ANNUAL REPORT 2018

PINTARAS JAYA BERHAD
(189900-H)

Contents

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting ("AGM") of the Company will be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 23rd October 2018 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of the Directors and Auditors thereon. (Please refer to Note A)

2. To approve the payment of a final single-tier dividend of 12 sen per share for the financial year ended 30 June 2018. (Resolution 1)

3. To approve the payment of Directors' fees of RM90,000.00 for the financial year ending 30 June 2019. (Resolution 2)

4. To re-elect the following Directors who are retiring in accordance with Article 73 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:-

   (i) Mr. Chiu Wei Wen (Resolution 3)
   (ii) Mr. Chang Cheng Wah (Resolution 4)

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

Special Business:
To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:-

6. **Proposed Retention of Independent Non-Executive Directors** (Resolution 6)

   "**THAT** approval be and is hereby given to Mr. Arnold Kwan Poon Keong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017."

7. "**THAT** approval be and is hereby given to the following Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, to continue to act as Independent Non-Executive Directors of the Company in accordance with the Malaysian Code on Corporate Governance 2017:-

   (i) Mr. Kong Kim Piew; and (Resolution 7)
   (ii) Mr. Chang Cheng Wah." (Resolution 8)

8. **Authority to Issue Shares** (Resolution 9)

   "**THAT** subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the issued capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next AGM of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

9. **Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back Authority")** (Resolution 10)

"**THAT** subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

(i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or to resell the shares, or distribute the shares as dividends;

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

(i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-Ninth AGM, a final single-tier dividend of 12 sen per ordinary share for the financial year ended 30 June 2018 will be paid on 11 January 2019 to shareholders whose names appear on the Record of Depositors at the close of business on 28 December 2018.

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 28 December 2018 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

NG SALLY (MAICSA 7060343)
WONG POW CHERN (MAICSA 7058249)
Company Secretaries

Shah Alam
25 September 2018

Notes:-

A. This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

2. To be valid, the instrument appointing a proxy 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 not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.

4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), 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 of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. 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.

7. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

8. A depositor shall not be regarded as a member entitled to attend this general meeting and to speak and vote thereat unless his/her name appears in the Register of Members and/or Record of Depositors as at 16 October 2018 issued by Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") upon request by the Company in accordance with the rules of the Bursa Depository.

Explanatory Notes on Special Business

9. Proposed retention of Independent Non-Executive Directors (Resolutions 6, 7 and 8)

The Board and the Nomination Committee have assessed the independence of Mr. Arnold Kwan Poon Keong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years whereas Mr. Kong Kim Piew and Mr. Chang Cheng Wah, who have both served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

(a) They fulfill the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, are able to provide a check and balance by bringing an element of objectivity and independent judgement to the Board's deliberation. Further, they have exercised due care and diligence during their tenure as an Independent Non-Executive Directors of the Company and have carried out their duties professionally and objectively in the interest of the Company and shareholders;
(b) They bring with them vast experience and expertise to complement the competencies of the other Directors to enhance boardroom discussion and decision;
(c) They have been with the Company for more than nine (9) years and accordingly, are familiar with the nuances and understands the Group's business operations; and
(d) The Company does not wish to carry out the two-tier voting and the reasons for this departure can be found under Practice 4.2 in the Corporate Governance Report

10. Authority to Issue Shares (Resolution 9)

The proposed Resolution 9 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 shares 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 AGM and accordingly no proceeds were raised.

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

11. Proposed Renewal of Share Buy-Back Authority (Resolution 10)

The details of the Proposed Renewal of Share Buy-Back Authority are set out in the Statement to Shareholders dated 25 September 2018 despatched together with the Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DR CHIU HONG KEONG
Chairman/Managing Director

KHOO YOK KEE
Executive Director

CHIU WEI WEN
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

NG SALLY (MAICSA 7060343)
WONG POW CHERN (MAICSA 7058249)

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 : info@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 : 03-7849 0777
FAX : 03-7841 8151/8152

PRINCIPAL BANKER

MALAYAN BANKING BERHAD

AUDITORS

MESSRS PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF 1146)
10TH FLOOR 1 SENTRAL
JALAN RAKYAT
KUALA LUMPUR SENTRAL
50706 KUALA LUMPUR

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA
SECURITIES BERHAD

Sector : Construction
Stock Name : PTARAS

WEBSITE

www.pintaras.com.my

DR. CHIU HONG KEONG

Dr. Chiu Hong Keong, a Malaysian, male, aged 63 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 96,534,096 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 is deemed a major shareholder of Pintaras Jaya, and the father of Mr. Chiu Wei Wen, an Executive Director of Pintaras Jaya.

KHOO YOK KEE

Madam Khoo Yok Kee, a Malaysian, female, aged 58 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 and ESOS Committees. 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 many years of experience in accounting, marketing, finance, administration and corporate affairs. She holds a total of 96,534,096 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 is deemed a major shareholder of Pintaras Jaya, and the mother of Mr. Chiu Wei Wen, an Executive Director of Pintaras Jaya.

CHIU WEI WEN

Mr. Chiu Wei Wen, a Malaysian, male, aged 33 is an Executive Director of Pintaras Jaya. He was appointed to the Board on 20 October 2011. He is a member of the Risk Management and ESOS Committees. He graduated with a Bachelor of Science (Information System) and a Graduate Diploma in Management from the University of Melbourne in 2007 and 2010 respectively. He has worked with IBM Australia as a consultant, servicing the toll road, telecommunications, government agencies as well as the banking industry. He has experience in developing, testing, support and business analyst roles the IT industry. He holds a total of 948,500 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 son of Dr. Chiu Hong Keong, the Managing Director and a major shareholder of Pintaras Jaya and Madam Khoo Yok Kee, the Executive Director and is deemed a major shareholder of Pintaras Jaya.

KONG KIM PIEW

Ir. Kong Kim Piew, a Malaysian, male, aged 65 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, Nomination and ESOS 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, male, aged 61 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 and ESOS Committees. 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, male, aged 57 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 many 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 five (5) years.

All the Directors attended the five (5) Board Meetings of Pintaras Jaya held for the financial year ended 30 June 2018, except for Mr. Kong Kim Piew who attended four (4) out of the five (5) Board Meeting.

TEE SOON TECK

Mr Tee Soon Teck, a Malaysian, male, aged 48 is a Senior General Manager (Operations) of the Company, overseeing the day to day operations of the Construction Division. He was appointed on 29 March 2017. Mr Tee graduated with a Bachelor of Civil Engineering (Hons). He has over 25 years of experience in the piling industry.

LIM DING TSAIR

Mr Lim Ding Tsair, a Malaysian, male, aged 57 is a General Manager (Manufacturing) of the Company, overseeing the day to day operations of the Manufacturing Division. He joined the Company on 5 October 1992 as a Factory Manager and subsequently promoted to General Manager on 1 January 2017. He has over 25 years of experience in the manufacturing industry.

GENERAL INFORMATION

The key senior management has no family relationship with any Director and/or major shareholder of Pintaras Jaya.

The key senior management do not hold any other directorships of public companies.

None of the key senior management have any conflict of interest with Pintaras Jaya.

None of the key senior management have had convictions for any offences within the past five (5) years.

The Board of Pintaras Jaya Berhad ("PJB") is committed to upholding the principles of corporate governance in the Malaysian Code on Corporate Governance 2017 ("the 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 statement which explains how the Company and the Group have set out to ensure the application of the principles and recommendations of the Code and the extent of compliance with the Code as required under the Main Market Listing Requirements ("MMLR"). This statement is to be read together with the Corporate Governance Report of the Company which is available on Bursa Malaysia Securities Berhad's website and the Company's website at www.pintaras.com.my.

THE BOARD OF DIRECTORS

The Board's main responsibility is to lead and manage the Group in an effective manner including charting its overall strategic direction and to retain full and effective control over the Group's activities. 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 team to oversee the daily operations of the Group.

Board Charter

A Board Charter was established and approved by the Board on 27 August 2013 and reviewed on 29 August 2016. The objective of the Board Charter is to ensure that all Board members are aware of their duties and responsibilities as Board members, the various legislations and regulations including the Code of Ethics for directors issued by the Companies Commission of Malaysia and that the practices of good Corporate Governance are applied in all dealings by Board members individually and/or on behalf of the Group.

The Board Charter is available at the Company's website.

Board Structure and Procedures

The current composition of the Board comprises three (3) Executive Directors and three (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 related to major shareholders. They exercise their unbiased independent judgement freely and do not have any business or other relationships that may potentially interfere with their duties. Board balance is achieved with the contribution of the Independent Non-Executive Directors and fair representation of the shareholders' interests. Brief profiles of the Directors are set out on pages 7 to 8 of this Annual Report.

The Board is responsible for the control and management of the PJB Group. The Directors meet at least four (4) times a year with additional meetings convened when necessary. During the financial year ended 30 June 2018, the Board conducted five (5) board meetings and each Board member has fulfilled the required attendance of board meetings under Paragraph 15.05 of the Listing Requirements. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. This is evidenced by the attendance record of the Directors at Board Meetings during the year as follows:-

Directors	No. of Meetings Attended
Dr. Chiu Hong Keong	5/5
Khoo Yok Kee	5/5
Chiu Wei Wen	5/5
Kong Kim Piew	4/5
Chang Cheng Wah	5/5
Arnold Kwan Poon Keong	5/5

The approval of the Board is required for material transactions which includes large capital expenditure, restructuring, acquisition and disposal of significant assets, investment proposals, periodic announcement of financial results and annual report.

During the year, major items on the agenda of Board meetings included reviews and approval of the quarterly results, financial statements, internal audit report and recommendation and approval of interim and final dividends.

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 for the effective management of the Group as well as to provide leadership to the Board.

No senior Independent Non-Executive Director is appointed to address concerns relating to the Group as any concern can be conveyed to any one of the Directors who exercise their responsibilities collectively. The Company's website is accessible to the public at www.pintaras.com.my and the Directors welcome any feedback channelled through the website.

Board Committees

Five (5) Board Committees were established to assist the Board in effectively discharging its fiduciary duties. They comprise the Audit, Risk Management, Remuneration, Nomination and Employee Share Option Scheme ("ESOS") Committees. All committees have written terms of reference that clearly outline their objectives, functions and authorities. The committees table their reports and recommendations to the Board periodically.

Nomination Committee

The Nomination Committee comprises two (2) Independent Non-Executive Directors, namely:

Chang Cheng Wah (Chairman)
Kong Kim Piew

The Nomination Committee was established on 22 June 2001. The Committee meets at least once a year with additional meetings convened when necessary. During the financial year, one committee meeting was held.

The Nomination Committee is responsible for making recommendations for any appointments to the Board/Board Committees. Its members annually assess and 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 existing Board members including the core competencies of Non-Executive Directors as well as assessing the independence of its Independent Directors and to note the trainings attended by each individual Director. The Nomination Committee is also involved in discussions pertaining to succession planning for the Group as well as boardroom gender diversity.

During the year, the Nomination Committee assessed and evaluated the effectiveness of the Board as a whole in terms of its structure, roles and responsibilities, strategy and planning, financial overview, shareholder communications and investor relations. The effectiveness of Board Committees, on the other hand, was assessed based on fulfilment of the Board Committees' function as stipulated in their respective terms of reference. For individual Directors, the assessment was based on pre-determined criteria relating to personal integrity and competency, contribution and performance as well as calibre and personality.

Based on the assessments conducted in the financial year under review, it was concluded that the Board and its Committees as a whole, as well as the individual Directors, had operated effectively and possessed all necessary skills, experience and qualities required from them.

Recommendation 4.2 of the Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, the Independent Director may continue to serve on the board subject to the Director's re-designation as a Non-Independent Director. However, in exceptional cases and subject to the annual assessment conducted by Nomination Committee, the Board may recommend for an Independent Director who has served a cumulative of more than nine years to remain as Independent Director. Mr. Kong Kim Piew and Mr. Chang Cheng Wah both served as Independent Directors for more than twelve years while Mr. Arnold Kwan Poon Keong has served as an Independent Director for more than nine years. The Board has assessed their independence and has unanimously recommended that they shall remain as Independent Non-Executive Directors of the Company as they are qualified and can be entrusted to discharge their duties and responsibilities independently and objectively notwithstanding their tenure on the Board. They have performed their roles diligently and in the best interest of the Company. The Board will table a proposal to retain Mr. Kong Kim Piew, Mr. Chang Cheng Wah and Mr. Arnold Kwan Poon Keong as Independent Non-Executive Directors for shareholders' approval at the forthcoming Twenty-Ninth Annual General Meeting ("AGM").

Supply of Information

All Directors have access to the services of the Company Secretaries. The Company Secretaries provide support to the Board in fulfilling their fiduciary duties. They also play an advisory role to the Board, particularly in compliance to applicable rules and regulations as well as Board meeting procedures. Additionally, Directors 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 during Board meeting. Senior management staff are invited to attend Board meetings and Audit Committee meetings whenever necessary.

Company Secretaries

The Board is supported by qualified Company Secretaries who are responsible for providing support and guidance to the Board on issues relating to compliance with rules and regulations and relevant laws affecting the Company.

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, the Directors were informed and updated on developments in Accounting Standards and Code of Corporate Governance as well as the new Companies Act 2016 by the external auditors, internal auditors and company secretaries at Board and committee meetings. The Board has undertaken an assessment of training needs of each Director. With the exception of Mr. Chiu Wei Wen due to schedule conflicts, the following trainings were attended by the Directors:-

Title of training	Attended by
i. Risk Management Programme – I Am Ready to Manage Risk ii. Advocacy Sessions to Enhance Quality of Management Discussion & Analysis (MD&A) for Chief Executive Officer (CEO) and Chief Financial Officer (CFO). iii. The Corporate Governance Breakfast Series for Directors –Leading Change @ The Brain	Dr Chiu Hong Keong
i. MIDS Workshop Series. ii. NCCIM Economic Forum 2017. iii. Tax Implication & Practical Application of Inter-Company Loan Transaction. iv. Risk Management Programme – I Am Ready to Manage Risk v. Practical Assignment of New & Revised GST Tax Codes vi. Advocacy Sessions to Enhance Quality of Management Discussion & Analysis (MD&A) for Chief Executive Officer (CEO) and Chief Financial Officer (CFO). vii. The Corporate Governance Breakfast Series for Directors –Leading Change @ The Brain viii. Corporate Governance Briefing Sessions – MCCG Reporting and CG Guide.	Khoo Yok Kee
CG Breakfast Series - Leading in a Volatile, Uncertain, Complex, Ambiguous ("VUCA") World	Kong Kim Piew
Technical Workshop on Green Finance in Malaysia	Chang Cheng Wah
i. CG Breakfast Series - Leading in a Volatile, Uncertain, Complex, Ambiguous ("VUCA") World ii. Corporate Governance Briefing Sessions - MCCG Reporting and CG Guide	Arnold Kwan Poon Keong

In compliance with the MMLR, 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 Constitution 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-Ninth AGM are Mr Chiu Wei Wen and Mr. Chang Cheng Wah. The Directors who are due for re-election at the forthcoming AGM have been duly assessed and recommended for re-election based on their constructive contributions and valuable insights in fulfilling their roles and responsibilities. Their particulars are set out in the Profile of Directors on pages 7 to 8 of this Annual Report.

DIRECTORS' REMUNERATION

The Remuneration Committee comprises two (2) Independent Non-Executive Directors, namely:

Chang Cheng Wah (Chairman)
Kong Kim Piew

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.

Details of the remuneration of the Directors received from the Company and the Group for the financial year ended 30 June 2018 are as follows:

	Total Remuneration (nearest RM50,000)	In % of the Total Remuneration					
		Fees	Salaries and EPF	Bonuses	Other employee benefits	Benefits -in-Kind	ESOS
The Company							
Executive Directors							
Dr Chiu Hong Keong	RM100,000	–	57	–	1	8	34
Khoo Yok Kee	RM100,000	–	71	–	1	–	28
Chiu Wei Wen	RM300,000	–	69	17	1	6	7
Independent Non-Executive Directors							
Kong Kim Piew	RM25,000	100	–	–	–	–	–
Chang Cheng Wah	RM25,000	100	–	–	–	–	–
Arnold Kwan Poon Keong	RM25,000	100	–	–	–	–	–
The Group							
Executive Directors							
Dr Chiu Hong Keong	RM950,000	–	79	16	–	1	4
Khoo Yok Kee	RM750,000	–	77	16	–	3	4
Chiu Wei Wen	RM550,000	–	77	16	–	3	4
Independent Non-Executive Directors							
Kong Kim Piew	RM25,000	100	–	–	–	–	–
Chang Cheng Wah	RM25,000	100	–	–	–	–	–
Arnold Kwan Poon Keong	RM25,000	100	–	–	–	–	–

Details of the remuneration of the Top Senior Management (including salary, bonus, benefits-in-kind and other emoluments) during the financial year 2018, are as follows:

Range of remuneration	Number of Top Senior Management
RM250,000 to RM500,000	2

SHAREHOLDERS

The Board is committed to providing shareholders and investors with accurate, useful and timely information about the Company's businesses and activities.

