FAJARBARU BUILDER GROUP BHD

Company No. 281645-U

ANNUAL REPORT 2016

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FORM OF PROXY

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of the Company will be held at Dewan Perdana, 1st Floor Sport Complex, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 December 2016 at 10.00 a.m.

AGENDA

1) To receive the Audited Financial Statements for the year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2) To re-elect the following directors who retire in accordance with Article 87 of the Company's Articles of Association, being eligible, offer themselves for re-election:-

   i) Dato' Ir. Low Keng Kok **Resolution 2**
   ii) En. Zahedi Bin Mohd Zain **Resolution 3**

3) To re-appoint Dato' Ismail Bin Haji Omar who is over the age of seventy (70) years, to hold office until the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 4**

4) To approve the payment of Directors' fees of RM491,000 for the year ended 30 June 2016. **Resolution 5**

5) To re-appoint Auditors to hold office for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

Special Business

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

6) **Ordinary Resolution 1 - Continuation in office as Independent Director**

"THAT approval be and is hereby given to Mr. Foong Kuan Ming, who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director." **Resolution 7**

7) **Ordinary Resolution 2 - Authority to Issue Share**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue." **Resolution 8**

8) **Ordinary Resolution 3 - Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorised to allocate an amount not exceeding the unappropriated profits and/or share premium

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

accounts of the Company for the purpose of and to purchase such amount of ordinary shares of RM0.50 each ("Proposed Share Buy-back") in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all or part the shares so purchased and/or to retain all or part the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Securities and/or to retain part thereof as treasury shares and cancel the remainder; AND THAT the Directors be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:

i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or
ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
iii) revoke or varied by ordinary resolution of the shareholders of the Company at a general meeting whichever is the earliest." **Resolution 9**

9. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAN KOK AUN (MACS 01564)
WONG WAI YIN (MAICSA 7003000)
Company Secretaries

Kuala Lumpur,
28 October 2016

Notes :

1. *A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such member, and where a member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy to attend and vote instead of him at the same meeting. Where a member appoints more than (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.*
2. *Where a Member 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*
3. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
4. *If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*
5. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's Registrar Office, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for the Meeting.*
6. *Depositor whose name appears on the Record of Depositors as at 23 November 2016 shall be regarded as member of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at meeting.*

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS

i. Continuation in office as Independent Non-Executive Director

The proposed Resolution 7 in item 6 is to seek shareholders' approval to retain Mr. Foong Kuan Ming as an Independent Director which he has served in that capacity for more than nine years.

The Board has assessed the independence of Mr. Foong Kuan Ming and recommended that he continues to act as Independent Director of the Company based on the following justification:

- Mr. Foong fulfilled the criteria under the definition of "Independent Director" as stated in the Listing Requirements.
- Mr. Foong has over time, developed increased insight with the Group's business operations and therefore can contribute to the effectiveness of the Board as a whole.
- Mr. Foong does not have any conflict of interest as throughout his tenure of office as an Independent Director of the Company, he has not entered into and is not expected to enter into any contracts which will give rise to any related party transactions with the Company and its subsidiaries.
- Mr. Foong remains objective and independent in expressing his views and participated in active deliberations and decision making process of the Board and Board Committees in which he is a member. His length of service on the Board and Board Committees does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company.

ii. Authority to Directors to Issue Shares

The proposed Resolution 8 in item 7 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate. In order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future projects, working capital and/or acquisitions.

The Company had on 26 April 2016 allotted 32,800,000 new ordinary shares of RM0.50 each at issued price of RM0.545 per share ("Private Placement Expenses") pursuant to the mandate approved by the shareholders on 3 December 2015. The total proceeds of RM17,876,000 from the Private Placement was utilised on working capital for construction and property segment as well as other operating expenses amounting to RM17,724,000 and the balance of RM152,000 is for private placement expenses.

iii. Proposed Renewal of Share Buy Back Authority

The proposed Resolution 9 in item 8 is to empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits and/or share premium of the Company. Please refer to the Share Buy Back Statement dated 28 October 2016, which is dispatched together with the Company's Annual Report 2016.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

DETAILS OF MEETING

Twenty-Second Annual General Meeting of the Company will be held at Dewan Perdana, 1st Floor Sport Complex, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 December 2016 at 10.00 a.m.

RE-ELECTION OF DIRECTORS

Directors who are standing for re-election in accordance with Article 87 of the Company's Articles of Association:

i) Dato' Ir. Low Keng Kok
ii) En. Zahedi Bin Mohd Zain

Directors who are standing for re-appointment in accordance with Section 129(6) of the Company's Act, 1965 :

i) Dato' Ismail Bin Haji Omar

Further details of the Directors standing for re-election are set out in the Directors' Profile appearing on page 14 to 15 of this Annual Report.

ATTENDANCE OF BOARD MEETING

Details of the attendance of directors at board meetings and committee meetings are stated on page 16 of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ir. Low Keng Kok	*(Independent Non-Executive Chairman)*
Ooi Leng Chooi	*(Non-Independent Non-Executive Director)*
Dato' Ismail Bin Haji Omar	*(Independent Non-Executive Director)*
Foong Kuan Ming	*(Independent Non-Executive Director)*
Wong Chee Heng	*(Independent Non-Executive Director)*
Zahedi Bin Mohd Zain	*(Independent Non-Executive Director)*

AUDIT COMMITTEE

Chairman - Foong Kuan Ming
Members - Wong Chee Heng
- Zahedi Bin Mohd Zain

NOMINATION COMMITTEE

Chairman - Foong Kuan Ming
Members - Wong Chee Heng
- Zahedi Bin Mohd Zain

REMUNERATION COMMITTEE

Chairman - Zahedi Bin Mohd Zain
Members - Foong Kuan Ming
- Wong Chee Heng

PRINCIPAL BANKERS

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

SOLICITOR

Messrs. B B Teh.

COMPANY SECRETARIES

Tan Kok Aun (MACS 01564)
Wong Wai Yin (MAICSA No. 7003000)

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor (Room 2),
Jalan Ipoh Kecil,
50350 Kuala Lumpur.
Tel : +603 – 4043 5750
Fax : +603 – 4043 5755

BUSINESS ADDRESS

No.61 & 63, Jalan SS6/12,
Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603 – 7804 9698
Fax : +603 – 7804 3698 / 4849
Website : http://www.fb.com.my

AUDITORS

Crowe Horwath, Chartered Accountants
Kuala Lumpur Office,
Level 16 Tower C, Megan Avenue II,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel : +603 – 2788 9999
Fax : +603 – 2788 9998

REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia.
Tel : +603 – 2783 9299
Fax : +603 – 2783 9222

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Bhd
Stock Name: FAJAR
Stock Code: 7047

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Fajarbaru Builder Group Bhd ('FBG' or 'the Group'), I am honored to present the Annual Report and Audited Financial Statements for the financial year ended 30 June 2016.

INDUSTRY TRENDS

Despite the existence of challenges and uncertainties in overall economic situation, the construction sector in Malaysia is strong and shows no sign of slowing down anytime soon. In a report by Bank Negara Malaysia, downside risks to the global economy remains elevated as cyclical and structural weaknesses continue to weigh on growth in the major economies. The value of construction work done grew by 11.7% year-on-year basis to record RM30.4 billion in the second quarter 2016. Growth was driven mainly by the civil engineering sub-sector, reflecting the progress of ongoing infrastructure projects in Malaysia under the 11th Malaysia Plan (2016-2020).

The outlook for the construction sector in 2016 remains positive, thanks to continuous list of government jobs including the Light Rail Transit 3, the Mass Rapid Transit project and the slew of highway projects including the Pan Borneo Highway and the West Coast Expressway. A number of new transport infrastructure projects are also on the verge of getting the green light, which will further drive the sector. These projects include the Eastern Klang Valley Expressway, the Damansara-Shah Alam Elevated Expressway (DASH) and the upgrading of the East Coast Railway, which in total will equate to investments of around RM34 billion. Other upcoming projects include the Tun Razak Exchange project, the 118-storey skyscraper development Warisan Merdeka and the affordable housing project under the PR1MA initiative will drive construction activities despite the weakened ringgit and rising cost of construction.

The government has set up a number of initiatives to help maintain the construction sector's impressive growth, which will also benefit overall development through improved infrastructure and affordable housing. Malaysia is currently experiencing a building boom with a number of significant projects getting off the ground. These major investments will resonate throughout the economy and help to boost the country's development.

For property sector, however, the impact of tighter monetary policy amid a slow economic growth has at present led to a slower overall growth of the real estate market, especially the residential segments.

FINANCIAL PERFORMANCE

During the financial year under review, the Group has recorded a revenue of RM423.91 million and registered a profit after tax of RM31.56 million as compared to a revenue of RM387.53 million and a loss after tax of RM0.10 million for the previous corresponding year.

The Company's sterling results were attributed to better performance and rapid activities in the logging and timber trading segment.

CHAIRMAN'S STATEMENT (cont'd)

OUTLOOK AND PROSPECTS

With a pleasing amount of order book that will keep the Group busy for the next couple of years, the Group will continuously leverage on its experienced to tender for public and private projects to replenish its current order book.

The on-going construction projects will contribute positively to the performance of the Group in view of the current order book which will keep the construction division busy for the next couple of years.

Backed by the positive outlook in global production, increased consumer confidence and improved economies in Asia, the prospects for the local timber industry is indeed bright with its concession agreements in force. It is the commitment of the Group to improve its earnings growth with priority to ensure that we complied with the rules and regulations imposed by the authorities to protect the environment and people throughout the logging activities.

The property development division is anticipated to have better results to the Group. Despite the current slow and subdued market, we believe that the road ahead is still paved with challenges. Slow economic growth and tight lending guidelines will continue to impact sales at large. Nevertheless, operating conditions are expected to improve in the coming years. In addition, the Group is confident that our upcoming launches, particularly development in Puchong and Sentul, will be well received due to the developments' location and quality attributes.

CORPORATE GOVERNANCE

To ensure transparency, accountability and protection of shareholders' interest, the Board places great emphasis on ensuring and maintaining the highest standards of corporate governance, ethical business conduct and values are practiced within the Group in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.

The Group's commitment to the principles of good corporate governance reflects the belief that responsible business conduct is vital to sustainably enhancing stakeholder value.

CORPORATE DEVELOPMENTS

On 9 October 2015, Smooth Accomplishment Sdn. Bhd., an indirect 51% owned subsidiary company, has entered into an agreement with AK Timber Sdn. Bhd. to undertake the extraction and sale of timber extracted from the compartment 134-A, 135-A, 135-B and 136-A, Hutan Simpan Yong, Mukim Tembeling, Daerah Jerantut, Pahang Darul Makmur for a total consideration of RM3,150,000.00.

