount				
At 31st December	37,213,070	46,076,697	3,817,582	87,107,349

(a) The carrying amount of RM41,947,522/- (2014: RM41,947,522/-) of the land held for development of the Group has been pledged to financial institutions to secure the term loan facility granted to the Group as disclosed in the Note 25.

(b) Freehold land with carrying amount of RM10,663,693/- is pending issuance of land title deed by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. INVESTMENT PROPERTIES

	Group 2015 RM	Group 2014 RM
Cost		
At 1st January/ 31st December	11,917,862	11,917,862
Accumulated depreciation		
At 1st January	322,602	240,644
Depreciation for the financial year	252,252	81,958
At 31st December	574,854	322,602
Accumulated impairment losses		
At 1st January	2,268,169	2,268,169
Impairment loss for the financial year	2,154,310	-
At 31st December	4,422,479	2,268,169
Carrying amount		
At 31st December	6,920,529	9,327,091

(a) Certain freehold lands of the Group were revalued by the Directors in the financial year 1993 based on an independent valuation carried out on an existing use basis. The property has continued to be stated on the basis of the 1993 valuation, as allowed by the transitional provisions of IAS16 (Revised), Property, Plant and Equipment, issued by the Malaysian Accounting Standards Board by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of their previous revaluations (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount). The above-mentioned freehold lands were revalued on 25th October 1993.

(b) At 31st December 2015, had the revalued freehold lands of the Company been carried under the cost model, the carrying amount would have been RM 360,044/- (2014: RM360,044/-).

(c) During the financial year, a further impairment loss of RM2,154,310/- was recognised in the profit or loss under other operating expenses line item on certain properties as their recoverable amount is assessed to be lower than their carrying amount based on fair value less costs of disposal.

(d) The Group's investment properties comprise commercial properties that are leased to third parties. Each lease contains an initial non-cancellable period of 3 years with option to renew for subsequent 3 year. Subsequent renewals are negotiated with the lessee.

	Group 2015 RM	Group 2014 RM
Rental income	98,000	70,000
Direct operating expenses:-		
- Income generating investment properties	11,999	12,061
- non-income generating investment properties	35,821	35,821

7. INVESTMENT PROPERTIES (cont'd)

(e) *Fair value information*

The fair value for the above investment properties of approximately RM23.8 million (2014: RM20.4 million) are determined based on information available through internal research and Directors' best estimate.

Fair value of investment properties are categorised as follows:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2015	-	-	23,753,276	23,753,276
2014	-	-	20,439,448	20,439,448

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

8. INVESTMENT IN SUBSIDIARIES

	Company 2015 RM	2014 RM
Unquoted shares - at cost	140,543,498	140,695,694
ESOS granted to employees of subsidiaries	11,641,531	-
	152,185,029	140,695,694
Less: Impairment losses	(136,004)	-
At 31st December	152,049,025	140,695,694

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:-

Name of Company	Principal Place of Business and Country of Incorporation	Proportion Ownership Interest/ Voting Rights 2015 %	2014 %	Principal Activities
Held by the Company:-				
Pembinaan Mitrajaya Sdn. Bhd.	Malaysia	100	100	Civil engineering, building and road construction works and supply of construction material
Daya Asfalt Sdn. Bhd.	Malaysia	100	100	Investment holding
Dutawani Sdn. Bhd.	Malaysia	100	100	Maintenance of properties
Mitrajaya Homes Sdn. Bhd.	Malaysia	100	100	Construction and property development
Mitrajaya Equipment Resource Sdn. Bhd.	Malaysia	100	100	Dormant
Mitrajaya Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Mitrajaya Home Décor Sdn. Bhd.	Malaysia	-	100	Renovations work
Primaharta Development Sdn. Bhd.	Malaysia	100	100	Property development
Leo Vista Sdn. Bhd.	Malaysia	100	100	Property development
Awana Prisma Sdn. Bhd.	Malaysia	100	100	Property development
Kina-Bijak Sdn. Bhd.	Malaysia	100	100	Property development
Skyway Development Sdn. Bhd.	Malaysia	72	72	Property development
Optimax Eye Specialist Centre Sdn. Bhd.	Malaysia	51	51	Photorefractive keratectomy and related services
Kemajuan Sekim Baru Sdn. Bhd.	Malaysia	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Principal Place of Business and Country of Incorporation	Proportion Ownership Interest/ Voting Rights 2015 %	2014 %	Principal Activities
Held through Daya Asfalt Sdn. Bhd.:-				
Maha-Mayang Sdn. Bhd.	Malaysia	100	100	Sub-contract for land scaping and road works
Held through Pembinaan Mitrajaya Sdn. Bhd.:-				
Consortium of Pembinaan Mitrajaya Sdn Bhd & Syarikat Ismail Ibrahim Sdn Bhd #	Malaysia	51	-	Civil engineering, building and road construction works and supply of construction material
Held through Mitrajaya Development Sdn. Bhd.:-				
Mitrajaya SA (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Civil Engineering (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Builders (Pty) Ltd. *	South Africa	100	100	Builders
Mitrajaya Development SA (Pty) Ltd. *	South Africa	100	100	Property development
Held through Mitrajaya Development SA (Pty) Ltd.:-				
Blue Valley Golf and Country Club (Pty) Ltd.*	South Africa	100	100	Golf management
Held through Optimax Eye Specialist Centre Sdn. Bhd.:-				
Optimax Laser Eye Centre Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Principal Place of Business and Country of Incorporation	Proportion Ownership Interest/ Voting Rights 2015 %	2014 %	Principal Activities
Held through Optimax Eye Specialist Centre Sdn. Bhd.:- (cont'd)				
Optimax Eye Specialist Centre (Kota Kinabalu) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Visual Series Sdn. Bhd.	Malaysia	100	100	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kajang) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Ampang) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kuching) Sdn. Bhd.	Malaysia	75	75	Photorefractive keratectomy and related services
Held through Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd.:-				
Optimax Eye Specialist Centre (Sunway) Sdn. Bhd.	Malaysia	65	65	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Seremban) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services

* *Audited by audit firm other than Baker Tilly Monteiro Heng. These subsidiaries are audited by Nexia SAB&T Chartered Accountants Incorporated.*

\# *Unincorporated entity.*

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) In previous financial year, the Company subscribed for an additional 55 million ordinary shares of RM1/- each in Pembinaan Mitrajaya Sdn. Bhd. ("PMJ") for a cash consideration of RM55.0 million.

(b) In previous financial year, a 51% owned subsidiary, Optimax Eye Specialist Centre Sdn. Bhd. ("OESC"), acquired the remaining 49% shares in Visual Series Sdn. Bhd. ("VSSB") for a cash consideration of RM24,500/-. This resulted in VSSB became a wholly-owned subsidiary of OESC.

(c) A wholly-owned subsidiary of the Company, Mitrajaya Homes Décor Sdn. Bhd. had on 3rd March 2015 effected a members' voluntary winding up which was completed on 30th June 2015.

(d) On 19th November 2015, a wholly-owned subsidiary of the Company, PMJ has entered into a joint venture agreement with Syarikat Ismail Ibrahim Sdn. Bhd. ("SII") to form Consortium of PMJ & SII, an unincorporated subsidiary.

(e) The Group does not have any material non-controlling interests.

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2015 RM	**2014 RM**
Unquoted shares - at cost	350,000	-
Share of post-acquisition reserves	234,346	-
	584,346	-

Name of Company	Principal Place of Business and Country of Incorporation	Proportion Ownership Interest/ Voting Rights 2015 %	2014 %	Principal Activities
Held by Daya Asfalt Sdn. Bhd.:-				
Maha-Mayang Quarry Sdn. Bhd. *	Malaysia	35	-	Quarrying, rough trimming and sawing of monumental and building stone

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

The Group does not have any material associate.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10. GOODWILL ON CONSOLIDATION

	Group	
	2015	**2014**
	RM	**RM**
At 1st January	3,248,574	3,226,690
Exchange differences	52,186	21,884
At 31st December	3,300,760	3,248,574

Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to business segments as follows:-

	2015	**2014**
	RM	**RM**
Property development	2,342,887	2,290,701
Healthcare	957,873	957,873
	3,300,760	3,248,574

The goodwill allocated to healthcare segment is not significant to the Group.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that since the CGU are to be held on a long term basis, value in use would best reflect its recoverable amount. The value in use is determined by discounting future cash flows over a five year period. The future cash flows are based management's five-year business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each cash-generating unit.

There remains a risk that, due to unforeseen changes in the economies in which the cash-generating units operate and/or global economic conditions, the ability to achieve management's business plan will be adversely affected. In calculating the value in use for property development segment, management has applied a pre-tax discount rate of 14% and a growth rate of 5% to 10% for a period of 3 years. The following describes each key assumption on which management has based its cash flow projections for the purposes of impairment testing of goodwill on property development are:-

(a) The pre-tax discount rate used based on the weighted average cost of capital of the segment;

(b) Growth rate has been used based on industry outlook for that segment; and

(c) The profit margins used in the projections are based on the budgeted profit margins.

The directors believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGU to materially exceed their recoverable amounts.

11. DEFERRED TAX ASSETS/ (LIABILITIES)

(a) The deferred tax assets and liabilities are made up of the following:-

	Group	
	2015 RM	2014 RM
At 1st January	(837,961)	(1,300,263)
Exchange differences	7,156	-
Recognised in profit or loss (Note 35)	(355,696)	462,302
At 31st December	(1,186,501)	(837,961)
Presented after appropriate offsetting:-		
Deferred tax assets	(2,627,195)	(1,939,595)
Deferred tax liabilities	1,440,694	1,101,634
	(1,186,501)	(837,961)

(b) The components of recognised deferred tax assets and liabilities are as follows:-

	Group	
	2015 RM	2014 RM
Deferred tax assets:-		
- Unrealised profit arising from development activities	(2,627,195)	(1,939,595)
Defered tax liabilities:-		
- Accelerated capital allowances	1,440,694	1,101,634
	(1,186,501)	(837,961)

(c) Deferred tax assets have not been recognised in respect of the following temporary difference items:-

	Group	
	2015 RM	2014 RM
Unused tax losses	16,478,654	14,305,348
Unabsorbed capital allowances	4,884,484	4,675,440
Other taxable temporary differences	303,505	977,075
	21,666,643	19,957,863

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	Group	
	2015 RM	2014 RM
Aggregate construction contract costs incurred to date	1,253,711,825	667,252,283
Add: Attributable profits	220,204,068	87,469,022
	1,473,915,893	754,721,305
Less: Progress billings	(1,383,830,778)	(745,526,684)
	90,085,115	9,194,621
Exchange difference	(385,843)	(387,956)
	89,699,272	8,806,665
Amount due from customers for contract work	96,511,226	20,031,362
Amount due to customers for contract work	(6,811,954)	(11,224,697)
	89,699,272	8,806,665

The following are costs incurred during the financial year:-

	2015 RM	2014 RM
Depreciation of property, plant and equipement	12,361,223	3,130,206
Employee benefits expense:-		
- wages and salaries	27,505,967	18,585,032
- social security costs	161,007	110,805
- defined contribution plans	2,627,609	1,772,112
- others	5,152,057	3,382,529
Hire of plant and machinery	25,641,128	11,012,745

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13. PROPERTY DEVELOPMENT COSTS