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 as well as the Company's website.

During the year, the Managing Director and Executive Directors 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 to 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

The Board views the AGM as the primary forum to communicate with shareholders. The Company will convene its Twenty-Ninth AGM on 23 October 2018, during which shareholders are encouraged to present any questions or concerns regarding the operations, financial performance and major development of the Group at the AGM and to vote on all resolutions. Notice of the AGM, Annual Report and Circular are sent out with sufficient notice before the date of the meeting to enable shareholders to have full information about the meeting to facilitate informed decision-making.

Poll Voting

As required by the listing requirements, poll voting will be conducted for all resolutions set out in the Notice of Twenty-Ninth Annual General Meeting. Poll voting accurately and fairly reflects shareholders' views by ensuring that every vote is recognised in accordance with the principle of "one share one vote". This enforces greater shareholders rights, and allows shareholders who appoint the Chairman of the meeting as their proxy to have their vote properly counted in the fulfilment of their voting rights.

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 2016 to prepare financial statements, which give a true and fair view of the state of affairs, results and cash flows 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 and Risk Management

The Board recognises 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 Group has in place a whistle-blowing framework which provides a channel whereby employees may, in good faith and in confidence, raise concerns about possible improprieties in financial reporting and other concerns, to ensure independent investigation of such matters and appropriate follow-up action. There have been no reported incidents pertaining to whistle-blowing for the financial year 2018.

The Board has established a framework to formulate and review risk management policies and risk strategies. The Risk Management Committee is responsible for setting the direction and approach on all strategic and policy matters in relation to risk management.

The Board acknowledges the importance of having an adequate system of internal controls and regulatory compliance to be in place within the Group.

The Statement on Risk Management and Internal Control furnished on pages 16 to 17 provides an overview of the state of internal control within the Group.

Relationship with Auditors

The Group 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 19 to 21 of this Annual Report.

The Group has outsourced its internal audit function to a professional service firm. The Internal Auditors report directly to the Audit Committee periodically on its assessment of reviews covering the financial, operational and compliance controls as well as risk management process.

The information on the internal audit functions is set out in the Statement on Risk Management and Internal Control.

Corporate Social Responsibility

The Group 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, the Group has adopted a Code of Conduct to guide employees and to create awareness in support of its Corporate Social Responsibility initiatives. The Code includes guidelines 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 Group's approach to supporting community and environmental programmes. The Group 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 Malaysian Association for the Blind, The Monfort Boys Town, Hospis Malaysia and The Shepherd's Centre Foundation 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 28 August 2018.

INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Group's Statement on Risk Management and Internal Control for the financial year ended 30 June 2018. This statement on Risk Management and Internal Control is made in compliance with paragraph 15.26(b) of the Main Market Listing Requirements.

RESPONSIBILITY

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.

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 Committee and Risk Management Committee have continued to provide significant assistance in this respect.

The Board is of the view that the system of risk management and internal control is in place for the year under review and up to the date of approval of the annual report and financial statements.

RISK MANAGEMENT POLICY

The Board recognises that its primary responsibility is to ensure the long term viability of the Group. One of the key tasks is to understand the principal risks of all aspects of the business that the Group is engaged in, as all significant business decisions require the incurrence of risks. Our Integrated Risk Management policy is to identify, reduce or mitigate risks to its property, interests and employees and to minimise and contain the costs and consequences in the event of harmful or damaging incidents arising from those risks in the pursuit of its business objectives.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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 it is updated as and when new risks are identified. The respective control measures are discussed in Risk Management Committee meetings and documented.

The following summarises our Group's risk management framework which consists of the following four elements:-

1. Developing corporate risk profile;
2. Establishing an integrated risk management function;
3. Practising integrated risk management; and
4. Ensuring continuous risk management learning

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 ensures close monitoring and 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.

The internal audit function which reports directly to the Audit Committee, is outsourced to a professional service firm. The firm 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.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

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 and there is no significant deficiency noted. Nevertheless, the Board will continue to assess the need to employ suitable measures to enhance the Group's control environment.

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Moving forward, the Group will continue to improve and enhance the existing systems of risk management and internal controls, taking into consideration the changing business environment.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 28 August 2018.

1. BOARD MEETINGS

There were five 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 BUY-BACKS

During the financial year, there were no share buy-backs by the Company.

4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Save for the options granted, exercised and forfeited as disclosed in Note 22 to the Financial Statements, the Company did not issue any options, warrants or convertible securities during 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. AUDIT AND NON-AUDIT FEES

Audit fees payable to the external auditors by the Group and the Company for the financial year amount to RM158,000.00 and RM53,000.00 respectively.

Non-audit fees payable to the external auditors by the Company for the financial year amount to RM8,500.00 being services rendered in relation to the review of the Statement on Risk Management and Internal Control.

8. PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection for the financial year.

9. PROFIT GUARANTEES

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

10. MATERIAL CONTRACTS

During the financial 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 and its subsidiaries do not revalue their landed properties.

(A) MEMBERS OF THE AUDIT COMMITTEE

During the financial 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 findings in respect of the audit and the auditors' report, including the key audit matters reported therein;
 (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 recommendations of the internal audit function;
 (vii) the quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events; and
  - compliance with accounting standards and other legal requirements; 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 (4) 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 (2) 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 the 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 Audit Committee ("AC") members and to other members of the Board.

(C) ACTIVITIES

During the financial year, five (5) Audit Committee Meetings were held. 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 and one (1) private meeting was held with the external auditors without the presence of the Management.

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

(i) the audit plan of the external auditors comprising their scope of work for the financial year ended 30 June 2018;
(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 financial result prior to the Board of Directors' approval and announcement;
(iv) the draft audited financial statements for year ended 30 June 2018, including the auditors' report and key audit matters included therein;
(v) the Annual Report prior to presentation to the Board for approval and subsequent dispatch to shareholders;
(vi) the internal audit plan for the financial years 2019 and 2020, and to ensure the audit activities are conducted in accordance to plan, and the adequacy of the scope and coverage of the internal audit;
(vii) the major findings on internal audit reports and management's response to the findings and ensure corrective actions recommended by the Internal Auditors on the reported weaknesses are acted upon;
(viii) the extent of the Group's compliance with the relevant provisions set out under the Code for the purpose of issuing the Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the Listing Requirements; and
(ix) related party transactions.

The Audit Committee has obtained a written assurance from Messrs PricewaterhouseCoopers PLT as External Auditors on 19 June 2018 confirming their independence. The Committee and the Board agreed and concluded that the External Auditors are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and they have met the criteria of suitability. The Audit Committee is also satisfied with the quality of services and adequacy of resources the external auditors provided to the Group.

The Audit Committee has recommended and the Board has approved to seek shareholders' approval at the forthcoming AGM to re-appoint Messrs. PricewaterhouseCoopers PLT as external auditors of the Company.

The Board is satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with the Audit Committee's terms of reference.

EMPLOYEE SHARE OPTION SCHEME

The shareholders of the Company had approved an Employee Share Option Scheme ("ESOS") at an extraordinary general meeting of the Company held on 7 October 2013. The ESOS was effective from 26 February 2014 for a duration of five (5) years. On 21 March 2014, the Company granted options under the ESOS to subscribe for 7,240,000 unissued ordinary shares of RM1.00 each in the Company to eligible executive directors and employees, of which an aggregate of 4,450,000 unissued ordinary shares were granted to executive directors. 100% of the options granted to executive directors were vested, 86.52% were exercised whereas 600,000 unissued ordinary shares, equivalent to 13.48% were forfeited as at the financial year ended 30 June 2018.

Pursuant to the ESOS By-Laws, not more than seventy per cent (70%) of the new ordinary shares available under the ESOS shall be allocated, in aggregate, to the executive directors and senior management of the Group and not more than ten per cent (10%) of the new ordinary shares available under the ESOS shall be allocated to any individual eligible person who, either singly or collectively through persons connected with the eligible person, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company.

Based on the above, the aggregate maximum allocation applicable to executive directors and senior management is 16,813,440 ordinary shares, of which thirty-three per cent (33%) have been granted to them since the commencement of the scheme.

The Committee has reviewed and verified that the allocation of share options pursuant to the ESOS was made in accordance to the criteria set out in the ESOS By-Laws. The Committee noted that there was no allocation of options pursuant to the Company's ESOS for the year ended 30 June 2018.

(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. The internal auditors audited the tender and contracting management of the Group's construction division as well the production planning & control, and quality assurance/quality control of the Group's manufacturing division for the year under review.

Audit reports were issued together with recommendations which were then passed to the management for management's response and action. Audit issues and actions taken by the management were deliberated during the Audit Committee meetings and final audit reports were presented to the Board.

The cost incurred in managing the internal audit function in respect of the financial year was RM36,042.31.

Pintaras Jaya Berhad and its subsidiaries ('the Group') recognise the value of sustainability practices to optimise profit and to create long term value for the Group and its stakeholders.

This statement provides an insight to our approach to achieving sustainability across our operations and is prepared in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The Group is committed to promoting sustainability and has embedded policies in its operations to minimize the impacts our construction and manufacturing activities have on the environment and communities we operate in which are currently located within Peninsular Malaysia.

The responsibility to ensure that sustainability is a priority in the Group's business strategy lies with the Board of Directors. Senior management including the heads of department are tasked to incorporate sustainability considerations in the day-to-day operations of the Group. This complements the existing risk management processes that the Group has in place. Underlying these efforts is an overriding commitment the Group has towards good governance which includes sound business ethics, viable policies and stewardship.

Through stakeholder engagements, the Group has identified and considered three key themes of sustainability practices being, sustainable business growth, environmental stewardship and social responsibility. Following that, material sustainable issues are categorised as under each theme as follows:

<u>Sustainable business growth</u>

- We strive to deliver to our clients the highest quality of work done with timely delivery. In this endeavor, the Group is committed to delivering quality construction services and products to clients by undertaking the following:
  1. Providing innovative, appropriate, practical and economical solutions to meet clients' requirement;
  2. Emphasizing client satisfaction through professionalism, quality and timely completion of projects;
  3. Continually aim for higher quality and standards in its business processes; and
  4. Providing a safe, healthy and conducive work environment for quality performance.

- Our Code of Conduct outlines our commitment to the highest level of ethics and integrity. The Code is supported by our 'Whistleblowing Policy', 'Disclosure of Corporate Information', 'Involvement in Outside Business' and 'Anti Bribery Policy'. All new recruits are briefed on the Code of Conduct as part of their orientation programme.

<u>Environmental stewardship</u>

- In an effort to protect the environment, the Group focuses on energy management by close monitoring of plant and machinery efficiency with regular service and maintenance. In addition, we upgrade our plant and machinery periodically to newer technology which are energy-saving.

- We promote responsible consumption by identifying opportunities for reuse and recycle before responsible disposal. Wastage control on raw materials is carried out by close supervision and continuous training to all personnel involved to ensure minimal wastage.

- We endeavor to provide efficient solutions to minimize material, energy and labour usage.

<u>Social responsibility</u>

- We take responsibility to ensure that those who work with us have a safe & healthy working environment with appropriate education & training to create opportunities for them to seek challenges and grow. In this regard, the Group aims to meet the expectations, ambitions and aspirations of the employees by providing the necessary opportunities and tools to achieve their personal and career development goals. Relevant training and upgrading of skills as well as mentoring by senior employees are given to all levels of personnel.

- We engage with local communities through education, project liaison and support them through charitable work, sponsorship and other support initiatives. We support Montfort Youth Training initiative by regular donation amongst others as well as accepting students from local and foreign institutions of higher learning as interns to allow them exposure to practical training as part of their preparation for work life.

We believe in managing our Group in a sustainable manner to develop strong competency and resilience to meet future challenges. We shall endeavor to inculcate a strong belief in sustainability and work towards improving our sustainability reporting over time as we progress in our sustainability management.

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 2018.

REVIEW OF RESULTS

The Group recorded a pre-tax profit (PBT) of RM20.7 million and profit after tax (PAT) of RM15.5 million. These results are significantly lower than the preceding FY. Construction activities contributed about RM7.2 million to PBT representing a decrease of 75% over last FY's figure of RM28.4 million. This drastic drop is a direct result of the precipitous drop in our construction revenue. PBT from manufacturing also fell by about 27% to RM4.1 million despite a 4% increase in revenue mainly due higher tinplate costs.

DIVIDENDS

Subject to the approval of shareholders at the forthcoming Annual General Meeting, the Board of Directors has recommended a final dividend of 12 sen per share. Based on 165,864,800 ordinary shares, this amounts to RM19,903,776. The Company had earlier in July 2018 paid an interim dividend of 8 sen per share amounting to RM13,269,184. If approved, the final dividends together with the interim dividends will total RM33,172,960 for FY2018. This represents a dividend payout ratio of 214%.

REVIEW OF OPERATIONS

The Group achieved a revenue of RM96 million against last FY's revenue of RM194 million representing a decrease of about 50%. Construction revenue decreased by about RM99 million to RM64 million. Our manufacturing revenue increase by about RM1.2 million to RM31.9 million from RM30.7 million contributing about 33% to our Group's revenue.

Our FY2018 construction revenue of RM64 million cannot sustain our fixed costs especially our high depreciation cost of about RM13.1 million. While our job wins in 1H18 were satisfactory our wins in 2H18 were disappointing. The failure to win jobs in general was due to a very competitive operating environment substantially caused by the influx of piling rigs brought in by China-based piling subcontractors. The continuing soft property market also negatively impacted the piling sector.

CORPORATE AND BUSINESS DEVELOPMENTS

In FY2018 there were no significant developments on the corporate and business front. The Group announced on 3 August 2018 the conditional purchase of Pintary International Pte Ltd, a piling company based in Singapore. This has been approved by shareholders on 14 September 2018.

OUTLOOK

The change of the Malaysian Government in May 2018 has resulted in the slowdown, downsizing, deferment and cancellation of mega infrastructural projects. Policy changes are being made and at this juncture it is very difficult to predict the outlook for the construction and piling industry.

The property market remains very soft and the "affordable" housing segment appears to have also slowed down. Perhaps developers and purchasers are generally adopting a 'wait and see' stance.

We have to assume FY2019 will be very challenging and fraught with uncertainties. We will proceed with caution and yet may have to move out of our comfort zone in our actions and plans.

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 hard work and commitment to the Group.

DR CHIU HONG KEONG
Chairman/Managing Director
September 2018

OVERVIEW OF BUSINESS

The Group's core businesses in FY2018 continue to be in piling and sub-structure construction and the manufacturing of metal containers of 1 to 25 litre capacity. In construction, we operate mainly in the Klang Valley although we can operate anywhere in Malaysia. For manufacturing, our factory is located in Selangor and we focus on the domestic market and export about 15% of our goods. Presently, our construction business contributes about 67% to Group revenue.

Over the years we have strived to be a leading piling, geotechnical and substructure specialist contractor. We focus on operating excellence and superior performance delivering to our clients quality works in a timely and safe manner.

To achieve a higher revenue, improve on our earnings and diversify our income streams, we continuously

- Seek new markets and actively explore new business segments
- Maintain, upgrade and expand our fleet of equipment
- Focus on bottom line growth through project selection and cost control
- Emphasize on integrity, professionalism, quality and innovation
- Develop our people resources; and
- Improve safety at work places

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

The Group recorded a revenue of RM96 million, pre-tax profit of RM20.7 million and profit after tax of RM15.5 million for FY2018 compared to RM194 million, RM42.4 million and RM36.2 million for FY2017 respectively. A summary of the Group's financial performance for the last 5 years is presented in the following section of the Annual Report.