The Group had on 29 July 2016 incorporated a subsidiary company, Asiahub Trading Sdn. Bhd., to carry on the business in trading of building materials with the authorised capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each and the total issued and paid up capital is RM2.00 divided into 2 ordinary shares of RM1.00 each.

The Group had on 2 August 2016 completed the Private Placement exercise of which 32,800,000 new Fajarbaru Shares were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 28 April 2016.

The Group had on 23 August 2016 entered into a Sale and Purchase of Share Agreement to acquire 20,000 ordinary shares of RM1.00 each in Kerjaya Jutamas Sdn. Bhd. representing 20% of its total issued and paid up capital for a total cash consideration of RM20,000.00.

CHAIRMAN'S STATEMENT (cont'd)

DIVIDEND

In recognition of the continued support and loyalty of shareholders, the Board of Directors has declared an interim single tier dividend of 2.5% for the financial year ended 30 June 2016 wherein RM4,110,865.14 was paid to shareholders on 23 December 2015.

APPRECIATION

On behalf of the Board of Directors, I will relentlessly continue the process of creating value for all our stakeholders, improving the delivery system and enhancing the competitive advantage of the Group.

My sincere appreciation also goes to the management team and employees for their invaluable dedication and commitment to the Group.

I also would like to extend my unreserved appreciation to my fellow members of the Board for their sound advice, guidance, commitment and invaluable contributions over the years.

Besides, the Board and I would like to record our sincere appreciation and gratitude to Tan Sri Dato' Sri Ir Kuan Peng Ching @ Kuan Peng Soon, who retired as Non-Independent Non-Executive Chairman of the Company on 31 May 2016, for his invaluable services to the Group. I also wish to take this opportunity to thank Mr. Ooi Leng Chooi, who was re-designated as a Non-Executive Director of the Group from his previous position as Executive Director effective 24 February 2016.

Last but not least, I would like to take this opportunity to express my heartfelt thank you for giving me the opportunity to act as the Chairman for the Group.

MOVING FORWARD

FBG has always been committed to continue to grow and diversify its business in a sustainable manner in order to create a good value for our shareholders.

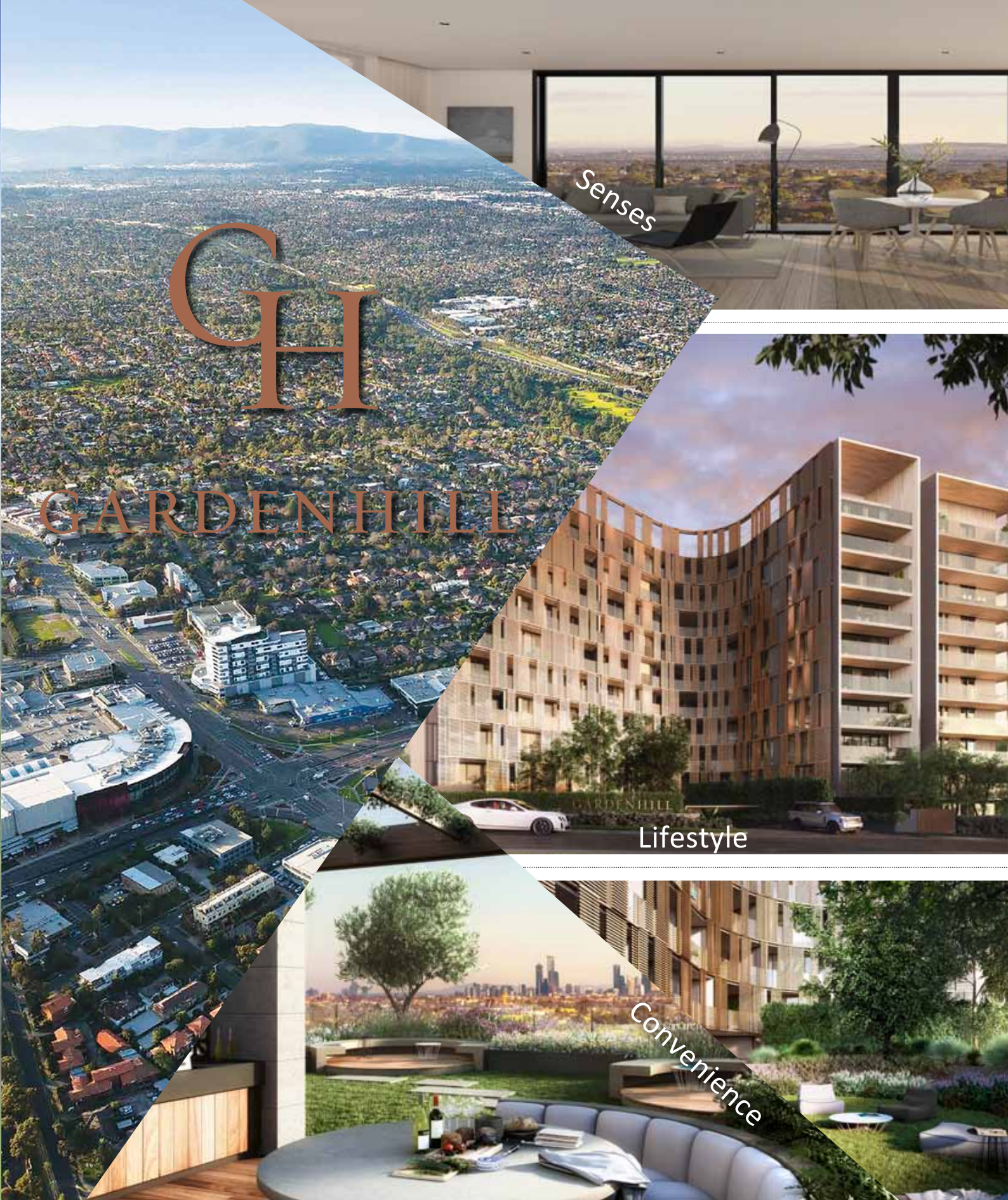
Dato' Ir Low Keng Kok
Chairman

Rica Residence

SENTUL, KL

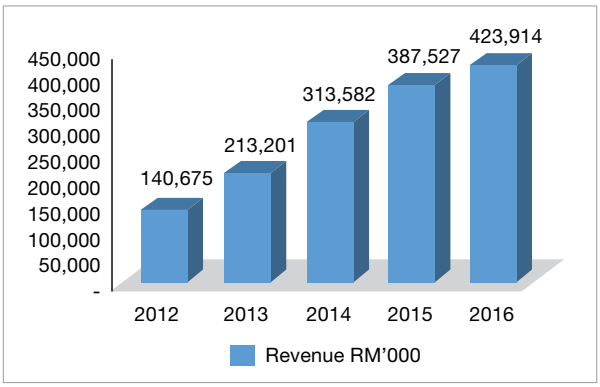
Rica Residence at Sentul is a great starting point to explore the vibrant city of Kuala Lumpur. With effortless convenience and outstanding connectivity, this is where commuting by public transport is an easy task. Discover a modern address at Rica Residence, where living, entertainment and work are highly accessible from one remarkable location.

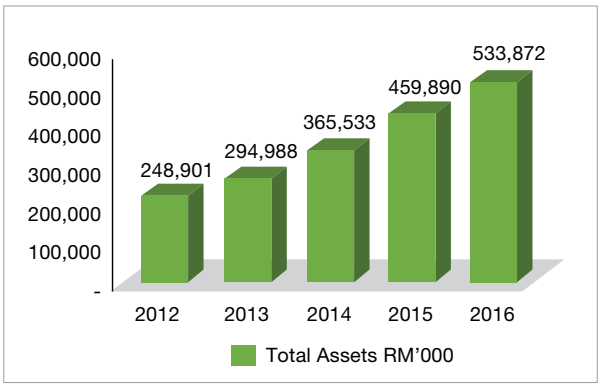
SEAMLESS CONNECTIVITY FROM CITY CENTRE

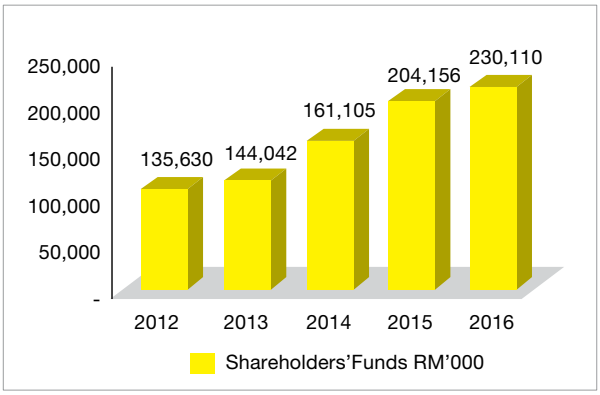

GH
GARDENHILL
Senses
Lifestyle
Convenience

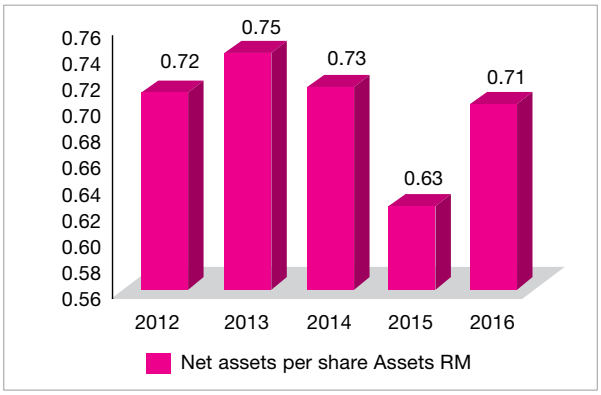
PERFORMANCE ANALYSIS

	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000
Revenue	140,675	213,201	313,582	387,527	423,914
Profit / (Loss) before tax	(28,264)	5,693	4,794	5,157	49,010
Profit / (Loss) after tax	(21,279)	4,176	2,930	(95)	31,561
Issued Share Capital	94,474	95,846	110,152	164,967	181,367
Shareholders' Funds	135,630	144,042	161,105	204,156	230,110
Total Assets	248,901	294,988	365,533	459,890	533,872
Earnings per share (cents)	(12.15)	2.22	1.35	(0.84)	3.21
Net assets per share (cents)	0.72	0.75	0.73	0.63	0.71

