A N N U A L   R E P O R T   2 0 1 1

# PINTARAS JAYA BERHAD

(189900H)

# Contents

**NOTICE IS HEREBY GIVEN** that the Twenty-Second Annual General Meeting of the Company will be held at Mauna Lani B Room, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 19th October 2011 at 9:30 a.m. for the following purposes:-

**AGENDA**

1. To table the Audited Financial Statements for the financial year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon.

2. To approve the declaration of a first and final dividend of 15% less tax and 4% single-tier for the financial year ended 30 June 2011. (Resolution 1)

3. To approve the Directors' fees for the financial year ended 30 June 2011. (Resolution 2)

4. To re-elect the following Directors who retire in accordance with the Company's Articles of Association :-

   i) Madam Khoo Yok Kee (Resolution 3)

   ii) Mr. Arnold Kwan Poon Keong (Resolution 4)

5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

**Special Business:**

6. To consider and, if thought fit, to pass the following Ordinary Resolution with or without modifications:- (Resolution 6)

   **Authority To Issue Shares**

   "**THAT** subject always to the Companies Act, 1965 and the relevant governmental and/or regulatory authorities, where such approvals shall be necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue ordinary shares from the unissued share capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities").

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

**NOTICE OF DIVIDEND ENTITLEMENT**

**NOTICE IS ALSO HEREBY GIVEN** that subject to the approval of the shareholders, a first and final dividend of 15% less 25% income tax and 4% single-tier in respect of the financial year ended 30 June 2011 will be paid on 10th January 2012 to shareholders whose names appear on the Record of Depositors at the close of business on 20 December 2011.

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 20 December 2011 in respect of ordinary transfers; and

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

By Order of the Board

**LIM MING TOONG** (MAICSA 7000281)
**SITI SARAH BINTI ABD RAHMAN** (MAICSA 7059191)
Company Secretaries

Shah Alam
27 September 2011

Notes:-

*(1) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

*(2) To be valid, this form, duly completed must be deposited at the Registered Office at No. 8, Jalan Majistret U1/26, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.*

*(3) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.*

*(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

*(5) Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

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

**Explanatory Note on Special Business**

*(7) Resolution pursuant to Section 132D of the Companies Act, 1965*

*The Ordinary Resolution 6, if passed, will give powers to the Directors of the Company to issue ordinary shares in the capital of the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being for the purpose of increasing the capacity of current business operations for long term growth and to cater for additional working capital requirements in line with the Company's expansion and diversification plans. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's Annual General Meeting.*

*This authority, unless revoked or varied at a General Meeting, will expire at the next Annual General Meeting of the Company.*

# CORPORATE INFORMATION

## DIRECTORS

DR CHIU HONG KEONG
*Chairman/Managing Director*

KHOO KEOW PIN
*Executive Director*

KHOO YOK KEE
*Executive Director*

KOO GIT LOO @ CHIU GIT LOO
*Executive Director*

KONG KIM PIEW
*Independent Non-Executive Director*

CHANG CHENG WAH
*Independent Non-Executive Director*

ARNOLD KWAN POON KEONG
*Independent Non-Executive Director*

## COMPANY SECRETARIES

LIM MING TOONG
SITI SARAH BINTI ABD RAHMAN

## REGISTERED OFFICE

NO. 8 JALAN MAJISTRET U1/26
HICOM-GLENMARIE INDUSTRIAL PARK
40150 SHAH ALAM
SELANGOR DARUL EHSAN
TEL : 03-5569 1516
FAX : 03-5569 1517
E-MAIL : pintaras@tm.net.my
WEBSITE : www.pintaras.com.my

## REGISTRAR

SYMPHONY SHARE REGISTRARS SDN BHD
LEVEL 6, SYMPHONY HOUSE
PUSAT DAGANGAN DANA 1
JALAN PJU 1A/46
47301 PETALING JAYA
SELANGOR DARUL EHSAN
TEL : 03-7841 8000
FAX: 03-7841 8008

## PRINCIPAL BANKERS

MALAYAN BANKING BERHAD
OCBC BANK (MALAYSIA) BERHAD

## AUDITORS

MESSRS PRICEWATERHOUSECOOPERS
CHARTERED ACCOUNTANTS
10TH FLOOR 1 SENTRAL
JALAN TRAVERS
KUALA LUMPUR SENTRAL
50706 KUALA LUMPUR

## STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

### DR CHIU HONG KEONG

Dr Chiu Hong Keong, a Malaysian, aged 56 is the founder member of Pintaras Jaya Berhad ("Pintaras Jaya") and was appointed as the Managing Director of the Company since 23 November 1989 and elected as the Chairman of the Board on 18 October 1994. He is a member of the Risk Management Committee. He graduated with a Bachelor of Civil Engineering degree (1st Class Honours) from the University of Auckland, New Zealand in 1977 and obtained his Doctorate of Philosophy degree in Engineering from Monash University, Australia in 1982. He worked as a Geotechnical Engineer with the Victorian Country Roads Board of Australia for a brief stint before returning to Malaysia to join Pilecon Engineering Bhd in 1982 as a Geotechnical Engineer. In 1983, he joined Ho Hup Construction Company Sdn Bhd from 1984 until 1989. He holds a total of 46,169,798 shares (direct and indirect) in Pintaras Jaya and is deemed to have an interest in the shares of the subsidiary companies to the extent held by Pintaras Jaya. He is the spouse of Madam Khoo Yok Kee, an Executive Director and a deemed major shareholder of Pintaras Jaya and the brother of Mr Koo Git Loo @ Chiu Git Loo, an Executive Director of Pintaras Jaya.

### KHOO KEOW PIN

Ir Khoo Keow Pin, a Malaysian, aged 54 is an Executive Director of Pintaras Jaya. He was appointed to the Board on 14 December 1989. He is a member of the Risk Management Committee. He graduated with a Bachelor of Science degree in Civil Engineering from Cheng-Kung University, Taiwan in 1980 and obtained his Master in Geotechnical Engineering degree from the University of Toronto, Canada in 1983. He worked for Kemas Konsult Consulting Engineers as a Geotechnical Engineer from 1983 to 1984 and later for Ho Hup Construction Company Sdn Bhd from 1984 to 1989. He has extensive experience in the design and construction of piling and foundation works for bridges, multi-storey buildings and housing projects. He holds a total of 5,041,652 shares directly in Pintaras Jaya and is deemed to have an interest in the shares of the subsidiary companies to the extent held by Pintaras Jaya. He has no family relationship with any Director and/or major shareholder of Pintaras Jaya.

### KHOO YOK KEE

Madam Khoo Yok Kee, a Malaysian, aged 51 is an Executive Director of Pintaras Jaya. She was appointed to the Board on 18 March 1991. She serves as the Chairperson of the Risk Management Committee. She graduated with a Bachelor of Economics (Accounting) degree from Monash University, Australia in 1982. She obtained her Master of Business Administration from Southern Cross University, Australia in 2000. She is a Fellow of CPA Australia and a member of the Malaysian Institute of Accountants as well as the Malaysian Association of Company Secretaries. She has more than twenty years of experience in accounting, marketing, finance, administration and corporate affairs. She holds a total of 46,169,798 shares (direct and indirect) in Pintaras Jaya and is deemed to have an interest in the shares of the subsidiary companies to the extent held by Pintaras Jaya. She is the spouse of Dr Chiu Hong Keong, the Managing Director and a major shareholder of Pintaras Jaya and the sister-in-law to Mr Koo Git Loo @ Chiu Git Loo, an Executive Director of Pintaras Jaya.

### KOO GIT LOO @ CHIU GIT LOO

Ir Koo Git Loo @ Chiu Git Loo, a Malaysian, aged 63 is also a founder member of Pintaras Jaya. He resigned on 18 March 1991 and was re-appointed as an Executive Director of the Company on 30 October 1993. He is a member of the Risk Management Committee. He graduated with a Bachelor of Engineering degree from the University of Malaya in 1973. He has more than twenty-nine years of experience in civil engineering works. He joined The Drainage and Irrigation Department in Selangor in 1973 and subsequently joined the private sector. He is a director in several private companies. He holds a total of 8,400 shares directly in Pintaras Jaya and is deemed to have an interest in the shares of the subsidiary companies to the extent held by Pintaras Jaya. He is the brother of Dr Chiu Hong Keong, the Managing Director and a major shareholder of Pintaras Jaya and the brother-in-law to Madam Khoo Yok Kee, an Executive Director and a deemed major shareholder of Pintaras Jaya.

**KONG KIM PIEW**

Ir Kong Kim Piew, a Malaysian, aged 58 is an Independent Non-Executive Director of Pintaras Jaya. He was appointed to the Board on 28 October 1994. He serves as the Chairman of the Audit Committee and is a member of the Remuneration and Nomination Committees. He graduated with a Bachelor of Engineering (Honours) degree from the University of Malaya in 1978. He is presently a Director of Perunding Hashim & NEH Sdn Bhd and is involved extensively in civil and structural engineering consultancy services in both the private and public sectors. He does not hold any securities, direct or indirect, in Pintaras Jaya or any of its subsidiaries. He has no family relationship with any Director and/or major shareholder of Pintaras Jaya.

**CHANG CHENG WAH**

Ir Chang Cheng Wah, a Malaysian, aged 54 is an Independent Non-Executive Director of Pintaras Jaya. He was appointed to the Board on 28 October 1994. He serves as the Chairman of the Remuneration and Nomination Committees and is a member of the Audit Committee. He graduated with a Bachelor of Science in Civil Engineering (Honours) degree from the University of Newcastle Upon-Tyne, United Kingdom in 1980. He was attached to Arup Jururunding Sdn Bhd for 8 years. He joined Zainuddin Radzi & Rakan-Rakan in 1989 as a partner where he headed the Civil and Structural engineering works department of the firm. Presently, he is the managing director of Perunding ACE Sdn Bhd. He does not hold any securities, direct or indirect, in Pintaras Jaya or any of its subsidiaries. He has no family relationship with any Director and/or major shareholder of Pintaras Jaya.

**ARNOLD KWAN POON KEONG**

Mr. Arnold Kwan Poon Keong, a Malaysian, aged 50 is an Independent Non-Executive Director of Pintaras Jaya. He was appointed to the Board on 3 November 2008. He is a member of the Audit Committee. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) UK. He has more than 20 years of experience in the financial services industry, having worked with both local and international financial institutions in various capacities. He has experience in risks management, corporate finance, capital markets, wealth management services and private banking. He has also set up and managed investment banking, financial risk analytics, corporate and commercial banking departments for international banks in Malaysia. He is presently a corporate advisor to some private companies. He does not hold any securities, direct or indirect, in Pintaras Jaya or any of its subsidiaries. He has no family relationship with any Director and/or major shareholder of Pintaras Jaya.

**GENERAL INFORMATION**

All the Directors do not hold any other directorships of public companies.

None of the Directors have any conflict of interest with Pintaras Jaya.

None of the Directors have had convictions for any offences within the past ten years.

All the Directors attended the four Board Meetings of Pintaras Jaya held for the financial year ended 30 June 2011 except for Mr. Kong Kim Piew who attended three out of the four Board Meetings.

The Board of Pintaras Jaya Berhad ("PJB") is committed to the principles of corporate governance in the Malaysian Code on Corporate Governance ("Code"). It applies good corporate governance by having in place processes and structure to direct and manage the business and affairs of PJB as a fundamental part of discharging its responsibility to protect and enhance shareholder value.

The Board is pleased to provide the following which explains how the Company and the Group have set out to ensure the application of the principles and best practices of the Code and the extent of compliance with the Code as required under the Main Market Listing Requirements.

## THE BOARD OF DIRECTORS

The Board continues to retain full and effective control over the Group's activities and direction. One of its main functions is to ensure that appropriate and efficient systems and processes are implemented to manage the Group's financial and operational risks. Towards this end, the Board is assisted by a team of capable and experienced management personnel in the daily operations of the Group.

### Board Structure And Procedures

The current composition of the Board comprises 4 Executive Directors and 3 Independent Non-Executive Directors. They have a vast range of experience and knowledge in the areas of business, engineering and finance. The Independent Non-Executive Directors do not form part of the management and are not connected with major shareholders. They exercise their unbiased independent judgement freely and do not have any business or other relationships that could interfere with their duties. Board balance is achieved with the contribution of the Independent Non-Executive Directors and the fair representation of the shareholders' interests. Brief profiles of the Directors are set out on pages 5 & 6 of this Annual Report.

The Board is responsible for the control and management of the PJB Group. The Directors meet at least 4 times a year with additional meetings convened when necessary. During the financial year, four Board Meetings were held. Details of attendance of each Director are as follows:-

| Directors | No. of Meetings Attended |
|---|---|
| Dr Chiu Hong Keong | 4/4 |
| Khoo Keow Pin | 4/4 |
| Khoo Yok Kee | 4/4 |
| Koo Git Loo @ Chiu Git Loo | 4/4 |
| Kong Kim Piew | 3/4 |
| Chang Cheng Wah | 4/4 |
| Arnold Kwan Poon Keong | 4/4 |

The Board continues to be mindful of the combined roles of the Chairman and Managing Director currently held by Dr Chiu Hong Keong. In the best interest of the Group, this combined role is maintained as the valuable knowledge of the business operations contributed by Dr Chiu is essential to the effective management of the Group.

Any concern can be conveyed to anyone of the Directors as they exercise their responsibilities collectively. Hence, the need to appoint a senior Independent Non-Executive Director to address concerns relating to the Group does not arise. The Company's website is freely accessible to the public at www.pintaras.com.my and the Directors welcome feedback channelled through the website.

**Board Committees**

Four Board Committees were established to assist the Board to effectively discharge its fiduciary duties. They comprise the Audit, Risk Management, Remuneration and Nomination Committees. All these committees have written terms of reference that clearly outline their objectives, functions and authority.

**Supply of Information**

All Directors have access to the services of the Company Secretaries should they wish to seek any information or advice. Additionally, they may solicit for independent advice, if necessary, at the Company's expense.

Dissemination of information for Board Meetings is by way of Board papers which contain management and financial information and other matters to be discussed. The Board members are also notified of material issues affecting the performance of the Group and new developments within the Group. The Company Secretaries are responsible for ensuring compliance to applicable rules and regulations as well as Board Meeting procedures.

**Appointments to the Board / Board Committees**

The Nomination Committee is responsible for making recommendations for any appointments to the Board/Board Committees. Its members annually review the mix of skills and experience which the Directors contribute to the Board. The Committee also assists the Board in reviewing other qualities of the existing Board members including the core competencies of the Non-Executive Directors.

**Directors' Training**

All Directors have successfully completed the Mandatory Accreditation Programme. The Directors are mindful that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments of the industry as well as the new statutory and regulatory requirements.

During the year under review, the Directors have attended various trainings as set out below to enhance their knowledge and expertise:

| Title of training | |
|---|---|
| Financial Instruments : Recognition, Measurement, Presentation & Disclosure | July 2010 |
| Activate Asia : Insight Indonesia | July 2010 |
| Enabling the Next Generation Email Management Solution for Growth | July 2010 |
| Fire Consequential Loss Insurance | July 2010 |
| Construction Industry Development Board Malaysia (CIDB Malaysia) : The 7th Malaysia Construction Sector Review + Outlook Seminar | August 2010 |
| Activate Asia : Vietnam in View Forum | October 2010 |
| Budget 2011 Proposals and Recent Development | October 2010 |
| Green Technology for Sustainable Foundation Treatment of a High Embankment Constructed on Peaty Clay Soil | November 2010 |
| Preview of Law of Contract & Construction Law | May 2011 |

In compliance with the Main Market Listing Requirements, the Board will continuously identify relevant training programmes for its members to ensure that they are updated with appropriate professional training to further enhance their professionalism in discharging their fiduciary duties to the Company.