	Leasehold land RM	Freehold land RM	Development Cost RM	Total RM
Group				
2015				
Cost				
At 1st January 2015	29,196,344	43,716,183	237,108,609	310,021,136
Add:				
Incurred during the financial year	-	-	95,801,280	95,801,280
Transfer from/(to):-				
Inventories	(2,653,688)	(1,789,437)	(44,344,493)	(48,787,618)
Land held for property development (Note 6)	3,052,307	-	493,397	3,545,704
Less:				
Completed project	(3,803,531)	-	(57,139,631)	(60,943,162)
Exchange difference	-	(2,248,718)	(7,580,068)	(9,828,786)
At 31st December 2015	25,791,432	39,678,028	224,339,094	289,808,554
Accumulated development cost recognised in Profit or Loss				
At 1st January 2015	3,803,532	17,242,061	114,673,333	135,718,926
Add:				
Recognised during the financial year	1,017,400	2,969,019	43,803,704	47,790,123
Exchange difference	-	(1,801,458)	(6,054,235)	(7,855,693)
Less:				
Completed project	(3,803,531)	-	(57,139,631)	(60,943,162)
At 31st December 2015	1,017,401	18,409,622	95,283,171	114,710,194
Carrying amount				
At 31st December 2015	24,774,031	21,268,406	129,055,923	175,098,360

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13. PROPERTY DEVELOPMENT COSTS (cont'd)

	Leasehold land RM	Freehold land RM	Development Cost RM	Total RM
Group				
2014				
Cost				
At 1st January 2014	13,878,014	27,238,502	177,249,869	218,366,385
Add:				
Incurred during the financial year	-	-	73,676,389	73,676,389
Transfer from/(to):-				
Land held for property development (Note 6)	16,323,730	17,420,692	-	33,744,422
Inventories	(4,200)	-	(37,800)	(42,000)
Less:				
Completed project	(1,001,200)	-	(11,252,886)	(12,254,086)
Exchange difference	-	(943,011)	(2,526,963)	(3,469,974)
At 31st December 2014	29,196,344	43,716,183	237,108,609	310,021,136
Accumulated development cost recognised in Profit or Loss				
At 1st January 2014	2,205,343	15,585,747	90,019,330	107,810,420
Add:				
Recognised during the financial year	2,599,389	2,155,972	37,828,238	42,583,599
Less:				
Completed project	(1,001,200)	-	(11,252,886)	(12,254,086)
Exchange difference	-	(499,658)	(1,921,349)	(2,421,007)
At 31st December 2014	3,803,532	17,242,061	114,673,333	135,718,926
Carrying amount				
At 31st December 2014	25,392,812	26,474,122	122,435,276	174,302,210

The carrying amount of RM50,426,288/- of the leasehold land and development costs of the Group has been pledged to financial institutions to secure the banking facility granted to the Group as disclosed in the Note 23.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13. PROPERTY DEVELOPMENT COSTS (cont'd)

The following are costs incurred during the financial year:-

	Group	
	2015	**2014**
	RM	**RM**
Depreciation of property, plant and equipment	864,270	1,525,588
Directors' remuneration:-		
- wages and salaries	1,729,600	-
- social security costs	1,240	-
- defined contribution plan	264,400	-
- others	109,325	-
Employee benefits expense:-		
- wages and salaries	3,632,838	1,472,290
- social security costs	23,350	14,035
- defined contribution plans	424,885	173,329
- others	349,325	212,279
Interest expense	2,029,323	1,292,468
Hire of plant and machinery	648,108	928,764

The interest expense is capitalised at a rate of 6.85% (2014: 6.60 % to 6.85%) per annum.

14. INVENTORIES

	Group	
	2015	**2014**
	RM	**RM**
At Cost		
Completed development units	101,915,880	64,440,828
Leasehold land	28,424,020	28,424,020
Medicine and consumables	876,558	1,053,673
Other stocks	22,220	22,220
	131,238,678	93,940,741

Included in the inventories are completed development units approximately RM57,011,450/- (2014: RM61,736,002/-) which are pledged to financial institution to secure banking facilities as disclosed in Note 23.

During the financial year, inventories of the Group recognised as cost of sales amounted to RM30,874,775/- (2014: RM 36,924,364/-).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables				
Trade receivables	289,132,027	110,121,901	-	-
Retention sums	62,096,595	33,768,314	-	-
Stakeholder sums	2,430,920	168,000	-	-
	353,659,542	144,058,215	-	-
Less: Allowance for impairment	-	(202,108)	-	-
	353,659,542	143,856,107	-	-
Accrued billings in respect of property development costs	17,697,798	8,256,805	-	-
Other receivables				
Other receivables	6,161,283	15,613,367	123,404	112,167
Amount due from associate	1,325,797	-	-	-
GST refundable	7,685,500	-	-	-
Advances to sub-contractors	-	7,871,368	-	-
Deposits	2,197,714	6,281,545	-	-
Prepayments	2,924,189	1,595,731	-	-
	391,651,823	183,474,923	123,404	112,167

(a) Trade receivables

(i) Trade receivables are non-interest bearing and the Group's normal trade credit terms ranging from 30 to 90 days (2014: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) Included in trade receivables of the Group is an amount of RM264,652/- (2014: RM1,625,436/-) due from certain Directors of the Company and companies in which certain Directors have interest in.

(iii) Stakeholder sums on property development are amounts held by the developer' solicitors.

15. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

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

	Group 2015 RM	Group 2014 RM
Neither past due nor impaired	304,383,621	113,739,976
Past due not impaired:-		
1 to 30 days	16,916,291	19,190,920
31 to 90 days	26,111,189	3,000,158
91 to 120 days	20,454	169,488
More than 121 days	6,227,987	7,755,565
	49,275,921	30,116,131
Impaired	-	202,108
	353,659,542	144,058,215

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and amount due from house buyers which are mostly with end financiers. In respect of house buyers with no end financing facilities, the Group retains the legal title to all properties sold until the full contracted sales value is settled. Accordingly, under normal circumstances, amounts due from house buyers are not impaired.

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	Group 2015 RM	Group 2014 RM
Individually impaired		
Trade receivables		
- nominal value	-	202,108
Less : Allowance for impairment	-	(202,108)
	-	-
Movement in allowance accounts:-		
As at 1st January	202,108	202,308
Reversal of impairment loss	(202,108)	(200)
As at 31st December	-	202,108

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired (cont'd)

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

(b) Amount due from an associate

The amount due from an associate are non-trade, unsecured, repayable on demand, bear no interest and is to be settled in cash.

(c) Deposits

In the previous financial year, included in the deposits of the Group are down payment paid for the acquisition of plant and equipment amounting to RM4,541,703/-. The balance of these purchase considerations are disclosed as capital commitment in Note 41. The acquisition have been completed in the current financial year.

(d) The credit risk concentration profile of the Group at the reporting date arising from construction segment of RM241,506,677/- representing approximately 68% of the total trade receivables in the current financial year.

16. OTHER INVESTMENT

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Financial Assets at Fair Value through Profit or Loss:-				
Short term funds				
- redeemable upon 1 day notice	1,463,394	-	1,463,394	-

Short term funds comprise fixed income fund placed with non-bank financial institution.

17. AMOUNT DUE FROM SUBSIDIARIES

Included in the amount due from subsidiaries are amounts of RM222,189,849/- (2014: RM188,443,593/-) of which the balances are non-trade, unsecured, repayable on demand, bears interest rate at 4.05% to 5.85% (2014: 3.45% to 5.85%) per annum and are to be settled in cash. The remaining balance of amount due from the other subsidiaries is non-trade, unsecured, repayable on demand, bears no interest and is to be settled in cash.

18. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash in hand and at banks	19,428,313	4,919,382	15,089	3,979
Deposits with licensed banks	20,402,323	18,999,274	11,824,781	11,368,559
	39,830,636	23,918,656	11,839,870	11,372,538

(a) Included in cash and bank balances for the Group is an amount of RM109,933/- (2014: RM538,710/-) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

(b) The interest rates and maturity period of deposits are as follows:-

	Group	
	2015	2014
Interest rates (%) per annum	3.0 - 6.45	3.2 - 6.1
Maturity period (days)	30 - 180	30 - 180

19. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares Unit	RM	Number of shares Unit	RM
Ordinary shares of RM0.50/- each				
Authorised:				
At 1st January/31st December	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Issued and fully paid:				
At 1st January	397,531,801	198,765,901	397,531,801	198,765,901
Issuance of shares:-				
- exercise of Warrants C	30,546,096	15,273,048	-	-
- exercise of ESOS	55,000	27,500	-	-
- pursuant to from bonus issue	214,036,654	107,018,327	-	-
At 31st December	642,169,551	321,084,776	397,531,801	198,765,901

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19. SHARE CAPITAL (cont'd)

(a) Share Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

During the financial year, the issued and paid-up capital of the Company was increased from RM198,765,901/- to RM321,084,776/- by way of issuance of:-

(a) 30,546,096 units new ordinary shares of RM0.50/- each arising from the exercise of Warrants C;

(b) 55,000 units new ordinary shares of RM0.50/- each arising from the exercise of Employees' Share Option Scheme ("ESOS"); and

(c) 214,036,654 units new ordinary shares of RM0.50/- each pursuant to the bonus issue.

(b) Warrants

Warrants C

By virtue of a Deed Poll executed on 21st June 2011 for the 47,729,947 Warrants C ("Warrants C") issued in connection with the Share Split and Bonus Issue allotted and credited on 1st July 2011, each Warrants C entitles the registered holder the right at any time during the exercise period from 5th July 2011 to 4th July 2016 to subscribe in cash for one new ordinary share at an exercise price of RM0.90/- each.

In accordance with the provisions under the Deed Poll-Warrants C and consequential to the Bonus Issue on 19th August 2015, an additional 8,593,789 Warrants C were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20th August 2015. The exercise price for the Warrants C was revised from RM0.90/- to RM0.60/- each.

The salient features of the warrants are as follows:-

(i) entitles its registered holder for free one (1) warrant for every eight (8) ordinary shares held;

(ii) each warrant entitles the holder to subscribe for one (1) new ordinary share at the exercise price at time during the exercise period;

(iii) the warrants may be exercised at any time within a period commencing on or after the date the Warrants are used and ending at 5pm on the date immediately preceding the fifth (5th) anniversary not exercised during the exercise period shall thereafter lapse and cease to be valid; and

(iv) The new ordinary shares to be issued pursuant to the exercise of the warrants shall, upon issue and allotment rank pari passu in all respects with the then existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of the allotment of the new ordinary shares arising from the exercise of the Warrants.

Warrants D

By virtue of a Deed Poll executed on 3rd July 2015 for the 85,614,556 Warrants D ("Warrants D") issued in connection with the Bonus Issue of free warrants allotted and credited on 1st September 2015, each Warrants D entitles the registered holder the right at any time during the exercise period from 24th August 2015 to 1st September 2020 to subscribe in cash for one new ordinary share at an exercise price of RM1.09/- each.

19. SHARE CAPITAL (cont'd)

(b) Warrants (cont'd)

Warrants D (cont'd)

The salient features of the warrants are as follows:-

(i) entitles its registered holder for one (1) free warrant for every five (5) ordinary shares held;

(ii) each warrant entitles the holder to subscribe for one (1) new ordinary share at the exercise price at time during the exercise period;

(iii) the warrants may be exercised at any time within a period commencing on or after the date the Warrants are used and ending at 5pm on the date immediately preceding the fifth anniversary not exercised during the exercise period shall thereafter lapse and cease to be valid; and

(iv) the new ordinary shares to be issued pursuant to the exercise of the warrants shall, upon issue and allotment rank pari passu in all respects with the then existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of the allotment of the new ordinary shares arising from the exercise of the Warrants.