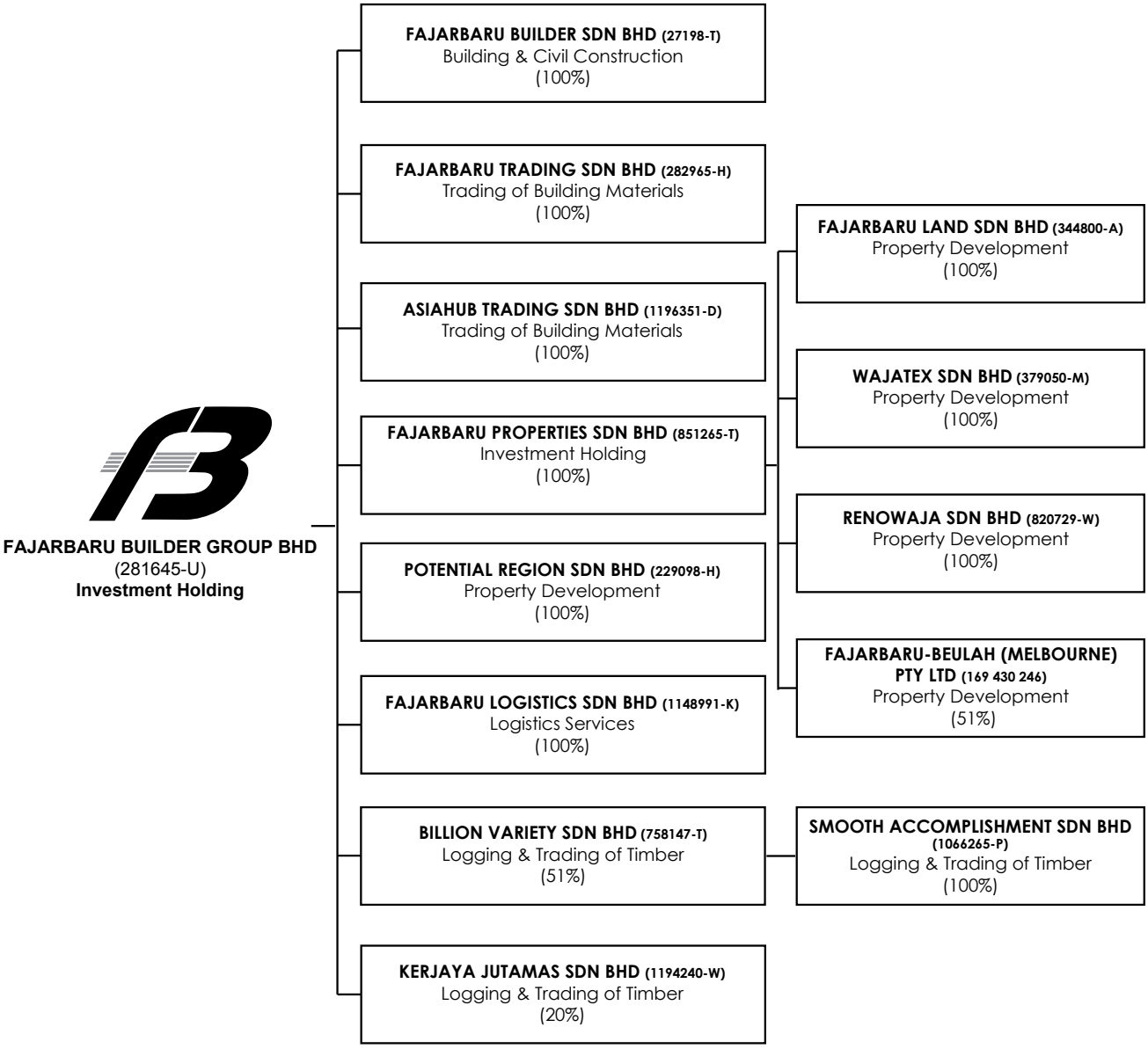








CORPORATE STRUCTURE



BOARD OF DIRECTORS

DATO' IR. LOW KENG KOK
(Independent Non-Executive Chairman)

Dato' Ir. Low, aged 62, Malaysian, was appointed to the Board on 1 August 2007. Dato' Ir. Low graduated from the University of Malaya with a Bachelor of Engineering (Hons) Degree in Civil Engineering. He is a Chartered Engineer and Chartered Environmentalist (U.K.). He is a Fellow of the Institution of Engineers, Malaysia and the Institution of Highways and Transportation, U.K. He is a corporate member of the Institution of Water and Environmental Management, U.K. (M.I.W.E.M) and the Institution of Civil Engineers, U.K. (M.I.C.E). Dato' Ir. Low has more than 35 years of experience in management of building, infrastructural and privatization projects. Dato' Ir. Low is also a director of Fitters Diversified Berhad. Dato' Ir. Low was re-designated as Independent Non-Executive Chairman on 31 May 2016.

Prior to appointment in FBG, Dato' Ir. Low was the Joint Managing Director of Road Builder (M) Holdings Bhd.

Dato' Ir. Low is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has had no convictions for any offences within the past 5 years.

OOI LENG CHOOI
(Non-Independent Non-Executive Director)

Mr. Ooi Leng Chooi A.C.M.A. C.A (M), aged 50, Malaysian, a Chartered Accountant, a member of the Malaysian Institute Of Accountants (MIA) and a Certified Finance Planner (CFP). He joined FBG in 1998 as a Finance Manager and was appointed to the Board of FBG as an Executive Director on 12 December 2001. Mr. Ooi has more than 18 years of working experience in handling corporate finance and general management with two (2) listed companies prior in joining FBG. Mr. Ooi was re-designated as Non-Independent Non-Executive Director on 24 February 2016.

Mr. Ooi is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has had no convictions for any offences within the past 5 years.

DATO' ISMAIL BIN HAJI OMAR
(Independent Non-Executive Director)

Dato' Ismail Bin Haji Omar, aged 77, Malaysian, was appointed to the Board on 13 November 1997. He obtained a Bachelor of Economics (Honours) Degree from the University of Western Australia, Australia in 1965. Dato' Ismail started his career with the Government in 1966 at the Ministry of Commerce and Industry as an Assistant Controller in the Export Commodities Division. Subsequently in 1970, he was promoted to the position of Deputy Controller. He joined the Ministry of Primary Industries as Principal Assistant Secretary in 1972 and in 1975, he was promoted to Secretary, Rubber Division, Ministry of Primary Industries. In 1979, he was promoted to the Deputy Secretary in the Cabinet Division of the Prime Minister's Department and served there for two (2) years. He was made the Director of Agriculture Division in the Economics Planning Unit in the Prime Minister's Department for two and a half (2 ½) years from 1982 to 1984. In July 1984, he was transferred to the Ministry of Education as Secretary of Development and Supply Division, a post which he held for eight and a half (8½) years till 1993 and also sat on the Board of Rubber Research Institute for ten (10) years from 1968 to 1978. He had also served on the Malaysian Rubber Research & Development Board, Malaysian Rubber Exchange and Licensing Board and Malaysian Rubber Development Corporation.

Dato' Ismail is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has had no convictions for any offences within the past 5 years.

BOARD OF DIRECTORS (cont'd)

FOONG KUAN MING
(Independent Non-Executive Director)

Mr. Foong Kuan Ming, aged 61, Malaysian, was appointed to the Board of Directors of FBG on 23 November 1998. Mr. Foong is an Advocate and Solicitor by profession. He graduated with a BA (Hons) in Law in 1980 from the University of Central Lancashire, England; subsequently post-graduated from The Council of Legal Education, London and was called to Utter Barrister-at-Law of Lincoln's Inn, London. He later furthered his legal studies and obtained his Masters in Law at University of Malaya in 2004. Mr. Foong is also an Accredited Mediator with the Malaysian Mediation Centre of the Bar Council of Malaysia. Mr. Foong was called to the Malaysian Bar in 1982 and has been in legal practice since then. He is currently the founder and senior partner of the law firm, Foong & Co., and is principally engaged in banking, corporate and property legal matters. Mr. Fong is also a Director of Careplus Group Bhd.

Mr. Foong is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has had no convictions for any offences within the past 5 years.

Mr. Foong is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee.

WONG CHEE HENG
(Independent Non-Executive Director)

Mr. Wong Chee Heng, aged 58, Malaysian, is a Chartered Management Accountant and a member of the Malaysian Institute of Accountants (MIA). He was appointed to the Board of Directors of FBG on 1 January 2008. He started his career with Asia Automobile Industries Sdn. Bhd., the assembler for Mazda and Peugeot vehicles in 1979. He left in 1980 to join Kadin-Duetz Sdn. Bhd., a company trading in heavy equipment. He joined Machinery & Industrial Supplies Sdn. Bhd. in 1984 and was seconded to Hirotako Acoustics Sdn. Bhd. in 1995. He has more than 21 years of experience in accounting, corporate finance and general management.

Mr. Wong is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has had no convictions for any offences within the past 5 years.

Mr. Wong is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

ZAHEDI BIN MOHD ZAIN
(Independent Non-Executive Director)

En. Zahedi Bin Mohd Zain, aged 61, Malaysian, was appointed to the Board of FBG on 12 November 2012. He graduated from Brighton Polytechnic, United Kingdom with B. Sc. (Hons) Applied Science. En. Zahedi was a production engineer in Petroliam Nasional Berhad (Petronas) from 1981 to 1985. He left Petronas in 1985 and was appointed as an Executive Director of Perusahaan Dapat Sdn. Bhd. (now known as Autoliv Hirotako Safety Sdn. Bhd.) from 1985 to 2005. He was appointed as a Director in Hirotako Holdings Bhd. in 1994 and resigned in January 2012. En. Zahedi is also a Director of Fitters Diversified Berhad.

En. Zahedi is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has had no convictions for any offences within the past 5 years.

En. Zahedi is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

BOARD OF DIRECTORS (cont'd)

CONVICTIONS FOR OFFENCES OF DIRECTORS AND SENIOR MANAGEMENT TEAM

None of the Directors have been convicted for any offences within the past five (5) years other than traffic offences, if any.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were Five (5) Board Meetings held during the financial year ended 30 June 2016. Details of attendance of Directors at Board Meetings are as follows:-

NAME	STATUS OF DIRECTORSHIP	ATTENDANCE OF MEETINGS
Dato' Ir. Low Keng Kok	Independent Non-Executive Chairman	4/5
Ooi Leng Chooi	Non-Independent Non-Executive Director	5/5
Dato' Ismail Bin Haji Omar	Independent Non-Executive Director	5/5
Foong Kuan Ming	Independent Non-Executive Director	5/5
Wong Chee Heng	Independent Non-Executive Director	5/5
Zahedi Bin Mohd Zain	Independent Non-Executive Director	4/5

DATE, TIME AND VENUE OF BOARD MEETINGS

All Board Meetings for the financial year ended 30 June 2016 were held in FBG Conference Room, 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.

The date and time of the Board Meetings were as follows:

DATE	TIME
27 August, 2015 (Thursday)	11.00 a.m.
21 October, 2015 (Wednesday)	11.30 a.m.
26 November, 2015 (Thursday)	11.00 a.m.
24 February, 2016 (Wednesday)	3.30 p.m.
26 May, 2016 (Thursday)	12.30 p.m.