**Re-election of Directors**

The Company's Articles of Association provide for all Directors to submit themselves for re-election at least once in every 3 years. The Directors who are seeking for re-election at the forthcoming Twenty-Second Annual General Meeting ("AGM") are Madam Khoo Yok Kee and Mr Arnold Kwan Poon Keong. Their particulars are set out in the Profile of Directors on pages 5 & 6 of this Annual Report.

**DIRECTORS' REMUNERATION**

To attract and retain individuals of sufficiently high calibre at the Board level, the remuneration for Executive Directors is linked partly to the performance of the Group while the level of remuneration of Non-Executive Directors reflects the experience and level of responsibility undertaken. Following guidelines by the Code, the Company has in place a fairly structured reward system for its Board members.

The Remuneration Committee remains responsible for recommending the individual Directors' level of remuneration. The interested Directors abstain from discussing their own remuneration packages.

In disclosing the Directors' remuneration, the Board views it sufficiently transparent with details of the remuneration of the Directors of the Company provided as follows :

| **Components of remuneration** | **Executive Directors** | **Non-Executive Directors** |
|---|---|---|
| Salaries (RM) | 1,111,200 | - |
| EPF (RM) | 180,084 | - |
| Fees (RM) | - | 60,000 |
| Bonuses (RM) | 343,000 | - |
| Benefits-in-kind (RM) | 21,800 | - |
| Total (RM) | 1,656,084 | 60,000 |

Number of Directors whose remuneration falls into the following bands :

| **Range of remuneration** | **Number of Directors** | |
|---|---|---|
| | **Executive** | **Non-Executive** |
| Up to RM50,000 | 1 | 3 |
| RM450,001 to RM500,000 | 2 | - |
| RM650,001 to RM700,000 | 1 | - |

**SHAREHOLDERS**

**Dialogue between Company and Investors**

The primary channels through which information is disseminated to the shareholders are annual reports and financial statements, quarterly announcements of financial results and other announcements. All the above are easily accessible through the official website of the Bursa Malaysia Securities Berhad.

During the year, the Managing Director and the Executive Director met with institutional investors, fund managers and analysts to brief and keep them updated on the performance, business expansion plans and other matters related to shareholders' interest. By this, the Board aims to keep the shareholders and the general public abreast on the Group's performance and development as well as maintain good investor relations.

The Company's website has links to its announcements on financial results and annual reports. It also serves as a platform for the public to provide their feedback and to know more about the Group's business.

**The AGM**

Shareholders enjoy direct interaction with the Board at the Company's AGM, where they are encouraged to present any questions or concerns regarding the operations, financial performance and major developments of the Group.

## ACCOUNTABILITY AND AUDIT

**Financial Reporting**

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year mainly through the quarterly announcements, annual financial statements and the Chairman's Statement in the annual reports. The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and its quality.

**Statement of Directors' Responsibility**

The Directors are required by the Companies Act, 1965 to prepare financial statements, which give a true and fair view of the state of affairs, results and cash flow of the Group and of the Company for the financial year under review.

In this respect, the Directors acknowledge their responsibility in ensuring that proper accounting records are kept for the purpose of disclosing with reasonable accuracy, the financial position of the Group and of the Company.

**Internal Control**

The Board recognizes its responsibility for the Group's system of internal controls comprising financial, operational and compliance controls as well as risk management. The system, by its nature, can only provide reasonable but not absolute assurance against material misstatement or loss and is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Statement on Internal Control furnished on page 11 provides an overview of the state of internal control within the Group.

**Relationship with External Auditors**

The company maintains an appropriate relationship with the external auditors through the Audit Committee. An Audit Committee report and its terms of reference, detailing its role in relation to the external auditors are set out on pages 13 to 14 of this Annual Report.

**Corporate Social Responsibility**

The company recognises it has obligations to protect and contribute positively to the needs of a range of stakeholders in the community and environment in which it operates. Towards this end, it has adopted a Code Of Conduct to guide its employees and to create awareness in support of its Corporate Social Responsibility initiatives. The Code includes guides to appropriate workplace and marketplace behaviour. Employee health and well-being is constantly looked after through the effective and stringent implementation of good Occupational Safety and Health practices in all its business operations. The Code also enunciates the company's approach to supporting community and environmental programmes. The Company is dedicated to meeting or exceeding the regulatory requirements that govern its activities and will continually look to applying environmentally friendly technologies. The Group has made consistent donations to various charities nationwide such as The Monfort Boys Town, The Malaysian Association for the Blind, The Shepherd's Centre Foundation and Hospis Malaysia to help the needy and to elevate the standard of living and the quality of life of communities.

This statement is made in accordance with the resolution of the Board of Directors dated 23rd August 2011.

**STATEMENT ON INTERNAL CONTROL**

The Board acknowledges its responsibility of maintaining a good system of internal controls covering not only financial controls but also operational and compliance controls as well as risks assessments. This system was designed to enable the Group to meet its business objectives and to minimise rather than eliminate risks while protecting its assets and safeguarding the shareholders' investment.

The internal audit function which reports to the Audit Committee, is outsourced to a professional service firm. It undertakes independent and systematic reviews of internal controls so as to provide the Audit Committee with independent and objective feedback and reports to ensure that the internal control systems continue to operate satisfactorily and effectively. The internal auditors recommend actions to ensure that proper controls are in place for the key operational areas and regular follow-ups are made to ensure the actions are implemented. The Board with the assistance of the Audit Committee and the Risk Management Committee reviews the effectiveness of the Group's system of internal control on a continuous basis.

While it is the principal responsibility of the Board to identify key risks and ensure the implementation of appropriate systems to manage risks, it is assisted by the various committees put in place to address the different risks inherent to the Group's construction and manufacturing divisions. The Audit and Risk Management Committees have continued to provide significant assistance in this respect.

The Group's organisational structure is divided into the construction and manufacturing divisions to provide a more relevant framework in which to manage the different risks. This enhances communication and clearly defines the line of authority as well as to facilitate reporting. The duties and responsibilities of designated employees are also communicated to them at the point of employment. As an additional measure, the Executive Directors are involved directly in the management of operational and financial controls. This practice provides close monitoring and ensure effective supervision over the operating subsidiaries. In addition, the Executive Directors and senior management exercise direct supervision by visiting the project sites and factory floors regularly.

As the major driver of internal control, the Risk Management Committee supervises the overall management of the principal areas of risk. This Committee consists of Board members and senior management personnel from the various departments in the Group. The construction division's Operations Meetings and the manufacturing division's Management Meetings are held regularly and their findings are reported to the Risk Management Committee who then reports directly to the Board. In this way, the risks faced at the operational level are conveyed to the Board who possesses the authority to review, form and implement mechanisms of control. Thus, the Board remains well informed and able to effectively manage the control environment in the Group.

Written policies and procedures are present in the form of the Group's Operations Manual and the Pintaras Group Integrated Risk Management Framework. They serve as guidelines for best work practices and provide tools to identify and manage risks. A Risk Register is maintained to record the key risks and their respective control measures and it is updated as and when new risks are identified.

For the financial year under review, the Board is satisfied that the current internal control system was reasonably effective in managing the Group's risks. Nevertheless, the Board continues to assess the need to employ suitable measures to enhance the Group's control environment.

**1. BOARD MEETINGS**

There were four Board Meetings held during the financial year.

**2. UTILISATION OF PROCEEDS**

No proceeds were raised by the Company from any corporate proposals during the financial year.

**3. SHARE BUYBACKS**

During the financial year, there were no share buybacks by the Company.

**4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**

No options, warrants or convertible securities were exercised by the Company in the financial year.

**5. DEPOSITORY RECEIPT PROGRAMME**

During the financial year, the Company did not sponsor any depository receipt programme.

**6. IMPOSITION OF SANCTIONS/PENALTIES**

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

**7. NON-AUDIT FEES**

Non-audit fees paid to the external auditors by the Company during the financial year amounted to RM8,500.00 being services rendered in relation to the review of the Directors' Statement on Internal Control.

**8. PROFIT ESTIMATE, FORECAST OR PROJECTION**

There was no variance between the results for the financial year and the unaudited results previously announced. The Company did not release any profit estimate, forecast or projection for the financial year.

**9. PROFIT GUARANTEES**

During the year, there was no profit guarantee given by the Company and all its subsidiaries.

**10. MATERIAL CONTRACTS**

During the year, there were no material contracts entered into by the Company and its subsidiaries which involve directors' and major shareholders' interests.

**11. CONTRACTS RELATING TO LOAN**

There were no contracts relating to loan by the Company and its subsidiaries in respect of item 10.

**12. REVALUATION OF LANDED PROPERTIES**

The Company does not have a revaluation policy on its landed properties.

**(A) MEMBERS OF THE AUDIT COMMITTEE**

During the year, the Audit Committee comprised the following directors :-

**Kong Kim Piew** - Chairman
(Independent Non-Executive Director)

**Chang Cheng Wah**
(Independent Non-Executive Director)

**Arnold Kwan Poon Keong**
(Independent Non-Executive Director)

**(B) TERMS OF REFERENCE**

**AUTHORITY**

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to seek external legal or other professional assistance if it considers necessary.

**FUNCTIONS**

The functions of the Committee shall be :-

a) to review
   (i) with the external auditors, the audit plan;
   (ii) with the external auditors, their evaluation of the system of internal accounting controls;
   (iii) with the external auditors, their audit report;
   (iv) the assistance given by the Company's officers to the external auditors;
   (v) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
   (vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommend tions of the internal audit function;
   (vii) the quarterly results and year end financial statements prior to the approval by the Board, focu ing particularly on :
      - changes in or implementation of major accounting policy changes;
      - significant and unusual events; and
      - compliance with accounting standards and other legal requirements; and
   (viii) any related party transactions that may arise within the Company or the Group.

b) to consider the nomination of a person or persons as external auditors, the audit fees and any question on resignation or dismissal.

c) to promptly report to Bursa Malaysia Securities Berhad on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements.

d) to carry out any functions as may be agreed to by the Committee and the Board.

**MEETINGS**

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

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

The Finance Manager, or any other authorised Officers and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors, the internal auditors or both, without executive Board members and employees present.

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

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

## (C) ACTIVITIES

During the financial year, five Audit Committee Meetings were held and the details of attendance of the Audit Committee Members are as follows :-

| Audit Committee Members | No. of Meetings Attended |
|---|---|
| Kong Kim Piew | 4/5 |
| Chang Cheng Wah | 5/5 |
| Arnold Kwan Poon Keong | 5/5 |

During the financial year, the Audit Committee met with the external auditors twice. Private meetings were also held with the external auditors without executive Board members and employees present on both occasions.

A summary of the activities of the Audit Committee in discharging its functions and duties included a review of the following :-

(i) the audit plan of the external auditors;

(ii) the external auditors' reports in relation to audit, accounting and internal control issues arising from the audit and updates of the developments on accounting standards issued by the Malaysian Accounting Standards Board;

(iii) the Quarterly Reports prior to the Board of Directors' approval and announcement;

(iv) the internal audit plan;

(v) the major findings on internal audit reports and management's response; and

(vi) related party transactions.

## (D) INTERNAL AUDIT FUNCTION

An internal audit function has been set up to undertake regular reviews of the Group's system of controls, policies and procedures, implementation and operation. The primary objective of the internal audit function is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group by bringing an independent, systematic and disciplined approach to anticipating potential risk exposures over key business processes within the Group.

The Group has appointed a professional service firm to assist the Board and the Audit Committee in carrying out the function. The internal auditors report directly to the Audit Committee who reviews and approves the annual internal audit plan.

During the year, the internal audit function performed various internal audit activities in accordance to the plan to ascertain the adequacy of the internal control systems and make recommendations for improvement where weaknesses exist. Audit reports were issued together with recommendations which were then passed to the management for management's response and action.

The cost incurred in managing the internal audit function in respect of the financial year was RM30,000.

On behalf of the Board of Directors, it is with pleasure that I present the Annual Report of the Group and the Company for the financial year ("FY") ended 30 June 2011.

**REVIEW OF RESULTS**

The Group recorded a pre-tax profit of RM39.7 million and profit after tax of RM32.5 million. These results are approximately 52% and 57% higher than those achieved in the preceding FY. Construction activities contributed about RM18 million to pre-tax profit whilst manufacturing activities contributed about RM7.3 million. This compares with corresponding figures of RM12.5 million and RM6.4 million respectively for FY 2011. These represent increases of about 44% of the profit for our construction business and 14% of the profit from manufacturing.

At the company level, profit before tax was RM18.9 million and profit after tax was RM16.3 million. These gains were mainly from equipment rentals, investment and dividend incomes.

**DIVIDENDS**

Subject to the approval of shareholders at the forthcoming Annual General Meeting, the Board of Directors has recommended a first and final dividend of 15 sen gross per share, less tax at 25% and a single-tier dividend of 4 sen per share. The total payout will amount to RM12,209,760. This represents the highest ever dividend payment to be proposed.

**REVIEW OF OPERATIONS**

The Group achieved a revenue of RM126 million which is an increase of about 19% compared to the last FY. Construction activities contributed about 68% to group revenue at RM86 million, increasing from RM66 million last FY. There was a significant pick-up in our construction works only in the second half of the FY. Private sector projects contributed about 87% while government related projects were at about 13%. Our planned purchases of additional equipment to expand capacity was completed, spending in excess of RM30 million.

Revenue from our metal can business was unchanged at RM36 million. However, margins improved mainly due to lower inventory costs. The plastic packaging business continues to be challenging with slightly lower revenue and losses widening.

**CORPORATE AND BUSINESS DEVELOPMENTS**

There were no new corporate or significant business developments in FY 2011.

**OUTLOOK**

Considering our present order book, it would seem that we will have a very busy year ahead of us. Private sector residential and commercial development starts remain surprisingly strong although there seems to be a general softening of the property market. Coupled with the government's Economic Transformation Programme projects, such as the LRT, MRT and KLIFD, we expect the construction industry to be very robust in the next 12 months. We expect a very high level of utilisation of our construction capacity and that there is a strong possibility that we will have to acquire additional plant and equipment to meet the increasing demand.

However, the current economic situation in the US and Europe should temper any over exuberance of our prospects for the future. The sovereign debt issues in Europe are far from resolved. High unemployment in the US persists and economic growth is painfully slow. Growth engines China, India and Brazil are decelerating and already the expectation is for slower global economic growth going forward.

Our biggest challenge is still human resource. Difficulty with recruitment at many levels of workers has actually intensified. Wage inflation issues continue to escalate.

Although we are well positioned, we need to proceed with caution.

## ACKNOWLEDGEMENT

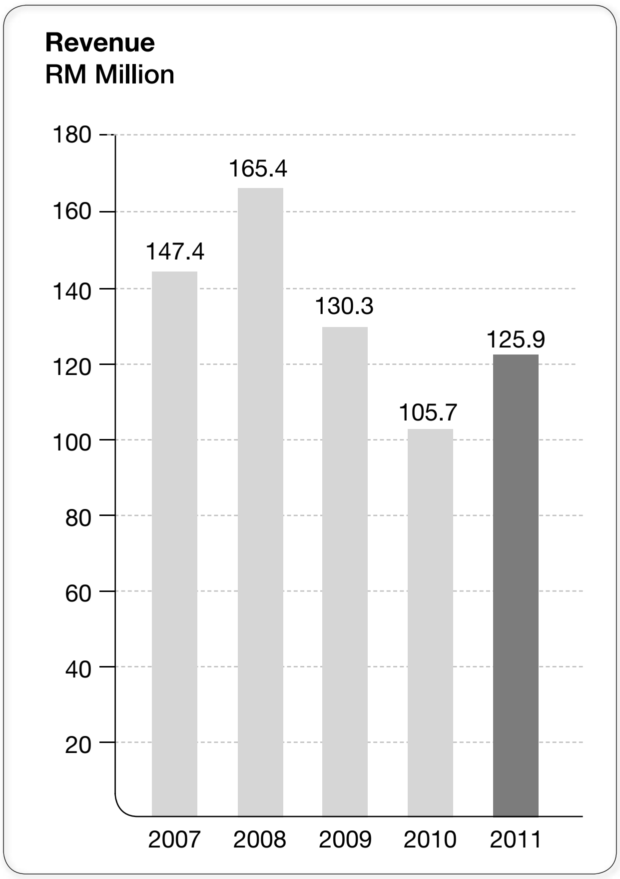
On behalf of the Board of Directors, I wish to express our appreciation and gratitude to our shareholders, clients, suppliers, sub-contractors, bankers and business associates for their continued support and co-operation during the year.