The movement of both Warrants C and Warrants D during the financial year are as follows:-

	Warrants C Units	Warrants D Units
At 1st January 2015	47,729,947	-
Allotment	8,593,789	85,614,556
Exercise of warrants	(30,546,096)	-
At 31st Decemeber 2015	25,777,640	85,614,556

(c) Treasury Shares

The shareholders of the Company by an ordinary resolution passed in the fifteenth Annual General Meeting held on 17th June 2008, approved the mandate for the Company's plan to repurchase its own ordinary shares. On 23rd June 2015, the shareholders of the Company at the twenty-second Annual General Meeting granted their mandate for the Company's renewal of authority to repurchase its own ordinary shares.

During the financial year, the Company repurchased 595,000 (2014: 140,000) shares from the open market at an average price of RM1.03/- (2014: RM0.63/-) per share. The total consideration paid for the repurchase, was RM610,842/- (2014: RM87,534/-) and they were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

During the financial year, the Company resold 3,467,646 (2014: Nil) shares on the open market at an average price of RM1.89/- (2014: RM Nil) per share. The total consideration received from the resale, was RM6,568,547/- (2014: RM Nil).

As at 31st December 2015, the Company held as treasury shares a total of 560,000 (2014: 3,432,646) of its 642,169,551 (2014: 397,531,801) issued ordinary shares. Such treasury shares are held at a carrying amount of RM546,652/- (2014: RM1,038,417/-).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19. SHARE CAPITAL (cont'd)

(d) Employees' Share Option Scheme ("ESOS")

The Company Employees' Share Option Scheme ("ESOS") is governed by the ESOS By-Laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 23rd June 2015. The main features of the ESOS are as follows:-

(i) the ESOS options granted to the Eligible Directors (including Non-Executive and/or Independent Director) and Eligible Employees of the Company and its subsidiaries which are not dormant ("the Group") to subscribe for new ordinary shares of RM0.50 each in the Company.

An Eligible Employee and/or Director is an employee of the Group who at the date of allocation:-

- has attained the age of eighteen (18) years and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
- is a confirmed employee of the Group with at least one (1) year of continuous service;

(ii) the ESOS is for a period of five (5) years commencing from 24th July 2015, subject to an extension for a further period of five (5) years commencing from the expiration of the aforesaid five (5) years, provided always that the ESOS does not exceed ten (10) years in aggregate from the effective date of the ESOS;

(iii) the maximum number of shares to be offered shall not exceed 15% of the issued and paid-up capital of the Company at any point in time during the existence of the ESOS and the number of shares of the Company that may be offered to each Eligible Employee is determined by a ESOS Committee appointed by the Board of Directors in accordance with the ESOS By-Laws;

(iv) the options granted under the ESOS cannot be assigned, transferred or otherwise disposed of in any manner whatsoever;

(v) the option price of each share shall be based on a discount of not more than 10% of the weighted average market price of the ordinary shares of the Company as shown in the Daily Official List for the five market days immediately preceding the offer date, subject to the minimum price of RM0.50/- being the par value of the ordinary shares of the Company;

(vi) the option may be exercised in full or in part provided that such exercise of the option shall not be less than and shall be multiples of 100 shares. Subject to the foregoing, a partial exercise of an option shall not preclude the grantee from exercising his option with respect to the balance of the new shares comprised in his option; and

(vii) the new shares to be allotted upon the exercise of the ESOS options shall rank pari passu with the existing issued ordinary shares of the Company.

19. SHARE CAPITAL (cont'd)

(d) Employees' Share Option Scheme ("ESOS") (cont'd)

The main features of the ESOS are as follows:- (cont'd)

(vii) the new shares to be allotted upon the exercise of the ESOS options shall rank pari passu with the existing issued ordinary shares of the Company. (cont'd)

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movements in share options during the financial year:-

	2015 Number of shares Unit	WAEP RM	2014 Number of shares Unit	WAEP RM
Outstanding at 1 January	-		-	-
- Granted	30,651,000	1.15	-	-
- Execised	(55,000)	1.15	-	-
- Lapsed	(184,500)	1.15	-	-
Outstanding at 31 December	30,411,500	1.15	-	-
Execisable at 31 December	28,645,500	1.15	-	-

The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.19/-.

The weighted average exercise price for options outstanding at the end of the financial year was RM1.15/-. The weighted average remaining contracted life these options is approximately 4.5 years.

20. RESERVES

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-distributable:-				
Other reserves (Note 21)	(2,939,487)	(8,847,410)	11,619,179	-
Distributable:-				
Share premium	17,741,130	-	17,741,130	-
Retained profits	165,160,593	205,538,006	34,979,765	134,635,147
	179,962,236	196,690,596	64,340,074	134,635,147

The credit in the Section 108 balance as at 31st December 2013 expired in accordance with the Finance Act 2007. With effect from 1st January 2014, the Company will be able to distribute dividends out of its retained profits under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. OTHER RESERVES

	Exchange reserves RM	Revaluation reserve RM	Share option (ESOS) reserve RM	Total RM
Group				
At 1st January 2014	(18,764,646)	13,814,988	-	(4,949,658)
Other comprehensive income:-				
Foreign currency translation	(1,036,003)	-	-	(1,036,003)
Realisation of revaluation reserve	346,373	(3,208,122)	-	(2,861,749)
At 31st December 2014	(19,454,276)	10,606,866	-	(8,847,410)
Other comprehensive income:-				
Foreign currency translation	(4,205,432)	-	-	(4,205,432)
Realisation of revaluation reserve	201,583	(1,707,407)	-	(1,505,824)
Transaction with owners:-				
Share option (ESOS) granted	-	-	11,641,531	11,641,531
Share option (ESOS) exercised	-	-	(22,352)	(22,352)
At 31st December 2015	(23,458,125)	8,899,459	11,619,179	(2,939,487)

	Share option (ESOS) reserve 2015 RM	2014 RM
Company		
At 1st January	-	-
Transaction with owners:-		
Share option (ESOS) granted	11,641,531	-
Share options (ESOS) exercised	(22,352)	-
At 31st December	11,619,179	-

(a) *Exchange reserves*

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

(b) *Revaluation reserves*

The balance represents net revaluation surplus arising from valuation of freehold lands.

(c) *Share option reserve*

The share option reserve comprises the cumulative value of the Group's employee services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained profits.

21. OTHER RESERVES (cont'd)

(c) Share option reserve (cont'd)

The fair value of share options granted were determined using a binomial option pricing model, and the inputs were:-

	2015
Fair value of share options and assumptions	
Weigthed average fair value of share option at grant date (RM)	0.6096
Weighted average share price (RM)	1.96
Option life (years)	5
Risk-free rate (%)	3.47
Expected dividend yield (%)	5
Expected volatility (%)	38.57

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not be necessarily be the actual outcome.

22. BORROWINGS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current Liabilities				
Secured:-				
Bank overdrafts (Note 23)	46,956,215	23,306,317	-	-
Term loans (Note 25)	2,131,866	3,060,388	-	-
Hire purchase and finance lease payables (Note 26)	18,384,193	4,762,228	-	-
	67,472,274	31,128,933	-	-
Unsecured:-				
Bank overdrafts (Note 23)	2,174,701	635,495	174,700	635,495
Bankers' acceptance (Note 24)	29,357,000	27,096,000	-	-
On Shore foreign currency loan (Note 24)	-	3,106,079	-	-
Short term revolving credit (Note 24)	44,500,000	21,000,000	-	-
	143,503,975	82,966,507	174,700	635,495
Non-current Liabilities				
Secured:-				
Term loans (Note 25)	12,751,446	14,820,376	-	-
Hire purchase and finance lease payables (Note 26)	6,224,926	4,223,474	-	-
	18,976,372	19,043,850	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

22. BORROWINGS (cont'd)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Total Borrowings				
Secured:-				
Bank overdrafts (Note 23)	46,956,215	23,306,317	-	-
Term loans (Note 25)	14,883,312	17,880,764	-	-
Hire purchase and finance lease payables (Note 26)	24,609,119	8,985,702	-	-
	86,448,646	50,172,783	-	-
Unsecured:-				
Bank overdrafts (Note 23)	2,174,701	635,495	174,700	635,495
Bankers' acceptance (Note 24)	29,357,000	27,096,000	-	-
On Shore foreign currency loan (Note 24)	-	3,106,079	-	-
Short term revolving credit (Note 24)	44,500,000	21,000,000	-	-
	162,480,347	102,010,357	174,700	635,495

23. BANK OVERDRAFTS

The secured bank overdrafts amounting to RM46,956,215/- (2014: RM23,306,317/-) bear interest rates ranging from 6.85% to 7.85% (2014: 6.85% to 8.35%) per annum are secured and supported by:-

- completed development units as disclosed in Note 14;
- leasehold land in property development costs as disclosed in Note 13; and
- corporate guarantee provided by the Company.

The unsecured bank overdrafts amounting to RM2,174,701/- (2014: 635,495/-) bear interest rate at 7.85% (2014: 7.60% - 7.85%) per annum.

24. SHORT TERM BORROWINGS

The bankers' acceptance bear interest rates ranging from 4.25% to 4.80% (2014: 4.24% to 5.20%) per annum and are supported by corporate guarantee provided by the Company.

In previous financial year, the on shore foreign currency loan bear interest rate at 3.49% per annum and are supported by corporate guarantee provided by the Company. The on shore foreign currency loan is dominated in USD.

The short term revolving credit bear interest rates ranging from 4.12% to 5.55% (2014: 4.56% to 5.60%) per annum and are supported by corporate guarantee provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25. TERM LOANS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Within the next twelve months	2,131,866	3,060,388	-	-
After the next twelve months				
- not later than two years	1,882,426	2,132,230	-	-
- later than two years but not later than five years	6,190,185	6,135,275	-	-
- later than five years	4,678,835	6,552,871	-	-
	12,751,446	14,820,376	-	-
	14,883,312	17,880,764	-	-

(i) The Term Loan I bears interest rate at 6.85% (2014: 6.60% - 6.85%) per annum and repayable by 36 (2014: 48) monthly instalments. The term loan is secured and supported by:-

- specific debentures created over certain plant and machinery (Note 5); and
- corporate guarantee provided by the Company.

(ii) The Term Loan II bear interest rate at 5.85% (2014: 5.60% - 5.85%) per annum and repayable by 87 (2014: 99) months. The term loan is secured and supported by:-

- land held under Lot PT29 'A' Seksyen 28, Daerah Petaling, Negeri Selangor (Note 6); and
- corporate guarantee provided by the Company.

26. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group	
	2015	2014
Minimum hire purchase payments:-		
- not later than one year	19,259,571	5,098,332
- later than one year but not later than five years	6,299,824	4,473,004
	25,559,395	9,571,336
Less: Future finance charges	(950,276)	(585,634)
Present value of hire purchase payables	24,609,119	8,985,702
Represented by:-		
Current		
- not later than one year	18,384,193	4,762,228
Non-current		
- later than one year but not later than five years	6,224,926	4,223,474
	24,609,119	8,985,702

The hire purchase bears interest rates ranging from 2.38 % to 3.74% (2014: 2.38% to 3.70%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables				
Trade payables	271,899,025	75,537,411	-	-
Retention sum	28,917,227	20,241,553	-	-
	300,816,252	95,778,964	-	-
Progress billings in respect of property development costs	399	3,822,007	-	-
Other payables				
Other payables	9,464,255	14,027,917	1,976,209	6,900,940
Accruals	17,571,900	11,620,252	158,066	134,400
GST payable	8,804,332	-	-	-
	35,840,487	25,648,169	2,134,275	7,035,340
	336,657,138	125,249,140	2,134,275	7,035,340

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from immediate to 90 days (2014: 90 days).