SENIOR MANAGEMENT TEAM

KUAN KHIAN LENG
Age 40, Male, Malaysian
(Group Executive Director)

DATO' LIM SIEW MEI
Age 34, Female, Malaysian
(Director)

CHAN JIAHENG
Age 29, Male, Malaysian
(Director)

TOH TEONG HOCK
Age 55, Male, Malaysian
(Chief Operating Officer of Construction – Infrastructure & Civil)

WONG WEE KEONG
Age 50, Male, Malaysian
(Director of Contract & Trading)

YAU TUCK WAI
Age 49, Male, Malaysian
(Director of Property)

IR. KONG KAM LOONG
Age 39, Male, Malaysian
(Director of Construction – Building)

CHARLES TAN TING LIH
Age 40, Male, Malaysian
(Finance Director)

KHOR MEE KHIANG
Age 58, Male, Malaysian
(Deputy General Manager)

ASLAM HAPIDZ LEE BIN ADULLAH
Age 47, Male, Malaysian
(Senior Project Manager)

EDDIE CHONG SIN FOOK
Age 54, Male, Malaysian
(Senior Project Manager)

LEE YEE MING
Age 44, Male, Malaysian
(Senior Contract Manager)

TAY CHEE CHENG
Age 42, Male, Malaysian
(Senior M & E Manager)

KERK WAI SEE
Age 52, Female, Malaysian
(Contract Manager)

IR. LIM KIM TENG
Age 45, Male, Malaysian
(M & E Manager)

NG KOK WAI
Age 53, Male, Malaysian
(Operation Manager – Logging & Trading of Timber)

YEE CHU WAH
Age 60, Male, Malaysian
(Accounts Manager)

OOI BOON HENG
Age 37, Male, Malaysian
(Corporate & Finance Manager)

LIM KIM CHAIR
Age 50, Male, Malaysian
(Asset Maintenance Manager)

KHOO NEE BENG
Age 52, Male, Malaysian
(Project Manager)

HOON WAI LOH
Age 42, Male, Malaysian
(Project Manager)

CK CHAN
Age 38, Female, Malaysian
(Manager – HR/ Administration)

TEONG CHEE ENG
Age 39, Male, Malaysian
(Internal Auditor)

EUGENE NG
Age 34, Male, Malaysian
(Sales Manager)

SENIOR MANAGEMENT TEAM (cont'd)

KUAN KHIAN LENG
(Group Executive Director)

Mr. Kuan Khian Leng has been with the company since November 2014. He graduated with a Bachelor in Civil Engineering (First Class Honours) and Master in Management Science & Operational Research from University of Warwick, United Kingdom. He has more than 16 years of experience in the banking, ICT, engineering and construction industries. His main responsibilities include day-to-day business operations and development, strategic planning, management decisions and formulation of policies and procedures.

He is a son of Tan Sri Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon, a substantial shareholder of the Company.

DATO' LIM SIEW MEI
(Director)

Dato' Lim Siew Mei has been with the company since February 2014. She graduated with a Master of Banking and Finance from Monash University and a Degree in Bachelor of Commerce in Accounting and Finance from Deakin University. She has more than 8 years of experience in the timber and logging industry. She is primarily responsible for the day-to-day business operations and management decisions of the timber and logging division.

CHAN JIAHENG
(Director)

Mr. Chan Jiaheng has been with the company since May 2014. He graduated with a MBA from RMIT University (Melbourne), Degree in Bachelor of Engineering (Mechatronics) and Bachelor of Computer Science from University of Melbourne. He has more than 5 years of experience in the advisory and business analysis, project management and property industry. He is primarily responsible for day-to-day business operations and management decisions of Fajarbaru-Beulah (Melbourne) Pty Ltd.

TOH TEONG HOCK
(Chief Operating Officer of Construction – Infrastructure & Civil)

Mr. Toh Teong Hock has been with the company since April 2008. He graduated from The National University of Singapore with a Degree in Bachelor of Engineering (Civil). He has more than 30 years of experience in civil engineering construction like dam, bridge, sewage treatment plant, road, railway, housing and infrastructural projects. He is primarily responsible in overseeing, supervision and coordinate the operations of the construction division.

WONG WEE KEONG
(Director of Contract & Trading)

Mr. Wong Wee Keong has been with the company since December 2010. He holds the Master in Quantity Surveyor from Heriot Watt University. He has more than 30 years of experience in the construction industry. His responsibility involve overseeing, supervision and coordinate the operations of the contract and purchasing departments.

YAU TUCK WAI
(Director of Property)

Mr. Yau Tuck Wai has been with the company since March 2010. He is a graduate from Chartered Institute of Marketing (UK). He has more than 23 years of experience in property industry. He is primarily responsible for the day-to-day business operations of the property division.

SENIOR MANAGEMENT TEAM (cont'd)

IR. KONG KAM LOONG
(Director of Construction – Building)

Ir. Kong Kam Loong has been with the company since July 2008. He graduated from the Universiti Technologi Malaysia with a Degree of Bachelor of Engineering (Civil). He is a Professional Engineer registered with the Institute of Engineers Malaysia (IEM), a Registered Professional Engineer with the Board of Engineers (BEM) and a professional member of Malaysia Green Building Confederation (MGBC). He has more than 13 years of experience in the construction industry involving in design and construction planning. His main responsibilities include planning of the project activities, ensuring works carried out in compliance of regulations and procedures; and supervise and coordinate with sub-contractors on site.

CHARLES TAN TING LIH
(Finance Director)

Mr. Charles Tan has been with the company since June 2011. He is a Chartered Accountant, and a member of the Malaysian Institute of Accountants (MIA). He has more than 12 years of experience in accounting, corporate finance and general management. His main roles include leading the accounts, corporate and finance department; implementing system control and financial budgeting.

KHOR MEE KHIANG
(Deputy General Manager)

Mr. Khor Mee Khiang has been with the company since 2013. He graduated from Massey University of New Zealand with a Degree in Bachelor of Science in Civil Engineering. He has more than 32 years of experience in the construction industry. He is primarily responsible for project management of the construction division.

ASLAM HAPIDZ LEE
(Senior Project Manager)

En. Aslam Hapidz Lee has been with the company since August 2015. He graduated from University Sains Malaysia with a Degree in Bachelor of Civil Engineering (Hons). He has more than 18 years of experience in the construction industry. He is responsible for project management of the construction division.

EDDIE CHONG SIN FOOK
(Senior Project Manager)

Mr. Eddie Chong has been with the company since April 2016. He graduated from Trinity University with a Degree of Science (Honours) in Civil Engineering. He has more than 28 years of experience in the construction industry. He is responsible for project management of the construction division.

LEE YEE MING
(Senior Contract Manager)

Mr. Lee Yee Ming has been with the company since April 2016. He graduated with an MSc in Construction Management and Economics from University of Greenwich (UK). He has more than 20 years of experience in the construction industry. His roles include carrying out tender exercise; preparing cost estimation and project budget; and attend all contractual matters in relation with projects.

TAY CHEE CHENG
(Senior M & E Manager)

Mr. Tay Chee Cheng has been with the company since April 2016. He graduated from the University Technology Malaysia with a Degree of Bachelor in Mechanical Engineering. He has more than 23 years of experience in the construction industry. His roles include planning of the programme for M&E; ensuring works carried out in compliance of regulations and procedures; and supervise and coordinate with M&E sub-contractors on site.

SENIOR MANAGEMENT TEAM (cont'd)

KERK WAI SEE
(Contract Manager)

Ms. Kerk Wai See has been with the company since May 2012. She graduated with a Degree of Certification in (Technology) Quantity Surveying from Tunku Abdul Rahman University College. She has more than 28 years of experience in the construction industry. Her roles include carrying out tender exercise; preparing cost estimation and project budget; and attend all contractual matters in relation with projects.

IR. LIM KIM TENG
(M & E Manager)

Ir. Lim Kim Teng has been with the company since December 2009. He graduated from the Iowa State University with a Degree of Bachelor of Science (Mechanical Engineering). He is a Professional Engineer (Mechanical) registered with the Institute of Engineers Malaysia (IEM) and a Registered Graduate Engineer with the Board of Engineers (BEM). He has more than 23 years of experience in the construction industry. His roles include planning of the programme for M&E; ensuring works carried out in compliance of regulations and procedures; and supervise and coordinate with M&E sub-contractors on site.

NG KOK WAI
(Operation Manager –Logging & Trading of Timber)

Mr. Ng Kok Wai joined the Company in May 2014. He has over 32 years of corporate experience in Public Relations, Issues Management and Marketing. He started as a journalist for Nanyang Siang Pau in the 1980's for 12 years before heading Media and Marketing of Genting Malaysia Berhad for 10 years. He was appointed Press Secretary to the Minister of Transport between 2007 & 2008. He is responsible for the day-to-day business operations of the timber and logging division.

YEE CHU WAH
(Accounts Manager)

Mr. Yee Chu Wah has been with the company since August 1996. He is a professional member of the Chartered Institute of Management Accountants (CIMA) and a member of the Malaysian Institute of Accountants (MIA). He has more than 34 years of experience in the accounting, tax and audit fields. His responsibilities include preparing Group's accounts; verifying sub-contractors claims and liaise with External Auditors, tax agents, etc.

OOI BOON HENG
(Corporate & Finance Manager)

Mr. Ooi Boon Heng has been with the company since November 2007. He graduated with an MBA (Finance) from University of Malaya and a Degree of Bachelor of Business (Accounting & Finance). He has more than 10 years of experience in the accounting, corporate and finance fields. His main responsibilities include handling bank facilities; monitoring cash flow position and projects progress and all corporate and investor relations matters.

LIM KIM CHAIR
(Asset Maintenance Manager)

Mr. Lim Kim Chair has been with the company since February 1990. He holds a Diploma in Quantity Surveyor from Federal Institute of Technology (FIT). He has more than 27 years of experience in the construction industry. He is primarily responsible for the maintenance of the Group's assets.

SENIOR MANAGEMENT TEAM (cont'd)

KHOO NEE BENG
(Project Manager)

Mr. Khoo Nee Beng has been with the company since May 2007. He holds a Degree of Bachelor of Science in Civil Engineering from University of Southwestern Louisiana. He has more than 21 years of experience in the construction industry. He is responsible for project management of the construction division.

HOON WAI LOH
(Project Manager)

Mr. Hoon Wai Loh has been with the company since April 2012. He graduated from the Universiti Technologi Malaysia with a Degree of Bachelor of Engineering (Civil). He has more than 19 years of experience in the construction industry. He is responsible for project management of the construction division.