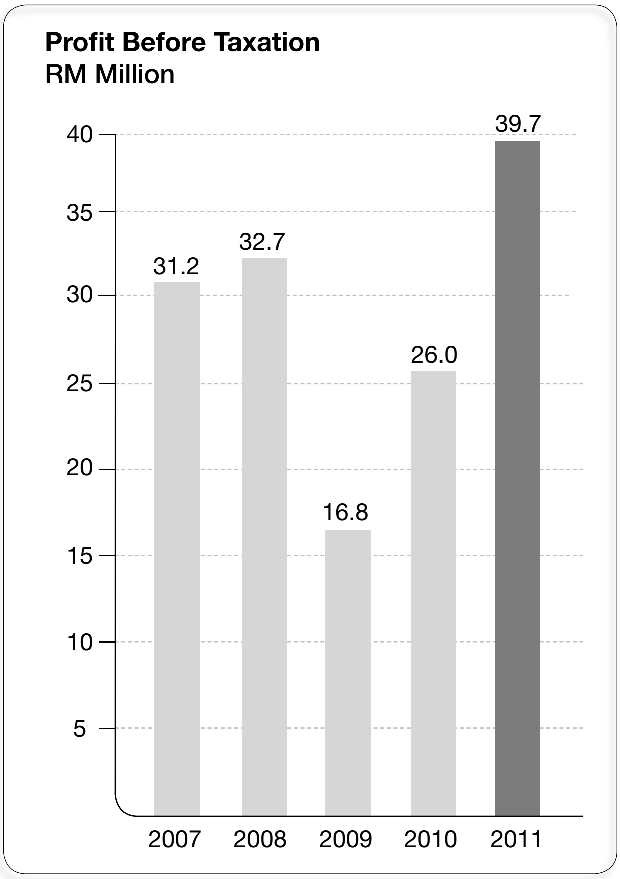
I also wish to record our deep appreciation to our loyal and dedicated employees for their continued hardwork and commitment to the Group.

**DR CHIU HONG KEONG**
Chairman/Managing Director
September 2011

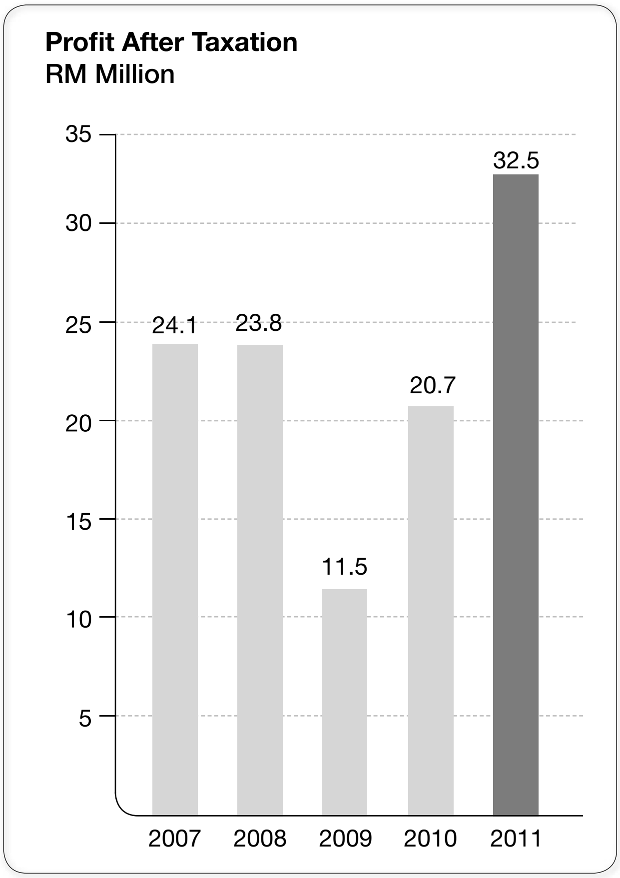
# FINANCIAL HIGHLIGHTS

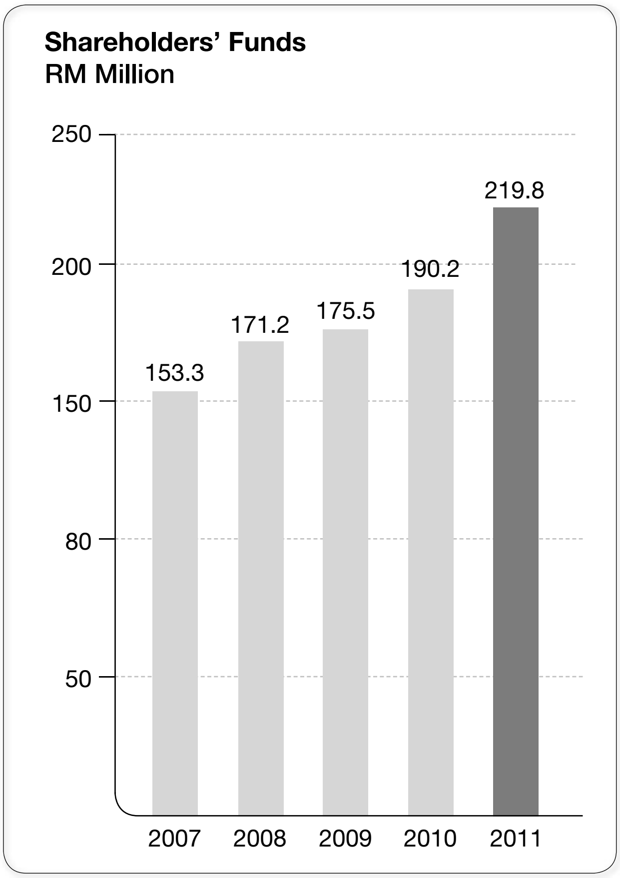
| | 2011<br>RM'000 | 2010<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 | 2007<br>RM'000 |
|---|---|---|---|---|---|
| Revenue | 125,936 | 105,731 | 130,295 | 165,431 | 147,436 |
| Profit before taxation | 39,657 | 26,048 | 16,788 | 32,652 | 31,151 |
| Profit after taxation | 32,455 | 20,738 | 11,470 | 23,822 | 24,089 |
| Paid-up Capital | 80,064 | 80,064 | 80,064 | 80,064 | 80,064 |
| Shareholders' funds | 219,835 | 190,230 | 175,497 | 171,233 | 153,336 |
| Total assets | 261,388 | 214,664 | 214,755 | 213,857 | 185,327 |
| Earnings per share (RM) | 0.41 | 0.26 | 0.14 | 0.30 | 0.30 |
| Net tangible assets per share (RM) | 2.75 | 2.38 | 2.19 | 2.14 | 1.92 |
| Gross dividend rate (%) | 15 | 10 | 12 | 10 | 5 |

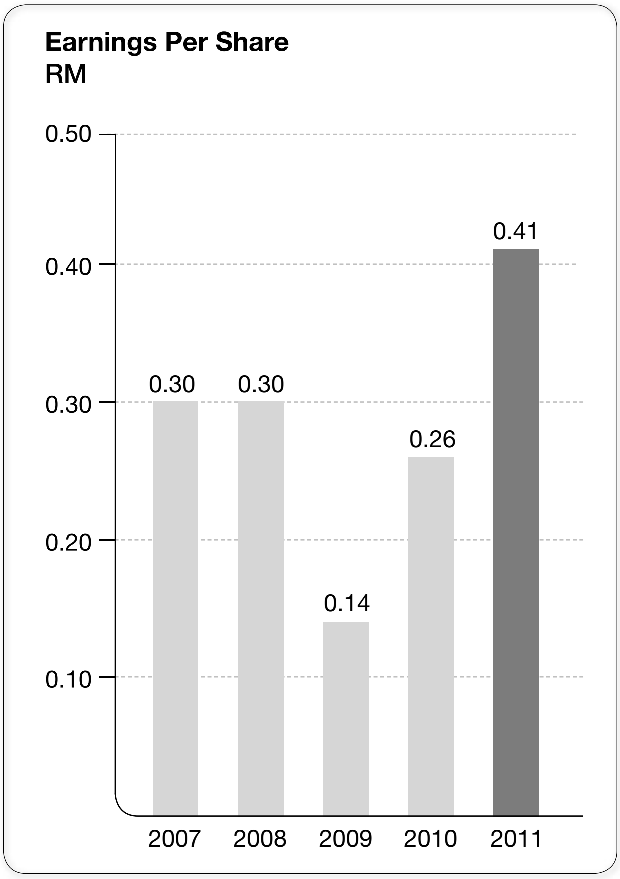


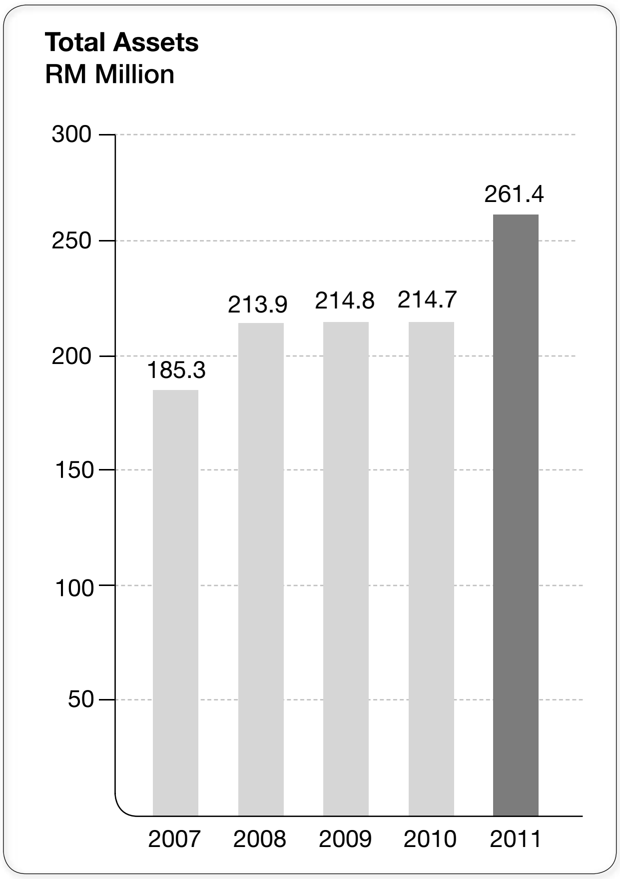



# FINANCIAL HIGHLIGHTS



# Financial Statements

The Directors hereby submit their report together with the audited financial statements of the Group and Company for the financial year ended 30 June 2011.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company consist of investment holding and undertaking of piling contracts, civil engineering and building construction works and rental of plant and machinery. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary companies are set out in Note 15 to the financial statements. There have been no significant changes in the nature of the subsidiary companies' activities during the financial year.

**FINANCIAL RESULTS**

| | Group RM | Company RM |
|---|---|---|
| Profit attributable to equity holders | 32,455,132 | 16,258,912 |

**DIVIDENDS**

The dividends paid by the Company since 30 June 2010 were as follows:

In respect of the financial year ended 30 June 2010 as shown in the Directors' Report for that financial year:

| | RM |
|---|---|
| First and final dividend of 15 sen per share on 80,064,000 ordinary shares, less income tax of 25%, paid on 11 January 2011 | 9,007,200 |

The Directors now recommend the payment of a final gross dividend of 15 sen per share on 80,064,000 ordinary shares, less income tax of 25%, amounting to RM9,007,200 and a single-tier dividend of 4 sen per share amounting to RM 3,202,560 which are subject to the approval of members at the forthcoming Annual General Meeting of the Company.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

**DIRECTORS**

The Directors who have held office during the period since the date of the last report are as follows:

Dr Chiu Hong Keong
Khoo Keow Pin
Khoo Yok Kee
Koo Git Loo @ Chiu Git Loo
Kong Kim Piew
Chang Cheng Wah
Arnold Kwan Poon Keong

In accordance with Article 73 of the Company's Articles of Association, Khoo Keow Pin and Koo Git Loo @ Chiu Git Loo retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

**DIRECTORS' INTERESTS**

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company are as follows:

| | Number of ordinary shares of RM1.00 each | | | |
|---|---|---|---|---|
| | At 1.7.2010 | Acquired | Disposed | At 30.6.2011 |
| **Direct interests** | | | | |
| Dr Chiu Hong Keong | 11,407,860 | - | - | 11,407,860 |
| Khoo Keow Pin | 5,041,652 | - | - | 5,041,652 |
| Khoo Yok Kee | 5,212,880 | - | - | 5,212,880 |
| Koo Git Loo @ Chiu Git Loo | 8,400 | - | - | 8,400 |

By virtue of their interests in the Company, the above Directors are deemed to have an interest in the shares of the subsidiary companies to the extent held by the Company.

| | Number of ordinary shares of RM1.00 each | | | |
|---|---|---|---|---|
| | At 1.7.2010 | Acquired | Disposed | At 30.6.2011 |
| **Indirect interests** | | | | |
| Dr Chiu Hong Keong | 29,157,058 *1 | 368,000 | - | 29,525,058 |
| | | 24,000 *2 | - | 24,000 |
| Khoo Yok Kee | 29,157,058 *1 | 368,000 | - | 29,525,058 |
| | | 24,000 *2 | - | 24,000 |

*1 Deemed interest by virtue of their interest pursuant to Section 6A of the Companies Act, 1965.

*2 Deemed interest by virtue of interest held by their son in accordance with Section 134(12)(c) of the Companies Act, 1965.

None of the other Directors in office at the end of the financial year held any interest in the shares in the Company or its related corporations during the financial year.

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

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

(a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

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

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and Company for the financial year in which this report is made.

## CORPORATE INFORMATION

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

The number of employees in the Group and the Company at the end of the financial year was 272 (2010: 256) and 7 (2010: 12) respectively.

The address of the registered office and principal place of business of the Company is as follows:

No. 8, Jalan Majistret U1/26,
HICOM-Glenmarie Industrial Park,
40150 Shah Alam,
Selangor Darul Ehsan.

## AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 12 September 2011.

| | |
|---|---|
| **DR CHIU HONG KEONG** | **KHOO KEOW PIN** |
| DIRECTOR | DIRECTOR |

Shah Alam

# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| REVENUE | 5 | 125,935,641 | 105,731,346 | 17,569,475 | 14,843,625 |
| COST OF SALES | | (95,549,949) | (83,794,094) | (6,146,387) | (5,167,642) |
| GROSS PROFIT | | 30,385,692 | 21,937,252 | 11,423,088 | 9,675,983 |
| OTHER OPERATING INCOME | | 16,514,251 | 9,161,519 | 10,666,451 | 5,351,861 |
| ADMINISTRATIVE EXPENSES | | (3,143,045) | (2,521,588) | (860,258) | (690,314) |
| OTHER OPERATING EXPENSES | | (4,165,088) | (2,382,104) | (2,309,539) | (2,066,710) |
| FINANCE COST | 6 | (434) | (40) | (60) | - |
| SHARE OF RESULTS OF ASSOCIATE COMPANY | | 65,347 | (146,741) | - | - |
| PROFIT BEFORE TAXATION | 7 | 39,656,723 | 26,048,298 | 18,919,682 | 12,270,820 |
| TAXATION | | | | | |
| - Company and subsidiaries | 11 | (7,201,591) | (5,310,579) | (2,660,770) | (2,292,413) |
| PROFIT FOR THE FINANCIAL YEAR | | 32,455,132 | 20,737,719 | 16,258,912 | 9,978,407 |
| OTHER COMPREHENSIVE INCOME | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR | | 32,455,132 | 20,737,719 | 16,258,912 | 9,978,407 |
| PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | 32,455,132 | 20,737,719 | 16,258,912 | 9,978,407 |
| EARNINGS PER SHARE (SEN) | | | | | |
| - Basic | 12 | 40.5 | 25.9 | | |
| DIVIDENDS PER SHARE (SEN) | 13 | 15 | 10 | | |

The notes set out on pages 31 to 67 form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION

### AS AT 30 JUNE 2011

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **NON CURRENT ASSETS** | | | | | |
| Property, plant and equipment | 14 | 73,833,673 | 49,734,969 | 59,280,571 | 35,011,211 |
| Investments in subsidiary companies | 15 | - | - | 6,755,010 | 7,222,404 |
| Investment in an associate | 16 | 1,883 | 99,536 | - | - |
| Investment properties | 17 | 305,611 | 299,460 | 160,000 | 150,000 |
| | | 74,141,167 | 50,133,965 | 66,195,581 | 42,383,615 |
| **CURRENT ASSETS** | | | | | |
| Amounts due from customers on contracts | 18 | 2,160,890 | 984,649 | - | - |
| Inventories | 19 | 10,960,651 | 13,747,277 | - | - |
| Tax recoverable | | 25,371 | 1,333,983 | - | 1,162,871 |
| Receivables | 20 | 72,358,740 | 51,039,057 | 5,972,273 | 2,244,964 |
| Amounts due from subsidiary companies | 21 | - | - | 2,734,844 | 3,301,600 |
| Amount due from an associate | 22 | - | 93,576 | - | - |
| Financial assets at fair value through profit or loss | 23 | 49,353,912 | - | 35,244,346 | - |
| Short term investments | 24 | - | 27,294,165 | - | 21,845,492 |
| Short term deposits | 25 | 47,291,550 | 61,069,049 | 23,900,913 | 45,708,869 |
| Cash and bank balances | 25 | 5,095,476 | 8,968,208 | 3,742,833 | 6,884,101 |
| | | 187,246,590 | 164,529,964 | 71,595,209 | 81,147,897 |
| **TOTAL ASSETS** | | 261,387,757 | 214,663,929 | 137,790,790 | 123,531,512 |

The notes set out on pages 31 to 67 form an integral part of these financial statements.

## AS AT 30 JUNE 2011 (CONTINUED)

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| Equity attributable to equity holders of the Company | | | | | |
| **CAPITAL AND RESERVES** | | | | | |
| Share capital | 26 | 80,064,000 | 80,064,000 | 80,064,000 | 80,064,000 |
| Share premium | | 3,485,518 | 3,485,518 | 3,485,518 | 3,485,518 |
| Retained earnings | 27 | 136,285,774 | 106,680,674 | 46,044,433 | 34,544,363 |
| Total equity | | 219,835,292 | 190,230,192 | 129,593,951 | 118,093,881 |
| **NON CURRENT LIABILITY** | | | | | |
| Deferred tax liabilities | 28 | 6,226,879 | 5,240,385 | 5,368,102 | 4,419,701 |
| **CURRENT LIABILITIES** | | | | | |
| Amounts due to customers on contracts | 18 | 11,604,293 | 1,727,470 | - | - |
| Payables | 29 | 21,433,783 | 16,003,694 | 2,768,943 | 950,891 |
| Amount due to subsidiary company | 21 | - | - | - | 67,039 |
| Taxation | | 2,287,510 | 1,462,188 | 59,794 | - |
| | | 35,325,586 | 19,193,352 | 2,828,737 | 1,017,930 |
| Total liabilities | | 41,552,465 | 24,433,737 | 8,196,839 | 5,437,631 |
| **TOTAL EQUITY AND LIABILITIES** | | 261,387,757 | 214,663,929 | 137,790,790 | 123,531,512 |

The notes set out on pages 31 to 67 form an integral part of these financial statements.

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

| | | Attributable to equity holders of the Company | | | | |
|---|---|---|---|---|---|---|
| | | Issued and fully paid ordinary shares of RM1.00 each | | | | |
| | Note | Number of shares | Nominal value RM | Share premium RM | Retained earnings RM | Total equity RM |
| **Group** | | | | | | |
| At 1 July 2010 (as previously reported) | | 80,064,000 | 80,064,000 | 3,485,518 | 106,680,674 | 190,230,192 |
| Effects of adopting FRS 139 | 33 | - | - | - | 6,157,168 | 6,157,168 |
| At 1 July 2010 (as restated) | | 80,064,000 | 80,064,000 | 3,485,518 | 112,837,842 | 196,387,360 |
| Total comprehensive income for the financial year | | - | - | - | 32,455,132 | 32,455,132 |
| Dividend for the financial year ended 30 June 2010 | 13 | - | - | - | (9,007,200) | (9,007,200) |
| At 30 June 2011 | | 80,064,000 | 80,064,000 | 3,485,518 | 136,285,774 | 219,835,292 |
| At 1 July 2009 | | 80,064,000 | 80,064,000 | 3,485,518 | 91,947,755 | 175,497,273 |
| Total comprehensive income for the financial year | | - | - | - | 20,737,719 | 20,737,719 |
| Dividend for the financial year ended 30 June 2009 | 13 | - | - | - | (6,004,800) | (6,004,800) |
| At 30 June 2010 | | 80,064,000 | 80,064,000 | 3,485,518 | 106,680,674 | 190,230,192 |

The notes set out on pages 31 to 67 form an integral part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

| | Note | Issued and fully paid ordinary shares of RM1.00 each Number of shares | Nominal value RM | Non-distributable Share premium RM | Distributable Retained earnings RM | Total equity RM |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| At 1 July 2010 (as previously reported) | | 80,064,000 | 80,064,000 | 3,485,518 | 34,544,363 | 118,093,881 |
| Effects of adopting FRS 139 | 33 | - | - | - | 4,248,358 | 4,248,358 |
| At 1 July 2010 (as restated) | | 80,064,000 | 80,064,000 | 3,485,518 | 38,792,721 | 122,342,239 |
| Total comprehensive income for the financial year | | - | - | - | 16,258,912 | 16,258,912 |
| Dividend for the financial year ended 30 June 2010 | 13 | - | - | - | (9,007,200) | (9,007,200) |
| At 30 June 2011 | | 80,064,000 | 80,064,000 | 3,485,518 | 46,044,433 | 129,593,951 |
| At 1 July 2009 | | 80,064,000 | 80,064,000 | 3,485,518 | 30,570,756 | 114,120,274 |
| Total comprehensive income for the financial year | | - | - | - | 9,978,407 | 9,978,407 |
| Dividend for the financial year ended 30 June 2009 | 13 | - | - | - | (6,004,800) | (6,004,800) |
| At 30 June 2010 | | 80,064,000 | 80,064,000 | 3,485,518 | 34,544,363 | 118,093,881 |

The notes set out on pages 31 to 67 form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | |
| Profit for the financial year | | 32,455,132 | 20,737,719 | 16,258,912 | 9,978,407 |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment | | 7,569,102 | 6,656,009 | 6,299,287 | 5,276,230 |
| (Gain)/loss on disposal of property, plant and equipment | | (41,977) | (40,010) | 2,311 | (31,000) |
| Property, plant and equipment written off | | 2,088 | 1,032 | 235 | - |
| Depreciation of investment properties | | 9,201 | 9,200 | 5,352 | 5,352 |
| Reversal of impairment loss of investment properties | | (15,352) | (8,660) | (15,352) | (5,352) |
| Gain on disposal of financial assets at fair value through profit or loss | | (5,202,679) | (5,571,470) | (3,882,242) | (3,723,383) |
| Fair value gain on financial assets at fair value through profit or loss | | (6,773,319) | - | (4,432,555) | - |
| Net unrealised (gain)/loss on foreign exchange | | (235,753) | 27,606 | (129,097) | 32,356 |
| Allowance for diminution in value of marketable securities | | - | 37,800 | - | 37,800 |
| Impairment losses of investment in subsidiary companies | | - | - | 467,394 | 216,478 |
| Impairment losses of property, plant and equipment | | 129,297 | - | - | - |
| Interest income | | (1,559,464) | (1,291,038) | (1,099,871) | (896,188) |
| Interest expense | | 434 | 40 | 60 | - |
| Dividend income from financial assets at fair value through profit or loss | | (751,906) | (783,356) | (612,190) | (637,403) |
| Dividend income from subsidiary company | | - | - | (5,500,000) | (8,000,000) |
| Taxation | | 7,201,591 | 5,310,579 | 2,660,770 | 2,292,413 |
| Share of results of an associate | | (65,347) | 146,741 | - | - |
| | | 32,721,048 | 25,232,192 | 10,023,014 | 4,545,710 |
| Changes in working capital: | | | | | |
| Net amounts due to customers on contracts | | 8,700,582 | (1,733,788) | - | - |
| Inventories | | 2,786,626 | (1,680,778) | - | - |
| Receivables | | (21,392,072) | 4,147,053 | (3,800,646) | (1,682,269) |
| Payables | | 3,822,858 | (10,371,801) | 233,241 | 69,637 |
| Balances with an associate | | 93,576 | (24) | - | - |
| Balances with subsidiary companies | | - | - | (1,100,983) | 705,102 |
| Cash from operations | | 26,732,618 | 15,592,854 | 5,354,626 | 3,638,180 |
| Tax paid | | (5,303,982) | (4,272,790) | (215,174) | (531,252) |
| Tax refund | | 1,311,980 | 305,010 | 1,165,121 | - |
| Interest income received | | 1,611,695 | 1,222,337 | 1,151,598 | 845,059 |
| Interest expense paid | | (434) | (40) | (60) | - |
| Net cash flow from operating activities | | 24,351,877 | 12,847,371 | 7,456,111 | 3,951,987 |

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 (CONTINUED)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of property, plant and equipment | 14 | (30,447,239) | (10,137,479) | (29,210,118) | (9,800,275) |
| Proceeds from disposal of property, plant and equipment | | 155,616 | 80,550 | 83,516 | 70,350 |
| Purchase of marketable securities | | (37,563,674) | (34,570,821) | (29,190,305) | (29,301,857) |
| Proceeds from disposal of marketable securities | | 33,777,510 | 37,348,456 | 28,494,827 | 29,057,535 |
| Proceeds from strike off of investment in subsidiary | | - | - | - | 2 |
| Dividend income received | | 847,353 | 661,554 | 4,694,148 | 6,540,526 |
| Net repayments of advances from subsidiary companies | | - | - | 1,600,700 | 8,616,443 |
| Net cash flow (used in)/from investing activities | | (33,230,434) | (6,617,740) | (23,527,232) | 5,182,724 |
| **CASH FLOW FROM FINANCING ACTIVITY** | | | | | |
| Dividends paid | | (9,007,200) | (6,004,800) | (9,007,200) | (6,004,800) |
| Net cash used in financing activity | | (9,007,200) | (6,004,800) | (9,007,200) | (6,004,800) |
| **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS** | | (17,885,757) | 224,831 | (25,078,321) | 3,129,911 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR** | | 70,037,257 | 69,906,554 | 52,592,970 | 49,561,938 |
| **CURRENCY TRANSLATION DIFFERENCES** | | 235,526 | (94,128) | 129,097 | (98,879) |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR** | 25 | 52,387,026 | 70,037,257 | 27,643,746 | 52,592,970 |

The notes set out on pages 31 to 67 form an integral part of these financial statements.

## 1 GENERAL INFORMATION

The principal activities of the Company consist of investment holding and undertaking of piling contracts, civil engineering and building construction works and rental of plant and machinery.

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

The principal activities of the subsidiary companies are set out in Note 15 to the financial statements.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

### (a) Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the Malaysian Accounting Standards Board's ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(i) Standards, amendments to published standards and interpretations that are applicable to the Group and Company and are effective

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning 1 July 2010 are as follows:

- FRS 3 (revised) "Business Combinations"
- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 123 (revised) "Borrowing Costs"
- FRS 127 (revised) "Consolidated and Separate Financial Statements"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments
- IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- Improvements to FRSs (2009 & 2010)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

(i) Standards, amendments to published standards and interpretations that are applicable to the Group and Company and are effective (continued)

The adoption of the above new/revised standards and interpretations did not have a significant financial impact on the Group and Company and did not result in substantial changes in the Group and Company's policies except for FRS 139, FRS 7 and Revised FRS 101 which affects the presentation of the financial statements of the Company. The principal effects resulted from the adoption of FRS 139, FRS 7 and Revised FRS 101 are discussed below:

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective from 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances.

- FRS 139 has been prospectively applied at Group level. Retrospective application is not permitted. Any adjustment of the previous carrying amount is recognised as an adjustment of the balance of retained earnings or, if appropriate, another category of equity, at the beginning of the financial year in which this standard is initially applied.

- FRS 7 "Financial Instruments: Disclosures" introduces new disclosures to improve the information about financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments. It requires the disclosures of qualitative and quantitative information about the exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

  FRS 7 does not require comparative disclosures when the standard is first applied.

- FRS 101 Presentation of Financial Statements only affects the presentation of the component of the financial statements and does not change the recognition and measurement of specific transactions. It introduces Statement of Comprehensive Income to present all non-owner changes in equity. The Company presents separately the components of profit or loss in Statement of Profit or Loss before aggregating with other comprehensive income in the Statement of Comprehensive Income.

  FRS 101 also changes the terms "Balance Sheet" and "Cash Flow Statement" into "Statement of Financial Position" and "Statement of Cash Flows", respectively. Other changes include restatement of comparative period, reclassification of line items in the financial statement, and additional disclosure of information to the financial statement that enables users to evaluate the Company's objectives, policies and processes for managing capital. The standard has been applied retrospectively by the Company.

  The effects on the financial statements following the adoption FRS 139 are disclosed in Note 33 to the financial statements. The effects on the financial statements following the adoption of FRS 7 and Revised FRS 101 are mainly disclosures.

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective

Effective from 1 January 2011

- Amendments to FRS 7 "Improving Disclosures about Financial Instruments" requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) **Basis of preparation (continued)**

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective (continued)

- Improvements to FRS:
  - FRS 101 “Presentation of financial statements” removes the requirement for each item of other comprehensive income to be presented separately in the statement of changes in equity.
  - FRS 3 (effective from 1 January 2011)
    - Clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree’s net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by FRS.
    - Clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinatio ns whose acquisition dates precede the application of FRS 3 (2010). Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3 (2005).

The amendments and improvements above are not expected to have any material impact to the Group and Company.

(iii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group and Company

Effective from 1 January 2011

- Amendment to FRS 2 “’Share-based payment: Group cash-settled share-based payment transactions”
- IC Interpretation 4 “Determining whether an arrangement contains a lease”
- IC Interpretation 18 “Transfers of assets from customers”

Effective from 1 July 2011

- IC Interpretation 19 “Extinguishing financial liabilities with equity instruments”
- Amendments to IC Interpretation 14 “FRS 119 - The limit on a defined benefit assets, minimum funding requirements and their interaction”

Effective from 1 January 2012

- The revised FRS 124 “Related party disclosures”
- IC Interpretation 15 “Agreements for construction of real estates”

(b) **Revenue recognition**

(i) Construction contracts

Revenue from construction contracts is recognised based on the percentage of completion method as described in Note 2(i).

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Revenue recognition (continued)

(ii) Sale of goods

Revenue from the sale of goods is based on the value invoiced to customers during the financial year less returns and is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer.

(iii) Rental of machinery

Revenue from rental of machinery are recognised upon performance of services rendered and acceptance of services rendered by customers.