Included in trade payables of the Group are amounts totalling RM1,971,937/- (2014: RM1,715,917/) due to companies in which certain Directors have interest in.

(b) Other payables

Included in other payables of the Group are amounts totalling RM387,257/- (2014: RM418,418/-) due to companies in which certain Directors have interest in.

28. AMOUNT DUE TO SUBSIDIARIES

Amount due to subsidiaries is non-trade, unsecured, repayable on demand, bear no interest and is expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Revenue from construction works	767,224,993	370,673,790	-	-
Revenue from sales of development properties	94,469,462	121,156,346	-	-
Sales of quarry products	-	1,057,648	-	-
Photorefractive keratectomy services	29,036,862	27,317,115	-	-
Dividend income from subsidiaries	-	-	23,000,000	95,600,000
	890,731,317	520,204,899	23,000,000	95,600,000

30. COST OF SALES

	Group	
	2015 RM	2014 RM
Construction costs	632,326,866	319,994,982
Development costs	53,589,311	73,391,870
Photorefractive keratectomy services	15,857,000	15,003,276
Others	1,383	1,367,278
	701,774,560	409,757,406

31. OPERATING PROFIT

Operating profit has been arrived at:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
After charging :-				
Audit fees:-				
- statutory audit:-				
· current year	238,226	202,094	36,000	32,500
· prior years	21,081	(38,412)	6,305	(45,370)
- other services	15,000	10,800	8,000	7,500
Bad debts written off	202,108	-	-	-
Depreciation of:-				
- property, plant and equipment	2,462,032	2,220,864	-	-
- investment properties	252,252	81,958	-	-
Directors' remuneration (Note 33)	7,615,253	4,671,845	158,816	143,806
Employee benefits expense (Note 32)	28,482,646	16,498,905	-	-
Hire of plant and machinery	37,926	116,358	-	-
Impairment losses on investment properties	2,154,310	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. OPERATING PROFIT (cont'd)

Operating profit has been arrived at:- (cont'd)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
After charging :- (cont'd)				
Loss on foreign exchange:-				
- realised	-	19,349	-	-
- unrealised	186,337	-	-	-
Office rental	1,335,388	1,329,522	-	-
Property, plant and equipment written-off	2,087,877	446,116	-	-
And crediting:-				
Gain on foreign exchange:-				
- realised	398,222	32,369	-	-
Gain on disposal of:-				
- property, plant and equipment	927,513	1,672,633	-	-
Gain on voluntary winding up of subsidiary	-	-	36,463	-
Interest income				
- subsidiaries	-	-	8,767,842	6,428,583
- other interest income	1,359,989	570,257	510,832	391,334
Income from short term fund	14,467	-	14,467	-
Rental income				
- building	1,451,460	1,530,602	-	-
- others	20,400	203,300	-	-
Reversal of impairment loss on trade receivables	202,180	200	-	-
Changes in fair value of other investment	36,120	-	36,120	-

32. EMPLOYEE BENEFITS EXPENSE

	Group	
	2015 RM	2014 RM
Wages,salaries and fees	15,708,366	13,732,532
Social security costs	122,343	114,652
Share options granted under ESOS	8,664,854	-
Defined contribution plans	2,731,108	2,425,292
Other staff related expenses	1,255,975	226,429
	28,482,646	16,498,905

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Directors of the Company				
Executive				
- salaries, allowances and bonuses	2,395,265	1,900,040	-	-
- share options granted under ESOS	1,780,642	-	-	-
- defined contribution plans	336,151	270,848	-	-
- others	210,875	56,500	-	-
	4,722,933	2,227,388	-	-
Non-executive				
- allowances	163,200	158,760	43,200	38,760
- defined contribution plans	5,616	5,046	5,616	5,046
- fees	110,000	100,000	110,000	100,000
Total	5,001,749	2,491,194	158,816	143,806
Directors of subsidiaries				
Executive				
- salaries, allowances and bonuses	2,902,184	1,936,757	-	-
- share options granted under ESOS	1,196,035	-		
- defined contribution plans	286,000	195,614	-	-
- others	333,849	48,280	-	-
	4,718,068	2,180,651	-	-
Total	9,719,817	4,671,845	158,816	143,806

34. FINANCE COSTS

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Interest expenses				
- hire purchase	1,161,983	327,933	-	-
- bank borrowings	4,139,510	3,246,000	37,329	38,262
- others	-	26,272	-	-
	5,301,493	3,600,205	37,329	38,262

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

35. TAXATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax				
- current year				
• Malaysian income tax	33,617,122	16,608,530	2,280,847	1,676,147
• Foreign income tax	5,229,944	1,969,528	-	-
- prior years				
• Malaysian income tax	(615,577)	157,229	20,107	(2,934)
• Foreign income tax	8,115	-	-	-
	38,239,604	18,735,287	2,300,954	1,673,213
Real Property Gain Tax	22,232	-	-	-
Deferred tax (Note 11)				
- current year	(686,964)	1,680,663	-	-
- prior years	331,268	(1,218,361)	-	-
	(355,696)	462,302	-	-
	37,906,140	19,197,589	2,300,954	1,673,213

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2014: 25%) of the estimated assessable profit for the financial year. The Government announced that the domestic corporate tax rate would be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016.

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

35. TAXATION (cont'd)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before taxation	124,876,294	72,482,329	31,067,569	101,836,882
Tax at applicable statutory tax rate of 25% (2014: 25%)	31,219,074	18,120,582	7,766,892	25,459,221
Tax effects arising from				
- effect of different tax rates in other country	555,942	201,828	-	-
- effect of different tax rates arising from RGPT	(111,159)	-	-	-
- non-deductible expenses	7,146,198	3,227,861	285,267	117,070
- non-taxable income	(961,114)	(195,611)	(5,771,312)	(23,900,144)
Deferred tax assets not recognised	410,107	-	-	-
Utilisation of previous unrecognised deferred tax	-	(869,289)	-	-
Deferred tax relating to reversal of temporary differences	(53,972)	(86,173)	-	-
Changes in tax rate	(22,742)	(140,477)	-	-
(Over)/Under accrual in prior years	(276,194)	(1,061,132)	20,107	(2,934)
Tax expense for the year	37,906,140	19,197,589	2,300,954	1,673,213

36. EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the net profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The previous financial year's basic earnings per share had been restated based on the weighted average number of shares of 591,180,066 ordinary shares in issue during the financial year after taking into consideration the bonus issue of 197,049,578 ordinary shares of RM0.50/- each.

	Group	
	2015 RM	2014 RM
Profit for the financial year attributable to owners of the Company	86,576,295	53,768,982

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

36. EARNINGS PER SHARE (cont'd)

(a) Basic (cont'd)

	Group 2015 Number of shares Unit	Group 2014 Number of shares Unit (Restated)
Number of shares in issue (less treasury share) as of 1st January	394,099,155	394,239,155
Effect of:-		
Share buyback, net of resale	1,369,517	(108,667)
Exercise of Warrants C	15,474,417	-
Bonus issue	214,036,654	197,049,578
ESOS	9,625	-
Weighted average number of ordinary shares in issue	624,989,368	591,180,066
Basic earnings per share (sen)	13.85	9.10

(b) Diluted

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are Warrants C, Warrants D and ESOS.

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, arising from warrants and ESOS.

	Group 2015 RM	Group 2014 RM
Profit for the financial year attributable to owners of the Company	86,576,295	53,768,982
	Number of shares Unit	Number of shares Unit (Restated)
Weighted average number of ordinary shares in issue	624,989,368	591,180,066
Effect of:-		
dilution of Warrants C	25,777,640	-
dilution of Warrants D	85,614,556	-
dilution of ESOS	28,590,500	-
Weighted average number of ordinary shares at 31st December	764,972,064	591,180,066
Diluted earnings per share (sen)	11.32	9.10

36. EARNINGS PER SHARE (cont'd)

(b) Diluted (cont'd)

As the exercise price for the Warrants C is higher than average market price during the previous financial year 2014, it is assumed the holders of the warrants will not exercise the warrants.

Subsequent to financial year end, the issued and paid-up capital of the Company was increased by way of issuance of:-

(a) 237,086 units new ordinary shares of RM0.50/- each arising from the exercise of Warrants C; and

(b) 16,500 units new ordinary shares of RM0.50/- each arising from the exercise of Employees' Share Option Scheme ("ESOS").

37. DIVIDENDS

	Amount		Net dividend per ordinary share	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Group and Company				
Dividend on ordinary shares:-				
- First and final single tier dividend of 4% on 394,119,155 ordinary shares of RM0.50/- each paid for the year ended 31st December 2013	-	7,882,383	-	0.02
- First and final single tier dividend of 10% on 428,073,397 ordinary shares of RM0.50/- each paid for the year ended 31st December 2014	21,403,670	-	0.05	-

At the forthcoming Annual General Meeting, a single tier final dividend of RM0.05/- (2014: RM0.05/-) per ordinary share, amounting to RM32,108,478/- (2014: RM21,403,670/-) based on outstanding ordinary shares as at financial year end in respect of the current financial year, will be proposed for the shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

38. CORPORATE AND PERFORMANCE GUARANTEES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Corporate guarantees to financial institutions for:-				
- banking facilities granted to subsidiaries	-	-	244,963,787	182,290,709
- hire purchase facilities granted to subsidiaries	-	-	19,884,830	8,789,989
Corporate guarantees to trade payables of subsidiaries	-	-	500,000	560,322
Performance guarantees extended to third parties - project related	17,041,638	10,376,454	15,045,053	2,727,703
	17,041,638	10,376,454	280,393,670	194,368,723

At the end of the reporting period, it was not probable that the counterparties to the corporate guarantee contracts will claim under the contract.

39. SEGMENT REPORTING

General Information

The Group identifies its operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing 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 prior 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 and deferred tax assets.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group and deferred tax liabilities.

(a) Business Segments

The Group operates predominantly in the construction, property development, healthcare and manufacturing and trading industries involving various types of activities as disclosed in Note 8.