CK CHAN
(Manager – HR/Administration)

Ms. CK Chan has been with the company since March 2010. She graduated with an MBA from Victoria University, Australia. She has more than 13 years of experience in the administrations management and human resources fields. Her responsibilities include providing support in manpower planning, recruitment and selection processes; respond to inquiries regarding policies, procedures and programmes and to plan and implement training programmes.

TEONG CHEE ENG
(Internal Auditor)

Mr. Teong Chee Eng has been with the company since March 2012. He is a professional member of the Association of Chartered Certified Accountants (ACCA), the Malaysian Institute of Accountants (MIA) and the Chartered Tax Institute of Malaysia (CTIM). He has more than 10 years of experience in the accounting, audit and finance field. He is primarily responsible for evaluate and improve the effectiveness of corporate governance, risk management and control processes.

EUGENE NG
(Sales Manager)

Mr. Eugene Ng has been with the company since July 2016. He holds a Diploma in Computer Science & Information Technology. He has more than 10 years of experience in Sales & Marketing for various products and industries. His responsibility mainly in sales negotiation, planning, sourcing, marketing and daily operation.

Note:-

Save as disclosed, none of the above Senior Management Team has:-
1. any family relationship with any Director and/or substantial shareholder of the Company;
2. any conviction for offences within the past five years other than traffic offences, if any;
3. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
4. any conflict of interest with the Company.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds from the Private Placement

During the financial year ended 30 June 2016, the Company has issued 32,800,000 Shares pursuant to the Private Placement exercise.

Utilisation	Amount (RM'000)
1. Working Capital	17,724
2. Expenses for the Issue	152
Total Proceeds and utilisation from the Issue:	17,876

2. Total audit and non-audit fee payable to external auditors

	The Group		The Company	
	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)
1. Audit Fee	163.9	145.9	45.0	40.0
2. Non-Audit Fee	5.0	5.0	5.0	5.0
Total fee payable to external auditors	168.9	150.9	50.0	45.0

3. Profit Guarantee

Claim by Fajarbaru Builder Group Bhd ("FBG") against Cashrep Holdings Sdn. Bhd. ("Cashrep") and Cita Jati Sdn. Bhd. ("Cita Jati").

- FBG's claim is based on Profit Guarantee Agreement and a Supplemental Profit Guarantee Agreement both executed by Cashrep and Cita Jati in favour of FBG.
- On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official Receiver from the Jabatan Insolvensi, Wilayah Persekutuan was appointed as liquidator for both companies.

4. Recurrent related party transactions

There were no recurrent related party transactions during the financial year ended 30 June 2016.

5. Material Contracts involving directors and substantial shareholders

There were no material contracts involving directors and substantial shareholders during the financial year ended 30 June 2016.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") of Fajarbaru Builder Group Bhd. is committed to apply the principles and best practices recommended by the Malaysian Code on Corporate Governance ("Code") and to ensure that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the long term financial performance of the Group.

The Board is pleased to present below the manner in which the Group has applied the principles of the Code and the extent of compliance with the best practices of the Code throughout the financial year ended 30 June 2016:-

BOARD OF DIRECTORS

Board Charter

The Board Charter act as a source of reference and primary induction literature in providing insights to the Board members and senior management.

The details of the Board Charter are available for reference at www.fb.com.my.

Composition and Balance

The Board of Fajarbaru Builder Group Bhd. currently has six (6) members comprising of an Independent Non-Executive Chairman, a Non-Independent Non-Executive Director, and four (4) Independent Non-Executive Directors. The Company is in compliance with the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("Bursa Securities") which required at least two directors, or one-third of the total number of Directors, whichever is higher, to be Independent Directors.

The presence of independent non-executive directors fulfills a pivotal role in corporate accountability. Although all the Directors have an equally responsibility for the Group's operations, the role of these independent non-executive directors is particularly important as they provide unbiased and independent view, advice and judgement to take account of the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

Board Responsibilities

The Board retains full and effective control of the Company. This includes responsibility for the Company's overall strategic direction as well as development and control of the Group. Key matters, such as approval of annual and quarterly results, acquisitions and disposals, material agreements, major capital expenditures, budgets and long term plans would require Board approval.

The Chairman is primarily responsible for the Group's overall business plan and direction, whereas, the Non-Executive Directors share their experience and expertise and give independent input to major decisions including formulation of policies and strategies, they act independently and objectively in carrying their duties. The Directors appointed at the subsidiary level are responsible for the day-to-day business operations, management decisions, financial planning and implementation of policies approved by the Board. They assist and report to the Board in the execution of its duties and responsibilities

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Besides, the roles of the Chairman are separate with clear division of responsibilities to ensure balance of power and authority. The Chairman is delegated authority to take all decisions and actions that further the corporate purpose of creating long-term shareholder value through the discovery, acquisition, development and marketing of natural resources. The Chairman's main responsibility is to lead and manage the Board with the focus on environmental issues, employees, public and shareholders' interest. Concentrated discussion of these items assists the Board in making the right decisions based on the long term opportunities for the business and its stakeholders. The Board monitors the decisions and actions of the Chairman and the performance of the Group to gain assurance that progress is being made towards the corporate purpose within the limits imposed through the Group's governance assurance framework.

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee, the Chairman or another nominated member of the Management team:-

(i) Approval of corporate directions and plan
(ii) Approval of annual budgets / forecast
(iii) Approval of any Joint Venture
(iv) Approval of any material acquisitions and disposals of undertakings
(v) Changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits
(vi) Board appointment
(vii) Any matters / transactions that fall within the ambit of the Board pursuant to the Companies Act 1965, the Main Market Listing Requirements of Bursa Malaysia, Terms of Reference of the respective Board Committees or any other applicable rule.

Adherence to the Limits of Authority is reported directly to the Audit Committee.

The Board met five (5) times during the financial year ended 30 June 2016 to review the Group's operations, quarterly and annual financial statements and any other matters that required the Board's approval. Details of each Director's attendance are set out on page 16 of this annual report.

Board Committees

The Board has delegated certain functions to the Committees its established to assist in the execution of its responsibilities. The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs. The relevant Board Committees established are as follows:-

(i) Audit Committee
(ii) Nomination Committee
(iii) Remuneration Committee
(iv) Risk Management Committee

The duties and responsibilities of the Nomination and Remuneration Committees are to assist the Board in reviewing and recommending the appointment of caliber candidate irrespective of gender and evaluation of the performance of the Directors. They also assess the appropriate remuneration policies applicable to Directors, Chief Executive Officer, Managing Director and senior management.

The activities of the Nomination and Remuneration Committees for the financial year are included in the following:-

(i) reviewed the bonus and incentives of Directors and senior management of the Group;
(ii) assessed and evaluated the effectiveness of Directors through the annual Board evaluation (including the independence of Independent Non-Executive Directors);
(iii) reviewed the letter of employment of senior management staff;
(iv) reviewed the composition of the Board and Board Committees of the Group;
(v) reviewed the Directors' Fees for the Group; and
(vi) reviewed the design and allocation of awards of the Employees' Share Option Scheme ("ESOS")

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

All recommendations of the Nomination and Remuneration Committees are subject to endorsement by the Board.

The responsibilities and activities of Risk Management Committee disclosed on pages 30 and 31 of this Annual Report.

Two (2) Nomination Committee meetings was held during the financial year and was attended by all its members. At the meeting, the Committee has discussed on the training needs of the directors, reviewed and assessed the executive directors, recommendation on re-election of directors subject to retirement as well as the continuation in office of independent non-executive director who have served for more than 9 years.

Supply of Information

All Directors are supplied with board papers pertaining to agenda items prior to the Board meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, when necessary, in order to be properly briefed before the meeting.

The appointment of the Company Secretary is based on the capability and proficiency determined by the Board. All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring the proper Board procedures are followed through and that all applicable rules and regulations are complied with. The Company Secretaries attended the Board meetings and recorded the deliberations, in terms of the issues discussed and the conclusion made by the Board in discharging their duties and responsibilities.

Profile of Company Secretaries

Mr. Tan Kok Aun is a member of The Malaysian Association of Company Secretaries. He has more than 25 years of experience as a corporate secretary.

Ms Wong Wai Yin is a member of The Malaysian Institute of Chartered Secretaries and Administrators. She has more than 30 years of experience in corporate secretarial practice.

Appointments of the Board

The Nomination Committee has the responsibility for assessing and considering the re-appointment of the existing Directors; and for identifying and selecting potential new Directors to the Board. It also considered succession planning and the composition of the Board. The Board has established a Boardroom Diversity Policy. The Nomination Committee considers the experience, skills and qualities of the new and existing Directors to ensure a good balance of skills amongst the Directors so as to continue to enhance the effectiveness of the Board. The Board, through the Nomination Committee, agreed the importance of having diversity on the Board and will take steps to ensure that women candidates are sought as part of its recruitment exercise. The ultimate decision will be based on merit and contributions the candidate brings to the Board.

The Nomination Committee will evaluate the independence of the Independence Directors based on the evaluation criteria approved by the Board and submit its findings to the Board for deliberation. The Independence Directors who are also the Nomination Committee members will be excused from the meeting during discussion of his/her independence status. The assessment takes into account the individual Director's ability to exercise independent judgement to enhance the Board's accountability.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Re-election of the Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors (including a Managing Director) for the time being, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office and shall be eligible for re-election. All directors (including a Managing Director) shall retire from office once at least in each three years, but shall be eligible for re-election.

The Company's Articles of Association also provides that any director appointed during the year shall hold office until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Pursuant to Section 129(6) of the Companies Act 1965, director over the age of seventy (70) years is subject to re-appointment as director of the company to continue in office as a director until the next annual general meeting.

Directors' Training

The Board acknowledges that continuous education is vital for its members to gain insight into the state of the economy, technological advances, latest regulatory developments and management strategies. All members of the Board have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. The Board will also identify training needs amongst the Directors and enroll the Directors for training programme, as and when required.

During the financial year under review, all the Directors have attended a seminar on "Construction Claims With Special Focus On Construction Industry Payment And Adjudication Act, 2012" organized by Mr. Foong Kuan Ming. The training has granted the awareness of the construction claim issues and enable the Board to plan and manage its payment more properly.

The Board members are also encouraged to attend training programmes and seminars to keep abreast with developments in the market place and further enhance their professionalism and knowledge.

Whistle-blowing Policy

The Company is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

This policy is to provide an avenue for all employees of the Company and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public whore port such allegations.

A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. Any anonymous disclosure will not be entertained. Any employee or member of the public who wishes to report improper conduct is required to disclose his identity to the Company in order for the Company to accord the necessary protection to him / her. However, the Company reserves its right to investigate into any anonymous disclosure.