(iv) Dividend

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

(v) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

### (c) Economic entities in the Group

(i) Subsidiaries

Subsidiaries are all those entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

The Group has taken advantage of the transitional provision provided by FRS 3 to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Economic entities in the Group (continued)

(i) Subsidiaries (continued)

Minority interest represents that portion of profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

When a business combination involves more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. This may indicate an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group' share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in profit or loss attributable to.

(ii) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of voting rights. Significant influence is power to participate in financial and operating policy decisions of associates but not power to exercise control over those policies.

Investments in associates are accounted for using equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Economic entities in the Group (continued)

(iii) Changes in ownership interests

When the Group ceases to have control, joint control or significant influence over an entity, the carrying amount of the investment at the date control, joint control or significant influence ceases becomes its cost on initial measurement as a financial asset in accordance with FRS 139. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

### (d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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 recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the profit or loss.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

| | |
|---|---|
| Freehold building | 2% |
| Plant and machinery | 10% - 20% |
| Motor vehicles | 20% |
| Site equipment | 10% - 20% |
| Site office and workshop | 10% - 40% |
| Office equipment | 10% - 40% |
| Furniture and fittings | 10% |
| Office renovation | 10% |

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(f) on impairment of non-financial assets.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Investment properties

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Investment property is depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives of 50 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

### (f) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of the reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

### (g) Financial assets

(i) Classification

The Group and Company has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 July 2010.

The Group and Company classifies its financial assets as loans and receivables and fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and bank balances' in the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(g) Financial assets (continued)**

(i) Classification (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group and Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement – gains and losses

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

(iv) Subsequent measurement - Impairment of financial assets

The Group and Company assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group and Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (a) adverse changes in the payment status of borrowers in the portfolio; and
  (b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (g) Financial assets (continued)

(iv) Subsequent measurement - Impairment of financial assets (continued)

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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group and Company may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(v) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and Company has transferred substantially all risks and rewards of ownership.

### (h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (i) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Construction contracts (continued)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

### (j) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Bad debts are written off in the year in which they are identified. An estimate is made for provision for impairment of receivables based on a review of all outstanding accounts at the year end. The provision is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount. The amount of provision is recognised in profit or loss.

### (k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

### (l) Share capital

Ordinary shares are classified as equity.

Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

### (m) Financial liabilities

Financial liabilities within the scope of FRS 139 are recognised on the statement of financial position when, and only when, the Group and Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives which are measured at fair value if any.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

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 difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (n) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### (o) Provisions

Provisions are recognised when the Group and Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Where the Group and Company expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(i) Onerous contracts

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

### (p) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(p) Taxation (continued)**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**(q) Foreign currencies**

(i) Functional and presentation currency

Items included in the financial statements of the Group and company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group and Company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

**(r) Employee benefits**

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and Company.

(ii) Defined contribution plans

The Group and Company’s contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and company has no further payment obligations.

**(s) Contingent assets and liabilities**

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (t) Inventories and properties acquired for resale

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(ii) Properties acquired for resale

Properties acquired for resale are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis. Properties acquired for resale purposes comprise land, direct building costs and other related development costs.

### (u) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate.

(i) Deferred income approach

Government grants relating to the purchase of assets are presented as deferred government grants and recognised in profit or loss on a straight line basis over the useful life of the related assets.

### (v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seek to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, foreign currency exchange risk, credit risk, price risk, capital risk and liquidity and cash flow risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions. Financial risk management is carried out through risk reviews, internal control systems and insurance programme.

(i) Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going-concern while maximizing the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity (comprising issued capital, reserves and retained earnings). At the reporting date, the Group is not exposed to any capital risk as there are no outstanding borrowings made with financial institutions nor related companies.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's business operation are not exposed to significant foreign currency risks as the Group's significant transactions are mainly denominated in its functional currency.

(iii) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to trade receivables.

Credit risk, when making deposits at financial institutions, are minimised through careful selection of interest bearing investments and selection of reputable and creditworthy financial institutions.

Customer credit risk arises when services are rendered and sales are made on credit terms. Default by customers may lead to material loss but risks are mitigated by ensuring sales and services are made to customers with appropriate credit history. The Group monitors exposure to credit risk on an on-going basis.

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. Information regarding trade receivables that are neither past due nor impaired and either past due or impaired are disclosed in Note 20 to the financial statements.

(iv) Price risk

The Group is exposed to equity securities price risk because of investment held by the Group and classified as financial assets at fair value through profit or loss on the statement of financial position. The Group is not exposed to commodity price risk. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio. Portfolio of investment is managed by reputable financial institutions.

(v) Liquidity and cash flow risk

The Group's policy on liquidity risk management is to maintain sufficient cash and have available funding through adequate amounts of committed credit facilities and credit lines for working capital requirements.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

**At 30 June 2011**

**Group**

| | **Less than 1 year** |
|---|---|
| Trade payables | 15,878,409 |
| Other payables | 5,555,374 |

**Company**

| | **Less than 1 year** |
|---|---|
| Other payables | 2,768,943 |

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(vi) Interest rate risk

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

The Group's interest rate risk exposure are limited to the impact of rate changes on their interest bearing assets such as deposits with licensed banks and other financial institutions as there are no outstanding borrowings made with financial institutions nor related companies as at year end.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Construction contracts

The Group recognises contract profits based on percentage of completion method. The stage of completion is measured by reference to the contract costs incurred to date to the estimated total costs for the contract.

Significant judgment is required in determining the estimated total contract costs, and hence the stage of completion as well as the recoverability of the contract. In making the judgment, the Group relied on past experience and work of specialist.

The Group also make significant judgements and estimates upon physical completion of projects including variation orders and estimating provisional deduction for progress billings for projects not finalised. Any changes in any of the components may have significant impact on the financial position of the Group.

(b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues 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 recorded, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

(c) Impairment of investment in subsidiary

If, at the date of the financial statements, there is any indication that a tangible non-current asset has been impaired, the recoverable amount of the asset would be estimated. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use. If the recoverable amount of the asset is less than the carrying amount, an impairment loss is recognised and the carrying amount of the asset is reduced to the recoverable amount.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical judgement in applying accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy and materially affect the reported results and financial position of the Company.

However, the Directors are of the opinion that there are no accounting policies that require subjective judgement in the current financial period.

## 5 REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Construction contracts | 85,941,095 | 65,413,359 | - | - |
| Sale of goods | 39,994,546 | 40,217,987 | - | - |
| Dividend income from subsidiary company (gross) | - | - | 5,500,000 | 8,000,000 |
| Income from rental of machinery | - | 100,000 | 12,069,475 | 6,843,625 |
| | 125,935,641 | 105,731,346 | 17,569,475 | 14,843,625 |

## 6 FINANCE COST

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Interest expense: | | | | |
| - Bank overdraft | 434 | 40 | 60 | - |

## 7 PROFIT BEFORE TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Profit before taxation is arrived at after charging: | | | | |
| Auditors' remuneration | 101,850 | 101,850 | 32,000 | 32,000 |
| Provision for impairment: | | | | |
| - advances to subsidiary companies | - | - | 90,228 | 28,180 |
| - receivables | 1,270,000 | 191,994 | - | 188,819 |
| Bad debts written off | - | 4,470 | - | - |
| Depreciation of | | | | |
| - property, plant and equipment | 7,569,102 | 6,656,009 | 6,299,287 | 5,276,230 |
| - investment properties | 9,201 | 9,200 | 5,352 | 5,352 |
| Property, plant and equipment written off | 2,088 | 1,032 | 235 | - |
| Loss on disposal of property, plant and equipment | - | - | 2,311 | - |
| Inventories written off | 364,489 | 264,082 | - | - |
| Staff costs (including remuneration of Executive Directors) (Note 9) | 12,286,398 | 11,403,232 | 2,440,875 | 2,263,275 |
| Allowance for diminution in value of marketable securities | - | 37,800 | - | 37,800 |
| Rental of accommodation | 96,485 | 64,810 | - | - |
| Rental of factory | 268,000 | 264,000 | - | - |
| Directors' fees | 75,000 | 45,000 | 75,000 | 45,000 |

## 7 PROFIT BEFORE TAXATION (CONTINUED)

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | RM | RM | RM | RM |
| Impairment losses of investment in subsidiary companies | - | - | 467,394 | 216,478 |
| Impairment losses of property, plant and equipment | 129,297 | - | - | - |
| Net unrealised loss on foreign exchange | - | 27,606 | - | 32,356 |
| and after crediting: | | | | |
| Dividend income from financial assets at fair value through profit or loss (gross) | 751,906 | 783,356 | 612,190 | 637,403 |
| Gain on disposal of property, plant and equipment | 41,977 | 40,010 | - | 31,000 |
| Gain on disposal of financial assets at fair value through profit or loss | 5,202,679 | 5,571,470 | 3,882,242 | 3,723,383 |
| Fair value gain on financial assets at fair value through profit or loss | 6,773,319 | - | 4,432,555 | - |
| Interest income | 1,559,464 | 1,291,038 | 1,099,871 | 896,188 |
| Net realised gain on foreign exchange | 35,032 | 1,257 | 51,657 | - |
| Net unrealised gain on foreign exchange | 235,753 | - | 129,097 | - |
| Reversal of impairment loss of investment properties | 15,352 | 8,660 | 15,352 | 5,352 |
| Reversal of provision for impairment of receivables | 431,617 | 343,025 | 188,819 | - |

Construction contract cost of the Group recognised as an expense during the financial year amounted to RM64,271,197 (2010: RM50,596,600). Cost of inventories of the Group recognised as an expense during the financial year amounted to RM31,278,752 (2010: RM33,197,494). Included in cost of sales of the Group and Company is depreciation expense amounting to RM7,291,924 (2010: RM6,430,431) and RM6,146,387 (2010: RM5,167,642) respectively.

## 8 OPERATING COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| **Expenses by nature** | RM | RM | RM | RM |
| Sub-contractor costs | 12,587,305 | 5,716,776 | - | - |
| Direct construction materials | 25,621,006 | 25,591,846 | - | - |
| Direct construction expenses | 7,378,646 | 6,212,520 | - | - |
| Raw materials consumed | 23,118,748 | 24,352,930 | - | - |
| Manufacturing expenses | 3,786,443 | 3,835,722 | - | - |
| Provision for impairment: | | | | |
| - advances to subsidiary companies | - | - | 90,228 | 28,180 |
| - receivables | 1,270,000 | 191,994 | - | 188,819 |
| Depreciation of | | | | |
| - property, plant and equipment | 7,569,102 | 6,656,009 | 6,299,287 | 5,276,230 |
| - investment properties | 9,201 | 9,200 | 5,352 | 5,352 |
| Inventories written off | 364,489 | 264,082 | - | - |
| Staff costs (including remuneration of Executive Directors) (Note 9) | 12,286,398 | 11,403,232 | 2,440,875 | 2,263,275 |
| Rental of accommodation | 96,485 | 64,810 | - | - |
| Rental of factory | 268,000 | 264,000 | - | - |
| Impairment losses of investment in subsidiary companies | - | - | 467,394 | 216,478 |
| Impairment losses of property, plant and equipment | 129,297 | - | - | - |
| Other operating cost | 8,372,962 | 4,134,665 | 643,284 | 649,021 |
| | 102,858,082 | 88,697,786 | 9,946,420 | 8,627,355 |

## 9 STAFF COSTS

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| Wages, salaries and bonuses | 10,942,137 | 10,111,732 | 2,178,552 | 2,021,622 |
| Defined contribution plan | 1,087,573 | 1,026,807 | 258,279 | 235,612 |
| Other employee benefits | 256,688 | 264,693 | 4,044 | 6,041 |
| | 12,286,398 | 11,403,232 | 2,440,875 | 2,263,275 |

Staff costs charged to related company in the financial year amounted to RM 630,236 (2010: RM 702,689)

## 10 DIRECTORS' REMUNERATION (INCLUDING REMUNERATION OF EXECUTIVE DIRECTORS)

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| Executive Directors: | | | | |
| - salaries | 1,111,200 | 1,024,800 | 931,200 | 844,800 |
| - bonuses | 343,000 | 243,000 | 301,000 | 207,000 |
| - defined contribution plan | 180,084 | 157,536 | 147,864 | 126,216 |
| - benefits-in-kind | 21,800 | 21,800 | 21,800 | 21,800 |
| Non-Executive Directors: | | | | |
| - fees - current year | 60,000 | 45,000 | 60,000 | 45,000 |
| - fees - prior year | 15,000 | - | 15,000 | - |
| | 1,731,084 | 1,492,136 | 1,476,864 | 1,244,816 |
| Directors of the subsidiary companies: | | | | |
| Executive Directors of a subsidiary company: | | | | |
| - salaries | 110,324 | 206,880 | - | - |
| - bonuses | - | 52,140 | - | - |
| - defined contribution plan | 16,549 | 38,853 | - | - |
| - benefits-in-kind | 4,537 | 4,800 | - | - |
| | 131,410 | 302,673 | - | - |
| | 1,862,494 | 1,794,809 | 1,476,864 | 1,244,816 |
| Total (excluding benefits-in-kind) | 1,836,157 | 1,768,209 | 1,455,064 | 1,223,016 |

## 11 TAXATION

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| Current taxation | | | | |
| - Company and subsidiaries | 6,193,139 | 4,897,353 | 1,714,619 | 2,308,181 |
| - Under/(over) provision in respect of prior years | 21,958 | 23,268 | (2,250) | (311,217) |
| | 6,215,097 | 4,920,621 | 1,712,369 | 1,996,964 |
| Deferred taxation (Note 28) | 986,494 | 389,958 | 948,401 | 295,449 |
| | 7,201,591 | 5,310,579 | 2,660,770 | 2,292,413 |

## 11 TAXATION (CONTINUED)

The explanation of the relationship between tax expense and profit before taxation differs from the statutory tax rate of 25% (2010: 25%) is reconciled as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 % | 2010 % | 2011 % | 2010 % |
| Statutory income tax rate | 25.0 | 25.0 | 25.0 | 25.0 |
| Tax effects of: | | | | |
| - income not subject to tax | (8.1) | (5.7) | (11.9) | (8.2) |
| - expenses not deductible for tax purposes | 0.2 | 0.6 | 1.0 | 4.4 |
| - under/(over) provision of tax in prior years | 0.1 | 0.1 | - | (2.5) |
| - deferred tax assets not recognised | 1.1 | 0.4 | - | - |
| - utilisation of previously unrecognised deferred tax assets | (0.1) | - | - | - |
| Average effective tax rate | 18.2 | 20.4 | 14.1 | 18.7 |

## 12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to equity holders by the weighted average number of ordinary shares in issue during the financial year.

| | Group | |
|---|---|---|
| | 2011 | 2010 |
| Profit attributable to equity holders of the Company (RM) | 32,455,132 | 20,737,719 |
| Weighted average number of ordinary shares in issue | 80,064,000 | 80,064,000 |
| Basic earnings per share (sen) | 40.5 | 25.9 |

The Group does not have in issue any financial instruments or other contracts that may entitle its holder to ordinary shares and therefore dilute its basic earnings per share.

## 13 DIVIDENDS

| | Group and Company | | | |
|---|---|---|---|---|
| | 2011 | | 2010 | |
| | Gross per share sen | Amount of dividend net of tax RM | Gross per share sen | Amount of dividend net of tax RM |
| Final dividends on ordinary shares less income tax at 25% (2010: 25%) for the financial year ended: | | | | |
| - 30 June 2010 | 15 | 9,007,200 | - | - |
| - 30 June 2009 | - | - | 10 | 6,004,800 |
| | 15 | 9,007,200 | 10 | 6,004,800 |

At the forthcoming Annual General Meeting, a final gross dividend in respect of financial year ended 30 June 2011 of 15 sen per share (2010: 15 sen per share) less income tax of 25%, amounting to RM 9,007,200 (2010: RM9,007,200) and a single-tier dividend of 4 sen per share (2010: nil) amounting to RM 3,202,560 (2010: nil) will be proposed for shareholders' approval. These financial statements do not reflect this proposed final dividend which will be accrued as a liability in the financial year ending 30 June 2012 when approved by shareholders.