39. SEGMENT REPORTING (cont'd)

(a) Business Segments (cont'd)

	Construction		Property development		Investment in South Africa		Healthcare		Manufacturing and trading		Others		Eliminations		Note	Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000		2015 RM'000	2014 RM'000
Revenue																	
External sales	767,225	370,674	55,186	98,718	39,283	22,438	29,037	27,317	-	1,058	-	-	-	-		890,731	520,205
Inter-segment sales	314	-	3,086	-	-	-	-	-	-	67	23,000	95,600	(26,400)	(95,667)		-	-
Total segment revenue	767,539	370,674	58,272	98,718	39,283	22,438	29,037	27,317	-	1,125	23,000	95,600	(26,400)	(95,667)		890,731	520,205
Segment results	102,348	38,089	3,164	25,713	16,366	7,811	3,057	1,279	-	671	7,626	(167)	(2,618)	2,687	(b)	129,943	76,083
Results from operating activities																129,943	76,083
Finance costs	(3,804)	(1,643)	(6,949)	(7,559)	(136)	-	(328)	(489)	-	(299)	(75)	(38)	5,991	6,428	(b)	(5,301)	(3,600)
Share of results of associate																234	-
Taxation																(37,906)	(19,198)
Profit net of tax																86,970	53,285
Non-controlling interest																(394)	484
Net profit attributable to owners of the parent																86,576	53,769
Segments assets	558,954	222,493	371,812	336,068	64,614	54,088	16,377	18,628	-	2,621	5,984	4,019	-	-		1,017,741	637,917
Investment in associate																584	-
Unallocated corporate assets																2,627	1,940
Total assets																1,020,952	639,857

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

39. SEGMENT REPORTING (cont'd)

(a) Business Segments (cont'd)

	Construction		Property development		Investment in South Africa		Healthcare		Manufacturing and trading		Others		Eliminations		Note	Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000		2015 RM'000	2014 RM'000
Segment liabilities	399,120	150,922	89,051	58,169	6,975	9,641	7,882	11,450	-	131	2,921	8,170	-	-		505,949	238,483
Tax payable	10,924	3,943	-	536	22	-	389	225	-	-	600	399	-	-		11,935	5,103
Deferred tax liabilities	559	158	541	190	341	333	-	421	-	-	-	-	-	-		1,441	1,102
Total liabilities																519,325	244,688
Capital expenditure	47,693	11,564	5,575	1,262	316	13	1,711	776	-	-	-	-	-	-		55,295	13,615
Depreciation	13,835	4,197	1,374	2,020	50	22	3,027	3,244	-	1	17	17	-	-		18,303	9,501
Impairment loss of investment properties	2,154	-	-	-	-	-	-	-	-	-	-	-	-	-		2,154	-
Non-cash items other than depreciation and impairment loss	9,775	362	2,799	62	572	-	668	21	-	1	102	-	-	-		13,916	446

39. SEGMENT REPORTING (cont'd)

(b) Reconciliation of segment results are as follow:-

Reconciliation of segment results

	2015 RM'000	2014 RM'000
Elimination of inter-segment finance costs	5,991	6,428
Elimination of inter-segment profits	(8,683)	(3,782)
Others	74	41
	(2,618)	2,687

(c) Other non-cash items other than depreciation and impairment loss of property, plant and equipment and investment properties consist of the following:-

	2015 RM'000	2014 RM'000
Unrealised loss from foreign exchange	186	-
Property, plant and equipment written-off	2,088	446
Share options granted under ESOS	11,642	-
	13,916	446

(d) Geographical Information

The Group's five major business segments are operating in two principal geographical areas. In Malaysia, its home country, the Group is principally involved in the civil engineering, building and road construction work, property development and healthcare. In South Africa, the Group is principally involved in civil engineering, construction works, property development and golf management.

	Malaysia		South Africa		Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total revenue from external customers	851,448	497,767	39,283	22,438	890,731	520,205
Non-current assets (exclude deferred tax assets and financial assets)	157,047	128,650	23,266	12,428	180,313	141,078

(e) Information about major customers

Four (2014: One) major customers from construction segment contribute approximately 57% (2014: 26%) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

40. RELATED PARTY TRANSACTIONS

(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) Direct subsidiaries;

(ii) Associate; and

(iii) Key management personnel which comprise persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Related party transactions and balances

Related party transactions other than disclosed elsewhere in the financial statements are shown below. Information on outstanding balances with related parties of the Company are disclosed in Notes 15, 17, 27 and 28.

Group	2015 RM	2014 RM
Transactions with companies in which Directors have substantial controlling interests:-		
Purchases of hardware by certain subsidiaries from Mitrajaya Trading Sdn. Bhd., a company in which a director of the Company has interest in	7,143,118	4,002,098
Rent payable by certain subsidiaries to Modal Saujana Sdn. Bhd., a company in which a director of Optimax Eye Specialist Centre Sdn. Bhd. ("OESC") has interest in	137,940	124,500
Rent payable by OESC to Sena Diecasting Industries Sdn. Bhd., a company in which a director of OESC has interest in	12,168	15,600
Rent payable by OESC to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	138,074	94,800
Sale of development properties to companies in which a director of the Company has interest in	1,647,384	4,334,200
Sale of development properties to a company in which a person connected to a director of the Company has interest in	-	2,508,600
Sale of development properties to the directors of the Company	-	6,003,200
Sale of development properties to immediate family members of the Company's director	4,963,732	8,327,800

40. RELATED PARTY TRANSACTIONS (cont'd)

(b) Related party transactions and balances (cont'd)

Group	2015 RM	2014 RM
Transactions with companies in which Directors have substantial controlling interests:- (cont'd)		
Subcontract for electrical, telephone and SMATV services, air-conditioning and mechanical ventilation services and office rental payable by certain subsidiaries to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	-	682,305
Subcontractor work, mobilisation cost, hire of plant and machinery and transportation charges payable by certain subsidiaries to Pembinaan Segamuda Sdn. Bhd. , a company in which a person connected to a director of the Company has interest in	514,197	552,116
Doctor fees payable by OESC to See Well Services Sdn. Bhd., a company in which a director of OESC has interest in	2,039,862	1,796,435
Doctor fees payable by Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd. ("OESC-SA") to RZ70 Sdn. Bhd., a company in which a director of OESC- SA has interest in	470,112	413,773
Doctor fees payable by Optimax Eye Specialist Centre (Seremban) Sdn. Bhd. ("OESC-Seremban") to Sura Vision Sdn Bhd., a company in which a director of OESC-Seremban has interest in	272,960	282,897
Doctor fees payable by Optimax Eye Specialist Centre (Kajang) Sdn. Bhd. ("OESC-Kajang") to Aquiline Vision Sdn. Bhd., a company in which a director of OESC-Kajang has interest in	171,476	140,046
Doctor fees payable by OESC-SA to Azlina Eye Services Sdn. Bhd., a company in which a director of OESC-SA has interest in	-	21,024
Consultation fees payable by OESC to Optimax Healthcare Services Sdn. Bhd., a company in which a director of OESC has interest in	60,000	42,000
Consultation fees payable by OESC to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	3,000	21,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

40. RELATED PARTY TRANSACTIONS (cont'd)

(b) Related party transactions and balances (cont'd)

	2015 RM	2014 RM
Company		
Transactions with subsidiaries:-		
Exempt dividend income from:		
- Pembinaan Mitrajaya Sdn. Bhd.	(23,000,000)	(61,000,000)
- Primaharta Development Sdn. Bhd.	-	(10,900,000)
- Mitrajaya Homes Sdn. Bhd.	-	(3,000,000)
- Leo Vista Sdn. Bhd.	-	(10,700,000)
- Kina-Bijak Sdn. Bhd.	-	(10,000,000)

Company	2015 RM	2014 RM
Interest income from:-		
- Daya Asfalt Sdn. Bhd.	(37,821)	-
- Kina-Bijak Sdn. Bhd.	(1,595,156)	(1,579,198)
- Maha-Mayang Sdn. Bhd.	(342,840)	(299,459)
- Pembinaan Mitrajaya Sdn. Bhd.	(26,185)	-
- Mitrajaya Homes Sdn. Bhd.	(3,427,531)	(2,357,858)
- Skyway Development Sdn. Bhd.	(2,301,225)	(2,132,749)
- Optimax Eye Specialist Centre Sdn. Bhd.	(20,645)	(47,700)
- Primaharta Development Sdn. Bhd.	(1,016,439)	(11,619)

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries and allowances	9,565,097	4,814,077	43,200	38,760
Defined contribution plans	1,323,564	626,453	5,616	5,046
Share options granted under ESOS	4,056,888	-	-	-
Fees	110,000	100,000	110,000	100,000
Others	945,920	122,780	-	-
	16,001,469	5,663,310	158,816	143,806

40. RELATED PARTY TRANSACTIONS (cont'd)

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

Included in the key management personnel is:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors' remuneration	9,719,817	4,671,845	158,816	143,806

Key management personnel are defined as the members of Board of Directors of the Company and its subsidiaries whereby the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly lies.

Directors' interest in employees' share option scheme

During the financial year, 4,381,500 share options were granted to three of the Company's executive directors under the existing ESOS plan at an exercise price of RM1.15/- each; and

No option were exercised by these directors during the financial year.

At the reporting date, the total number of outstanding share options granted by the Company to the above-mentioned directors under the ESOS plan amounts to 4,381,500.

41. CAPITAL COMMITMENT

	Group	
	2015 RM	2014 RM
Approved and contracted for:-		
- Property, plant and equipment	19,185,028	23,409,437
Approved but not contracted for:-		
- Property, plant and equipment	18,087,485	4,273,700
	37,272,513	27,683,137

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

42. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:-

	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Group				
2015				
Financial Assets				
Amount due from customers for contract work	96,511,226	-	-	96,511,226
Trade and other receivables *	388,727,634	-	-	388,727,634
Other investment	-	1,463,394	-	1,463,394
Deposits, cash and bank balances	39,830,636	-	-	39,830,636
	525,069,496	1,463,394	-	526,532,890
Financial Liabilities				
Borrowings	-	-	162,480,347	162,480,347
Trade and other payables #	-	-	336,656,739	336,656,739
	-	-	499,137,086	499,137,086
Group				
2014				
Financial Assets				
Amount due from customers for contract work	20,031,362	-	-	20,031,362
Trade and other receivables *	169,466,121	-	-	169,466,121
Deposits, cash and bank balances	23,918,656	-	-	23,918,656
	213,416,139	-	-	213,416,139
Financial Liabilities				
Borrowings	-	-	102,010,357	102,010,357
Trade and other payables #	-	-	121,427,133	121,427,133
	-	-	223,437,490	223,437,490

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

42. FINANCIAL INSTRUMENTS (cont'd)

(a) Classification of financial instruments (cont'd)

	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Company				
2015				
Financial Assets				
Amount due from subsidiaries	222,322,257	-	-	222,322,257
Trade and other receivables	123,404	-	-	123,404
Other investment	-	1,463,394	-	1,463,394
Deposits, cash and bank balances	11,839,870	-	-	11,839,870
	234,285,531	1,463,394	-	234,285,531
Financial Liabilities				
Amount due to subsidiaries	-	-	10,809	10,809
Borrowings	-	-	174,700	174,700
Trade and other payables	-	-	2,134,275	2,134,275
	-	-	2,319,784	2,319,784
Company				
2014				
Financial Assets				
Amount due from subsidiaries	188,475,840	-	-	188,475,840
Trade and other receivables	112,167	-	-	112,167
Deposits, cash and bank balances	11,372,538	-	-	11,372,538
	199,960,545	-	-	199,960,545
Financial Liabilities				
Amount due to subsidiaries	-	-	224,172	224,172
Borrowings	-	-	635,495	635,495
Trade and other payables	-	-	7,035,340	7,035,340
	-	-	7,895,007	7,895,007

* *Down payment paid for acquisition of plant and equipment, advances to sub-contractors and prepayments were excluded from trade and other receivables.*

Progress billings in respect of property development costs were excluded from trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

42. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives

The Group seeks to manage effectively the various risks namely credit, interest rate, liquidity and foreign currency risks, to which the Group is exposed to in its daily operations.

(i) Credit Risk

Credit risks, or the risk of counterparties defaulting, are controlled by application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to customers with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group through its Directors and management reviews all significant exposure to individual customers and counterparties and reviews any major concentration of credit risk related to any financial instruments. The management has a credit procedure in place to monitor and minimise the exposure of default. The management has a credit policy in place to monitor on an on-going basis.