Our FY2018 pre-tax profit is about 22% of revenue whilst profit after tax is about 16% of revenue. This compares with percentages of 22% and 19% respectively for FY2017. It is worthwhile noting that since our public listing in 1994, our average percentages of pre-tax profit and profit after tax against revenue remain at about 22% and 17% over the 24 year period.

Our Group's receivables stands at about RM65.9 million while payables are at RM31.6 million. Generally, the collection period of our receivables is around 4 to 5 months and our payables settled within 2 months. Our net cash level is about RM183 million in addition to liquid assets (equities) worth about RM29 million. We have no borrowings.

Dividend per share for FY2018 remains unchanged at 20 sen per share. For the record, since 1994, we have paid a dividend every year and our average yearly dividend payout ratio has now increased to 57%.

SEGMENTAL OVERVIEW

Construction

Our construction business revenue for FY2018 dropped by nearly RM100 million to RM64 million. It is an unquestionably poor performance and on average our equipment utilization was only about 30%. PBT achieved for construction was about RM7.2 million and 11% of revenue compared to 17% for FY2017. Despite the very low revenue and a high depreciation charge of RM13 million we were able to generate a profit through cost control and maintaining productivity.

Job wins did not pick up, although anticipated, when LRT3 packages were finally awarded and commenced work sometime end of 2017. The foreign piling contractors especially from China have not only increased their numbers, they have been also expanding their equipment fleet aggressively. Their contract rates are very competitive and they have certainly pushed down market rates. As China-based main contractors for both infrastructural civil works and building works secure more projects, the piling works for these are generally given to Chinese piling contractors.

On the property market, initial signs of recovery especially through the "affordable" residential segment did not materialize. Pre and post GE14 also resulted in uncertainty, deferment and cancellation of projects greatly reducing the number of new projects and hence intensifying the competition. Perhaps we did not lower our rates quickly enough causing us many 'near-misses' on job wins.

In FY2018, steel rebar prices remain fairly stable at around RM2,400 per tonne and concrete prices were also very stable.

Manpower shortages persist in the piling industry, however, the impact on us in FY2018 was less due to our lower revenue.

We did not make any equipment purchases as we suffered from capacity under utilization.

Manufacturing

Our revenue of RM32 million improved about 4% from FY2017 due to sale price adjustments. But margins were further squeezed by higher tin-plate prices averaging RM3,700 per tonne which were about 29% more than FY2017. Hence the 27% drop in PBT to RM4.1 million. Exports improved from 10 to 15% of revenue and further efforts are needed to increase export sales. Domestically, the subdued market conditions remain and the marine coatings and paint sectors are no different.

OUTLOOK

Our construction industry has been greatly affected by the change in our Government after the GE14. Some mega projects such as the ECRL, MRT3 and HSR have been cancelled or deferred. Projects like the MRT2 and LRT3 meanwhile are being downsized. The Pakatan Government is focusing on reducing expenditure to enable Malaysia to handle its debt of RM1 trillion. Major policy changes are being implemented or formulated such as the abolishment of GST and implementation of SST.

On the global stage the present currency turmoil in some emerging market economics may worsen and a possible contagion effect on Malaysia is a real threat while the ongoing trade tariff fight between the US and China if allowed to fester will certainly have repercussions to the global economy.

In the face of these domestic and external challenges we should expect difficult times ahead of us. We hope the concurrence of these major negative events will not occur.

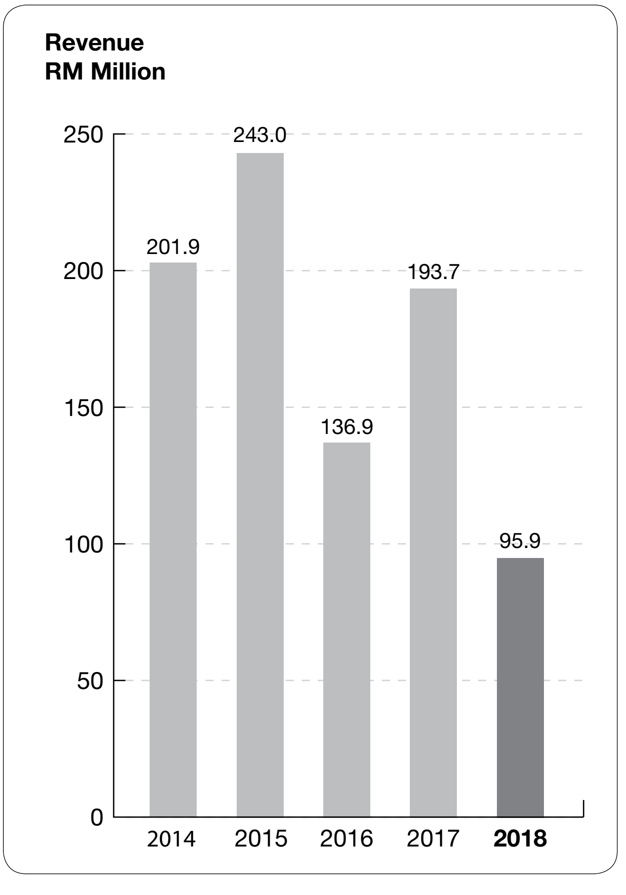
Our Government needs to quickly re-set and be clear on its new policies so that the business community can confidently move forward.

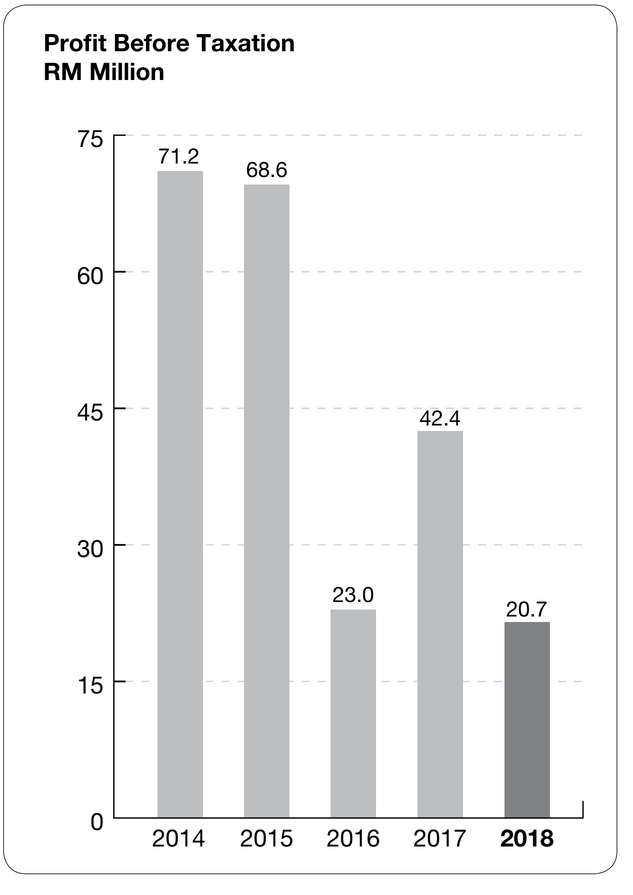
For our Group we have to be very competitive, control costs and be aggressive to win tenders. We also need to be more adventurous to venture into new markets and diversify our income streams.

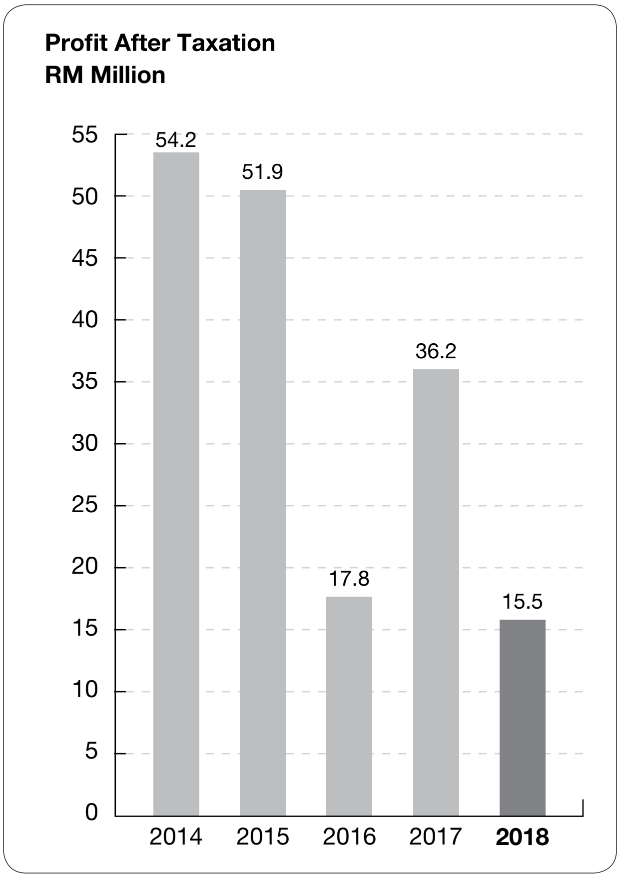
We are confident our acquisition of Pintary International Pte Ltd, a Singapore based piling contractor will be positive for our Group. However, we should brace ourselves for a very tough FY2019.

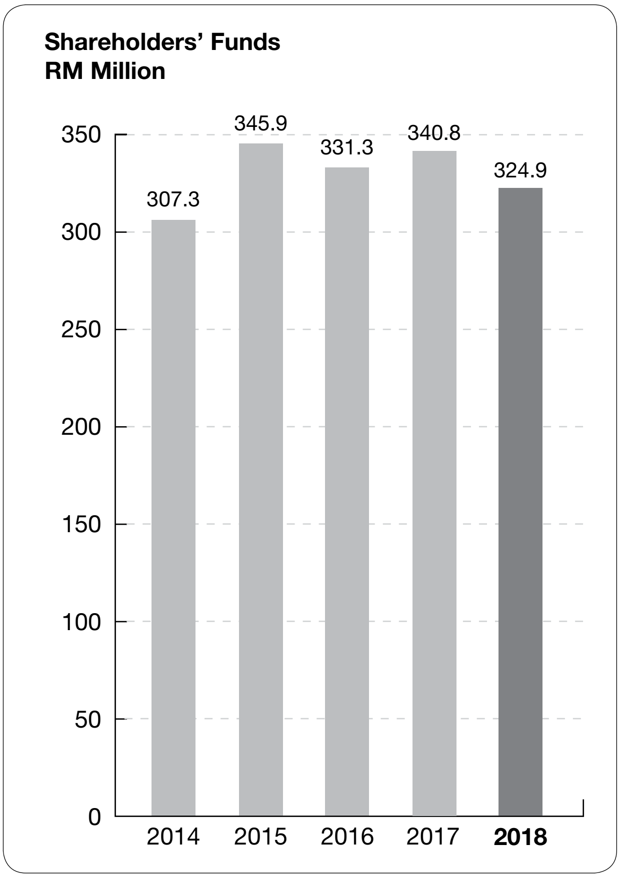
	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000
Revenue	95,912	193,737	136,874	242,999	201,907
Profit before taxation	20,706	42,422	23,040	68,570	71,165
Profit after taxation	15,518	36,246	17,786	51,921	54,238
Paid-up capital	165,865	164,719	163,526	162,681	160,128
Shareholders' funds	324,941	340,829	331,329	345,904	307,256
Total assets	381,791	414,197	404,003	413,822	383,524
Earnings per share (RM)	0.09	0.22	0.11	0.32	0.34
Net tangible assets per share (RM)	1.96	2.07	2.03	2.13	1.92
Gross dividend rate (sen)	20#	20	20	18	15

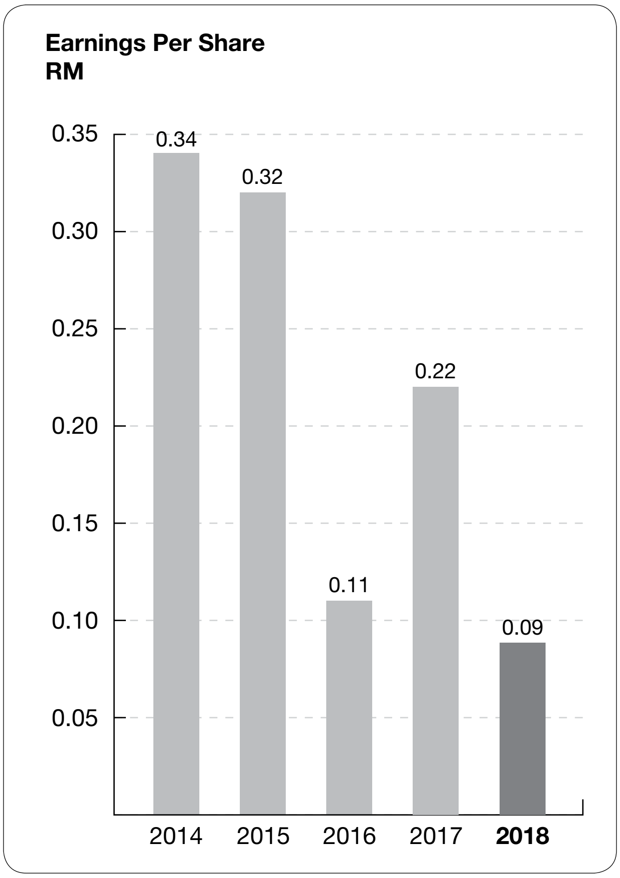
declared and paid – 8 sen, recommended – 12 sen

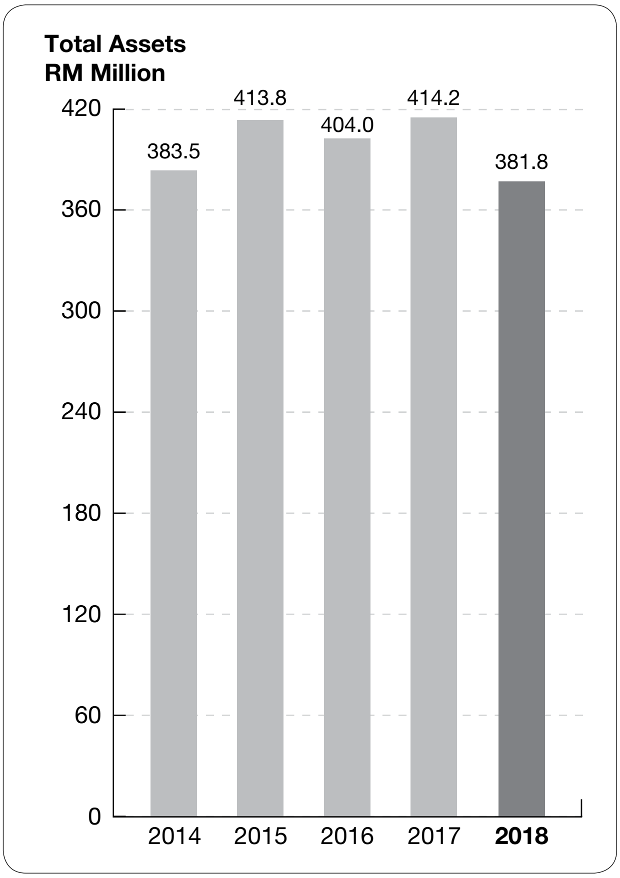





Profit After Taxation
RM Million
54.2
51.9
17.8
36.2
15.5
2014
2015
2016
2017
2018


Shareholders' Funds
RM Million
307.3
345.9
331.3
340.8
324.9
2014
2015
2016
2017
2018


Earnings Per Share
RM
0.34
0.32
0.11
0.22
0.09
2014
2015
2016
2017
2018


Total Assets
RM Million
383.5
413.8
404.0
414.2
381.8
2014
2015
2016
2017
2018

Financial Statements

The Directors of Pintaras Jaya Berhad have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2018.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dr Chiu Hong Keong
Khoo Yok Kee
Chiu Wei Wen
Kong Kim Piew
Chang Cheng Wah
Arnold Kwan Poon Keong

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. The principal activities of the subsidiary companies are set out in Note 13 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	15,518,441	14,995,912

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUANCE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 164,719,000 to 165,864,800 by way of issuance of 1,145,800 ordinary shares pursuant to the exercise of options under the Employee Share Option Scheme ("ESOS") at an exercise price of RM2.83 per share.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' remuneration) 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 except as disclosed in Note 27 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for the share options granted to Executive Directors of the Company pursuant to the ESOS.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares			
	At 1.7.2017	**Acquired**	**Disposed**	**At 30.6.2018**
Direct interests in the Company				
Dr Chiu Hong Keong	24,015,720	300,000*	–	24,315,720
Khoo Yok Kee	11,301,760	200,000*	–	11,501,760
Chiu Wei Wen	798,500	150,000*	–	948,500

	Number of ordinary shares			
	At 1.7.2017	**Acquired**	**Disposed**	**At 30.6.2018**
Indirect interests in the Company				
Dr Chiu Hong Keong	71,868,376	350,000*	–	72,218,376*[1]
Khoo Yok Kee	84,582,336	450,000*	–	85,032,336*[2]

* Through exercise of ESOS.