The Whistle-blowing Policy is posted on the Company's website at www.fb.com.my. Any improper conduct may be reported in writing directly to whistleblow@fb.com.my, which is accessible by the Chairperson of the Audit Committee.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

DIRECTORS' REMUNERATION

Remuneration Policy

The remuneration of the Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise needed to run the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Directors concerned.

Remuneration Procedure

The Remuneration Committee is responsible for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. The remuneration package of Non-Executive Directors will be decided by the Board as a whole, with the Directors concerned required to abstain from the deliberations and voting on decisions in respect of the individual's remuneration.

The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole, subject to approval by the shareholders of the Company at the Annual General Meeting.

Disclosure

The aggregate remuneration of Directors/former Directors for the financial year ended 30 June 2016 is as follows:-

	Fees	Salaries	Bonus	BIK	EPF	ESOS	Total
Group	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**
Executive Directors	-	107	40	4	18	-	169
Non-Executive Directors	491	-	-	-	-	-	491
Company							
Executive Directors	-	-	-	-	-	-	-
Non-Executive Directors	491	-	-	-	-	-	491

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM 50,000	-	6
RM 150,001 to RM 200,000	1	-
Above RM200,000	-	1

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Annual General Meeting and Dialogue with Shareholders

The Board is aware of the importance of the timely and accurate disclosure of material information to shareholders and investors of the Group.

The Company reaches out to its shareholders through the issuance of Annual Report, Explanatory Circulars and updates on the Company are provided through the quarterly reports announced to the Bursa Securities. The Annual General Meeting is the principal forum for dialogue and interaction with the shareholders of the Company. Besides the usual agenda of the Annual General Meeting, the Board presents the progress and performance of the business. Thereafter, the shareholders are presented with the opportunity to participate in question and answer sessions with the Directors. The Chairman and where appropriate, the Managing Director or the Executive Directors, will respond to any questions raised during the meeting.

In the re-election of Directors, the Board will ensure that through the notice of meeting, full information is disclosed on Directors who are retiring and willing to continue to serve, if re-elected.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution. This is to facilitate a better understanding and evaluation of the issues involved.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Boards aims to provide and present a balanced and understandable assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to shareholders as well as the Chairman's statement and review of operations in the annual report.

Internal Control

Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control laid out on page 30.

Relationship with the Auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Company's external auditors. The external auditors meet and report their findings to the Audit Committee pursuant to their audit for each financial year.

The Report of the Audit Committee is set out in pages 34 to 35 of the Annual Report.

Compliance with the Code

The Board has to the best of its ability and knowledge complied with the Malaysian Code on Corporate Governance. The Board expects to continue to improve and enhance the procedures from time to time, especially in both corporate governance and internal control.

CORPORATE SOCIAL RESPONSIBILITY

Fajarbaru Builder Group Bhd (FBG) is fully committed to ensuring the interests of its clients, employees, shareholders and society, through practical practices of Corporate Social Responsibility (CSR). We therefore address and monitor all aspects of CSR that are relevant to our business which include concern for employee welfare, care for the environment and community involvement. The Group believes in the principles of Sustainable Development and is always keen on basing its decisions on the social consequences of its activities.

Shareholders
The interest of the shareholders is always of paramount importance to us. We have placed great emphasis in generating good profits and ensuring that our shareholders enjoy a fair return on their investment. We also ensure that shareholders and the public are always kept abreast of developments in the company. All important decisions concerning the Group are disseminated immediately via announcements to Bursa Malaysia. Shareholders are also encouraged to attend our Annual General Meeting (AGM) to have effective dialogue with the Board.

Customers
FBG have always maintained a good relationship with customers. The provision of timely, good quality products at the right cost is a given in the Group. Being in the construction industry, health and safety are the key responsibilities of the Group. As such, various standards, policies, best practices and procedures on quality, health and safety, good corporate governance and stakeholder engagement have been adopted.

Employees
FBG as a Group have always recognized the important role played by the employees. Our main assets are the talents and skills of the people we employ. The employees' welfare is usually at the top of any agenda in the organization. The Group aims to attract, retain and motivate the highest caliber of employees and encourages their contribution and development. An environment that fosters innovation and collaboration is critical to the Company's success. Appropriate career paths and internal recognition programmes are developed for both technical and non-technical staff. Employees are provided with numerous learning and development opportunities to fulfill their potential. These development opportunities are structured to align with our organisational objectives and to help employees in furthering their career aspirations.

General Community
The Company conducted specialized CSR activities with local communities and these CSR programmes became a platform where the Company engaged with the communities to share any concern that they may have with regards to our operations, to allay any doubt or fear and built rapport with stakeholders.

Good environmental practise and the impact that our operations have on the environment are of great importance to FBG. Provision of these services is our way of contributing to the environment, by ensuring respect for the earth, as the Nation progresses. Where possible, business units monitor energy consumption and all business units continue to take positive steps to reduce energy consumption, such as better space utilisation and more efficient running of equipment and machinery.

In line with the adverse economic climate, the Group's social responsibility focus for the period shifted to the direct benefit of employees. For the period under review, the frequency of internal social activities increased with the objective of inculcating a balanced work life with emphasis on fostering better relationship among one another and building a happy family at home.

The Group has contributed to the Federation of Malaysia Chinese Guilds Association to support on external trade links and contributed to APAC Tsinghua CEO CCI Bhd as education fund on student scholarship. Furthermore, the Group also provide financial aids to Tabung Thalassaemia Malaysia to improve the healthcare necessity.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2012 requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' interest and the Company's assets. This statement is prepared in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements ("LR") and as guided by Guidelines for Directors of Listed Issuer – Statement on Risk Management and Internal Control of Bursa Malaysia Securities Berhad.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibilities for maintaining a sound risk management and internal control systems and for reviewing their adequacy and effectiveness so as to safeguard shareholders' interests and protecting the Group's assets. The internal control systems cover not only financial control but operational and compliance controls.

The risk management process and the system of internal control involve every business units and their respective key management, including the Board, and are designed to meet the Group's particular needs and to manage the risks to which it is exposed. The system is designed to identify and manage rather than eliminate the risk of failure to achieve business objectives. The system serves to provide reasonable but not absolute assurance against material misstatement or losses.

The Group had implemented a formal approach towards identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and is an ongoing process.

RISK MANAGEMENT FRAMEWORK

The Board recognised the risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives and maintains an ongoing commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. Significant risks were identified and assessed in terms of likelihood of their occurrence and the impact on the achievement of the Group's business and corporate objectives.

Risk management of the Group's operations is delegated to the Risk Management Committee ("the Committee") comprising Executive Directors and Senior Management. The Group Risk Management Committee was formed to take formal executive responsibility for risk management, building upon already established structures and mechanism.

The Committee had been established with the responsibility to identify and communicate to the Board of Directors the critical strategic business risks (both present and potential) the Group faces, their changes and the management action plans to manage the risks.

The Committee together with the respective heads of the Group's business unit are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed.

Changes in the key business risks faced by the Group or emergence of new key business risks and the corresponding internal controls are discussed during management meetings with material changes in the key business risks faced by the Group or emergence of new key business risks are highlighted to the Board by the Senior Management, if any.

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

A database of strategic risks identified and appropriate controls has been created and the information filtered to produce a detailed risk register/scorecard and individual risk profiles for the respective business units, which is continuously updated.

Key risks to each business unit's objectives aligned with the Group's strategic objectives are identified and scored for likelihood of the risks occurring and the magnitude of the impact.

The risks profile of the relevant business units have been tabled to the Group Risk Management Committee with highlights on the key business risk, their causes and management action plans thereon.

Any major changes to risk or emerging significant risk for any of the business units in the Group with the appropriate actions and/or strategies to be taken will be brought to the attention of the Board.

The role of this risk management framework is to provide all staff with guidance in how to apply consistent and comprehensive risk management.

The objectives of risk management framework are to:

(i) Provide a systematic approach to the early identification and management of risks;
(ii) Provide consistent risk assessment criteria;
(iii) Make available accurate and concise risk information that informs decision making including business direction;
(iv) Adopt risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level; and
(v) Monitor and review risk levels to ensure that risk exposure remains within an acceptable level.

Risk identification is a key step in the risk management process to ensure a complete list of risks is identified. There are four level of risk being identified namely High Level, Significant Level, Medium Level and Low Level. High Level of risk requires immediate prohibition of the process and immediate corrective action; Significant Level of risk requires immediate corrective action; Medium Level of risk may requires corrective action through planning and budgeting process; and Low level of risk requires the costs to treat the risk are disproportionately high compared to the negligible consequences or may require consideration in any future changes to the process or can be fixed immediately.

Possible risk treatments options include avoid the risk, mitigate the risk, transfer the risk, accept the impact of the risk or deferred the risk. Risk escalation is an important tool for ensuring that risks are known and understood by the people with appropriate authority to manage them. If a risk poses an extreme risk and requires allocation of substantial risk treatment recources, then it would not be appropriate for this to be managed at the divisional level. The Board has overall accountability for managing risks and therefore, where a risk poses such a high threat, the Board should be immediately informed of it.

The Committee met two (2) times during the financial year ended 30 June 2016 to review the Group's risk and any other matters that required the Board's approval.

INTERNAL CONTROL

The internal control system is designed to enable the Group to manage, rather than to eliminate the risk of failure to achieve business objectives. The internal control system can only provide reasonable and not absolute assurance against material misstatement and loss.

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

Key Processes

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks of the Group which has been in place for the financial year under review and up to date of approval of the annual report and financial statement.

The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the "Statement of Internal Control: Guidance for Directors of Public Listed Companies".

The key processes that the Directors have established in reviewing the adequacy and integrity of the system of internal control, are as follows:

- The Management performs regular reviews of the business processes to assess the effectiveness of the internal controls and procedures. During the year under review, measures to enhance the internal audit function include recruiting personnel with appropriate internal audit work experience. The internal auditor reports to the Audit Committee directly at least once a year.
- The Management is responsible for the regular identification, evaluation and managing of significant risks within their areas of responsibility. A formal risk assessment was conducted by the management team during the financial year. The objective was to identify principal risks and to ensure an appropriate risk assessment and evaluation framework and activities of the Group.
  An annual plan is then agreed to review the effectiveness of the Group's system of internal control and mitigate main risks including financial, operational and compliance risks.
- The Board receives and reviews regular and comprehensive information covering financial performance and key business indicators.
- There is a comprehensive budgeting and forecasting system, with an annual business plan and budget approved by the Board.
  The results of the lines of business are reported monthly and variances are analyzed against budget and acted on in a timely manner.
- The quality of staff is enhanced through a rigorous recruitment process, performance appraisal and annual training programs.
- The Group has a clearly defined organization structure with clear lines of responsibility supported by written job description, procedures, operating manuals as well as a code of conduct. These are updated to meet changing business needs or processes.