(a) Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables recognised in the statement of financial position.

Information regarding credit enhancements for trade receivables is disclosed in Note 15.

(b) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the ageing profile of its trade receivables on an on-going basis. The Group's trade receivables credit risk is concentrated in Malaysia.

The credit risk concentration profile of the Group at the reporting date arising from construction segment of RM241,506,677/- representing approximately 68% of the total trade receivables in the current financial year.

(c) Financial assets that are neither past due nor impaired

Information regarding to trade receivables that are neither past due nor impaired is disclosed in Note 15.

Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

(d) Inter-company balance

The Company provides advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

42. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives

(i) Credit Risk (cont'd)

(e) Financial guarantee contacts

The Company is exposed to credit risk in relation to corporate and performance guarantees in respect of bank facilities granted to certain subsidiaries and trade payables of subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks is disclosed in Note 38.

As at the reporting date, there was no indication that the subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(ii) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at 31st December 2015. The investments in financial assets are mainly short term in nature and have been mostly placed in short term deposit.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The Group's primary interest rate risk relates to interest-bearing debts as at 31st December 2015.

		Carrying Amount			
	Effective Interest Rate % per annum	Amount Within 1 Year RM	1 - 5 Years RM	more than 5 Years RM	Total RM
Group					
2015					
Financial Liabilities					
Bank overdrafts	6.85 - 7.85	49,130,916	-	-	49,130,916
Bankers' acceptances	4.25 - 4.80	29,357,000	-	-	29,357,000
Term loans	5.85 - 6.85	2,131,866	8,072,611	4,678,835	14,883,312
Short term revolving credit	4.12 -5.55	44,500,000	-	-	44,500,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

42. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives (cont'd)

(ii) Interest Rate Risk (cont'd)

	Effective Interest Rate % per annum	Amount Within 1 Year RM	Carrying Amount 1 - 5 Years RM	More than 5 Years RM	Total RM
Group					
2014					
Financial Liabilities					
Bank overdrafts	6.85 - 8.35	23,941,812	-	-	23,941,812
Bankers' acceptances	4.24 - 5.20	27,096,000	-	-	27,096,000
On shore foreign currency loan	3.49	3,106,079	-	-	3,106,079
Term loans	5.60 - 6.85	3,060,388	8,267,505	6,552,871	17,880,764
Short term revolving credit	4.56 - 5.60	21,000,000	-	-	21,000,000
Company					
2015					
Financial Liabilities					
Bank overdrafts	7.85	174,700	-	-	174,700
2014					
Financial Liabilities					
Bank overdrafts	7.60 - 7.85	635,495	-	-	635,495

Interest rate risk sensitivity

An increase in market interest rates by 1% on financial liabilities of the Group which have variable interest rates at the end of the reporting period would decrease the profit before tax by RM1,378,712 /- (2014: RM930,247/-). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial liabilities of the Group 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.

(iii) 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 mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

42. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives (cont'd)

(iii) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

		Contractual Cash Flows			
	Carrying Amount RM	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group					
2015					
Financial liabilities					
Borrowings	162,480,347	145,200,462	16,433,305	4,997,486	166,631,253
Trade and other payables	336,656,739	336,656,739	-	-	336,656,739
	499,137,086	481,857,201	16,433,305	4,997,486	503,287,992
2014					
Financial liabilities					
Borrowings	102,010,357	84,230,420	15,275,777	7,205,614	106,711,811
Trade and other payables	121,427,133	121,427,133	-	-	121,427,133
	223,437,490	205,657,553	15,275,777	7,205,614	228,138,944

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within one year RM
Company			
2015			
Financial liabilities			
Amount due to subsidiaries	10,809	10,809	10,809
Borrowings	174,700	174,700	174,700
Trade and other payables	2,134,275	2,134,275	2,134,275
Financial guarantee contracts *	-	265,348,617	265,348,617
	2,308,975	267,657,592	267,657,592

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

42. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives (cont'd)

(iii) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within one year RM
2014			
Financial liabilities			
Amount due to subsidiaries	224,172	224,172	224,172
Borrowings	635,495	635,495	635,495
Trade and other payables	7,035,340	7,035,340	7,035,340
Financial guarantee contracts *	-	191,641,020	191,641,020
	7,895,007	199,536,027	199,536,027

*The Company has given corporate guarantee to bank on behalf of certain subsidiaries. The potential exposure of the financial guarantee contracts is equivalent to the amount of the banking facilities being utilised by the said subsidiaries.

(iv) Foreign Currency Risk

The Group is exposed to currency translation risk arising from its net investments in subsidiaries in South Africa.

The Group does not hedge its investment in South Africa.

(c) Fair values

(i) Determination of Fair Value

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:-

(i) *Deposits, cash and bank balances, trade and other receivables and payables*

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and liabilities.

(ii) *Other investment*

The fair value of short term funds is derived based on their net asset value ("NAV").

42. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair values (cont'd)

(i) Determination of Fair Value (cont'd)

(iii) *Borrowings*

The carrying amounts of bank overdrafts, bankers' acceptance, short term revolving credits and short term loans approximate fair values due to the relatively short term maturities of these financial liabilities.

The carrying amounts of long term floating rate loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of hire purchase and finance lease payables is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangements.

(ii) Fair Value Hierarchy

The table below analyses financial instruments not carried at fair value for which fair value disclosed, together with their fair value any carrying amounts shown in the statements of financial position.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2015						
Group						
Financial assets						
Other investment	1,463,394	-	-	1,463,394	1,463,394	1,463,394
Financial liabilities						
Term loans	-	(14,883,312)	-	(14,883,312)	(14,883,312)	(14,883,312)
Hire purchase and finance lease payable	-	(24,668,165)	-	(24,668,165)	(24,668,165)	(24,609,119)
	-	(39,551,477)	-	(39,551,477)	(39,551,477)	(39,492,431)
2014						
Group						
Financial liabilities						
Term loans	-	(17,880,764)	-	(17,880,764)	(17,880,764)	(17,880,764)
Hire purchase and finance lease payable	-	(8,990,227)	-	(8,990,227)	(8,990,227)	(8,985,702)
	-	(26,870,991)	-	(26,870,991)	(26,870,991)	(26,866,466)
2015						
Company						
Financial assets						
Other investment	1,463,394	-	-	1,463,394	1,463,394	1,463,394

(iii) There has been no transfer between Level 1 and level 2 fair values during the financial year (2014: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

43. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31st December 2015 and 31st December 2014.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, term loan, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	Group	
	2015 RM	**2014 RM**
Borrowings	162,480,347	102,010,357
Trade and other payables (Note 27) #	336,656,739	121,427,133
Less: Deposits, cash and bank balances (Note 18)	(39,830,636)	(23,918,656)
Net debt	459,306,450	199,518,834
Equity attributable to the owners of the Company	500,500,360	394,418,080
Total capital	500,500,360	394,418,080
Capital and net debt	959,806,810	593,936,914
Gearing ratio	48%	34%

\# *Progress billings in respect of property development costs were excluded from trade and other payables.*

A subsidiary of the Company is required to maintain certain gearing ratio for its revolving credit and bank guarantee facilities granted by a financial institution. The subsidiary has complied with this capital requirement as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 2nd January 2015, the Company acquired 35% equity interest in a new associate, Maha-Mayang Quarry Sdn. Bhd. for a purchase consideration amounting to RM350,000/-.

(b) On 13th March 2015, the Company proposed to undertake the following:-

(i) bonus issue of up to 222,630,874 new ordinary shares of RM0.50/- each in the Company on the basis of one Bonus Share for every two existing ordinary shares of RM0.50/- each in the Company on an entitlement date to be determined and announced later; and

(ii) bonus issue of up to 89,052,349 free warrants in the Company on the basis of one free Warrant-D for every five existing Company's shares held on the entitlement date.

The above bonus issues were completed on 1st September 2015.

(c) On 23rd October 2015, a wholly-owned subsidiary of the Company, Mitrajaya Development SA Proprietary Limited entered into the Deed of Sale with Scarlet Ribbon Properties 27 (Pty) Ltd to acquire a freehold land of approximately 215 acres in South Africa at a total consideration of South African Rand 40.0 million (equivalent to RM10.66million).

45. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

On 5th February 2016, the Company entered into a Sale and Purchase of Shares Agreement with Optimax Healthcare Services Sdn. Bhd. to dispose 1,275,000 ordinary shares of RM1.00 each in Optimax Eye Specialist Centre Sdn. Bhd. representing the Company's 51% equity interest, for a cash consideration of RM5,100,000/- ("Proposed Divestment"). The Proposed Divestment is expected to be completed in the next financial year.

46. COMPARATIVES FIGURES

The following comparative figures have been reclassified in order to conform to the presentation in the current financial year:-

	As restated RM	As previously reported RM
Group		
Statement of Cash Flows		
Placement of deposits with licensed banks	(1,347,975)	-
Cash and cash equivalents at beginning financial year	(27,167,328)	(17,167,328)
Cash and cash equivalents at end of financial year	(11,371,131)	(23,156)
Company		
Statement of Cash Flows		
Placement of deposits with licensed banks	(1,347,975)	-
Cash and cash equivalents at beginning financial year	(113,996)	9,886,004
Cash and cash equivalents at end of financial year	(610,932)	10,737,043

The above reclassification is in respect of non-short term fixed deposits previously included in cash and cash equivalents.

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 of the Group and the Company as at 31st December 2015 are as follows:-

	Group		**Company**	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total retained profits of the Company and it subsidiaries:-				
- Realised	233,182,430	270,738,863	34,979,765	134,635,147
- Unrealised	(1,627,031)	(1,101,636)	-	-
	231,555,399	269,637,227	34,979,765	134,635,147
Total share of retained profits from an associate:-				
- Realised	234,346	-	-	-
- Unrealised	-	-	-	-
	234,346	-	-	-
Consolidation adjustments	(66,629,152)	(64,099,221)	-	-
At 31st December	165,160,593	205,538,006	34,979,765	134,635,147

The determination of realised and unrealised profits 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 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

Pursuant to Section 169(15) of the Companies Act,1965

In the opinion of the Directors, the financial statements set out on pages 39 to 128 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 the cash flows for the financial year then ended.

The supplementary information set out on page 129 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 ENG PIOW
Director

FOO CHEK LEE
Director

Selangor Darul Ehsan
Date: 7th April 2016

STATUTORY DECLARATION

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

I, **CHO WAI LING**, being the director primarily responsible for the financial management of Mitrajaya Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 39 to 128 and the supplementary information set out on page 129 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.

CHO WAI LING

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 7th April 2016.

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Mitrajaya Holdings Berhad, 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 39 to 128.

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 requirements 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.

INDEPENDENT AUDITORS' REPORT (cont'd)
TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the 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 provision of the Companies Act, 1965 in Malaysia.