*[1] Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Mdm. Khoo Yok Kee, and his son, Mr. Chiu Wei Wen, 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, Mr. Chiu Wei Wen, in Pintaras Jaya Berhad.

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

	Options over ordinary shares of the Company			
	At 1.7.2017	Granted	Exercised	At 30.6.2018
Dr Chiu Hong Keong	300,000	–	300,000	–
Khoo Yok Kee	200,000	–	200,000	–
Chiu Wei Wen	150,000	–	150,000	–

(i) 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.

(ii) Other than as disclosed above, 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.

DIVIDENDS

The dividends paid or declared by the Company since 30 June 2017 were as follows:

	RM
In respect of financial year ended 30 June 2017:	
- interim single-tier dividend of 8 sen per share, paid on 12 July 2017	13,177,520
- final single-tier dividend of 12 sen per share, paid on 12 January 2018	19,812,816
In respect of financial year ended 30 June 2018:	
- Interim single-tier dividend of 8 sen per share, declared on 25 May 2018, paid on 12 July 2018	13,269,184
	46,259,520

On 28 August 2018, the Directors recommended the payment of a final single-tier dividend of 12 sen per share on 165,864,800 ordinary shares, amounting to RM19,903,776 for the financial year ended 30 June 2018 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REMUNERATION

Details of the Directors' Remuneration are set out in Note 8 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

The Company's Employee Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 7 October 2013. The ESOS was effective on 26 February 2014, for a period of five years, expiring on 25 February 2019 in accordance with the ESOS By-Laws. The details of the ESOS are set out in Note 22 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) 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

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

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

   (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

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

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

(c) At the date of this report:

   (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

   (ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any company in the Group 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 Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

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

   (ii) 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 of the Company for the financial year in which this report is made.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Dr Chiu Hong Keong
Khoo Yok Kee
Chiu Wei Wen
Poh Seng Chai
Koo Git Loo @ Chiu Git Loo

SUBSIDIARIES

Details of subsidiaries are set out in Note 13 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 6 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF 1146), a conventional partnership was converted to a limited liability partnership.

This report was approved by the Board of Directors on 14 September 2018. Signed on behalf of the Board of Directors:

DR CHIU HONG KEONG CHAIRMAN	KHOO YOK KEE DIRECTOR

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Revenue	5	95,911,879	193,737,492	20,860,725	46,617,000
Cost of sales		(82,097,576)	(153,755,838)	(11,719,858)	(13,466,235)
Gross profit		13,814,303	39,981,654	9,140,867	33,150,765
Other operating income		14,080,338	11,216,656	9,060,732	7,741,843
Administrative expenses		(3,110,254)	(4,262,178)	(267,566)	(819,691)
Other operating expenses		(4,078,196)	(4,514,417)	(1,750,747)	(819,304)
Profit before taxation	6	20,706,191	42,421,715	16,183,286	39,253,613
Taxation	9	(5,187,750)	(6,175,383)	(1,187,374)	(4,512,264)
Profit for the financial year, attributable to equity holders of the Company		15,518,441	36,246,332	14,995,912	34,741,349
Other comprehensive (loss)/income:					
Items that may be subsequently reclassified to profit or loss:					
Available-for-sale financial assets ("AFS"):					
- net changes in fair value		295,315	4,944,943	(412,925)	2,615,664
- disposals		(1,851,479)	(2,581,224)	(588,793)	(1,560,044)
- cumulative losses of AFS impaired reclassified to profit or loss		281,782	49,570	146,769	49,570
Other comprehensive (loss)/ income for the financial year		(1,274,382)	2,413,289	(854,949)	1,105,190
Total comprehensive income for the financial year, attributable to equity holders of the Company		14,244,059	38,659,621	14,140,963	35,846,539
Earnings per share (sen)					
- basic	10	9.4	22.1		
- diluted	10	9.4	22.1		

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	80,879,527	93,477,818	65,958,454	77,601,726
Investments in subsidiary companies	13	–	–	4,000,006	4,000,006
Investment properties	14	118,670	122,519	–	–
Available-for-sale financial assets	15	28,469,441	29,089,061	18,296,081	15,750,506
Deferred tax assets	16	4,138,298	3,939,981	–	–
		113,605,936	126,629,379	88,254,541	97,352,238
CURRENT ASSETS					
Amounts due from customers on contracts	17	1,692,940	43,957	–	–
Inventories	18	14,107,812	17,452,646	–	–
Tax recoverable		3,517,379	4,082,201	–	–
Receivables	19	65,871,346	86,523,701	945,404	704,598
Amounts due from subsidiary companies	20	–	–	10,008,777	19,516,725
Short-term deposits	21	165,073,721	171,039,530	149,509,605	156,492,728
Cash and bank balances	21	17,921,745	8,425,092	11,352,361	5,030,662
		268,184,943	287,567,127	171,816,147	181,744,713
TOTAL ASSETS		381,790,879	414,196,506	260,070,688	279,096,951
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Equity attributable to equity holders of the Company:					
Share capital	22	180,178,116	176,173,545	180,178,116	176,173,545
Share option reserve		229,159	1,283,823	229,159	1,283,823
Available-for-sale reserve		5,124,725	6,399,107	2,957,567	3,812,516
Retained earnings	24	139,409,377	156,972,936	52,141,802	70,227,890
TOTAL EQUITY		324,941,377	340,829,411	235,506,644	251,497,774

AS AT 30 JUNE 2018 (CONTINUED)

		Group		Company	
	Note	**2018 RM**	**2017 RM**	**2018 RM**	**2017 RM**
NON-CURRENT LIABILITY					
Deferred tax liabilities	16	11,073,837	12,995,473	10,115,448	12,078,324
CURRENT LIABILITIES					
Amounts due to customers on contracts	17	146,136	556,897	–	–
Payables	25	31,600,963	44,905,183	777,502	1,102,748
Dividend payable		13,269,184	13,177,520	13,269,184	13,177,520
Taxation		759,382	1,732,022	401,910	1,240,585
		45,775,665	60,371,622	14,448,596	15,520,853
TOTAL LIABILITIES		56,849,502	73,367,095	24,564,044	27,599,177
TOTAL EQUITY AND LIABILITIES		381,790,879	414,196,506	260,070,688	279,096,951

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Attributable to equity holders of the Company				
		Share capital RM	Share option reserve RM	Available-for-sale reserve RM	Retained earnings RM	Total equity RM
Group						
At 1 July 2017		176,173,545	1,283,823	6,399,107	156,972,936	340,829,411
Comprehensive income/(loss):						
- profit for the financial year		–	–	–	15,518,441	15,518,441
- other comprehensive income		–	–	(1,274,382)	–	(1,274,382)
Total comprehensive income/(loss) for the financial year		–	–	(1,274,382)	15,518,441	14,244,059
Employee share option scheme (“ESOS”)						
- reversal of expenses recognised in respect of ESOS		–	(292,707)	–	–	(292,707)
Issuance of shares:						
- exercise of ESOS		4,004,571	(761,957)	–	–	3,242,614
Dividends	11	–	–	–	(33,082,000)	(33,082,000)
At 30 June 2018		180,178,116	229,159	5,124,725	139,409,377	324,941,377

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONTINUED)

		Attributable to equity holders of the Company					
	Note	Share capital RM	Share premium RM	Share option reserve RM	Available-for-sale reserve RM	Retained earnings RM	Total equity RM
Group							
At 1 July 2016		163,525,800	8,477,511	1,785,871	3,985,818	153,553,860	331,328,860
Comprehensive income:							
- profit for the financial year		–	–	–	–	36,246,332	36,246,332
- other comprehensive income		–	–	–	2,413,289	–	2,413,289
Total comprehensive income for the financial year		–	–	–	2,413,289	36,246,332	38,659,621
Employee share option scheme ("ESOS")							
- expenses recognised in respect of ESOS		–	–	291,430	–	–	291,430
Issuance of shares:							
- exercise of ESOS		3,546,484	623,750	(793,478)	–	–	3,376,756
Transition to no-par value regime on 31 January 2017	22	9,101,261	(9,101,261)	–	–	–	–
Dividends		–	–	–	–	(32,827,256)	(32,827,256)
At 30 June 2017		176,173,545	–	1,283,823	6,399,107	156,972,936	340,829,411

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Share capital RM	Share option reserve RM	Available-for-sale reserve RM	Retained earnings RM	Total equity RM
			Attributable to equity holders of the Company			
Company						
At 1 July 2017		176,173,545	1,283,823	3,812,516	70,227,890	251,497,774
Comprehensive income/(loss):						
- profit for the financial year		–	–	–	14,995,912	14,995,912
- other comprehensive income		–	–	(854,949)	–	(854,949)
Total comprehensive income/(loss) for the financial year		–	–	(854,949)	14,995,912	14,140,963
Employee share option scheme ("ESOS")						
- reversal of expenses recognised in respect of ESOS:						
- by the Company		–	(271,320)	–	–	(271,320)
- by subsidiary companies		–	(21,387)	–	–	(21,387)
		–	(292,707)	–	–	(292,707)
Issuance of shares:						
- exercise of ESOS		4,004,571	(761,957)	–	–	3,242,614
Dividends	11	–	–	–	(33,082,000)	(33,082,000)
At 30 June 2018		180,178,116	229,159	2,957,567	52,141,802	235,506,644

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONTINUED)

		Attributable to equity holders of the Company					
	Note	Share capital RM	Share premium RM	Share option reserve RM	Available-for-sale reserve RM	Retained earnings RM	Total equity RM
Company							
At 1 July 2016		163,525,800	8,477,511	1,785,871	2,707,326	68,313,797	244,810,305
Comprehensive income:							
- profit for the financial year		–	–	–	–	34,741,349	34,741,349
- other comprehensive income		–	–	–	1,105,190	–	1,105,190
Total comprehensive income for the financial year		–	–	–	1,105,190	34,741,349	35,846,539
Employee share option scheme ("ESOS")							
- expenses recognised in respect of ESOS:							
- by the Company		–	–	287,280	–	–	287,280
- by subsidiary companies		–	–	4,150	–	–	4,150
		–	–	291,430	–	–	291,430
Issuance of shares:							
- exercise of ESOS		3,546,484	623,750	(793,478)	–	–	3,376,756
Transition to no-par value regime on 31 January 2017	22	9,101,261	(9,101,261)	–	–	–	–
Dividends		–	–	–	–	(32,827,256)	(32,827,256)
At 30 June 2017		176,173,545	–	1,283,823	3,812,516	70,227,890	251,497,774

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		15,518,441	36,246,332	14,995,912	34,741,349
Adjustments for:					
Depreciation of property, plant and equipment		13,128,654	14,877,152	11,862,829	13,632,217
Gain on disposals of property, plant and equipment		(539,477)	(54,569)	(563,774)	(84,393)
Property, plant and equipment written off		5,288	163,596	–	–
Depreciation of investment properties		3,849	3,849	–	–
Provision for foreseeable losses		371,000	–	–	–
Gain on disposals of available-for-sale financial assets		(3,143,443)	(2,989,631)	(2,355,386)	(1,794,486)
Impairment losses of available-for-sale financial assets		281,782	49,570	146,769	49,570
Net unrealised gain on foreign exchange		(118,655)	(153,981)	(178,289)	(31,461)
Impairment losses of investment in subsidiary companies		–	–	–	313,105
Provision for impairment:					
- advances to subsidiary companies		–	–	1,370	–
Reversal of provision for impairment:					
- advances to subsidiary companies		–	–	–	(1,209,150)
- receivables		–	(22,048)	–	–
Bad debt written off		–	9,280	–	–
Inventories written off		54,673	51,274	–	–
Inventories written down		–	317,094	–	–
Interest income:					
- deposits		(3,562,378)	(4,134,909)	(3,026,304)	(3,402,769)
- charged to a subsidiary company		–	–	(14,870)	(58,950)
Dividend income from available-for-sale financial assets		(3,003,460)	(2,163,823)	(2,659,305)	(1,950,685)
Dividend income from subsidiary companies		–	–	(6,375,000)	(16,375,000)
(Reversal of)/expenses recognised in respect of ESOS					
- by the Company		(271,320)	287,280	(271,320)	287,280
- by the subsidiary companies		(21,387)	4,150	–	–
Taxation		5,187,750	6,175,383	1,187,374	4,512,264
		23,891,317	48,665,999	12,750,006	28,628,891

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONTINUED)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Changes in working capital:					
Net amounts due to customers on contracts		(2,430,744)	3,331,926	–	–
Inventories		3,290,161	129,595	–	–
Receivables		21,189,198	(3,685,446)	12,525	1,699,392
Payables		(13,310,584)	3,041,352	(329,726)	381,992
Amounts due from subsidiary companies		–	–	9,522,598	(2,102,280)
Cash from operations		32,629,348	51,483,426	21,955,403	28,607,995
Tax paid		(7,716,039)	(9,733,053)	(3,988,925)	(4,866,548)
Tax refunded		518	1,132	–	–
Interest income received		3,664,065	4,325,320	3,124,381	3,590,332
Net cash flows generated from operating activities		28,577,892	46,076,825	21,090,859	27,331,779
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	12	(578,344)	(12,013,946)	(219,557)	(11,201,754)
Proceeds from disposals of property, plant and equipment		582,170	177,244	563,774	130,075
Purchases of available-for-sale financial assets		(34,058,720)	(17,173,643)	(24,995,036)	(8,961,776)
Proceeds from disposals of available-for-sale financial assets		35,741,834	17,740,960	23,530,952	9,538,068
Dividend income received		2,892,587	2,179,159	8,959,554	18,322,511
Advances to subsidiary companies		–	–	(554,150)	(3,563,060)
Repayment of advances from subsidiary companies		–	–	553,000	4,312,000
Increase in short-term deposits and bank balances used for investment purposes		(13,225,782)	(196,278)	(9,975,145)	(114,874)
Net cash flows (used in)/generated from investing activities		(8,646,255)	(9,286,504)	(2,136,608)	8,461,190

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONTINUED)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(32,990,336)	(32,731,800)	(32,990,336)	(32,731,800)
Proceeds from ESOS exercised		3,242,614	3,376,756	3,242,614	3,376,756
(Repayment of capital distribution to)/ capital contribution from subsidiary companies		–	–	(21,387)	122,857
Net cash flows used in financing activities		(29,747,722)	(29,355,044)	(29,769,109)	(29,232,187)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(9,816,085)	7,435,277	(10,814,858)	6,560,782
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		176,794,576	169,210,034	160,126,350	153,534,107
CURRENCY TRANSLATION DIFFERENCES		121,147	149,265	178,289	31,461
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	167,099,638	176,794,576	149,489,781	160,126,350

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.

The principal activities of the subsidiary companies are set out in Note 13 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparing the consolidated financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

The preparation of financial statements in conformity with MFRS 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's and the 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) <u>Standards, amendments to published standards and interpretations that are effective</u>

The new accounting standards, amendments, and improvement to published standards and interpretations that are effective for the Group's and the Company's financial year beginning on or after 1 July 2017 are as follows:

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative"

  The amendments to published standard do not result in a significant change to the accounting policies and do not have a material impact on the financial statements of the Group except for the disclosures on the movements of the financial liabilities in the financing activities in the statement of cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) Standards, amendments to published standards and interpretations that are effective (continued)

- Amendments to MFRS 112 “Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses”

  The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference. The application of these amendments has had no impact on the financial statements of the Group as the Group has already assessed the sufficiency of future taxable profits in a way that is consistent with these amendments.

- Annual improvements to MFRSs 2014 - 2016 Cycle: MFRS 12 “Disclosure of Interest in Other Entities”

  The amendments state that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The application of these amendments has had no effect on the financial statements of the Group’s as none of the Group’s interests in these entities are classified, or included in a disposal group that is classified as held for sale.