## 14 PROPERTY, PLANT AND EQUIPMENT

| | Freehold land RM | Freehold building RM | Plant and machinery RM | Motor vehicles RM | Site equipment RM | Site office and workshop RM | Office equipment RM | Furniture and fittings RM | Office renovation RM | Total RM |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | | |
| **Net book value** | | | | | | | | | | |
| At 1 July 2010 | 11,810,114 | 7,781,099 | 28,703,750 | 847,461 | 234,184 | 82,701 | 210,645 | 26,860 | 38,155 | 49,734,969 |
| Additions | - | - | 30,018,086 | 1,385,419 | 386,050 | 9,480 | 46,451 | 23,451 | 43,893 | 31,912,830 |
| Disposals | - | - | (85,827) | (26,427) | - | - | (1,385) | - | - | (113,639) |
| Write off | - | - | - | - | - | (1,417) | (671) | - | - | (2,088) |
| Depreciation charge | - | (191,919) | (6,869,587) | (240,820) | (130,767) | (18,315) | (91,234) | (6,645) | (19,815) | (7,569,102) |
| Impairment loss | - | - | (129,297) | - | - | - | - | - | - | (129,297) |
| At 30 June 2011 | 11,810,114 | 7,589,180 | 51,637,125 | 1,965,633 | 489,467 | 72,449 | 163,806 | 43,666 | 62,233 | 73,833,673 |
| **At 30 June 2011** | | | | | | | | | | |
| Cost | 11,810,114 | 10,689,443 | 137,824,196 | 4,561,879 | 4,461,759 | 246,327 | 1,287,196 | 175,720 | 435,268 | 171,491,902 |
| Accumulated depreciation | - | (3,100,263) | (86,057,774) | (2,596,246) | (3,972,292) | (173,878) | (1,123,390) | (132,054) | (373,035) | (97,528,932) |
| Accumulated impairment loss | - | - | (129,297) | - | - | - | - | - | - | (129,297) |
| Net book value | 11,810,114 | 7,589,180 | 51,637,125 | 1,965,633 | 489,467 | 72,449 | 163,806 | 43,666 | 62,233 | 73,833,673 |
| **Group** | | | | | | | | | | |
| **Net book value** | | | | | | | | | | |
| At 1 July 2009 | 11,810,114 | 7,973,019 | 30,567,185 | 884,760 | 364,496 | 103,957 | 142,511 | 31,808 | 68,144 | 51,945,994 |
| Additions | - | - | 4,172,866 | 158,615 | 9,200 | - | 145,335 | 540 | - | 4,486,556 |
| Disposals | - | - | (20,000) | (19,350) | - | - | (1,190) | - | - | (40,540) |
| Write off | - | - | (226) | - | - | - | (806) | - | - | (1,032) |
| Depreciation charge | - | (191,920) | (6,016,075) | (176,564) | (139,512) | (21,256) | (75,205) | (5,488) | (29,989) | (6,656,009) |
| At 30 June 2010 | 11,810,114 | 7,781,099 | 28,703,750 | 847,461 | 234,184 | 82,701 | 210,645 | 26,860 | 38,155 | 49,734,969 |
| **At 30 June 2010** | | | | | | | | | | |
| Cost | 11,810,114 | 10,689,443 | 107,906,920 | 3,353,960 | 4,075,709 | 251,477 | 1,252,726 | 152,269 | 391,375 | 139,883,993 |
| Accumulated depreciation | - | (2,908,344) | (79,203,170) | (2,506,499) | (3,841,525) | (168,776) | (1,042,081) | (125,409) | (353,220) | (90,149,024) |
| Net book value | 11,810,114 | 7,781,099 | 28,703,750 | 847,461 | 234,184 | 82,701 | 210,645 | 26,860 | 38,155 | 49,734,969 |

### 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Freehold land RM | Freehold building RM | Plant and machinery RM | Motor vehicles RM | Site equipment RM | Site office and workshop RM | Office equipment RM | Furniture and fittings RM | Office renovation RM | Total RM |
|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | | | | |
| **Net book value** | | | | | | | | | | |
| At 1 July 2010 | 5,668,774 | 3,097,952 | 26,064,127 | 134,047 | - | 1,381 | 19,343 | - | 25,587 | 35,011,211 |
| Additions | - | - | 29,569,818 | 1,036,538 | - | 4,460 | - | - | 43,893 | 30,654,709 |
| Disposals | - | - | (85,827) | - | - | - | - | - | - | (85,827) |
| Write off | - | - | - | - | - | - | (235) | - | - | (235) |
| Depreciation charge | - | (82,569) | (6,144,670) | (52,888) | - | (1,717) | (10,196) | - | (7,247) | (6,299,287) |
| At 30 June 2011 | 5,668,774 | 3,015,383 | 49,403,448 | 1,117,697 | - | 4,124 | 8,912 | - | 62,233 | 59,280,571 |
| **At 30 June 2011** | | | | | | | | | | |
| Cost | 5,668,774 | 4,128,461 | 110,780,883 | 2,313,582 | 1,884,542 | 49,731 | 115,356 | 53,354 | 119,061 | 125,113,744 |
| Accumulated depreciation | - | (1,113,078) | (61,377,435) | (1,195,885) | (1,884,542) | (45,607) | (106,444) | (53,354) | (56,828) | (65,833,173) |
| Net book value | 5,668,774 | 3,015,383 | 49,403,448 | 1,117,697 | - | 4,124 | 8,912 | - | 62,233 | 59,280,571 |
| **Company** | | | | | | | | | | |
| **Net book value** | | | | | | | | | | |
| At 1 July 2009 | 5,668,774 | 3,180,522 | 27,126,078 | 167,185 | - | 3,453 | 988 | - | 30,439 | 36,177,439 |
| Additions | - | - | 4,123,619 | - | - | - | 25,733 | - | - | 4,149,352 |
| Disposals | - | - | (20,000) | (19,350) | - | - | - | - | - | (39,350) |
| Depreciation charge | - | (82,570) | (5,165,570) | (13,788) | - | (2,072) | (7,378) | - | (4,852) | (5,276,230) |
| At 30 June 2010 | 5,668,774 | 3,097,952 | 26,064,127 | 134,047 | - | 1,381 | 19,343 | - | 25,587 | 35,011,211 |
| **At 30 June 2010** | | | | | | | | | | |
| Cost | 5,668,774 | 4,128,461 | 81,311,875 | 1,277,044 | 1,884,542 | 57,471 | 116,265 | 53,354 | 75,168 | 94,572,954 |
| Accumulated depreciation | - | (1,030,509) | (55,247,748) | (1,142,997) | (1,884,542) | (56,090) | (96,922) | (53,354) | (49,581) | (59,561,743) |
| Net book value | 5,668,774 | 3,097,952 | 26,064,127 | 134,047 | - | 1,381 | 19,343 | - | 25,587 | 35,011,211 |

## 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net cash outflow for the acquisition of property, plant and equipment during the financial year is:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Total acquisition of property, plant and equipment | 31,912,830 | 4,486,556 | 30,654,709 | 4,149,352 |
| Settlement on acquisition of property, plant and equipment in prior year | 361,227 | 6,078,014 | 361,227 | 6,078,014 |
| Accrual on acquisition of property, plant, and equipment in current year | (1,826,818) | (427,091) | (1,805,818) | (427,091) |
| | 30,447,239 | 10,137,479 | 29,210,118 | 9,800,275 |

## 15 INVESTMENTS IN SUBSIDIARY COMPANIES

| | Company | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Unquoted shares, at cost | 8,877,333 | 8,877,333 |
| Less: Accumulated impairment losses | (2,122,323) | (1,654,929) |
| | 6,755,010 | 7,222,404 |

The subsidiary companies, all of which are incorporated in Malaysia, are as follows:

| | | Percentage of equity interest | |
|---|---|---|---|
| Name of company | Principal activities | 2011 % | 2010 % |
| Pintaras Geotechnics Sdn. Bhd. | Geotechnical and foundation engineering services | 100 | 100 |
| Pintaras Megah Sdn. Bhd. | Civil engineering and building superstructure contractor | 100 | 100 |
| Corplast Packaging Industries Sdn. Bhd. | Manufacturing of corrugated plastic sheets | 100 | 100 |
| Pintaras Prima Sdn. Bhd. | Investment holding and provision of management services | 100 | 100 |
| Pintaras Development Sdn. Bhd. | Property investment and development | 100 | 100 |
| Readycast Concrete Industries Sdn. Bhd. | Dormant, manufacturing of pre-cast concrete piles and concrete related products | 100 | 100 |

## 15 INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

| Name of company | Principal activities | Percentage of equity interest 2011 % | 2010 % |
|---|---|---|---|
| Pintaras (East Malaysia) Sdn. Bhd. | Dormant, foundation and civil engineering contractor | 100 | 100 |
| Pintaras Piling Sdn. Bhd. | Dormant, driven pile contractor | 100 | 100 |
| Solidprop Sdn. Bhd. | Dormant, property investment | 100 | 100 |
| **Subsidiary companies of Pintaras Geotechnics Sdn. Bhd.** | | | |
| System Micro-Piling Sdn. Bhd. | Specialised geotechnical contractor | 100 | 100 |
| E-Wall Sdn. Bhd. | Manufacturing and installation of segmental pre-cast concrete retaining walls | 100 | 100 |
| **Subsidiary company of Pintaras Development Sdn. Bhd.** | | | |
| SMPP Development Sdn. Bhd. | Property developer | 100 | 100 |
| **Subsidiary company of Pintaras Prima Sdn. Bhd.** | | | |
| Prima Packaging Sdn. Bhd. | Manufacturing of metal containers | 100 | 100 |

## 16 INVESTMENT IN AN ASSOCIATE

| | Group 2011 RM | 2010 RM |
|---|---|---|
| Share of net assets of associate | 1,883 | 99,536 |

The Group's share of the assets and liabilities of the associate is as follows:

| | 2011 RM | 2010 RM |
|---|---|---|
| Current assets | 3,133 | 147,795 |
| Current liabilities | (1,250) | (48,259) |
| Net assets | 1,883 | 99,536 |

## 16 INVESTMENT IN AN ASSOCIATE (CONTINUED)

The Group's share of the revenue and expenses of the associate is as follows:

| | 2011 RM | 2010 RM |
|---|---|---|
| Revenue | - | - |
| Other income/(expenses) | 65,347 | (146,741) |
| Profit/(loss) before taxation | 65,347 | (146,741) |
| Taxation | - | - |
| Profit/(loss) for the financial year | 65,347 | (146,741) |

The details of the associate are as follows:

| Name | Country of incorporation | Group's effective interest 2011 % | Group's effective interest 2010 % |
|---|---|---|---|
| PHSB Sdn. Bhd. (formerly known as Pintaras-Hasrat Sdn Bhd) | Malaysia | 50 | 50 |

The principal activities of the associate consist of building contracting works, civil engineering and specialising in reinforced concrete and foundation. There has been no changes in these activities during the financial year.

## 17 INVESTMENT PROPERTIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| **Cost** | | | | |
| At start and end of the financial year | 460,037 | 460,037 | 267,600 | 267,600 |
| **Accumulated depreciation** | | | | |
| At start of the financial year | 112,553 | 103,353 | 69,576 | 64,224 |
| Depreciation charge | 9,201 | 9,200 | 5,352 | 5,352 |
| At end of the financial year | 121,754 | 112,553 | 74,928 | 69,576 |
| **Accumulated impairment losses** | | | | |
| At start of the financial year | 48,024 | 56,684 | 48,024 | 53,376 |
| Reversal of impairment losses | (15,352) | (8,660) | (15,352) | (5,352) |
| At end of the financial year | 32,672 | 48,024 | 32,672 | 48,024 |
| **Net book value** | | | | |
| At 30 June | 305,611 | 299,460 | 160,000 | 150,000 |
| Fair value | 310,000 | 300,000 | 160,000 | 150,000 |

The fair value of properties was based on valuations by independent professionally qualified valuers. Valuations were based on current prices in an active market for all properties.

Direct operating expenses of investment properties that do not generate rental income of the Group and Company during the period amounted to RM9,346 (2010: RM9,346) and RM3,847 (2010: RM3,847) respectively.

## 18 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Aggregate costs to date | 59,819,752 | 26,795,560 |
| Attributable profit | 15,310,713 | 6,189,460 |
| | 75,130,465 | 32,985,020 |
| Progress billings | (84,573,868) | (33,727,841) |
| | (9,443,403) | (742,821) |
| Amounts due from customers on contracts | 2,160,890 | 984,649 |
| Amounts due to customers on contracts | (11,604,293) | (1,727,470) |
| | (9,443,403) | (742,821) |

## 19 INVENTORIES

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Raw materials | 6,534,016 | 9,520,190 |
| Work-in-progress | 1,495,416 | 1,436,149 |
| Finished goods | 2,180,469 | 2,040,188 |
| Properties acquired held for resale | 750,750 | 750,750 |
| | 10,960,651 | 13,747,277 |

## 20 RECEIVABLES

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| Trade receivables | 53,161,902 | 38,255,105 | - | - |
| Retention sum on contracts | 16,405,857 | 13,132,190 | - | - |
| Less: Provision for impairment of trade receivables | (4,416,245) | (4,659,043) | - | - |
| | 65,151,514 | 46,728,252 | - | - |
| Other receivables | 1,979,033 | 1,994,264 | 23,794 | 285,950 |
| Less: Provision for impairment of other receivables | (1,270,000) | (188,819) | - | (188,819) |
| | 709,033 | 1,805,445 | 23,794 | 97,131 |
| Advance payment | 155,400 | 15,430 | - | - |
| Deposits | 5,992,805 | 2,198,527 | 5,720,257 | 1,977,000 |
| Prepayments | 349,988 | 291,403 | 228,222 | 170,833 |
| | 7,207,226 | 4,310,805 | 5,972,273 | 2,244,964 |
| Total | 72,358,740 | 51,039,057 | 5,972,273 | 2,244,964 |

## 20 RECEIVABLES (CONTINUED)

The currency exposure profile of receivables excluding prepayments is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| - Ringgit Malaysia | 66,719,084 | 48,640,306 | 609,042 | 129,921 |
| - US Dollar | 13,605 | 22,009 | - | - |
| - Singapore Dollar | 141,054 | 141,129 | - | - |
| - Euro | 5,135,009 | 1,944,210 | 5,135,009 | 1,944,210 |
| | 72,008,752 | 50,747,654 | 5,744,051 | 2,074,131 |

The Group's normal credit terms for trade receivables range from payment in advance to 120 days (2010: payment in advance to 120 days).

The Group's top five customers make up 50% (2010: 48%) of the Group's trade receivables. Management believe that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables as the Directors are of the view that the credit risk is minimal in view of the stability and historical settlement of the receivables from these customers. Apart from this, the Group has no significant concentration of credit risk that may arise from exposure to a single customer or to groups of customers.

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

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Neither past due nor impaired | 52,398,609 | 35,091,394 |
| Past due but not impaired | | |
| - 1 to 60 days past due | 10,705,168 | 7,482,386 |
| - 61 to 120 days past due | 596,353 | 1,385,446 |
| - More than 121 days past due | 1,451,384 | 2,769,026 |
| | 12,752,905 | 11,636,858 |
| Impaired | 4,416,245 | 4,659,043 |
| Total trade receivables | 69,567,759 | 51,387,295 |

**Receivables that are neither past due nor impaired**

The Group does not foresee any material impairment occurring based on the amounts already collected after year end and based on the historical trend of collection.

**Receivables that are past due but not impaired**

The Group has trade receivables amounting to RM 12,752,905 (2010: RM11,636,858) that are past due at the reporting date but not impaired. The Group does not foresee any material impairment occurring based on the amounts already collected after year end and based on the historical trend of collection.