(b) We have considered the financial statements and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are disclosed in Note 8 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the 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 129 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

Lee Kong Weng
No. 2967/07/17 (J)
Chartered Accountant

Kuala Lumpur
Date: 7th April 2016

SHAREHOLDING ANALYSIS

Authorised Share Capital	:	RM500,000,000
Issued & Paid-up Capital	:	RM321,191,868.50
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per share
No. of treasury shares held	:	560,000
No. of voting shares	:	641,823,737

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	200	2.99	8,918	0.00
100 – 1,000	522	7.81	345,157	0.06
1,001 – 10,000	3,344	50.01	17,844,297	2.78
100,001 – 100,000	2,218	33.17	67,785,329	10.55
100,001 – less than 5% of issued shares	402	6.01	296,292,548	46.12
5% and above of issued share	1	0.01	259,547,488	40.40
Treasury shares	N/A	N/A	560,000	0.09
TOTAL	6,687	100.00	642,383,737	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2016
(excluding treasury shares)

No.	Name	No. of Shares	%
1.	Tan Eng Piow	259,547,488	40.44
2.	Aw Eng Soon	13,969,413	2.18
3.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	8,469,350	1.32
4.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	7,590,400	1.18
5.	Kok Siew Leng	6,342,450	0.99
6.	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	5,350,000	0.83
7.	PM Nominees (Tempatan) Sdn Bhd For Bank Kerjasama Rakyat Malaysia Berhad	4,941,500	0.77
8.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	4,620,800	0.72
9.	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund SD4N for Government of the Province of Alberta	4,604,850	0.71
10.	Song Kim Lee	4,500,000	0.70
11.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Growth Fund	4,432,500	0.69

SHAREHOLDING ANALYSIS (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2016 (cont'd)
(excluding treasury shares)

No.	Name	No. of Shares	%
12.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Non-Par FD)	4,407,500	0.69
13.	Citigroup Nominees (Tempatan) Sdn Bhd Employee Provident Fund Board (CIMB PRIN)	4,094,600	0.64
14.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Penny Stockfund	4,039,500	0.63
15.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717 TR01)	3,752,650	0.58
16.	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustee Berhad for Manulife Investment Shariah Progressfund	3,700,000	0.58
17.	Tan Mei Yin	3,648,750	0.57
18.	Citigroup Nominees (Tempatan) Sdn Bhd Employee Provident Fund Board (ARIM)	3,500,000	0.55
19.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentsdana Al-Ilham	3,262,200	0.51
20.	Kee Gek Ching	3,241,950	0.51
21.	Kok Yee Meng	3,223,125	0.50
22.	Kok Siew Keng	3,117,000	0.49
23.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Takaful Berhad (Family PIF EQ)	3,096,400	0.48
24.	Amanah Raya Berhad Kumpulan Wang Bersama	3,000,000	0.47
25.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) CIMB Equities	2,890,100	0.45
26.	CIMB Group Nominees (Tempatan) Sdn Bhd Asian Islamic Investment Management Sdn Bhd for Lembaga Tabung Haji	2,842,000	0.44
27.	Kok Siew Leng	2,794,798	0.44
28.	Teo Swee Sek	2,715,000	0.42
29.	HSBC Nominees (Asing) Sdn Bhd Exempt an for the Bank of New York Mellon (Mellon Acct)	2,645,050	0.41
30.	CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad – Kenanga Syariah Growth Fund	2,542,700	0.40

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2016

		No Of Shares			
No.	Name	Direct Interest	%	Indirect Interest	%
1.	Tan Eng Piow	259,547,488	40.44	-	-

WARRANTHOLDING ANALYSIS

2011/2016 WARRANTS (WARRANTS C)

No of 2011/2016 Warrants issued : 47,729,947
No of 2011/2016 Warrants outstanding : 25,540,554
Voting Rights at Warrantholders' Meeting : One vote per warrant

ANALYSIS OF 2011/2016 WARRANTHOLDINGS (WARRANTS C) AS AT 31 MARCH 2016

Size of Warrantholdings	No. of 2011/2016 Warrantholders	%	No. of 2011/2016 Warrants	%
Less than 100	500	25.55	23,221	0.09
100 – 1,000	438	22.38	217,753	0.85
1,001 – 10,000	822	42.00	2,638,213	10.33
10,001 – 100,000	182	9.30	4,573,397	17.91
100,001 – less than 5% of issued warrants	13	0.67	3,735,685	14.63
5% and above of issued warrants	2	0.10	14,352,285	56.19
TOTAL	1,957	100.00	25,540,554	100.00

LIST OF THIRTY LARGEST 2011/2016 WARRANT HOLDERS (WARRANTS C) AS AT 31 MARCH 2016

No.	Name	No. of Warrants	%
1.	Tan Eng Piow	12,297,585	48.15
2.	Geoffrey Lim Fung Keong	2,054,700	8.04
3.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hui Koon Chor @ Hee Ah Leek (Penang-CL)	1,265,500	4.95
4.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Cheah Chee Siong (PB)	630,500	2.47
5.	Lee Kok Leong	216,000	0.85
6.	Chai Sad Lian	213,000	0.83
7.	Wong Choi Kim	205,705	0.81
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (8092812)	200,000	0.78
9.	Anchor Point Sdn Bhd	176,400	0.69
10.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koong Min Chong	152,800	0.60
11.	Lim Heng Loong	150,000	0.59
12.	Wong Kian Fah	150,000	0.59
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Eng Chye	132,500	0.52
14.	Tan Eng Hwai	126,280	0.49
15.	Maybank Nominees (Asing) Sdn Bhd Pledged Securities Account for Rustom Framroze Chothia	117,000	0.46

WARRANTHOLDING ANALYSIS (cont'd)

No.	Name	No. of Warrants	%
16.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ting Sie Hiing	95,000	0.37
17.	Kok Siew Leng	94,200	0.37
18.	Chia Sow Thong	76,687	0.30
19.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Thy Yong	75,000	0.29
20.	Lee Bee Seng	75,000	0.29
21.	Tan Cheong Yee	73,350	0.29
22.	Gan Theng Puat @ Yeow Theng Puat	66,825	0.26
23.	Ng Soo Heng	63,050	0.25
24.	Hew Choong Hee	61,500	0.24
25.	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Lim Fei Lung	60,000	0.23
26.	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Gan Chee Wek	60,000	0.23
27.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Chee Choon (E-KLG)	60,000	0.23
28.	Teh Siew Tin	58,300	0.23
29.	Teo Chee Hoon	57,205	0.22
30.	Ng Teck Guan	56,700	0.22

2015/2020 WARRANTS (WARRANTS D)

No of 2015/2020 Warrants issued : 85,614,556
No of 2015/2020 Warrants outstanding : 85,614,556
Voting Rights at Warrantholders' Meeting : One vote per warrant

ANALYSIS OF 2015/2020 WARRANTHOLDINGS (WARRANTS D) AS AT 31 MARCH 2016

Size of Warrantholdings	No. of 2015/2020 Warrantholders	%	No. of 2015/2020 Warrants	%
Less than 100	365	8.65	10,260	0.01
100 – 1,000	1,412	33.47	811,505	0.95
1,001 – 10,000	1,795	42.55	6,561,145	7.66
10,001 – 100,000	560	13.27	17,263,317	20.17
100,001 – less than 5% of issued warrants	86	2.04	26,361,998	30.79
5% and above of issued warrants	1	0.02	34,606,331	40.42
TOTAL	4,219	100.00	85,614,556	100.00

WARRANTHOLDING ANALYSIS (cont'd)

LIST OF THIRTY LARGEST 2015/2020 WARRANT HOLDERS (WARRANTS D) AS AT 31 MARCH 2016

No.	Name	No. of Warrants	%
1.	Tan Eng Piow	34,606,331	40.42
2.	Aw Eng Soon	1,859,921	2.17
3.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chang Soke Hun (E-BBB/ RLU)	1,500,000	1.75
4.	Song Kim Lee	1,000,000	1.17
5.	Kok Siew Leng	867,940	1.01
6.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Growth Fund	791,000	0.92
7.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hui Koon Chor @ Hee Ah Leek (Penang-CL)	677,440	0.79
8.	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund SD4N for Government of the Province of Alberta	613,980	0.72
9.	Tan Cheng Chin	591,660	0.69
10.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Penny Stockfund	578,600	0.68
11.	Cheah Meow Choong	554,600	0.65
12.	Tham Kah Cheng @ Tum Ka Ten	500,000	0.58
13.	Tan Mei Yin	486,500	0.57
14.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentdana Al-Ilham	434,960	0.51
15.	Kee Gek Ching	432,260	0.50
16.	Kok Yee Meng	429,750	0.50
17.	Kok Siew Keng	415,600	0.49
18.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Siew Leng (CEB)	395,390	0.46
19.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Julian Cheah Wai Meng	391,300	0.46
20.	Kok Siew Leng	372,639	0.44
21.	Teo Swee Sek	362,000	0.42
22.	Chong Kim Foo	350,000	0.41
23.	Maybank Nominees (Tempatan) Sdn Bhd Teo Swee Sek	350,000	0.41
24.	Khor Keng Chai	338,000	0.39

WARRANTHOLDING ANALYSIS (cont'd)

No.	Name	No. of Warrants	%
25.	Tham Tze Huey	338,000	0.39
26.	Citigroup Nominees (Tempatan) Sdn Bhd Kenanga Islamic Investors Bhd for Lembaga Tabung Haji	329,440	0.38
27.	Lee Chuan Lai	327,840	0.38
28.	Chen Kin Kuen	321,360	0.38
29.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Par Fund)	317,000	0.37
30.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Ying Nee	300,000	0.35

DIRECTORS' INTEREST AS AT 31 MARCH 2016

Directors	Ordinary Shares Direct Interest	%	Indirect Interest	%
Tan Eng Piow	259,547,488	40.44	3,648,750	0.57
Foo Chek Lee	1,216,252	0.19	36,487	0.01

Directors	Warrant C Direct Interest	%	Indirect Interest	%
Tan Eng Piow	12,297,585	48.15	-	-

Directors	Warrant D Direct Interest	%	Indirect Interest	%
Tan Eng Piow	34,606,331	40.42	486,500	0.57
Foo Chek Lee	162,166	0.19	4,865	0.01

Directors	ESOS Direct Interest	%	Indirect Interest	%
Tan Eng Piow	1,987,500	0.31	838,500	0.13
Foo Chek Lee	1,528,500	0.24	-	-
Cho Wai Ling	865,500	0.13	-	-

The other Directors do not have interest.

SHARES IN RELATED CORPORATION

By virtue of their interest in the shares and warrants of the Company, the abovenamed Directors are deemed interested in the shares of the subsidiaries of the Company to the extent the Company has an interest.