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

The Group and the Company will apply the new standards, amendments to standards and interpretations in the following periods:

Financial year beginning on 1 July 2018

- Amendments to MFRS 140 “Classification on “Change in Use” - Assets transferred to, or from, Investment Properties’

  The amendments clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management’s intention in isolation is not sufficient to support a transfer of property.

- MFRS 9 “Financial Instruments” will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

  Based on an analysis of the Group’s and the Company’s financial assets and liabilities as at 30 June 2018 on the basis of the facts and circumstances that exist at that date, the Directors have assessed the impact of MFRS 9 to the Group’s and the Company’s financial statements as follows:

  Classification and measurement

  The marketable securities classified as available-for sale will be measured at fair value with the fair value changes recognised in profit or loss. This is different from the current accounting treatment whereby the changes in fair value of the marketable securities classified as available-for-sale financial assets are recognised in other comprehensive income.

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 the Company but not yet effective (continued)

Financial year beginning on 1 July 2018 (continued)

- MFRS 9 "Financial Instruments" will replace MFRS 139 "Financial Instruments: Recognition and Measurement". (continued)

  Impairment

  The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI and contract assets under MFRS 15 "Revenue from Contracts with Customers". In general, the Directors anticipate that the application of the expected credit loss model of MFRS 9 will result in earlier recognition of credit losses and will increase the amount of loss allowance recognised for trade receivables. The Directors do not anticipate that the application of the expected credit loss model will have a significant impact on the intercompany receivables and the trade receivables balance.

- MFRS 15 "Revenue from Contracts with Customers" replaces MFRS 118 "Revenue" and MFRS 111 "Construction contracts" and related interpretations.

  Apart from providing more extensive disclosures on the Group's and the Company's revenue transactions, the Directors do not anticipate that the application of MFRS 15 will have a significant impact on the financial position and /or financial performance of the Group and the Company.

Financial year beginning on 1 July 2019

- Annual Improvements to MFRSs 2015 - 2017 Cycle

  Amendments to MFRS 3 "Business Combination" clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly it should re-measure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.

- Amendments to MFRS 112 "Income Taxes" clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

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 the Company but not yet effective (continued)

Financial year beginning on 1 July 2019 (continued)

- MFRS 16 "Leases" supersedes MFRS 117 'Leases' and the related interpretations.

  Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

  The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in profit or loss.

The above standards and amendments to published standards are not anticipated to have any significant impact on the financial statements of the Group and the Company in the year of initial application.

(b) Revenue recognition

(i) Construction contracts

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

(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 profit or loss 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 income

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.

(vi) Property investment

Rental income is recognised on an accrual basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Consolidation

(i) Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group of companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Consolidation (continued)

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, 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. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical 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 de-recognised. 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 the net disposal proceeds with the carrying amount and are included in 'other operating income or expenses' in profit or loss.

Freehold land is not depreciated as it has an indefinite 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	10% - 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 each 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(g) on impairment of non-financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 de-recognised.

Investment property is de-recognised 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 the net disposal proceeds with the carrying amount and are included in 'other operating income or expenses' in profit or loss.

(g) 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 of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each 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 to the extent of previously recognised impairment losses unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(h) Financial assets

(i) Classification

The Group classifies its financial assets as loans and receivables and available-for-sale. 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. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise 'amounts due from customers on contracts', 'receivables' (excluding advance payments, prepayments and GST receivables), 'amounts due from subsidiary companies', 'short-term deposits', and 'cash and bank balances' in the statements of financial position (Notes 17, 19, 20 and 21).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(i) Classification (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months from the end of the reporting period.

(ii) Recognition and initial measurement

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

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets for all financial assets not carried at fair value through profit or loss.

(iii) Subsequent measurement - Gains and losses

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income with a corresponding adjustment in the available-for-sale reserve in equity, except for impairment losses (Note 2(h)(iv)) and foreign exchange gains and losses on monetary assets (Note 2(p)(ii)).

Dividend income on available-for-sale financial assets is recognised separately in profit or loss. Dividend income on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

(iv) Subsequent measurement - Impairment of financial assets

(a) Financial assets carried at amortised cost

The Group 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

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

(a) Financial assets carried at amortised cost (continued)

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.

(b) Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss in subsequent periods.

(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 has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract is recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. 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 ‘percentage-of-completion method’ is used 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 financial 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.

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 ‘receivables’. The Group presents as a liability the gross amounts due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

(k) Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Share issue costs

Incremental external costs directly attributable to the issue of new shares or options are deducted against equity.

(iii) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial liabilities

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

Financial liabilities within the scope of MFRS 139 are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

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 de-recognised, 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 de-recognised 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 de-recognition 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.

(n) Provisions

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

Where the Group expects a provision to be reimbursed by another party, 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 management's best estimate of the expenditure 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.

(o) Current and deferred income tax

Tax expense for the financial year comprises current and deferred tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. 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 Group and its subsidiaries operate and generate taxable income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Current and deferred income tax (continued)

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 provided in full, 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.

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.

(p) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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, which is the 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 financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss on a net basis within 'other operating income or expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) 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. These benefits are accrued when incurred and are measured on an undiscounted basis.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group'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 has no further payment obligations.

(r) Share-based payments

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

(i) including any market performance conditions (for example, an entity's share price); and

(ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market vesting conditions and service conditions are included in the assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(t) Inventories

(i) Finished goods, raw materials and work in progress

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 an appropriate proportion at variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(ii) Properties

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

(u) 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 RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising 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 subject to any externally imposed capital requirements.

Financial risk management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market risks (including price risk, interest rate risk and foreign currency exchange risk), credit risk and liquidity and cash flows 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.

(a) Market risks

(i) Price risk

The Group and the Company are exposed to equity securities price risk arising from its available-for-sale investments. To manage its price risk arising from investment in equity securities, the Group and the Company diversify its portfolio which is managed by independent fund managers.

A 5% increase/decrease to the market price of these marketable securities at the reporting date, with other variables held constant, would result in the other comprehensive income of the Group and the Company for the financial year to be RM1,423,472 (2017: RM1,454,453) and RM914,804 (2017: RM787,525) higher/lower, respectively.

(ii) Interest rate risk

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

The Group and the Company have limited interest rate risk exposure as their interest bearing assets such as deposits with licensed banks mainly bear fixed interest rates.

(iii) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group and the Company are exposed to foreign currency exchange risk as a result of foreign currency transactions entered with third parties in currencies other than Ringgit Malaysia, primarily in Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD"), Indonesian Rupiah ("IDR"), United Sates Dollar ("USD"), Japanese Yen ("JPY") and Euro ("EURO").

3 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(a) Market risks (continued)

(iii) Foreign currency exchange risk (continued)

The Group's exposure to foreign currencies other than functional currencies of the group entities which are in Ringgit Malaysia, in respect of its monetary assets and liabilities are as follows:

	Available-for-sale financial assets RM	Receivables RM	Short-term deposits and bank balances RM	Payables RM	Net financial assets/ (liabilities) RM
At 30 June 2018					
HKD	11,774,878	47,627	57,136	–	11,879,641
SGD	1,786,798	1,161,177	636,028	(46,951)	3,537,052
IDR	2,805,402	–	–	–	2,805,402
USD	–	–	8,487,004	(44,590)	8,442,414
JPY	5,544,387	–	–	–	5,544,387
EURO	–	–	198,722	–	198,722
Others	1,237,691	26,782	–	–	1,264,473
Total	23,149,156	1,235,586	9,378,890	(91,541)	33,672,091
At 30 June 2017					
HKD	12,645,581	–	26,206	–	12,671,787
SGD	1,490,813	361,106	1,828,718	(5,231)	3,675,406
IDR	6,776,378	–	21,962	–	6,798,340
EURO	–	–	208,779	–	208,779
Others	1,469,039	–	73,763	(232,151)	1,310,651
Total	22,381,811	361,106	2,159,428	(237,382)	24,664,963

The Company's exposure to foreign currencies in respect of its monetary assets and liabilities are as follows:

	Available-for-sale financial assets RM	Receivables RM	Short-term deposits and bank balances RM	Payables RM	Net financial assets/ (liabilities) RM
At 30 June 2018					
HKD	6,130,471	24,807	28,672	–	6,183,950
SGD	928,011	276,657	32,780	–	1,237,448
IDR	1,461,066	–	–	–	1,461,066
USD	–	–	7,365,388	–	7,365,388
JPY	5,544,387	–	–	–	5,544,387
EURO	–	–	198,722	–	198,722
Others	780,320	13,947	–	–	794,267
Total	14,844,255	315,411	7,625,562	–	22,785,228

3 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(a) Market risks (continued)

(iii) Foreign currency exchange risk (continued)

The Company's exposure to foreign currencies in respect of its monetary assets and liabilities are as follows: (continued)

	Available-for-sale financial assets RM	Receivables RM	Short-term deposits and bank balances RM	Payables RM	Net financial assets/ (liabilities) RM
At 30 June 2017					
HKD	6,577,556	–	13,435	–	6,590,991
SGD	773,131	–	–	–	773,131
IDR	3,529,128	–	11,435	–	3,540,563
EURO	–	–	208,779	–	208,779
Others	766,031	–	34,780	–	800,811
Total	11,645,846	–	268,429	–	11,914,275

The following table demonstrates the sensitivity of the Group's and the Company's total comprehensive income for the financial year to the reasonable change in major currency exchange rates against Ringgit Malaysia, with all other variables held constant.

	Strengthen by %	Increase/(Decrease) in profit or loss for the financial year 2018 RM	2017 RM
Group			
HKD against RM	1% (2017: 1%)	1,048	262
SGD against RM	1% (2017: 1%)	17,503	21,846
IDR against RM	Nil (2017: 1%)	–	220
USD against RM	1% (2017: Nil)	84,424	–
EURO against RM	2% (2017: 3%)	3,974	6,263
Company			
HKD against RM	1% (2017: 1%)	535	134
SGD against RM	1% (2017: 1%)	3,094	–
IDR against RM	Nil (2017: 1%)	–	114
USD against RM	1% (2017: Nil)	73,654	–
EURO against RM	2% (2017: 3%)	3,974	6,263

3 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(a) Market risks (continued)

(iii) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's and the Company's total comprehensive income for the financial year to the reasonable change in major currency exchange rates against Ringgit Malaysia, with all other variables held constant. (continued)

	Strengthen by %	Increase/(Decrease) in equity for the financial year 2018 RM	2017 RM
Group			
HKD against RM	1% (2017: 1%)	118,796	126,718
SGD against RM	1% (2017: 1%)	35,371	36,754
IDR against RM	Nil (2017: 1%)	–	67,983
USD against RM	1% (2017: Nil)	84,424	–
JPY against RM	1% (2017: Nil)	55,444	–
EURO against RM	2% (2017: 3%)	3,974	6,263
Company			
HKD against RM	1% (2017: 1%)	61,840	65,910
SGD against RM	1% (2017: 1%)	12,374	7,731
IDR against RM	Nil (2017: 1%)	–	35,406
USD against RM	1% (2017: Nil)	73,654	–
JPY against RM	1% (2017: Nil)	55,444	–
EURO against RM	2% (2017: 3%)	3,974	6,263

A similar percentage decrease in the foreign exchange rate would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to trade receivables and amounts due from subsidiary companies.

Credit risk, when making deposits at financial institutions, is 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 and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Information regarding trade receivables that are neither past due nor impaired and either past due or impaired are disclosed in Notes 19 and 20 to the financial statements.

3 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(c) Liquidity and cash flows 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:

	Less than 1 year	
	Group	**Company**
	RM	**RM**
At 30 June 2018		
Trade payables	18,308,437	40,956
Other payables and accruals	12,910,149	736,546
Dividend payable	13,269,184	13,269,184
	44,487,770	14,046,686
At 30 June 2017		
Trade payables	28,846,400	–
Other payables and accruals	15,559,348	1,102,748
Dividend payable	13,177,520	13,177,520
	57,583,268	14,280,268

Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other current assets, and trade and other liabilities approximated their respective fair values due to relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

3 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value measurement (continued)

The following table presents the Group's and the Company's financial assets that are measured at fair value.

Group	Level 1 RM	Total RM
At 30 June 2018		
Available-for-sale financial assets		
- marketable securities	28,469,441	28,469,441
At 30 June 2017		
Available-for-sale financial assets		
- marketable securities	29,089,061	29,089,061

Company	Level 1 RM	Total RM
At 30 June 2018		
Available-for-sale financial assets		
- marketable securities	18,296,081	18,296,081
At 30 June 2017		
Available-for-sale financial assets		
- marketable securities	15,750,506	15,750,506

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. Instruments included in Level 1 comprise quoted securities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments 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 proportion of actual contract costs incurred for the works performed to date to the estimated total costs for the contract.

Significant judgment is required in determining the extent of construction costs incurred to date, estimated total construction costs, which include rectification works to be carried out, the uncertified variation orders and claims from customers, and liquidated ascertained damages for the projects which are completed or expected to be completed beyond the contractual completion dates. In making the judgment, the Group relied on past experience and work of specialists, if deemed necessary, circumstances of the projects and specific past experiences with the customers. The Group also relied on past experience and latest information available on the progess of the projects at site in determining the expected completion dates of these projects which have been delayed.

Any changes in any of the components may have a significant impact on the financial position of the Group.

If the estimated costs to complete in respect of projects which are still on-going as at 30 June 2018 were 5% higher/lower with all other variables held constant, this would decrease/increase the pre-tax profit of the Group by approximately RM1,078,316.

In addition, during the financial year ended 30 June 2018, the Group recognised an estimated amount of RM2,052,000 (2017: RM6,145,150) in respect of liquidated ascertained damages arising from construction contracts which were completed or expected to be completed beyond the contractual completion date of the contracts. Each day of delay subsequent to the anticipated completion date will result in an additional loss of RM19,000 to the Group. Refer to Note 25 for further details.

(b) Provision for impairment of receivables

The Group recognises a provision for impairment of receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgment is required in the assessment of the recoverability of receivables. 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'), significant judgment is required to estimate the amount and timing of future cash flows to determine the impairment amount required.

To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the profit or loss. Based on management's assessment, management believes that the current level of provision for impairment of receivables is adequate. In addition, management is also rigorously monitoring the recoverability of these receivables. Refer to Note 19 for further details on the receivables balance.

(c) Income taxes and deferred tax assets

Significant judgment is required in determining the recognition of income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. The quantum of deferred tax assets not recognised is disclosed in Note 16.

5 REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Construction contracts	63,581,798	161,036,222	–	–
Sale of goods	31,920,081	30,651,270	–	–
Dividend income from subsidiary companies (gross)	–	–	6,375,000	16,375,000
Income from rental of machinery	410,000	2,050,000	14,485,725	30,242,000
	95,911,879	193,737,492	20,860,725	46,617,000

6 PROFIT BEFORE TAXATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before taxation is arrived at after charging:				
Auditors' remuneration:				
Audit fees:				
- current financial year	158,000	138,350	53,000	45,000
- prior financial year	29,650	–	18,000	–
Other fees:				
- current year	8,500	8,500	8,500	8,500
Provision for impairment:				
- advances to subsidiary companies	–	–	1,370	–
Bad debt written off	–	9,280	–	–
Provision for foreseeable loss	371,000	–	–	–
Depreciation of:				
- property, plant and equipment	13,128,654	14,877,152	11,862,829	13,632,217
- investment properties	3,849	3,849	–	–
Property, plant and equipment written off	5,288	163,596	–	–
Inventories written off	54,673	51,274	–	–
Inventories written down	–	317,094	–	–
Sub-contractor costs	10,033,159	33,415,546	–	–
Direct construction materials	14,569,293	59,597,215	–	–
Direct construction expenses	7,445,021	10,500,533	–	–
Raw materials consumed	18,080,670	15,537,193	–	–
Manufacturing expenses	4,606,753	4,307,114	–	–
Plant and machinery services	1,512,444	2,816,396	–	–
Staff cost (including remuneration of Directors) (Note 8)	16,267,982	17,731,823	504,964	1,078,346
Rental of accommodation	29,127	40,308	–	–
Directors' fees	75,000	75,000	75,000	75,000
Impairment losses of investments in subsidiary companies	–	–	–	313,105
Impairment losses of available-for-sale financial assets	281,782	49,570	146,769	49,570
Net realised loss on foreign exchange	–	149,820	–	141,607

6 PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before taxation is arrived at after crediting:				
Dividend income from available-for-sale financial assets (gross)	3,003,460	2,163,823	2,659,305	1,950,685
Dividend income from subsidiary companies	–	–	6,375,000	16,375,000
Gain on disposals of property, plant and equipment	539,477	54,569	563,774	84,393
Gain on disposals of available-for-sale financial assets	3,143,443	2,989,631	2,355,386	1,794,486
Interest income				
- deposits	3,562,378	4,134,909	3,026,304	3,402,769
- charged to a subsidiary company	–	–	14,870	58,950
Net unrealised gain on foreign exchange	118,655	153,981	178,289	31,461
Net realised gain on foreign exchange	134,696	–	207,670	–
Reversal of provision for impairment:				
- advances to subsidiary companies	–	–	–	1,209,150
- receivables	–	22,048	–	–

In addition, construction contract cost of the Group recognised as an expense during the financial year amounted to RM55,452,059 (2017: RM130,131,762). Inventory costs of the Group recognised as an expense during the financial year amounted to RM26,645,517 (2017: RM23,624,076). Included in cost of sales of the Group and the Company is depreciation expense amounting to RM12,829,224 (2017: RM14,594,490) and RM11,678,902 (2017: RM13,466,235) respectively.