## 20 RECEIVABLES (CONTINUED)

The changes in provision for impairment of trade and other receivables during the financial year are as follows:

| | Group RM |
|---|---|
| **Trade receivables** | |
| At 1 July 2010 | 4,659,043 |
| Credited to profit or loss | (242,798) |
| At 30 June 2011 | 4,416,245 |
| **Other receivables** | |
| At 1 July 2010 | 188,819 |
| Charged to profit or loss | 1,081,181 |
| At 30 June 2011 | 1,270,000 |

## 21 AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

The trade balances due from/(to) subsidiary companies are unsecured, interest free and have credit terms ranging from 30 to 90 days (2010: 30 to 90 days). The non-trade balances due from subsidiary companies are unsecured, interest free and repayable on demand.

The amounts due from/(to) subsidiary companies are denominated in Ringgit Malaysia.

## 22 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is in respect of trading transactions and advances, and is unsecured, interest free and has no fixed terms of repayment.

The amount due from an associate company is denominated in Ringgit Malaysia.

## 23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Marketable securities | | | | |
| - shares of corporations quoted in Malaysia | 28,096,100 | - | 21,097,261 | - |
| - shares of corporations quoted outside Malaysia | 21,257,812 | - | 14,147,085 | - |
| | 49,353,912 | - | 35,244,346 | - |

## 23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The currency exposure profile of financial assets at fair value through profit or loss is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | RM | RM | RM | RM |
| - Ringgit Malaysia | 28,096,100 | - | 21,097,261 | - |
| - Hong Kong Dollar | 10,398,035 | - | 6,608,559 | - |
| - Singapore Dollar | 5,791,665 | - | 3,891,835 | - |
| - Philippine Peso | 855,734 | - | 855,734 | - |
| - Thai Baht | 1,296,695 | - | 765,679 | - |
| - Indonesia Rupiah | 2,879,960 | - | 1,989,555 | - |
| - US Dollar | 35,723 | - | 35,723 | - |
| | 49,353,912 | - | 35,244,346 | - |

## 24 SHORT TERM INVESTMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | RM | RM | RM | RM |
| **Cost** | | | | |
| Marketable securities | | | | |
| - shares of corporations quoted in Malaysia | - | 18,374,587 | - | 14,646,789 |
| - shares of corporations quoted outside Malaysia | - | 8,919,578 | - | 7,198,703 |
| | - | 27,294,165 | - | 21,845,492 |
| **Market value** | | | | |
| Marketable securities | | | | |
| - shares of corporations quoted in Malaysia | - | 23,442,983 | - | 18,365,980 |
| - shares of corporations quoted outside Malaysia | - | 10,008,350 | - | 7,727,870 |
| | - | 33,451,333 | - | 26,093,850 |

Prior to 1 July 2010, the quoted investments were carried at the lower of cost and market value, determined on an aggregate portfolio basis. With the adoption of FRS 139, these investments are now classified as financial assets at fair value through profit or loss.

The currency exposure profile of short term investments is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | RM | RM | RM | RM |
| - Ringgit Malaysia | - | 18,374,587 | - | 14,646,789 |
| - Hong Kong Dollar | - | 3,119,981 | - | 2,179,582 |
| - Singapore Dollar | - | 2,862,962 | - | 2,348,997 |
| - Philippine Peso | - | 1,091,201 | - | 1,091,201 |
| - Indonesia Rupiah | - | 1,845,434 | - | 1,578,923 |
| | - | 27,294,165 | - | 21,845,492 |

## 25 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Short term deposits held by Group and Company: | | | | |
| - with licensed banks | 27,253,891 | 44,313,196 | 18,568,883 | 34,444,539 |
| - with other financial institutions | 17,427,440 | 6,222,010 | 3,461,811 | 3,155,487 |
| Short term deposits held by fund managers: | | | | |
| - with licensed banks | 940,000 | 8,180,724 | 940,000 | 5,755,724 |
| - with other financial institutions | 1,670,219 | 2,353,119 | 930,219 | 2,353,119 |
| Cash and bank balances | 5,095,476 | 8,968,208 | 3,742,833 | 6,884,101 |
| | 52,387,026 | 70,037,257 | 27,643,746 | 52,592,970 |

The weighted average effective interest rates per annum of short term deposits at the date of statement of financial position are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 % | 2010 % | 2011 % | 2010 % |
| Short term deposits | 2.88 | 2.44 | 2.97 | 2.45 |

Short term deposits of the Group and Company have an average maturity of 51 days (2010: 60 days).

The currency exposure profile of cash and cash equivalents is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| - Ringgit Malaysia | 48,757,538 | 61,927,719 | 24,286,753 | 45,967,475 |
| - Euro | 39,627 | 1,999,643 | 39,627 | 1,999,643 |
| - Hong Kong Dollar | 364,070 | 215,471 | 314,507 | 182,505 |
| - Singapore Dollar | 1,236,219 | 3,451,570 | 1,047,219 | 2,063,427 |
| - Philippine Peso | 468,129 | 642,720 | 468,129 | 642,720 |
| - Thai Baht | 281,645 | 1,107,351 | 271,146 | 1,107,351 |
| - Indonesian Rupiah | 1,172,898 | 626,239 | 1,172,898 | 624,073 |
| - US Dollar | 66,678 | 7,183 | 43,467 | 5,776 |
| - Australian Dollar | 222 | 59,361 | - | - |
| | 52,387,026 | 70,037,257 | 27,643,746 | 52,592,970 |

## 26 SHARE CAPITAL

| | Group and Company | |
|---|---|---|
| | 2011 RM | 2010 RM |
| **Authorised:** | | |
| 100,000,000 ordinary shares of RM1.00 each | 100,000,000 | 100,000,000 |
| **Issued and fully paid:** | | |
| 80,064,000 ordinary shares of RM1.00 each | 80,064,000 | 80,064,000 |

## 27 RETAINED EARNINGS

Under the single-tier system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hand of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to frank dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007.

As at 30 June 2011, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credit to frank approximately RM9,267,000 (2010: RM18,275,000) of the retained earnings of the Company as franked dividend. The extent of retained earnings not covered at 30 June 2011 amounted to approximately RM28,779,000 (2010: RM16,269,000). The Company has exempt account of approximately RM6,722,000 (2010: RM6,606,000) at 30 June 2011 to pay out as exempt dividend.

## 28 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | RM | RM | RM | RM |
| **Deferred tax liabilities** | | | | |
| At start of financial year | 5,240,385 | 4,850,427 | 4,419,701 | 4,124,252 |
| Charged/(credited) to profit or loss (Note 11): | | | | |
| - property, plant and equipment | 989,994 | (114,979) | 948,401 | 295,449 |
| - unutilised tax credits | - | 363,487 | - | - |
| - provisions | (3,500) | 141,450 | - | - |
| | 986,494 | 389,958 | 948,401 | 295,449 |
| At end of financial year | 6,226,879 | 5,240,385 | 5,368,102 | 4,419,701 |
| **Subject to income tax** | | | | |
| Deferred tax liabilities (before offsetting) | | | | |
| - property, plant and equipment | 6,230,379 | 5,240,385 | 5,368,102 | 4,419,701 |
| Offsetting | (3,500) | - | - | - |
| Deferred tax liabilities (after offsetting) | 6,226,879 | 5,240,385 | 5,368,102 | 4,419,701 |
| Deferred tax assets (before offsetting) | | | | |
| - provisions | 3,500 | - | - | - |
| | 3,500 | - | - | - |
| Offsetting | (3,500) | - | - | - |
| Deferred tax assets (after offsetting) | - | - | - | - |

## 28 DEFERRED TAXATION (CONTINUED)

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax assets are recognised in the statement of financial position are as follows:

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Deductible temporary differences | 342,722 | 86,804 |
| Tax losses | 11,038,711 | 10,916,580 |

No deferred tax assets are recognised in respect of the above as it is not probable that taxable profit will be available against which they can be utilised.

## 29 PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Trade payables | 15,878,409 | 12,809,528 | - | - |
| Other payables and accruals | 5,555,374 | 3,194,166 | 2,768,943 | 950,891 |
| | 21,433,783 | 16,003,694 | 2,768,943 | 950,891 |

The currency exposure profile of payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| - Ringgit Malaysia | 19,122,349 | 15,118,038 | 1,013,568 | 488,840 |
| - US Dollar | 188,267 | 280,672 | - | - |
| - Singapore Dollar | 1,393,239 | 320,778 | 1,178,400 | 184,202 |
| - Euro | 729,928 | 284,206 | 576,975 | 277,849 |
| | 21,433,783 | 16,003,694 | 2,768,943 | 950,891 |

The normal credit terms granted to the Group and Company range from 0 to 90 days (2010: 0 to 90 days).

## 30 CAPITAL COMMITMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Authorised and contracted: | | | | |
| Commitments for the purchase of property, plant and equipment | 5,175,062 | 653,466 | 5,116,122 | 213,331 |

**31 SIGNIFICANT RELATED PARTY DISCLOSURES**

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions negotiated between the Group and the related party.

| | Company 2011 RM | Company 2010 RM |
|---|---|---|
| (a) Significant transactions with related parties | | |
| **(i) Plant and machinery rental income from subsidiary companies:** | | |
| Pintaras Geotechnics Sdn. Bhd. | 12,069,475 | 6,733,625 |
| System-Micro Pilling Sdn. Bhd. | - | 10,000 |
| **(ii) Gross dividend income from subsidiary company:** | | |
| Pintaras Geotechnics Sdn. Bhd. | 5,500,000 | 8,000,000 |
| **(iii) Advances to subsidiary companies:** | | |
| Pintaras Prima Sdn. Bhd. | 19,000 | - |
| Corplast Packaging Industries Sdn. Bhd. | 505,000 | 350,000 |
| Prima Packaging Sdn. Bhd. | 1,600,000 | - |
| **(iv) Advances from subsidiary company:** | | |
| Pintaras Geotechnics Sdn. Bhd. | - | 3,000,000 |
| **(v) Repayment of advance from subsidiary companies:** | | |
| Pintaras Prima Sdn. Bhd. | 1,506,000 | 8,032,843 |
| Corplast Packaging Industries Sdn. Bhd. | 625,000 | 940,000 |
| Prima Packaging Sdn. Bhd. | 1,600,000 | - |
| **(vi) Repayment of advance to subsidiary company:** | | |
| Pintaras Geotechnics Sdn. Bhd. | - | 3,000,000 |

| | Company 2011 RM | Company 2010 RM |
|---|---|---|
| (b) Significant balances with related parties | | |
| **(i) Amount due from subsidiary companies** | | |
| Pintaras Geotechnics Sdn. Bhd. | 1,629,094 | 506,235 |
| Pintaras Prima Sdn. Bhd. | - | 1,487,000 |
| SMPP Development Sdn. Bhd. | 600,750 | 608,365 |
| Corplast Packaging Industries Sdn. Bhd. | 505,000 | 700,000 |

(c) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director of the Group.

The aggregate amount of remuneration received/receivable by key management personnel (including Executive Directors) of the Group and Company for the financial year are as disclosed in Note 10 to the financial statements.

**32 SEGMENTAL INFORMATION**

The Group's operations comprise the following business segments:

(i) Piling, civil engineering and construction works
(ii) Manufacturing
(iii) Others

(a) Business segments

| | Piling, civil engineering and construction works RM | Manufacturing RM | Others RM | Group RM |
|---|---|---|---|---|
| **2011** | | | | |
| **Revenue** | | | | |
| External revenue | 85,941,095 | 39,994,546 | - | 125,935,641 |
| **Results** | | | | |
| Segment results | 17,975,303 | 7,283,447 | (25,311) | 25,233,439 |
| Unallocated income | | | | |
| - Fair value gain on financial assets at fair value through profit or loss | | | | 6,773,319 |
| - Gain on disposal of financial assets at fair value through profit or loss | | | | 5,202,679 |
| - Interest income | | | | 1,559,464 |
| - Others | | | | 984,142 |
| Total unallocated income | | | | 14,519,604 |
| Unallocated costs | | | | (161,233) |
| Finance cost | | | | (434) |
| Share of results of associate company | 65,347 | - | - | 65,347 |
| Profit before taxation | | | | 39,656,723 |
| Taxation | | | | (7,201,591) |
| Profit for the financial year | | | | 32,455,132 |
| **Net assets** | | | | |
| Segment assets | 117,975,774 | 37,127,714 | 925,754 | 156,029,242 |
| Investment in an associate | | | | 1,883 |
| Unallocated assets | | | | 105,356,632 |
| Total assets | | | | 261,387,757 |
| Segment liabilities | 30,243,558 | 2,468,610 | 24,694 | 32,736,862 |
| Unallocated liabilities | | | | 8,815,603 |
| Total liabilities | | | | 41,552,465 |

## 32 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (Continued)

| | Piling, civil engineering and construction works RM | Manufacturing RM | Others RM | Group RM |
|---|---|---|---|---|
| **2011** | | | | |
| **Other information** | | | | |
| Capital expenditure | 31,456,712 | 456,118 | - | 31,912,830 |
| Depreciation of property, plant and equipment | 6,533,064 | 953,469 | 82,569 | 7,569,102 |
| Impairment losses on property, plant and equipment | - | 129,297 | - | 129,297 |
| **2010** | | | | |
| **Revenue** | | | | |
| External revenue | 65,513,359 | 40,217,987 | - | 105,731,346 |
| **Results** | | | | |
| Segment results | 12,483,817 | 6,379,340 | (22,190) | 18,840,967 |
| Unallocated income | | | | |
| - Gain on disposal of financial assets at fair value through profit or loss | | | | 5,571,470 |
| - Interest income | | | | 1,291,038 |
| - Others | | | | 783,356 |
| Total unallocated income | | | | 7,645,864 |
| Unallocated costs | | | | (291,752) |
| Finance cost | | | | (40) |
| Share of results of associate company | (146,741) | - | - | (146,741) |
| Profit before taxation | | | | 26,048,298 |
| Taxation | | | | (5,310,579) |
| Profit for the financial year | | | | 20,737,719 |
| **Net assets** | | | | |
| Segment assets | 71,873,077 | 40,887,580 | 926,662 | 113,687,319 |
| Investment in an associate | | | | 99,536 |
| Unallocated assets | | | | 100,877,074 |
| Total assets | | | | 214,663,929 |
| Segment liabilities | 13,222,562 | 4,336,170 | 10,824 | 17,569,556 |
| Unallocated liabilities | | | | 6,864,181 |
| Total liabilities | | | | 24,433,737 |

## 32 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (Continued)

| 2010 | Piling, civil engineering and construction works RM | Manufacturing RM | Others RM | Group RM |
|---|---|---|---|---|
| **Other information** | | | | |
| Capital expenditure | 4,333,262 | 153,294 | - | 4,486,556 |
| Depreciation of property, plant and equipment | 5,492,885 | 1,080,554 | 82,570 | 6,656,009 |

Unallocated income includes interest income, dividend income and gain on disposal of financial assets at fair value through profit or loss. Unallocated costs represent corporate expenses and property maintenance expenses. Unallocated assets include financial assets at fair value through profit or loss, short term deposits and freehold land and buildings used for head office purposes. Unallocated liabilities include taxation and deferred taxation.

Capital expenditure comprises additions to property, plant and equipment (Note 14).

(b) Geographical segment

Segmental reporting by geographical area is not presented as the Group's activities are all carried out in Malaysia.

## 33 CHANGES IN ACCOUNTING POLICIES

The following tables disclose the impact of the adoption of FRS 139 on the financial statements of the Group and Company as highlighted in Note 2a (i) of Notes to the financial statements.