LIST OF PROPERTIES

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2015 are set out below:-

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
PMSB	Lot 999, C.T. 3871 Mukim and District of Port Dickson, Negeri Sembilan.	Agricultural land	Planted with rubber trees	N/A	Freehold	N/A	10.71 acres	N/A	700,000	25.10.1993*
PMSB	Baiduri Apartments, Kijal Beach Resort Parcel No. 27B, South Block, Storey No. Two, Kijal, Kemaman, Terengganu D.I.	Apartment	Employees resort apartment	21 years	Freehold	N/A	N/A	850 sq.f.	112,800	28.06.1996
PMSB	D-01-09, Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor.	Shoplot	Office	13 years	Freehold	N/A	N/A	1,498 sq.f.	295,351	07.07.2003
PMSB	D-02-03, Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor.	Shoplot	Office	13 years	Freehold	N/A	N/A	663 sq.f.	107,300	14.10.2003
PMSB	5 units staff apartment Pangsapuri Teratai, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (E-04-04, F-04-05, A-04-06, F-04-07, A-04-08)	Apartment	Employees apartment	13 years	Freehold	N/A	N/A	4,000 sq.f.	288,040	07.04.2004
PMSB	29 units corporate office building Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (D-02-02, D-02-04 to D-02-12, D-03-02 to D-03-12 & D-04-02 to D-04-09)	Shoplot	Office	13 years	Freehold	N/A	N/A	39,372 sq.f.	3,418,524	01.09.2004
PMSB	6 Units corporate office building Block B, Jalan Prima 5/5, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (B-02-14,B-03-14,B-04-09, B-02-13,B-03-13 & B-04-10)	Shoplot	Archieve Store	13 years	Freehold	N/A	N/A	12,504 sq.f.	1,422,452	28.02.2015
PMSB	17-G, Blok D, Jaya 1, 72A Jalan Universiti, 46200 Petaling Jaya. Selangor.	Shoplot (Retail/Showroom)	Rented	8 years	Leasehold	12.04.2060	N/A	150 sq.m.	993,128	14.04.2006
PMSB	Apartment Mawar, Jalan Mawar 2, Prima Beruntung, 48300 Rawang. (E4-02, F2-04, F2-06, F3-04, F3-06, F4-02, F4-04, F4-06)	Apartment	Vacant	14 years	Freehold	N/A	N/A	5,760 sq.f.	363,483	29.12.2010

LIST OF PROPERTIES (cont'd)

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2015 are set out below:-

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
PMSB	26 units of retail and office suites Menara Larkin Utama, Jalan Tun Abdul Razak, Susur 5, Taman Dato'Onn, Johor Bahru, Johor.	Retail and office suites	Vacant	8 years	Leasehold	21.04.2093	N/A	13,082 sq.f.	-	15.12.2011
PMSB	Lot no. PT2 to PT93 and PT367, Town of Kawasan Bandar XLIII, District of Melaka Tengah, State of Melaka.	92 parcels of bungalow lots	Vacant	N/A	Freehold	09.11.2096	17.84 acres	N/A	28,424,020	31.12.2006
APSB	HS (M) 26788, PT 40761 HS (M) 30054, PT 40366 HS (M) 30055, PT 40352 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	Vacant	N/A	Leasehold	22.05.2099 12.09.2106 25.09.2106	2.00 acres	N/A	1,089,531	25.07.2007
KBSB	HS (D) 119815, PT 9926 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan.	Residential land	On-going development project	N/A	Leasehold	12.5.2114	7.52 acres	N/A	74,391,668	01.03.1999
KSBSB	Various sub-divided lots in Sungai Buntu, Mukim Pengerang, Daerah Kota Tinggi, Johor.	Residential Land	Vacant	N/A	Freehold	N/A	10.76 acres	N/A	4,874,472	27.12.1996
LVSB	PN 100702, Lot 98379 PN 100703, Lot 98380 PN 100704 to 100708, Lot 98383 to 98387 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	On-going development project	N/A	99 years	15.12.2107	19.46 acres	N/A	5,007,129	May 2004
LVSB	PT 10725 to PT 11033, HS (D) 38483 to 38782 and HS (D) 38784 to 38792 Mukim Serendah, Daerah Hulu Selangor, Selangor.	309 parcels of residential lots	On-going development project	N/A	Freehold	N/A	9.81 acres	N/A	4,863,918	31.12.2006

LIST OF PROPERTIES (cont'd)

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2015 are set out below:-

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
MHSB	HS (D) 8178, PT 7100 HS (D) 27478, PT 7563 HS (D) 18253 to 18255, PT 767 to 769 Mukim Serendah, Daerah Hulu Selangor, Selangor.	Industrial land	Vacant	N/A	Freehold	N/A	7.08 acres	N/A	4,901,060	11.12.1997
MHSB	HS (D) 97248, PT 29 'A' Seksyen 28, Mukim Bandar Petaling Jaya, Daerah Petaling, Selangor.	Industrial land	Vacant	N/A	Leasehold	11.04.2067	9.30 acres	N/A	41,947,522	28.08.2009
MDSA	Portion 251 & 252 of the farm Olievenhoutbosch 389, Registration Division J.R. Province of Gauteng, South Africa.	Land for Development	On-going development project	N/A	Freehold	N/A	62.49 hectares	N/A	15,804,400	07.04.2006*
MDSA	Portion 237 (a Portion of Portion 7) of the farm Knopjeslaagte Number 385, Registration Division J.R. City of Tshwane Metropolitan Municipality, South Africa	Land for Development	Vacant	N/A	Freehold	N/A	215 acre	N/A	10,663,692	23.10.2015
PDSB	PT1159 HS (D) 135348 Mukim Pekan Puchong Perdana, Daerah Petaling, Selangor.	Land for Development	Rented	N/A	Freehold	N/A	1.08 acre	N/A	1,961,871	17.05.1999
PDSB	PT7357 HS (D) 311924 Mukim Pekan Puchong Perdana, Daerah Petaling, Selangor.	Land for Development	Vacant	N/A	Freehold	N/A	14.53 acre	N/A	36,748,695	17.05.1999
SDSB	Geran 25563, Lot 481, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor.	Land for Development	Planted with oil palm	N/A	Freehold	N/A	198 acres	N/A	29,220,238	19.01.2007

Remarks:
Net book value of the development properties are stated at Group land cost together with the related development expenditure.
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KEY:
APSB - Awana Prisma Sdn Bhd
KBSB - Kina-Bijak Sdn Bhd
KSBSB - Kemajuan Sekim Baru Sdn Bhd
LVSB - Leo Vista Sdn Bhd
MDSA - Mitrajaya Development SA (Proprietary) Limited
MHSB - Mitrajaya Homes Sdn Bhd
PMSB - Pembinaan Mitrajaya Sdn Bhd
PDSB - Primaharta Development Sdn Bhd
SDSB - Skyway Development Sdn Bhd

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting of the Company will be held at **Melati Room 123, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan** on **Friday, 3 June 2016** at **10.00 a.m.** for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon.

2. To declare a first and final single tier cash dividend of 5 sen per share in respect of the financial year ended 31 December 2015. **Resolution 1**

3. To approve the payment of Directors' Fees of RM110,000 for the financial year ended 31 December 2015. **Resolution 2**

4. To re-elect the following Directors retiring pursuant to Article 84 of the Articles of Association of the Company:-

   4.1 Foo Chek Lee **Resolution 3**
   4.2 Roland Kenneth Selvanayagam **Resolution 4**

5. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration. **Resolution 5**

6. As Special Business:-
   To consider and if thought fit, pass the following Resolutions:-

   ORDINARY RESOLUTION
   Re-Appointment of General Tan Sri Ismail Bin Hassan (R) as Director **Resolution 6**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, General Tan Sri Ismail Bin Hassan (R) be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

   ORDINARY RESOLUTION
   Re-Appointment of Ir Zakaria Bin Nanyan **Resolution 7**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Ir Zakaria Bin Nanyan be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

   ORDINARY RESOLUTION
   Re-Appointment of Tan Sri Dato' Seri Mohamad Bin Abdul Rahim as Director **Resolution 8**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

ORDINARY RESOLUTION
Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 9**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued 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 the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

ORDINARY RESOLUTION **Resolution 10**
Proposed Renewal of Authority for the Company to purchase its own shares of up to 10% of the Issued and Paid-Up Share Capital ("Proposed Renewal of Share Buy-Back")

"THAT subject to the provisions under the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all prevailing laws, rules, regulations, orders and guidelines as well as the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company ("MHB Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of MHB Shares purchased pursuant to this resolution or held as treasury shares does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the time of purchase;

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back shall not exceed the Company's aggregate retained profits account;

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders and guideline and requirements issued by any relevant authorities for the time being in force to deal with any MHB Shares so prescribed by the Company in the following manner:-

(i) to cancel the MHB Shares so purchased; or
(ii) to retain the MHB Shares so purchased 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 be cancelled subsequently; or
(iii) combination of (i) and (ii) above;

THAT the authority conferred by this resolution will be effective immediately from the passing of this Ordinary Resolution until:-

(i) the conclusion of the Company's next Annual General Meeting following the general meeting at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution;
(ii) the passing of the date on which the Company's next Annual General Meeting is required by law to be held; or

(iii) the authority is revoked or varied by ordinary resolution that the shareholders pass in general meeting;

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the aforesaid Proposed Renewal of Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by the relevant authorities."

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a first and final single tier cash dividend of 5 sen in respect of the financial year ended 31 December 2015, if so approved at the Twenty-Third Annual General Meeting, will be paid on 2 August 2016 to Shareholders whose names appear in the Records of Depositors at the close of business on 19 July 2016.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred into the depositor's securities account before 4.00 p.m. on 19 July 2016 in respect of ordinary transfers; and

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

By Order of the Board

LEONG OI WAH (MAICSA 7023802)
Company Secretary

29 April 2016

Notes:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead. The provision of Section 149(1) (b) of the Act shall not apply to the Company.

2. When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

5. Depositors who appear in the Record of Depositors as at 27 May 2016 shall be regarded as member of the Company entitled to attend the Twenty-Third Annual General Meeting or appoint a proxy to attend and vote on his behalf.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

6. Explanatory notes on Special Business:-

Resolution No. 6, 7 & 8

The proposed Ordinary Resolutions, if passed will enable General Tan Sri Ismail Bin Hassan (R), Ir Zakaria Bin Nanyan and Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim to continue in office until the conclusion of the next annual general meeting.

Resolution No. 9

The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten percent (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 23 June 2015. The Company did not utilise the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Resolution No. 10

Please refer to Statement to the Shareholders dated 29 April 2016.

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MITRAJAYA HOLDINGS BERHAD
(Company No. 268257–T)

FORM OF PROXY

I/We, ____(NRIC/ Co. No ____________________________)

of ____

being a *member/members of **MITRAJAYA HOLDINGS BERHAD** hereby appoint ________________________

____________________________ (NRIC/ Co.No ____________________________) of _______________

____

and/or failing him/her ______________________________ (NRIC/ Co.No ____________________________)

of ____

or the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held at Melati Room 123, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 3 June 2016 at 10.00 a.m. and at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:-

	Resolutions	**For**	**Against**
Resolution 1	To declare a first and final single tier cash dividend of 5 sen per share in respect of the financial year ended 31 December 2015.		
Resolution 2	To approve the payment of Directors' Fees of RM110,000.		
Resolution 3	To re-elect Foo Chek Lee as Director.		
Resolution 4	To re-elect Roland Kenneth Selvanayagam as Director.		
Resolution 5	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.		
Resolution 6	To re-appoint General Tan Sri Ismail Bin Hassan (R) as Director.		
Resolution 7	To re-appoint Ir Zakaria Bin Nanyan as Director.		
Resolution 8	To re-appoint Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim as Director.		
Resolution 9	To approve the authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Resolution 10	To approve the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital.		

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion).

Dated this ______________ of ____________________ 2016

CDS Account No:	
Number of Shares:	

____

[Signature/Common Seal of Shareholder(s)]
[*Delete if not applicable]

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead. The provision of Section 149(1) (b) of the Act shall not apply to the Company.

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AFFIX STAMP

MITRAJAYA HOLDINGS BERHAD **(Company No: 268257-T)**
No. 9 Blok D
Pusat Perdagangan Puchong Prima
Persiaran Prima Utama
Taman Puchong Prima
47150 Puchong
Selangor Darul Ehsan
Malaysia

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MITRAJAYA

No. 9, Blok D, Pusat Perdagangan Puchong Prima,
Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan
Tel : (603) 8060 9999 **Fax** : (603) 8060 9998 **Email** : mhb@mitrajaya.com.my
www.mitrajaya.com.my