7 OPERATING COSTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Expenses by nature				
Sub-contractor costs	10,033,159	33,415,546	–	–
Direct construction materials	14,569,293	59,597,215	–	–
Direct construction expenses	7,445,021	10,500,533	–	–
Raw materials consumed	18,080,670	15,537,193	–	–
Manufacturing expenses	4,606,753	4,307,114	–	–
Provision for impairment:				
- advances to subsidiary companies	–	–	1,370	–
Depreciation of:				
- property, plant and equipment	13,128,654	14,877,152	11,862,829	13,632,217
- investment properties	3,849	3,849	–	–
Inventories written off	54,673	51,274	–	–
Inventories written down	–	317,094	–	–
Staff cost (including remuneration of Directors) (Note 8)	16,267,982	17,731,823	504,964	1,078,346
Rental of accommodation	29,127	40,308	–	–
Net realised loss on foreign exchange	–	149,820	–	141,607
Impairment losses of investments in subsidiary companies	–	–	–	313,105
Impairment losses of available-for-sale financial assets	281,782	49,570	146,769	49,570
Plant and machinery services	1,512,444	2,816,396	–	–
Provision for foreseeable losses	371,000	–	–	–
Reversal of provision for impairment:				
- advances to subsidiary companies	–	–	–	(1,209,150)
Other operating costs	2,901,619	3,137,546	1,222,239	1,099,535
Total cost of sales, administrative expenses and other operating expenses	89,286,026	162,532,433	13,738,171	15,105,230

8 STAFF COST (INCLUDING REMUNERATION OF DIRECTORS)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Wages, salaries and bonuses	14,657,654	15,552,339	688,842	701,084
Defined contribution plan	1,532,547	1,614,521	83,922	85,756
Other employee benefits	370,488	273,533	3,520	4,226
Share options granted to employees (Note 22)	(292,707)	291,430	(271,320)	287,280
	16,267,982	17,731,823	504,964	1,078,346

Directors' remuneration is analysed as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Executive Directors:				
- salaries and bonuses	1,845,000	2,246,000	336,000	371,000
- defined contribution plan	234,720	282,210	41,520	46,020
- other employee benefits	7,157	7,432	2,345	2,546
- share options granted to Directors	(280,630)	266,333	(280,630)	266,333
	1,806,247	2,801,975	99,235	685,899
Non-Executive Directors:				
- fees	75,000	75,000	75,000	75,000
Total	1,881,247	2,876,975	174,235	760,899
Benefits-in-kind	51,250	53,451	27,300	29,501

The Executive Directors of the Company have been granted options under the Employee Share Option Scheme ("ESOS") on the same terms and conditions as those offered to other employees of the Group (Note 22).

9 TAXATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Current taxation:				
- current financial year	5,243,398	8,497,753	3,122,743	4,750,585
- under/(over) provision in prior financial years	2,064,305	(260,366)	27,507	112,152
	7,307,703	8,237,387	3,150,250	4,862,737
Deferred taxation: (Note 16)				
- origination and reversal of temporary differences	(2,119,953)	(2,062,004)	(1,962,876)	(350,473)
	5,187,750	6,175,383	1,187,374	4,512,264

The reconciliation between the effective tax rate and the Malaysian statutory tax rate are as follows:

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Statutory income tax rate	24.0	24.0	24.0	24.0
Tax effects of:				
- reduced tax rate for increase in chargeable business income	–	(6.4)	–	(0.1)
- income not subject to tax	(8.3)	(3.0)	(17.6)	(13.1)
- expenses not deductible for tax purposes	1.1	0.9	0.7	0.7
- under/(over) provision in prior financial years	9.9	(0.9)	0.2	–
- deferred tax asset not recognised	0.1	–	–	–
- utilisation of previously unrecognised deferred tax assets	(1.8)	–	–	–
Effective tax rate	25.0	14.6	7.3	11.5

10 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	
	2018	2017
Profit attributable to equity holders of the Company (RM)	15,518,441	36,246,332
Weighted average number of ordinary shares in issue	165,226,784	163,900,013
Basic earnings per share (sen)	9.4	22.1

10 EARNINGS PER SHARE (CONTINUED)

Diluted earnings per share of the Group is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Group	
	2018	**2017**
Profit attributable to equity holders of the Company (RM)	15,518,441	36,246,332
Weighted average number of ordinary shares in issue	165,226,784	163,900,013
Effect of dilution arising from ESOS	72,193	357,778
Weighted average number of ordinary shares for diluted earnings per share	165,298,977	164,257,791
Diluted earnings per share (sen)	9.4	22.1

11 DIVIDENDS

	Group and Company	
	Dividend per share sen	**Amount of dividend RM**
In respect of financial year ended 30 June 2017:		
- interim single-tier dividend of 8 sen per share, declared on 26 May 2017, paid on 12 July 2017	8	13,177,520
- final single-tier dividend of 12 sen per share, declared on 20 September 2017, paid on 12 January 2018	12	19,812,816
	20	32,990,336
In respect of financial year ended 30 June 2018:		
- interim single-tier dividend of 8 sen per share, declared on 25 May 2018, paid on 12 July 2018	8	13,269,184
- final single-tier dividend of 12 sen per share, recommended on 28 August 2018	12	19,903,776
	20	33,172,960

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of financial year ended 30 June 2018 of 12 sen (2017: 12 sen) per share amounting to RM19,903,776 (2017: RM19,812,816) will be proposed for the 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 2019 when approved by the shareholders.

12 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 2017	17,659,232	6,752,605	65,725,611	1,873,121	955,493	235,338	224,246	34,466	17,706	93,477,818
Additions	–	–	226,800	38,924	151,900	58,395	93,541	8,784	–	578,344
Disposals	–	–	–	(42,693)	–	–	–	–	–	(42,693)
Write off	–	–	–	–	–	(3,601)	(1,580)	(107)	–	(5,288)
Depreciation charge	–	(198,632)	(11,828,748)	(306,905)	(613,739)	(50,727)	(115,708)	(7,513)	(6,682)	(13,128,654)
At 30 June 2018	17,659,232	6,553,973	54,123,663	1,562,447	493,654	239,405	200,499	35,630	11,024	80,879,527
At 30 June 2018										
Cost	17,659,232	11,025,079	217,512,721	4,659,989	7,812,659	611,426	1,183,018	149,446	121,861	260,735,431
Accumulated depreciation	–	(4,471,106)	(163,389,058)	(3,097,542)	(7,266,205)	(372,021)	(982,519)	(113,816)	(110,837)	(179,803,104)
Accumulated impairment loss	–	–	–	–	(52,800)	–	–	–	–	(52,800)
Net book value	17,659,232	6,553,973	54,123,663	1,562,447	493,654	239,405	200,499	35,630	11,024	80,879,527

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	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
Net book value										
At 1 July 2016	17,659,232	6,951,236	68,818,597	1,479,373	1,679,663	285,816	222,905	31,442	25,446	97,153,710
Additions	–	–	10,431,990	901,587	17,953	7,577	118,221	10,203	–	11,487,531
Disposals	–	–	(24,000)	(98,650)	–	–	(25)	–	–	(122,675)
Write off	–	–	(642)	(156,474)	–	(4,821)	(1,659)	–	–	(163,596)
Depreciation charge	–	(198,631)	(13,500,334)	(252,715)	(742,123)	(53,234)	(115,196)	(7,179)	(7,740)	(14,877,152)
At 30 June 2017	17,659,232	6,752,605	65,725,611	1,873,121	955,493	235,338	224,246	34,466	17,706	93,477,818
At 30 June 2017										
Cost	17,659,232	11,025,079	218,052,093	4,984,314	7,660,759	568,687	1,169,897	143,568	121,861	261,385,490
Accumulated depreciation	–	(4,272,474)	(152,326,482)	(3,111,193)	(6,652,466)	(333,349)	(945,651)	(109,102)	(104,155)	(167,854,872)
Accumulated impairment loss	–	–	–	–	(52,800)	–	–	–	–	(52,800)
Net book value	17,659,232	6,752,605	65,725,611	1,873,121	955,493	235,338	224,246	34,466	17,706	93,477,818

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	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
Net book value										
At 1 July 2017	11,517,892	2,841,045	61,933,555	588,126	695,239	–	8,162	–	17,707	77,601,726
Additions	–	–	209,000	–	–	8,257	2,300	–	–	219,557
Depreciation charge	–	(89,413)	(11,215,587)	(79,664)	(460,012)	(3,303)	(8,168)	–	(6,682)	(11,862,829)
At 30 June 2018	11,517,892	2,751,632	50,926,968	508,462	235,227	4,954	2,294	–	11,025	65,958,454
At 30 June 2018										
Cost	11,517,892	4,470,640	194,459,011	1,710,092	4,523,755	41,248	97,797	38,164	121,861	216,980,460
Accumulated depreciation	–	(1,719,008)	(143,532,043)	(1,201,630)	(4,288,528)	(36,294)	(95,503)	(38,164)	(110,836)	(151,022,006)
Net book value	11,517,892	2,751,632	50,926,968	508,462	235,227	4,954	2,294	–	11,025	65,958,454

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	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
Net book value										
At 1 July 2016	11,517,892	2,930,458	64,437,617	390,774	1,278,887	385	22,826	–	25,447	80,604,286
Additions	–	–	10,402,140	273,199	–	–	–	–	–	10,675,339
Disposals	–	–	(24,000)	(21,682)	–	–	–	–	–	(45,682)
Depreciation charge	–	(89,413)	(12,882,202)	(54,165)	(583,648)	(385)	(14,664)	–	(7,740)	(13,632,217)
At 30 June 2017	11,517,892	2,841,045	61,933,555	588,126	695,239	–	8,162	–	17,707	77,601,726
At 30 June 2017										
Cost	11,517,892	4,470,640	195,015,395	1,882,192	4,523,755	37,471	100,047	38,164	121,861	217,707,417
Accumulated depreciation	–	(1,629,595)	(133,081,840)	(1,294,066)	(3,828,516)	(37,471)	(91,885)	(38,164)	(104,154)	(140,105,691)
Net book value	11,517,892	2,841,045	61,933,555	588,126	695,239	–	8,162	–	17,707	77,601,726

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Total acquisition of property, plant and equipment	578,344	11,487,531	219,557	10,675,339
Settlement on acquisition of property, plant and equipment in prior financial year	–	526,415	–	526,415
Cash outflow for acquisition of property, plant and equipment	578,344	12,013,946	219,557	11,201,754

13 INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2018 RM	2017 RM
Unquoted shares, at cost	5,000,006	5,000,006
Less: Accumulated impairment losses	(1,000,000)	(1,000,000)
	4,000,006	4,000,006

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

Name of subsidiary companies	Principal activities	Percentage of equity interest 2018 %	2017 %
Pintaras Geotechnics Sdn. Bhd.*	Geotechnical and foundation engineering services	100	100
Pintaras Megah Sdn. Bhd.*	Civil engineering and building superstructure contractor	100	100
Pintaras Prima Sdn. Bhd.*	Investment holding and provision of management services	100	100
Primapac Sdn. Bhd.*	Manufacturing of containers and provisions of management services	100	100
Pintaras Development Sdn. Bhd.*	Property investment and development	100	100

13 INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

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

Name of subsidiary companies	Principal activities	Percentage of equity interest 2018 %	2017 %
Readycast Concrete Industries Sdn. Bhd.*	Dormant, manufacturing of pre-cast concrete piles and concrete related products	100	100
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
<u>Subsidiary companies of Pintaras Geotechnics Sdn. Bhd.</u>			
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
<u>Subsidiary company of Pintaras Development Sdn. Bhd.</u>			
SMPP Development Sdn. Bhd.*	Property developer	100	100
<u>Subsidiary company of Pintaras Prima Sdn. Bhd.</u>			
Prima Packaging Sdn. Bhd.*	Manufacturing of metal containers	100	100

* Audited by PricewaterhouseCoopers PLT, Malaysia

14 INVESTMENT PROPERTIES

	Group	
	2018 RM	2017 RM
Cost		
At beginning/end of the financial year	192,437	192,437
Accumulated depreciation		
At 1 July 2017/2016	69,918	66,069
Depreciation charge	3,849	3,849
At 30 June	73,767	69,918
Net book value		
At 30 June	118,670	122,519
Fair value	175,150	259,670

The fair value of investment properties was based on valuations using prevailing market prices. The fair values of investment properties are within Level 2 of the fair value hierarchy.

The investment properties do not generate rental income for the Group as they are held primarily for capital appreciation purpose. Direct operating expenses of those investment properties for the Group during the financial year amounted to RM6,359 (2017: RM5,868).

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Marketable securities:				
- shares of corporations quoted in Malaysia	5,320,285	6,707,250	3,451,826	4,104,660
- shares of corporations quoted outside Malaysia	23,149,156	22,381,811	14,844,255	11,645,846
	28,469,441	29,089,061	18,296,081	15,750,506

16 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 statements of financial position:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets	4,138,298	3,939,981	–	–
Deferred tax liabilities	(11,073,837)	(12,995,473)	(10,115,448)	(12,078,324)
Deferred taxation	(6,935,539)	(9,055,492)	(10,115,448)	(12,078,324)
At 1 July 2017/2016	(9,055,492)	(11,117,496)	(12,078,324)	(12,428,797)
Credited/(Charged) to profit or loss (Note 9):				
- property, plant and equipment	1,952,422	326,376	1,963,671	345,573
- provisions	167,531	1,735,628	(795)	4,900
	2,119,953	2,062,004	1,962,876	350,473
At 30 June	(6,935,539)	(9,055,492)	(10,115,448)	(12,078,324)
Subject to income tax				
Deferred tax assets (before offsetting):				
- provisions	4,385,668	4,218,137	24,216	25,011
Offsetting	(247,370)	(278,156)	(24,216)	(25,011)
Deferred tax assets (after offsetting)	4,138,298	3,939,981	–	–
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(11,321,207)	(13,273,629)	(10,139,664)	(12,103,335)
Offsetting	247,370	278,156	24,216	25,011
Deferred tax liabilities (after offsetting)	(11,073,837)	(12,995,473)	(10,115,448)	(12,078,324)

16 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	
	2018 RM	2017 RM
Property, plant and equipment	86,804	86,804
Unused tax losses	8,241,456	9,684,082
	8,328,260	9,770,886
Effect at Malaysian tax rate of 24% (2017: 24%)	1,998,782	2,345,013

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the deferred tax assets can be utilised in these subsidiaries.