REVIEW OF EFFECTIVENESS

The Board has received assurance from the Group Executive Director and Finance Director that the system of risk management and internal control for the financial year under review is operating adequately and effectively. The Board is satisfied with the procedures outlined above and the Board will continue to review the effectiveness of the Group's risk management and internal control system.

This statement has been duly reviewed by the external auditors and is made in accordance with a resolution of the Board of Directors dated 19 October 2016 pursuant to paragraph 15.26 (b) of the LR of Bursa Securities.

DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the preparation of the audited financial statements (as required under Paragraph 15.26(a) of the Main Market Listing Requirements):

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

The Directors, in preparing the financial statements for the financial year ended 30 June 2016 have:

- used appropriate accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed.

The Directors are responsible for ensuring that proper accounting records are kept and disclosure with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors of Fajarbaru Builder Group Bhd. is pleased to present the report of the Audit Committee of the Board for the year ended 30 June 2016.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 30 June 2016, the Committee held a total of five (5) meetings.

Audit Committee Members	Status of Directorship	Attendance of Meetings
Foong Kuan Ming (Chairman)	Independent Non-Executive Director	5 / 5
Wong Chee Heng (Member)	Independent Non-Executive Director	5 / 5
Zahedi Bin Mohd Zain (Member)	Independent Non-Executive Director	4 / 5

During the financial year, the Committee undertook the following activities:-

1. Reviewed the audited financial statements for the year ended 30 June 2016 and unaudited quarterly financial results announcement of the Group, prior to the Board's approval.
2. Reviewing with the External Auditors the scope of work and results of their examination together with the actions taken thereon.
3. Reviewing the scope and results of the Internal Audit procedures and reports as well as to recommend any necessary action to be taken by management.
4. Monitoring and reviewing the Financial and Operations Reports.
5. Reviewing any related party transaction that may arise within the Group of the Company.
6. Verified allocation of employees share options at the end of each financial year end pursuant to Regulation 8.17 (2) of the Main Market Listing Requirement, if any
7. Conducted several other meetings and carried out working site visits to view the progress of the projects and operations.
8. Attended the Risk Committee and Budget Meetings.

TERMS OF REFERENCE

The terms of reference of the Committee are as follows:

The Committee shall be appointed by the Board from among their member and shall consists of not less than three (3) members. All the Committee member must be non-executive Directors' with a majority of them being independent.

The Chairman shall be an independent non-executive director. No alternate directors of the Board shall be appointed as a member of the Committee. At least one member of the Committee must be a member of the Malaysian Institute of Accountants or if he is not, then he must be a person who complies with the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In the event of any vacancy in the Committee resulting in non compliance of subparagraph 15.09 (1) of the Main Market Listing Requirements, the vacancy must be filled within three (3) months. The term of office and performance of the Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.

REPORT OF THE AUDIT COMMITTEE (cont'd)

Responsibilities and Duties

The responsibilities and duties of the Committee are:

1. to consider the appointment, resignation and dismissal of external auditors and the audit fee;
2. to review the nature and scope of the audit with the internal and external auditors before the audit commences;
3. to review the quarterly and annual financial statements of the Group and the Company focusing on the matter set out below, and thereafter to submit them to the Board:
   (a) any changes in accounting policies and practices;
   (b) significant adjustments arising from the audit;
   (c) the going concern assumption; and
   (d) compliance with accounting standards and regulatory requirements.
4. to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss;
5. to review the audit reports prepared by the internal and external auditors, the major findings and management's responses thereto;
6. to review the adequacy of the scope, functions and resources of the internal audit department and that it has the necessary authority to carry out its work;
7. to review any appraisal or assessment of the performance of members of the internal audit department;
8. to approve any appointment or termination of senior executives in the internal audit department;
9. to review related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient; and
10. any such other functions as may be agreed to by the Committee and the Board.
11. to review the implementation and allocation of the Group's Employee Share Option Scheme (ESOS) as being in compliance with the criteria set out in the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the ESOS by-laws as approved by the Board of Directors and shareholders

The Audit Committee has established an Auditor Independence Policy, which setting out the 5-year rotation and cooling off requirement. The Audit Committee carried out an annual review of the performance of External Auditor, including assessment on their independence in performing their obligations, adequacy of experience and resources of the firm and professional staff assigned to the audit, and the level of non-audit services to be rendered by the External Auditor to the Group.

REPORT OF THE AUDIT COMMITTEE (cont'd)

INTERNAL AUDIT FUNCTION

The Company has an in-house Internal Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The total cost incurred in discharging its functions and responsibilities during the year is RM129,000. The attainment of such objectives involves the following activities being carried out:-

1. reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls promoting effective control in the Company and the Group at reasonable cost;
2. ascertaining the extent of compliance with established policies, procedures and statutory requirements;
3. ascertaining the extent to which the Group and the Company's assets are accounted for and safeguarded;
4. appraising the reliability of information developed within the Group and the Company for management;
5. recommending improvements to the existing system of controls;
6. reviewing the effectiveness and efficiency of operations; and
7. carrying out investigations and special reviews requested by management and / or Audit Committee.

The finding of the audit, including a follow-up on the status of Management's implementation of recommendation raised in previous reports, were tabled at the Audit Committee meetings for deliberation and the Audit Committee's expectation on the corrective measures were communicated to the respective heads of the business decisions.

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year	31,561,075	(2,085,042)
Attributable to:-		
Owners of the Company	10,742,492	(2,085,042)
Non-controlling interests	20,818,583	-
	31,561,075	(2,085,042)

DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:-

a) interim single tier dividend of approximately 2.5% per ordinary share of RM0.50 each amounting to RM4,110,865 in respect of the financial year ended 30 June 2016; and

b) interim single tier dividend of approximately 2.5% per ordinary share of RM0.50 each amounting to RM4,110,928 in respect of the financial year ended 30 June 2015.

The directors do not recommend the payment of further dividends for the current financial year.

DIRECTORS' REPORT (cont'd)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM164,966,514 to RM181,366,514 by the issuance of 32,800,000 new ordinary shares of RM0.50 each pursuant to the private placement at the exercise price of RM0.545 per ordinary share for cash consideration; and

(c) there were no issues of debentures by the Company.

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

TREASURY SHARES

The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965 in Malaysia.

During the financial year, the Company purchased 7,000 of its issued ordinary shares from the open market at a weighted average price of approximately RM0.53 per share. The total consideration paid for the purchase including transaction costs amounted to RM3,741.

As at 30 June 2016, the Company held a total of 1,065,164 treasury shares out of the total 362,733,028 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM1,138,169.

Relevant details on the treasury shares are disclosed in Note 21 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT (cont'd)

RIGHTS ISSUE AND WARRANTS

On 24 September 2014, the Company issued a renounceable rights issue of 109,628,288 new ordinary shares of RM0.50 each with 109,628,288 free detachable new warrants on the basis of one (1) rights share and one (1) warrant for every two (2) ordinary shares of RM0.50 each held in the Company at an issue price of RM0.50 per rights share. These warrants were listed on the Bursa Malaysia Securities Berhad on 2 October 2014.

The warrants have a term of 5 years to exercise from the date of issuance. Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid. During the financial year, no warrants were exercised.

Relevant details on the rights issue and warrants are disclosed in Note 22 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 28 October 2009. The ESOS is to be in force for a period of 5 years. The Company has on 26 February 2014 resolved to extend the existing ESOS which expired on 17 December 2014 for a further period of 5 years to 16 December 2019.

The main features of the ESOS are as follows:-

(a) The Options Committee appointed by the Board of Directors to administer the ESOS, may from time to time grants options to eligible employees and directors of the Group to subscribe for new ordinary shares of RM0.50 each in the Company.

(b) Subject to the discretion of the Options Committee, any employee whose employment has been confirmed and any directors holding office of the Group, shall be eligible to participate in the ESOS.

(c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management of the Group. In addition, not more than 10% of the share available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

(d) The option price for each share shall be the weighted average of the market prices as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date on which the option is granted less, if the Option Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of the Company of RM0.50.

(e) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

During the financial year, there is no share option under the ESOS being granted to eligible senior executives, employees and directors of the Group.

DIRECTORS' REPORT (cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

Other than the contingent liabilities as disclosed in Note 52 to the financial statements, at the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT (cont'd)

ITEMS OF AN UNUSUAL NATURE

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

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Ir. Low Keng Kok
Ooi Leng Chooi
Dato' Ismail bin Haji Omar
Foong Kuan Ming
Wong Chee Heng
Zahedi bin Mohd Zain
Tan Sri Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (Resigned on 31.5.2016)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.50 Each			
	At 1.7.2015	Bought	Sold	At 30.6.2016
Direct Interests In The Company				
Ooi Leng Chooi	16,900	-	-	16,900
Dato' Ir. Low Keng Kok	7,297	-	-	7,297
Dato' Ismail bin Haji Omar	17,269	-	-	17,269
Foong Kuan Ming	102,857	-	-	102,857
Wong Chee Heng	84,000	-	-	84,000

	Number Of Warrants Over Ordinary Shares Of RM0.50 Each			
	At 1.7.2015	Granted	Exercised	At 30.6.2016
Direct Interests In The Company				
Dato' Ir Low Keng Kok	2,432	-	-	2,432
Wong Chee Heng	31,200	-	-	31,200

The other director holding office at the end of the financial year had no interest in shares and options over shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT (cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Group or the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The significant events subsequent to the financial year are disclosed in Note 50 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 19 October 2016.

Dato' Ir. Low Keng Kok **Ooi Leng Chooi**

STATEMENT BY DIRECTORS

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

We, Dato' Ir. Low Keng Kok and Ooi Leng Chooi, being two of the directors of Fajarbaru Builder Group Bhd., state that, in the opinion of the directors, the financial statements set out on pages 46 to 124 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 54, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 19 October 2016.

Dato' Ir. Low Keng Kok **Ooi Leng Chooi**

STATUTORY DECLARATION

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

I, Tan Ting Lih, I/C No. 761030-08-5911, being the officer primarily responsible for the financial management of Fajarbaru Builder Group Bhd., do solemnly and sincerely declare that the financial statements set out on pages 46 to 125 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Tan Ting Lih, I/C No. 761030-08-5911,
at Kuala Lumpur in the Federal Territory
on this 19 October 2016

Tan Ting Lih

Before me
Lai Din (No. W-668)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of Fajarbaru Builder Group Bhd. (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Fajarbaru Builder Group Bhd., which comprise the statements of financial position as at 30 June 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 46 to 124.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2016 and of their financial performance and 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 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

To the members of Fajarbaru Builder Group Bhd. (Incorporated in Malaysia) (cont'd)

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.