(a) Impact on the statements of financial position

| Group | Balances as at 30 June 2010 As previously reported RM | FRS 139 RM | Balances as at 1 July 2010 As restated RM |
|---|---|---|---|
| **Current assets** | | | |
| Short term investments | 27,294,165 | (27,294,165) | - |
| Financial assets at fair value through profit or loss | - | 33,451,333 | 33,451,333 |
| **Capital and reserves** | | | |
| Retained earnings | 106,680,674 | 6,157,168 | 112,837,842 |

**33 CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

(a) Impact on the statements of financial position (continued)

| | Increase to balances as at 30 June 2011 RM |
|---|---|
| **Current assets** | |
| Financial assets at fair value through profit or loss | 6,773,319 |
| **Capital and reserves** | |
| Retained earnings | 6,773,319 |

| | Balances as at 30 June 2010 As previously reported RM | FRS 139 RM | Balances as at 1 July 2010 As restated RM |
|---|---|---|---|
| **Company** | | | |
| **Current assets** | | | |
| Short term investments | 21,845,492 | (21,845,492) | - |
| Financial assets at fair value through profit or loss | - | 26,093,850 | 26,093,850 |
| **Capital and reserves** | | | |
| Retained earnings | 34,544,363 | 4,248,358 | 38,792,721 |

| | Increase to balances as at 30 June 2011 RM |
|---|---|
| **Current assets** | |
| Financial assets at fair value through profit or loss | 4,432,555 |
| **Capital and reserves** | |
| Retained earnings | 4,432,555 |

(b) Impact on the statements of comprehensive income

| | Increase for the financial year ended 30 June 2011 RM |
|---|---|
| **Group** | |
| Other operating income | 6,773,319 |
| **Company** | |
| Other operating income | 4,432,555 |

## 34 FAIR VALUES

The carrying amounts of financial assets and liabilities of the Group and Company as at the statement of financial position date approximated their fair values except those set out in the respective notes to the financial statements.

## 35 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 12 September 2011.

## 36 SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and the Company as at 30 June 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses on the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

| | Group 2011 RM | Company 2011 RM |
|---|---|---|
| Total retained earnings of the Company and its subsidiaries: | | |
| - Realised | 122,393,091 | 43,414,870 |
| - Unrealised | 6,115,460 | 2,629,563 |
| | 128,508,551 | 46,044,433 |
| Total share of retained earnings from an associate: | | |
| - Realised | 1,883 | - |
| - Unrealised | - | - |
| | 128,510,434 | 46,044,433 |
| Add: Consolidation adjustments | 7,775,340 | - |
| Retained earning as per financial statements | 136,285,774 | 46,044,433 |

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dr Chiu Hong Keong and Khoo Keow Pin, being two of the Directors of Pintaras Jaya Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 24 to 67 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 12 September 2011.

**DR CHIU HONG KEONG**
DIRECTOR

**KHOO KEOW PIN**
DIRECTOR

Shah Alam

# STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Khoo Yok Kee, the Director primarily responsible for the financial management of Pintaras Jaya Berhad, do solemnly and sincerely declare that the financial statements set out on pages 24 to 67 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

**KHOO YOK KEE**

Subscribed and solemnly declared by the abovenamed Khoo Yok Kee at Petaling Jaya in Malaysia on 12 September 2011, before me.

**SOONG FOONG CHEE**
No. B. 158
COMMISSIONER FOR OATHS
Petaling Jaya

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PINTARAS JAYA BERHAD (Company No. 189900-H) (Incorporated in Malaysia)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pintaras Jaya Berhad on pages 24 to 67 which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in Notes 1 to 35.

### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, and for such internal control 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 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of their financial performance and cash flows for the year then ended.

## 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 Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

TO THE MEMBERS OF PINTARAS JAYA BERHAD (Company No. 189900-H) (Incorporated in Malaysia)

**OTHER REPORTING RESPONSIBILITIES**

The supplementary information set out in Note 36 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 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 content of this report.

**PRICEWATERHOUSECOOPERS**
(No. AF: 1146)
Chartered Accountants

**YEE WAI YIN**
(No. 2081/08/12 (J))
Chartered Accountant

Kuala Lumpur
12 September 2011

# ANALYSIS OF SHAREHOLDINGS

AS AT 26TH AUGUST 2011

| | | |
|---|---|---|
| Authorised Share Capital | : | RM100,000,000 |
| Issued and Paid-up Share Capital | : | RM80,064,000 |
| Class of Share | : | Ordinary share of RM1.00 each |
| Voting Rights | : | 1 vote per ordinary share |
| Number of Shareholders | : | 1,889 |

**SUBSTANTIAL SHAREHOLDERS**

The following are the substantial shareholders of the Company according to the Register of Substantial Shareholders :

| | Direct Interest | | Indirect Interest | |
|---|---|---|---|---|
| **Name of Shareholders** | **No. of Shares** | **%** | **No. of Shares** | **%** |
| Pintaras Bina Sdn Bhd | 29,734,058 | 37.14 | - | - |
| Dr Chiu Hong Keong | 11,407,860 | 14.25 | 34,970,938[(1)] | 43.68 |
| Khoo Yok Kee | 5,212,880 | 6.51 | 41,165,918[(2)] | 51.42 |
| Khoo Keow Pin | 5,041,652 | 6.30 | - | - |

*Notes:-*

*(1) Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Mdm KhooYok Kee, and his son in Pintaras Jaya Berhad*

*(2) Deemed interest through her shareholding in Pintaras Bina Sdn Bhd and interest held by her spouse, Dr Chiu Hong Keong, and her son in Pintaras Jaya Berhad*

**DIRECTORS' SHAREHOLDINGS**

| | Direct Interest | | Indirect Interest | |
|---|---|---|---|---|
| **Name of Directors** | **No. of Shares** | **%** | **No. of Shares** | **%** |
| Dr Chiu Hong Keong | 11,407,860 | 14.25 | 34,970,938[(1)] | 43.68 |
| Khoo Keow Pin | 5,041,652 | 6.30 | - | - |
| Khoo Yok Kee | 5,212,880 | 6.51 | 41,165,918[(2)] | 51.42 |
| Koo Git Loo @ Chiu Git Loo | 8,400 | 0.01 | - | - |
| Kong Kim Piew | - | - | - | - |
| Chang Cheng Wah | - | - | - | - |
| Arnold Kwan Poon Keong | - | - | - | - |

*Notes:-*

*(1) Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Mdm KhooYok Kee, and his son in Pintaras Jaya Berhad*

*(2) Deemed interest through her shareholding in Pintaras Bina Sdn Bhd and interest held by her spouse, Dr Chiu Hong Keong, and her son in Pintaras Jaya Berhad*

**DISTRIBUTION OF SHAREHOLDINGS**

| **Size of Shareholdings** | **No. of Shareholders** | **%** | **No. of Shares** | **%** |
|---|---|---|---|---|
| Less than 100 | 27 | 1.43 | 870 | 0.00 |
| 100 to 1,000 | 288 | 15.25 | 219,040 | 0.27 |
| 1,001 to 10,000 | 1,216 | 64.37 | 5,249,900 | 6.56 |
| 10,001 to 100,000 | 319 | 16.89 | 9,810,740 | 12.25 |
| 100,001 to less than 5% of issued shares | 35 | 1.85 | 13,387,000 | 16.72 |
| 5% and above of issued shares | 4 | 0.21 | 51,396,450 | 64.20 |
| | 1,889 | 100.00 | 80,064,000 | 100.00 |

## ANALYSIS OF SHAREHOLDINGS

AS AT 26TH AUGUST 2011

**THIRTY LARGEST SHAREHOLDERS**
**(as shown in the Record of Depositors)**

| | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1 | Pintaras Bina Sdn Bhd | 29,734,058 | 37.14 |
| 2 | Chiu Hong Keong | 11,407,860 | 14.25 |
| 3 | Khoo Yok Kee | 5,212,880 | 6.51 |
| 4 | Khoo Keow Pin | 5,041,652 | 6.30 |
| 5 | Citigroup Nominees (Tempatan) Sdn Bhd<br>(Employees Provident Fund Board (PHEIM)) | 2,634,800 | 3.29 |
| 6 | Chua Hock Chin | 1,752,200 | 2.19 |
| 7 | HSBC Nominees (Tempatan) Sdn Bhd<br>(HSBC (M) Trustee Bhd for Singular Asia Flexible Fund (5758-401)) | 1,063,600 | 1.33 |
| 8 | Soo Jian Yeu | 638,000 | 0.80 |
| 9 | Cartaban Nominees (Tempatan) Sdn Bhd<br>(AXA Affin General Insurance Berhad) | 600,000 | 0.75 |
| 10 | HSBC Nominees (Tempatan) Sdn Bhd<br>(HSBC (M) Trustee Bhd for Singular Value Fund) | 546,400 | 0.68 |
| 11 | HSBC Nominees (Asing) Sdn Bhd<br>(Exempt AN for HSBC Private Bank (Suisse) S.A.(Spore TST ACCL)) | 499,600 | 0.62 |
| 12 | Tan Jin Tuan | 463,000 | 0.58 |
| 13 | Tan Jin Tuan | 438,000 | 0.55 |
| 14 | HSBC Nominees (Tempatan) Sdn Bhd<br>(HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust (3548)) | 386,200 | 0.48 |
| 15 | Dynaquest Sdn. Berhad | 350,000 | 0.44 |
| 16 | HSBC Nominees (Tempatan) Sdn Bhd<br>(HSBC (M) Trustee Bhd for OSK-UOB Growth and Income Focus Trust (4892)) | 301,300 | 0.38 |
| 17 | Sow Tiap | 270,000 | 0.34 |
| 18 | Fong Ting Wong | 270,000 | 0.34 |
| 19 | Yeo Khee Huat | 267,600 | 0.33 |
| 20 | Chan Sok Leun @ Chan Wai Kim | 250,000 | 0.31 |
| 21 | General Technology Sdn Bhd | 224,400 | 0.28 |
| 22 | Chong Ik Poh | 220,000 | 0.27 |
| 23 | HSBC Nominees (Asing) Sdn Bhd<br>(HSBC-FS for Asean Emerging Companies Growth Fund Ltd) | 179,100 | 0.22 |
| 24 | Denver Corporation Sdn Bhd | 171,000 | 0.21 |
| 25 | Khoo Hwee @ Khoo Yew | 170,600 | 0.21 |
| 26 | UOBM Nominees (Tempatan) Sdn Bhd<br>(UOB-OSK Asset Management Sdn Bhd for UNI Aggressive Fund) | 160,000 | 0.20 |
| 27 | OSK Nominees (Asing) Sdn Berhad<br>(Pledged securities account for Tan Lee Gek) | 146,700 | 0.18 |
| 28 | Wong Lok Jee @ Ong Lok Jee | 142,000 | 0.18 |
| 29 | Lok Choon Hong | 135,000 | 0.17 |
| 30 | Low Yit Ho | 122,200 | 0.15 |
| | **TOTAL** | **63,798,150** | **79.68** |

# LIST OF PROPERTIES

AS AT 30 JUNE 2011

| Location | Tenure | Description / Existing Use | Age Of Buildings (Years) | Approx. Area (Sq. m.) | Net Book Value at 30.06.2011 RM'000 | Date of Acquisition |
|---|---|---|---|---|---|---|
| H.S.(D) 80039<br>P.T. No. 14351<br>Mukim Damansara<br>Daerah Petaling<br>Negeri Selangor | Freehold | Land with Factory cum Office Premises (Factory cum Office Building) | 19 | 19,983 | 10,715 | 20.12.1991 |
| Lot 46 Seksyen U1<br>Glenmarie Industrial Estate<br>Mukim of Damansara<br>District of Klang<br>Selangor Darul Ehsan | Freehold | Land with Office Premises (Office Warehouse) | 14 | 4,249 | 4,550 | 05.08.1994 |
| Lot 6100<br>Mukim of Kapar<br>District of Klang<br>Selangor Darul Ehsan | Freehold | Industrial Land (Store and Casting Yard) | - | 40,468 | 4,134 | 16.03.1995 |
| H.S.(D) 248312<br>PTD 67291<br>Mukim of Tebrau Johor | Freehold | Industrial Land (For Future Development) | - | 2,461 | 455 | 28.03.1991 |
| H.S.(D) 248325<br>PTD 67304<br>Mukim of Tebrau Johor | Freehold | Hawker Centre (Vacant) | 13 | 1,355 | 146 | 28.03.1991 |
| PT 12207<br>Unit No. A1.05.05<br>Genting View Resort<br>Kempas Apartment<br>Genting Highlands<br>Pahang Darul Makmur | Freehold | 3-Bedroom Apartment (Vacant) | 18 | 99 | 160 | 29.01.1997 |
| No. 2-2 Arab-Malaysian<br>Business Centre<br>Jalan Tuanku Munawir<br>70000 Seremban<br>Negeri Sembilan | Freehold | Business Complex Shop/Office (Vacant) | 13 | 105 | 146 | 17.05.1999 |
| 1-2-17 Block Ixora 1<br>Jalan S2 G3 Garden<br>Avenue<br>Seremban 2<br>70300 Seremban<br>Negeri Sembilan | Freehold | Apartment (Vacant) | 9 | 74 | 50 | 08.10.2001 |
| 1-2-19 Block Ixora 1<br>Jalan S2 G3 Garden<br>Avenue<br>Seremban 2<br>70300 Seremban<br>Negeri Sembilan | Freehold | Apartment (Vacant) | 9 | 74 | 50 | 08.10.2001 |
| 2-2-05 Block Ixora 2<br>Jalan S2 G3 Garden<br>Avenue<br>Seremban 2<br>70300 Seremban<br>Negeri Sembilan | Freehold | Apartment (Vacant) | 9 | 74 | 50 | 24.12.2001 |

**PINTARAS JAYA BERHAD** (189900-H)
(Incorporated in Malaysia)

# PROXY FORM

*I/We .......................................................................................................... NRIC No .............................................
(Full Name in Capital Letters)

of ..............................................................................................................................................................................
(Address)

being a member(s) of PINTARAS JAYA BERHAD hereby appoint ..............................................................................

.......................................................................................................................... NRIC No. ...........................................
(Full name in Capital Letters)

of ..............................................................................................................................................................................
(Address)

*and/or failing him/her, .................................................................................NRIC No ................................................
(Full name in Capital Letters)

of ..............................................................................................................................................................................
(Address)

as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Second Annual General Meeting of Pintaras Jaya Berhad to be held at Mauna Lani B Room, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 19th October 2011 at 9:30 a.m. and at any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies (maximum 2 only) are as follows :-
(The next paragraph should be completed only when two proxies are appointed)

*First Proxy (1) .................................... %

*Second Proxy (2) ................................ %

Number of shares held :

| No. | Resolutions | FOR | AGAINST |
|---|---|---|---|
| **ORDINARY BUSINESS** | | | |
| 1. | To approve the declaration of a first and final dividend of 15% less tax and 4% single-tier. | | |
| 2. | To approve the Directors' fees. | | |
| 3. | To re-elect Madam Khoo Yok Kee as Director. | | |
| 4. | To re-elect Mr. Arnold Kwan Poon Keong as Director. | | |
| 5. | To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. | | |
| **SPECIAL BUSINESS** | | | |
| 6. | Authority to issue shares. | | |

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/her discretion.

Dated this ...................... day of ................................................ 2011

.........................................................................
*Signature(s)/Common Seal of Shareholder(s)

*(*Delete where inapplicable)*

***Notes :-***

*(1) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

*(2) To be valid, this form, duly completed must be deposited at the Registered Office at No. 8, Jalan Majistret U1/26, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.*

*(3) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.*

*(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

*(5) Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

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

FOLD THIS FLAP FOR SEALING

FOLD HERE

Stamp

**PINTARAS JAYA BERHAD (189900-H)**
NO. 8 JALAN MAJISTRET U1/26
HICOM-GLENMARIE INDUSTRIAL PARK
40150 SHAH ALAM
SELANGOR DARUL EHSAN

FOLD HERE