17 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2018 RM	2017 RM
Aggregate costs to date	39,704,629	64,301,309
Attributable profit	13,018,835	27,739,092
Provision for foreseeable losses	(371,000)	–
	52,352,464	92,040,401
Progress billings	(50,805,660)	(92,553,341)
	1,546,804	(512,940)
Amounts due from customers on contracts	1,692,940	43,957
Amounts due to customers on contracts	(146,136)	(556,897)
	1,546,804	(512,940)

18 INVENTORIES

	Group	
	2018	2017
	RM	RM
Raw materials	5,336,189	6,578,145
Work-in-progress	1,651,530	1,514,921
Finished goods	1,910,550	1,684,817
Properties	5,209,543	7,674,763
	14,107,812	17,452,646

19 RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade receivables	52,546,659	64,359,878	–	–
Retention sum on contracts	11,990,892	21,459,427	–	–
Less: Provision for impairment of trade receivables	(797,966)	(797,966)	–	–
	63,739,585	85,021,339	–	–
Other receivables	1,103,150	522,220	582,794	338,412
Advance payments	182,928	108,900	115	-
Deposits	309,586	309,277	7,090	7,090
Prepayments	506,211	553,063	346,548	357,811
GST receivables	29,886	8,902	8,857	1,285
	2,131,761	1,502,362	945,404	704,598
Total	65,871,346	86,523,701	945,404	704,598

The Group's top five customers make up 60% (2017: 60%) of the Group's trade receivables. Management believes 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 historical settlement of the balances from these customers. Apart from this, the Group has no other significant concentration of credit risk that may arise from exposure to a single customer or to groups of customers.

19 RECEIVABLES (CONTINUED)

The ageing analysis of the Group's and the Company's receivables (excluding advance payments, prepayments and GST receivables) is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Neither past due nor impaired	34,710,828	55,235,981	589,884	345,502
Past due but not impaired:				
- 1 to 60 days past due	10,021,168	9,015,634	–	–
- 61 to 120 days past due	3,191,881	8,283,761	–	–
- 121 to 365 days past due	13,417,237	902,972	–	–
- more than 365 days past due	3,811,207	12,414,488	–	–
	30,441,493	30,616,855	–	–
Impaired	797,966	797,966	–	–
	65,950,287	86,650,802	589,884	345,502

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

	Group	
	2018 RM	2017 RM
Trade receivables		
At 1 July 2017/2016	797,966	847,025
Writeback to profit or loss	–	(22,048)
Charged to profit or loss	–	9,280
Bad debt written off	–	(36,291)
At 30 June	797,966	797,966
Other receivables		
At 1 July 2017/2016	–	1,289,235
Bad debt written off	–	(1,289,235)
At 30 June	–	–

20 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	Company	
	2018 RM	2017 RM
Amounts due from subsidiary companies	12,584,169	22,090,747
Less: Provision of impairment of subsidiary companies	(2,575,392)	(2,574,022)
	10,008,777	19,516,725

The balances due from subsidiary companies are unsecured, repayable on demand and interest free, except for an amount of RM1,597,864 which bore interest at a rate of 3.57% per annum as at 30 June 2017.

20 AMOUNTS DUE FROM SUBSIDIARY COMPANIES (CONTINUED)

The changes in provision for impairment of subsidiary companies during the financial year are as follows:

	Company	
	2018	2017
	RM	RM
At 1 July 2017/2016	2,574,022	3,783,172
Writeback to profit or loss	–	(1,209,150)
Charged to profit or loss	1,370	–
At 30 June	2,575,392	2,574,022

21 CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short-term deposits:				
- with licensed banks	37,214,599	64,985,570	33,509,977	63,457,219
- with other financial institutions	127,859,122	106,053,960	115,999,628	93,035,509
	165,073,721	171,039,530	149,509,605	156,492,728
Cash and bank balances	17,921,745	8,425,092	11,352,361	5,030,662
	182,995,466	179,464,622	160,861,966	161,523,390
Less: Cash and bank balances in custodian accounts for investment purposes:				
- short-term deposits with licensed banks	(6,990,160)	(2,546,586)	(3,648,895)	(1,335,993)
- bank balances	(8,905,668)	(123,460)	(7,723,290)	(61,047)
	(15,895,828)	(2,670,046)	(11,372,185)	(1,397,040)
Cash and cash equivalents	167,099,638	176,794,576	149,489,781	160,126,350

The weighted average effective interest rates per annum of short-term deposits at the reporting date are as follows:

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
Short-term deposits	3.61	3.57	3.63	3.60

Short-term deposits of the Group and of the Company have an average maturity of 59 days (2017: 65 days) and 40 days (2017: 55 days) respectively.

Cash and bank balances in custodian accounts for investment purposes are held by corporate trustees on behalf of the Group and the Company. These are primarily used for investment purposes and are excluded from cash and cash equivalents.

22 SHARE CAPITAL

	Group and Company			
	2018		2017	
	Number of ordinary shares	RM	Number of ordinary shares	RM
Authorised:				
At 1 July 2017/2016 ordinary shares of RM1.00 each	–	–	1,500,000,000	1,500,000,000
Abolishment of the concept of authorised share capital on 31 January 2017	–	–	(1,500,000,000)	(1,500,000,000)
At 30 June	–	–	–	–
Issued and fully paid:				
- Ordinary shares				
At 1 July 2017/2016 ordinary shares of RM1.00 each	164,719,000	176,173,545	163,525,800	163,525,800
Employee Share Option Scheme ("ESOS")	1,145,800	4,004,571	1,193,200	3,546,484
Transition to no-par value regime on 31 January 2017 (Note 23)	–	–	–	9,101,261
At 30 June - ordinary shares with no par value	165,864,800	180,178,116	164,719,000	176,173,545

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM9,101,261 became part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

During the financial year, the Company increased its issued and paid-up ordinary share capital from 164,719,000 to 165,864,800 by way of issuance of 1,145,800 ordinary shares pursuant to the exercise of options under the Employee Share Option Scheme ("ESOS") at an exercise price of RM2.83 per share.

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

(a) Employee Share Option Scheme ("ESOS")

The Company's Employee Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 7 October 2013 and became effective on 26 February 2014, for a period of five years, expiring on 25 February 2019, in accordance with the ESOS By-Laws.

The main features of the ESOS are as follows:

(i) the maximum number of ordinary shares to be issued under the ESOS shall not exceed 15% of total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of time throughout the duration of the ESOS;

(ii) the ESOS shall be effective for a period of 5 years commencing on 26 February 2014 and expiring on 25 February 2019;

22 SHARE CAPITAL (CONTINUED)

(a) Employee Share Option Scheme ("ESOS") (continued)

The main features of the ESOS are as follows: (continued)

(iii) the ESOS is for eligible persons who, as at the date of offer:

(a) is at least eighteen (18) years of age and is a Malaysian Citizen and is not an undischarged bankrupt and not subject to any bankruptcy proceedings;

(b) is not at any time a participant of any other employee share scheme or share option scheme implemented by any corporation whether or not within the Group, which is in force for the time being;

(c) is confirmed as an Executive Director or a full-time employee, of a company within the Group:

(i) has served the Group for a continuous period of at least one (1) year, prior to and up to the date of offer, including service during the probation period (if any); or

(ii) if serving under an employment contract of a fixed duration, such contract shall be for a term of at least three (3) years and such person shall have served the Group for a continuous period of at least one (1) year, prior to and up to the date of offer, including service during the probation period (if any); or

(iii) falls within any other categories or criteria that the ESOS Committee may at its discretion and from time to time determine, for the purpose of selecting an eligible person to participate in the scheme.

(d) the options shall not be transferred, assigned, disposed or subject to any encumbrances in any manner whatsoever; and

(e) not more than seventy per cent (70%) of the new ordinary shares available under the ESOS shall be allocated, in aggregate, to the Executive Directors and senior management of the Group and not more than ten per cent (10%) of the new ordinary shares available under the ESOS shall be allocated to any individual eligible person who, either singly or collectively through persons connected with the eligible person, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company.

The vesting of the option is conditional upon the employees remaining in employment as at the relevant vesting dates at the end of each year from the date of grant of the ESOS.

Set out below are details of options over ordinary shares of the Group granted under the ESOS:

			Number of options over ordinary shares			
Grant date	Expiry date	Exercise price RM/ share	At 1.7.2017	Forfeited	Exercised	At 30.6.2018
21 March 2014	25 February 2019	2.83	2,144,000	(653,600)	(1,145,800)	344,600

Out of the 344,600 outstanding options (2017: 2,144,000 options), 344,600 options (2017: 1,076,800 options) were exercisable. The related weighted average share price at the time of exercise was RM3.44 per share.

During the financial year, the Group and the Company recognise a reversal of share option expense of RM292,707 and RM271,320 respectively, as certain employees which have previously been granted the share options, have resigned, and are no longer eligible for these options.

23 SHARE PREMIUM

	Group and Company 2018 RM	2017 RM
At 1 July 2017/2016	–	8,477,511
Arising from exercise of employee share option scheme ("ESOS")	–	623,750
Transition to no-par value regime on 31 January 2017 (Note 22)	–	(9,101,261)
At 30 June	–	–

24 RETAINED EARNINGS

There is no restriction on the Company to declare the payment of dividends out of its retained earnings under the single-tier system.

25 PAYABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade payables	18,308,437	28,846,400	40,956	–
Other payables and accruals	12,910,149	15,559,348	736,546	1,102,748
GST payables	382,377	499,435	–	–
	31,600,963	44,905,183	777,502	1,102,748

Included in the Group's other payables and accruals is an amount of RM7,585,190 (2017: RM10,257,150) recognised for provision of liquidated ascertained damages arising from construction contracts as at the reporting date. During the financial year, the Group recognised an additional provision of RM828,040 (net of reversal of RM1,223,960) and utilised an amount of RM3,500,000 which was recorded in the previous year.

26 CAPITAL COMMITMENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Authorised and contracted:				
Commitments for the purchase of property, plant and equipment	909,404	–	–	–

27 SIGNIFICANT RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Group and the Company, if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making any financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group is controlled by Dr Chiu Hong Keong by way of his deemed interest through his shareholding in Pintaras Bina Sdn. Bhd. and his direct interest in Pintaras Jaya Berhad.

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

	Company	
	2018 **RM**	**2017** **RM**
(a) Significant transactions with related parties		
(i) Plant and machinery rental income from a subsidiary company:		
Pintaras Geotechnics Sdn. Bhd.	14,075,725	28,192,000
(ii) Gross dividend income from subsidiary companies:		
Pintaras Geotechnics Sdn. Bhd.	–	10,000,000
Pintaras Prima Sdn. Bhd.	6,375,000	6,375,000
	6,375,000	16,375,000
(iii) Interest charged to subsidiary company:		
SMPP Development Sdn. Bhd.	14,870	58,950
(iv) Advances to subsidiary companies:		
SMPP Development Sdn. Bhd.	50,000	28,000
Pintaras Megah Sdn. Bhd.	–	30,000
Solidprop Sdn. Bhd.	1,150	1,060
Pintaras Development Sdn. Bhd.	3,000	3,000
Pintaras Prima Sdn. Bhd.	–	1,000
Pintaras Geotechnics Sdn. Bhd.	500,000	3,500,000
(v) Repayment of advances from subsidiary companies:		
SMPP Development Sdn. Bhd.	50,000	28,000
Pintaras Megah Sdn. Bhd.	–	30,000
Pintaras Development Sdn. Bhd.	3,000	3,000
Pintaras Prima Sdn. Bhd.	–	1,000
Pintaras Geotechnics Sdn. Bhd.	500,000	4,250,000

27 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Company 2018 RM	Company 2017 RM
(b) Significant balances with related parties		
(i) Amounts due from subsidiary companies:		
Pintaras Geotechnics Sdn. Bhd.	10,008,777	16,649,531
Solidprop Sdn. Bhd.	2,575,392	2,574,022
SMPP Development Sdn. Bhd.	–	2,867,194
	12,584,169	22,090,747

The balances due from Solidprop Sdn. Bhd. have been provided in full as at the reporting date.

(c) Compensation of key management personnel

Key management personnel are the Directors, having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The aggregate amount of remuneration received/receivable by key management personnel of the Group and the Company for the financial year is as disclosed in Note 8 to the financial statements.

28 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables at amortised cost RM	Available-for-sale RM	Total RM
Group			
At 30 June 2018			
Assets as per statements of financial position:			
Available-for-sale financial assets (Note 15)	–	28,469,441	28,469,441
Amounts due from customers on contracts (Note 17)	1,692,940	–	1,692,940
Receivables (excluding advance payments, prepayments and GST receivables) (Note 19)	65,152,321	–	65,152,321
Short-term deposits (Note 21)	165,073,721	–	165,073,721
Cash and bank balances (Note 21)	17,921,745	–	17,921,745
Total financial assets	249,840,727	28,469,441	278,310,168

	Other financial liabilities at amortised cost RM
At 30 June 2018	
Liabilities as per statements of financial position:	
Trade payables (Note 25)	18,308,437
Other payables and accruals (Note 25)*	5,324,959
Dividend payable	13,269,184
Total financial liabilities	36,902,580

* excluding provision for liquidated ascertained damages

28 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Loans and receivables at amortised cost RM	Available-for-sale RM	Total RM
Group			
At 30 June 2017			
Assets as per statements of financial position:			
Available-for-sale financial assets (Note 15)	–	29,089,061	29,089,061
Amounts due from customers on contracts (Note 17)	43,957	–	43,957
Receivables (excluding advance payments, prepayments and GST receivables) (Note 19)	85,852,836	–	85,852,836
Short-term deposits (Note 21)	171,039,530	–	171,039,530
Cash and bank balances (Note 21)	8,425,092	–	8,425,092
Total financial assets	265,361,415	29,089,061	294,450,476

	Other financial liabilities at amortised cost RM
At 30 June 2017	
Liabilities as per statements of financial position:	
Trade payables (Note 25)	28,846,400
Other payables and accruals (Note 25)*	5,302,198
Dividend payable	13,177,520
Total financial liabilities	47,326,118

* excluding provision for liquidated ascertained damages

28 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Loans and receivables at amortised cost RM	Available-for-sale RM	Total RM
Company			
At 30 June 2018			
Assets as per statements of financial position:			
Available-for-sale financial assets (Note 15)	–	18,296,081	18,296,081
Receivables (excluding advance payments, prepayments and GST receivables) (Note 19)	589,884	–	589,884
Amounts due from subsidiary companies (Note 20)	10,008,777	–	10,008,777
Short-term deposits (Note 21)	149,509,605	–	149,509,605
Cash and bank balances (Note 21)	11,352,361	–	11,352,361
Total financial assets	171,460,627	18,296,081	189,756,708

	Other financial liabilities at amortised cost RM
At 30 June 2018	
Liabilities as per statements of financial position:	
Trade payables (Note 25)	40,956
Other payables and accruals (Note 25)	736,546
Dividend payable	13,269,184
Total financial liabilities	14,046,686

28 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Loans and receivables at amortised cost RM	Available-for-sale RM	Total RM
Company			
At 30 June 2017			
Assets as per statements of financial position:			
Available-for-sale financial assets (Note 15)	–	15,750,506	15,750,506
Receivables (excluding advance payments, prepayments and GST receivables) (Note 19)	345,502	–	345,502
Amounts due from subsidiary companies (Note 20)	19,516,725	–	19,516,725
Short-term deposits (Note 21)	156,492,728	–	156,492,728
Cash and bank balances (Note 21)	5,030,662	–	5,030,662
Total financial assets	181,385,617	15,750,506	197,136,123

	Other financial liabilities at amortised cost RM
At 30 June 2017	
Liabilities as per statements of financial position:	
Other payables and accruals (Note 25)	1,102,748
Dividend payable	13,177,520
Total financial liabilities	14,280,268

29 SEGMENTAL INFORMATION

The Group's operations comprise the following business segments:

(i) Piling, civil engineering and construction works; and
(ii) Manufacturing*

(a) Business segments

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2018			
Revenue			
Construction contract	63,991,798	–	63,991,798
Sale of goods	–	31,920,081	31,920,081
Total revenue			95,911,879
Results			
Segment results	7,208,206	4,108,257	11,316,463
Unallocated income:			
- gain on disposals of available-for-sale financial assets			3,143,443
- interest income			3,562,378
- dividend income			3,003,460
- other			379,191
- reversal of share options granted to employees			292,707
Total unallocated income			10,381,179
Unallocated costs:			
- impairment losses of available-for-sale financial assets			(281,782)
- other			(709,669)
Total unallocated costs			(991,451)
Profit before taxation			20,706,191
Taxation			(5,187,750)
Profit for the financial year			15,518,441

* consists of manufacturing of metal containers

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2018			
Net assets			
Segment assets	130,327,258	32,827,005	163,154,263
Unallocated assets (including short-term deposits of RM165,073,721 and available-for-sale financial assets of RM28,469,441)			218,636,616
Total assets			381,790,879
Segment liabilities	28,792,522	2,847,212	31,639,734
Unallocated liabilities			25,209,768
Total liabilities			56,849,502
Other information			
Capital expenditure	531,396	46,948	578,344
Depreciation of property, plant and equipment	12,350,261	778,393	13,128,654

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2017			
Revenue			
Construction contracts	163,086,222	–	163,086,222
Sale of goods	–	30,651,270	30,651,270
Total revenue			193,737,492
Results			
Segment results	28,399,008	5,592,923	33,991,931
Unallocated income:			
- gain on disposals of available-for-sale financial assets			2,989,631
- interest income			4,134,909
- dividend income			2,163,823
- other			26,072
Total unallocated income			9,314,435
Unallocated costs:			
- share options granted to employees			(291,430)
- impairment losses of available-for-sale financial assets			(49,570)
- other			(543,651)
Total unallocated costs			(884,651)
Profit before taxation			42,421,715
Taxation			(6,175,383)
Profit for the financial year			36,246,332

29 SEGMENTAL INFORMATION (CONTINUED)

(a) Business segments (continued)

	Piling, civil engineering and construction works RM	Manufacturing RM	Group RM
2017			
Net assets			
Segment assets	161,512,055	35,559,865	197,071,920
Unallocated assets (including short-term deposits of RM171,039,530 and available-for-sale financial assets of RM29,089,061)			217,124,586
Total assets			414,196,506
Segment liabilities	41,968,567	3,407,365	45,375,932
Unallocated liabilities			27,991,163
Total liabilities			73,367,095
Other information			
Capital expenditure	11,260,392	227,139	11,487,531
Depreciation of property, plant and equipment	14,084,920	792,232	14,877,152

Segment results comprised profit before taxation, adjusted for unallocated income and cost and finance cost. Unallocated income includes interest income, dividend income and gain on disposal of available-for-sale financial assets. Unallocated costs represent impairment losses of available-for-sale financial assets, corporate expenses, property maintenance expenses and share options granted to employees. Unallocated assets include available-for-sale financial assets, short-term deposits, tax recoverable, deferred tax assets and freehold land and buildings used for head office purposes. Unallocated liabilities include taxation, deferred tax liabilities and dividend payable.

Capital expenditure comprises additions to property, plant and equipment (Note 12).

(b) Geographical information

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

(c) Major customers

Revenue of approximately RM52,903,499 (2017: RM150,942,923) is derived from the Group's top five customers. The revenue contributed by these top five customers individually range from RM4,400,000 to RM15,500,000 (2017: RM12,000,000 to RM49,000,000). This revenue is attributable to piling, civil engineering and construction works segment.

30 SUBSEQUENT EVENT

On 3 August 2018, the Company entered into a conditional share sale agreement with Pintary Holdings Pte Ltd for the acquisition of 4,285,715 ordinary shares, representing the entire issued and paid-up share capital of Pintary International Pte Ltd, together with its wholly owned subsidiaries, Pintary Foundation Pte Ltd and Pintary Geotechnics Pte Ltd, for a total cash consideration of SGD5.6 million (equivalent to RM16.71 million). The acquisition of Pintary International Pte Ltd was approved at an extraordinary general meeting of the Company on 14 September 2018 as this transaction is deemed as a related party transaction.

31 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 14 September 2018.

STATEMENT BY DIRECTORS

SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dr Chiu Hong Keong and Khoo Yok Kee, being two of the Directors of Pintaras Jaya Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 35 to 96 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and the financial performance of the Group and of the Company for the financial year ended 30 June 2018 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 14 September 2018.

DR CHIU HONG KEONG
CHAIRMAN

KHOO YOK KEE
DIRECTOR

STATUTORY DECLARATION

SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Khoo Yok Kee, being 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 35 to 96 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
(MIA No. 7010)

Subscribed and solemnly declared by the abovenamed at Petaling Jaya, Selangor Darul Ehsan on 14 September 2018.

Before me:

WONG CHOY YIN

NO. B. 508
COMMISSIONER FOR OATHS
Petaling Jaya

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Pintaras Jaya Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position of the Group and of the Company as at 30 June 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 35 to 96.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue and profit recognition – Construction contracts	
Refer to Note 2(j), Note 4(a), Note 5 and Note 17 to the financial statements. The Group recognises revenue and cost from construction contracts in the statement of comprehensive income by using the stage of completion method. The stage of completion is measured by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project. The Group recognised revenue and cost from construction contracts of RM63.6 million and RM55.5 million respectively for the financial year ended 30 June 2018 as disclosed in Note 5 and Note 6 to the financial statements, respectively. Construction contracts accounting is inherently complex and we focused on this area because there is judgement involved in the following areas: • Extent of construction costs incurred to date • Estimated total construction costs • Uncertified variation orders and claims with customers	We tested the operating effectiveness of the key controls over the appropriateness of the construction contract's project budgets, including relevant management's approvals to assess the reliability of the construction costs of the projects. We checked the extent of costs incurred to date on significant projects by agreeing a sample of the costs incurred to supporting documentation, i.e. sub-contractors' claim certificates and invoices from vendors. We checked the reasonableness of the estimated total construction costs, including subsequent changes to the costs of selected projects, by agreeing to supporting documentation, such as approved budgets for the construction contracts, correspondences, quotations and variation orders with sub-contractors, and progress claims issued by the sub-contractors after the reporting date. We had discussions with management to understand the nature of variation orders and claims with the customers to validate the amounts which have been recognised as revenue. We inspected the correspondences from the customers and signed variation orders. For variation orders which have yet to be approved, we checked to the approved payment certificates issued by the customers to corroborate the key judgement applied by management. Based on the procedures performed, we noted no material exceptions.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Liquidated ascertained damages ("LAD") due to customers – Construction contracts	
Refer to Note 4(a) and Note 25 to the financial statements. During the financial year, the Group recognised an additional LAD provision of RM0.8 million (net of reversal of RM1.2 million) and utilised an amount of RM3.5 million which was recorded in the previous year. As at 30 June 2018, the provision for LAD amounted to RM7.6 million. We focused on this area as significant estimates and judgement are involved in determining the amount of LAD which will be incurred for: (i) on-going projects which were expected to be completed beyond the contractual completion date as set out in the construction contract agreements, and (ii) imposition of LAD for completed projects which have been delayed but no formal notification has been received from the customers.	We had discussions with management to understand the basis for recognising LAD for the on-going projects which were expected to be completed beyond the contractual completion date and the completed projects which were delayed. We tested management's estimate of the LAD in respect of the projects which have been delayed to supporting documentation such as correspondences with the customers on the delays, the completion or expected completion of the projects and the approvals of extension of time issued by the customers, where applicable. For projects which have been delayed but no LAD was recorded, we discussed with management on the enforceability of the LAD by the customers. We corroborated the position taken by management to the contractual arrangements on the non-imposition of LAD for the delays, correspondences between the Group and the customers on the nature of the delay and waiver for the LAD, if any. For the LAD amounts which have been reversed in the current financial year, we sighted to the issuance of notice of extension of time by the customers and confirmation from the customers on the non-imposition of the LAD. For the LAD amounts which have been utilised, we sighted to payments made to the customers or the right of offset against the amount due from the customers. Based on the procedures performed, we noted no material exceptions.

There are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and other contents in the 2018 Annual Report of the Company, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP 0014401-LCA & AF 1146
Chartered Accountants

HEW CHOOI YOKE
03203/07/2019 J
Chartered Accountant

Kuala Lumpur
14 September 2018

ANALYSIS OF SHAREHOLDINGS

AS AT 29TH AUGUST 2018

Total Number of Shares	:	165,864,800
Class of Share	:	Ordinary share
Voting Rights	:	1 vote per ordinary share
Number of Shareholders	:	2,269

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	59,768,116	36.03	–	–
Dr. Chiu Hong Keong	24,315,720	14.66	72,218,376 (1)	43.54
Khoo Yok Kee	11,501,760	6.93	85,032,336 (2)	51.27
Lembaga Tabung Haji	11,352,100	6.84	–	–
Khoo Keow Pin	10,633,304	6.41	–	–

Notes:-

(1) *Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Mdm. Khoo Yok Kee, and his son, Mr. Chiu Wei Wen, 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, Mr. Chiu Wei Wen, in Pintaras Jaya Berhad*

DIRECTORS' INTERESTS

Directors' Direct and Indirect Interests in the shares and options over unissued shares in the Company based on the Register of Directors' Shareholdings maintained under Section 219 of the Companies Act 2016 (the "Act") of the Company:

(A) Issued Ordinary Shares

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Dr Chiu Hong Keong	24,315,720	14.66	72,218,376 (1)	43.54
Khoo Yok Kee	11,501,760	6.93	85,032,336 (2)	51.27
Chiu Wei Wen	948,500	0.57	–	–
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. Khoo Yok Kee, and his son, Mr. Chiu Wei Wen, 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, Mr. Chiu Wei Wen, in Pintaras Jaya Berhad*

(B) Unissued Ordinary Shares

		Number of Unissued Ordinary Shares pursuant to the Employee Share Option Scheme		
Name of Directors	**Granted on 21 March 2014**	**Granted**	**Exercised**	**At 29 August 2018**
Dr Chiu Hong Keong	1,500,000	–	1,500,000	–
Khoo Yok Kee	1,000,000	–	1,000,000	–
Chiu Wei Wen	750,000	–	750,000	–

ANALYSIS OF SHAREHOLDINGS

AS AT 29TH AUGUST 2018

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	36	1.59	1,020	0.00
100 to 1,000	381	16.79	286,100	0.17
1,001 to 10,000	1,337	58.92	6,307,200	3.80
10,001 to 100,000	437	19.26	12,982,480	7.83
100,001 to less than 5% of issued shares	74	3.26	40,518,760	24.43
5% and above of issued shares	4	0.18	105,769,240	63.77
	2,269	100.00	165,864,800	100.00

AS AT 29TH AUGUST 2018

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

	Name of Shareholders	No. of Shares	%
1.	Pintaras Bina Sdn Bhd	59,768,116	36.03
2.	Chiu Hong Keong	24,315,720	14.66
3.	Lembaga Tabung Haji	11,352,100	6.84
4.	Khoo Keow Pin	10,633,304	6.41
5.	Khoo Yok Kee	7,425,760	4.48
6.	CIMSEC Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Khoo Yok Kee) (PBCL-OG0460)*	4,000,000	2.41
7.	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	2,642,700	1.59
8.	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (RHB INV)*	1,594,900	0.96
9.	Soo Jian Yeu	1,340,000	0.81
10.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *(Deutsche Trustees Malaysia Berhad for Eastspring Investments Islamic Small – Cap Fund)*	1,188,000	0.72
11.	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (ABERISLAMIC)*	1,137,600	0.69
12.	Tan Jin Tuan	1,008,000	0.61
13.	Neoh Choo Ee & Company, Sdn. Berhad	956,400	0.58
14.	Chiu Wei Wen	948,500	0.57
15.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *(Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall – Cap Fund)*	902,000	0.54
16.	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for Singular Value Fund)*	834,300	0.50
17.	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for RHB Small Cap Opportunity Unit Trust)*	793,300	0.48
18.	Fong Ting Wong	700,000	0.42
19.	Maybank Nominees (Tempatan) Sdn Bhd *(Maybank Trustees Berhad for RHB Capital Fund (200189))*	600,000	0.36
20.	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chong Khong Shoong)*	600,000	0.36
21.	Public Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chong Khong Shoong (E-IMO/JSI))*	550,000	0.33
22.	Lim Pui Ngan	546,000	0.33
23.	Sow Tiap	540,000	0.33
24.	Yeo Khee Huat	535,200	0.32
25.	Dynaquest Sdn Berhad	534,600	0.32
26.	Chong Ik Poh	463,000	0.28
27.	Lim Pui Ying	428,000	0.26
28.	Kejutaan Vital Properties Sdn Bhd	400,000	0.24
29.	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for Singular Asia Flexible Fund (5758-401))*	395,400	0.24
30.	Wong Lok Jee @ Ong Lok Jee	388,000	0.23
	TOTAL	137,520,900	82.90

AS AT 30TH JUNE 2018

Location	Tenure	Description / Existing Use	Age Of Buildings (Years)	Approx. Area (Sq. m.)	Net Book Value at 30.06.2018 RM'000	Date of Acquisition
H.S.(D) 80039 P.T. No. 14351 Mukim Damansara Daerah Petaling Negeri Selangor	Freehold	Land with Factory cum Office Premises	26	19,984	9,950	20.12.1991
Lot 46 Seksyen U1 Glenmarie Industrial Estate Mukim of Damansara District of Klang Selangor Darul Ehsan	Freehold	Land with Office Premises (Office Warehouse)	21	4,251	4,280	05.08.1994
Lot 6100 Mukim of Kapar District of Klang Selangor Darul Ehsan	Freehold	Industrial Land (Store and Casting Yard)	–	40,494	4,134	16.03.1995
H.S.(D) 248325 PTD 67304 Mukim of Tebrau Johor	Freehold	Hawker Centre (Vacant)	20	1,354	146	28.03.1991
No. 2-2 Arab-Malaysian Business Centre Jalan Tuanku Munawir 70000 Seremban Negeri Sembilan	Freehold	Business Complex Shop/Office (Vacant)	20	105	119	17.05.1999
1-2-17 Block Ixora 1 Jalan S2 G3 Garden Avenue Seremban 2 70300 Seremban Negeri Sembilan	Freehold	Apartment (Vacant)	16	74	50	08.10.2001
1-2-19 Block Ixora 1 Jalan S2 G3 Garden Avenue Seremban 2 70300 Seremban Negeri Sembilan	Freehold	Apartment (Vacant)	16	74	50	08.10.2001
2-2-05 Block Ixora 2 Jalan S2 G3 Garden Avenue Seremban 2 70300 Seremban Negeri Sembilan	Freehold	Apartment (Vacant)	16	74	50	24.12.2001

AS AT 30TH JUNE 2018

Location	Tenure	Description / Existing Use	Age Of Buildings (Years)	Approx. Area (Sq. m.)	Net Book Value at 30.06.2018 RM'000	Date of Acquisition
PT69171 Lot 11 Bandar Bukit Raja Klang	Freehold	Industrial Land (For Future Development)	–	11,744	5,849	20.07.2014
No. 17, Jalan Clover 6 Clover Garden Residence 63100 Cyberjaya Selangor	Freehold	3 Storey Semi Detached House (Vacant)	2	297	1,638	25.03.2014
No. 19, Jalan Clover 6 Clover Garden Residence 63100 Cyberjaya Selangor	Freehold	3 Storey Semi Detached House (Vacant)	2	297	1,638	25.03.2014
No. 21, Jalan Clover 6 Clover Garden Residence 63100 Cyberjaya Selangor	Freehold	3 Storey Semi Detached House (Vacant)	2	297	1,638	25.03.2014

This page has been intentionally left blank

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

PROXY FORM

CDS Account No.:

*I/We ....
(Full Name in Capital Letters)

NRIC No./Passport No./Company No. ....

of ....
(Address)

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

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

of ....
(Address)

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

of ....
(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Ninth Annual General Meeting of Pintaras Jaya Berhad to be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 23rd October 2018 at 10:00 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 final single-tier dividend of 12 sen per share.		
2.	To approve the Directors' fees for the financial year ending 30 June 2019.		
3.	To re-elect Mr. Chiu Wei Wen as Director.		
4.	To re-elect Mr. Chang Cheng Wah as Director.		
5.	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
6.	To retain Mr. Arnold Kwan Poon Keong as an Independent Non-Executive Director.		
7.	To retain Mr. Kong Kim Piew as an Independent Non-Executive Director.		
8.	To retain Mr. Chang Cheng Wah as an Independent Non-Executive Director.		
9.	Authority to issue shares.		
10.	Proposed Renewal of Share Buy-Back Authority.		

Please indicate with (X) in the space provided how you wish your vote to be cast, in the absence of any specific direction, your proxy will vote or will vote or abstain at his/her discretion.

Dated this .... day of 2018

Tel No. ....

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

** Delete where inapplicable.*

Fold this flap for sealing

Notes:-

(1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of 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 not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), 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 of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
(6) 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.
(7) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
(8) A depositor shall not be regarded as a member entitled to attend this general meeting and to speak and vote thereat unless his/her name appears in the Register of Members and/or Record of Depositors as at 16 October 2018 issued by Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") upon request by the Company in accordance with the rules of the Bursa Depository.

Please fold here

Stamp

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

Please fold here