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

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

Other Reporting Responsibilities

The supplementary information set out in Note 54 on page 125 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Cheong Tze Yuan
Approval No: 3034/04/18 (J)
Chartered Accountant

19 October 2016

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
At 30 June 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	110,058,037	110,586,282
Property, plant and equipment	6	10,288,525	9,577,113	-	-
Investment properties	7	44,081,111	44,081,111	-	-
Investment securities	8	6,701,681	5,124,814	6,701,681	5,124,814
Intangible assets	9	208,202	208,202	-	-
Goodwill		7,497	7,497	-	-
Trade receivables	10	10,087,165	8,929,581	-	-
Prepayments	11	33,200,368	33,850,811	-	-
Deferred tax assets	12	2,614,029	2,614,029	-	-
		107,188,578	104,393,158	116,759,718	115,711,096
CURRENT ASSETS					
Trade receivables	10	74,648,494	81,600,837	-	-
Other receivables, deposits and prepayments	11	29,229,479	41,701,199	2,367	1,000
Inventories	13	212,617,130	147,110,958	-	-
Amount owing by contract customers	14	20,591,151	29,012,455	-	-
Amount owing by subsidiaries	15	-	-	92,519,820	87,167,335
Short-term investments	16	28,987,829	19,459,989	-	-
Fixed deposits with licensed banks	17	18,584,722	15,423,305	-	-
Cash and bank balances	18	41,936,598	21,148,870	2,606,791	66,995
Current tax assets		88,446	38,807	5,734	5,734
		426,683,849	355,496,420	95,134,712	87,241,064
TOTAL ASSETS		533,872,427	459,889,578	211,894,430	202,952,160

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

STATEMENTS OF FINANCIAL POSITION

At 30 June 2016 (cont'd)

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	181,366,514	164,966,514	181,366,514	164,966,514
Share premium	20	5,279,999	3,924,623	5,279,999	3,924,623
Treasury shares	21	(1,138,169)	(1,134,428)	(1,138,169)	(1,134,428)
Warrant reserve	22	7,673,980	7,673,980	7,673,980	7,673,980
Other reserve	23	1,110,407	1,110,407	-	-
Fair value reserve	24	(1,204,927)	(2,781,794)	(1,204,927)	(2,781,794)
Foreign exchange translation reserve	25	(47,357)	(41,387)	-	-
Retained profits	26	37,069,335	30,437,708	19,845,296	26,041,203
Equity attributable to the owners of the Company		230,109,782	204,155,623	211,822,693	198,690,098
Non-controlling interests	5	25,702,000	4,889,152	-	-
TOTAL EQUITY		255,811,782	209,044,775	211,822,693	198,690,098
NON-CURRENT LIABILITIES					
Trade payables	27	1,404,150	8,471,263	-	-
Deferred tax liabilities	12	7,392,792	7,392,792	-	-
Long-term borrowings	28	56,407,788	33,354,210	-	-
		65,204,730	49,218,265	-	-
CURRENT LIABILITIES					
Amount owing to contract customers	14	29,361,442	21,037,295	-	-
Trade payables	27	71,740,765	90,211,981	-	-
Other payables and accruals	31	70,837,762	67,516,386	69,862	4,260,185
Amount owing to a subsidiary	15	-	-	1,875	1,875
Amount owing to a director	32	-	2	-	2
Provision	33	7,663,618	3,840,290	-	-
Short-term borrowings	34	26,938,899	16,588,145	-	-
Current tax liabilities		6,313,429	2,432,439	-	-
		212,855,915	201,626,538	71,737	4,262,062
TOTAL LIABILITIES		278,060,645	250,844,803	71,737	4,262,062
TOTAL EQUITY AND LIABILITIES		533,872,427	459,889,578	211,894,430	202,952,160

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
REVENUE	35	423,914,434	387,526,605	491,000	514,500
COST OF FINISHED GOODS	36	(69,246,153)	(79,323,624)	-	-
OTHER INCOME	37	2,424,142	3,442,909	91	96,874
PROJECT EXPENSES		(277,539,064)	(276,054,486)	-	-
STAFF COSTS	38	(10,637,177)	(8,991,478)	(491,000)	(514,500)
DEPRECIATION		(1,525,624)	(1,189,299)	-	-
OTHER EXPENSES		(17,097,599)	(19,323,467)	(2,084,542)	(360,247)
PROFIT/(LOSS) FROM OPERATIONS		50,292,959	6,087,160	(2,084,451)	(263,373)
FINANCE COSTS	40	(1,282,581)	(930,222)	-	-
PROFIT/(LOSS) BEFORE TAXATION	41	49,010,378	5,156,938	(2,084,451)	(263,373)
INCOME TAX EXPENSE	42	(17,449,303)	(5,252,410)	(591)	-
PROFIT/(LOSS) AFTER TAXATION		31,561,075	(95,472)	(2,085,042)	(263,373)
OTHER COMPREHENSIVE INCOME/(EXPENSES):-					
Items that may be reclassified subsequently to profit or loss					
Fair value changes of available-for-sale financial assets		1,576,867	(4,730,599)	1,576,867	(4,730,599)
Foreign currency translation		(11,705)	(81,060)	-	-
		1,565,162	(4,811,659)	1,576,867	(4,730,599)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		33,126,237	(4,907,131)	(508,175)	(4,993,972)

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2016 (cont'd)

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		10,742,492	(2,592,899)	(2,085,042)	(263,373)
Non-controlling interests		20,818,583	2,497,427	-	-
		31,561,075	(95,472)	(2,085,042)	(263,373)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		12,313,389	(7,364,838)	(508,175)	(4,993,972)
Non-controlling interests		20,812,848	2,457,707	-	-
		33,126,237	(4,907,131)	(508,175)	(4,993,972)
EARNINGS/(LOSS) PER SHARE (SEN)					
- Basic	43	3.21	(0.84)		
- Diluted	43	3.21	(0.84)		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2016

	← Non-Distributable							Distributable →			
The Group	**Share Capital RM**	**Share Premium RM**	**Treasury Shares RM**	**Warrant Reserve RM**	**Other Reserve RM**	**Fair Value Reserve RM**	**Foreign Exchange Translation Reserve RM**	**Retained Profits RM**	**Attributable To The Owners Of The Company RM**	**Non-Controlling Interests RM**	**Total Equity RM**
Balance at 1.7.2014	110,152,370	4,207,849	(1,129,872)	-	1,110,407	1,948,805	(47)	44,815,515	161,105,027	437,998	161,543,025
Loss after taxation for the financial year	-	-	-	-	-	-	-	(2,592,899)	(2,592,899)	2,497,427	(95,472)
Other comprehensive expenses for the financial year:											
- fair value changes for available-for-sale financial assets	-	-	-	-	-	(4,730,599)	-	-	(4,730,599)	-	(4,730,599)
- foreign currency translation	-	-	-	-	-	-	(41,340)	-	(41,340)	(39,720)	(81,060)
Total comprehensive expenses for the financial year	-	-	-	-	-	(4,730,599)	(41,340)	(2,592,899)	(7,364,838)	2,457,707	(4,907,131)
Contributions by and distribution to owners of the Company:											
- Purchase of treasury shares	-	-	(4,556)	-	-	-	-	-	(4,556)	-	(4,556)
- New shares issued under rights issue	54,814,144	-	-	-	-	-	-	-	54,814,144	-	54,814,144
- Warrants granted	-	-	-	7,673,980	-	-	-	(7,673,980)	-	-	-
- Dividends	-	-	-	-	-	-	-	(4,110,928)	(4,110,928)	-	(4,110,928)
- Expenses related to rights issue	-	(283,226)	-	-	-	-	-	-	(283,226)	-	(283,226)
- Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	1,993,447	1,993,447
Total transactions with owners	54,814,144	(283,226)	(4,556)	7,673,980	-	-	-	(11,784,908)	50,415,434	1,993,447	52,408,881
Balance at 30.6.2015	164,966,514	3,924,623	(1,134,428)	7,673,980	1,110,407	(2,781,794)	(41,387)	30,437,708	204,155,623	4,889,152	209,044,775

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

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 30 June 2016 (cont'd)

	← Non-Distributable							Distributable →			
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Fair Value Reserve RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable To The Owners Of The Company RM	Non-Controlling Interests RM	Total Equity RM
The Group											
Balance at 1.7.2015	164,966,514	3,924,623	(1,134,428)	7,673,980	1,110,407	(2,781,794)	(41,387)	30,437,708	204,155,623	4,889,152	209,044,775
Profit after taxation for the financial year	-	-	-	-	-	-	-	10,742,492	10,742,492	20,818,583	31,561,075
Other comprehensive income/ (expenses) for the financial year:											
- fair value changes for available-for-sale financial assets	-	-	-	-	-	1,576,867	-	-	1,576,867	-	1,576,867
- foreign currency translation	-	-	-	-	-	-	(5,970)	-	(5,970)	(5,735)	(11,705)
Total comprehensive income for the financial year	-	-	-	-	-	1,576,867	(5,970)	10,742,492	12,313,389	20,812,848	33,126,237
Contributions by and distribution to owners of the Company:											
- Purchase of treasury shares	-	-	(3,741)	-	-	-	-	-	(3,741)	-	(3,741)
- New shares issued under private placement	16,400,000	1,476,000	-	-	-	-	-	-	17,876,000	-	17,876,000
- Dividends	-	-	-	-	-	-	-	(4,110,865)	(4,110,865)	-	(4,110,865)
- Expenses related to private placement	-	(120,624)	-	-	-	-	-	-	(120,624)	-	(120,624)
Total transactions with owners	16,400,000	1,355,376	(3,741)	-	-	-	-	(4,110,865)	13,640,770	-	13,640,770
Balance at 30.6.2016	181,366,514	5,279,999	(1,138,169)	7,673,980	1,110,407	(1,204,927)	(47,357)	37,069,335	230,109,782	25,702,000	255,811,782

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2016 (cont'd)

	← Non-Distributable					→ Distributable	
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrant Reserve RM	Fair Value Reserve RM	Retained Profits RM	Total Equity RM
The Company							
Balance at 1.7.2014	110,152,370	4,207,849	(1,129,872)	-	1,948,805	38,089,484	153,268,636
Loss after taxation for the financial year	-	-	-	-	-	(263,373)	(263,373)
Other comprehensive expenses for the financial year:							
- fair value changes for available-for-sale financial assets	-	-	-	-	(4,730,599)	-	(4,730,599)
Total comprehensive expenses for the financial year	-	-	-	-	(4,730,599)	(263,373)	(4,993,972)
Contributions by and distribution to owners of the Company:							
- Purchase of treasury shares	-	-	(4,556)	-	-	-	(4,556)
- New shares issued under rights issue	54,814,144	-	-	-	-	-	54,814,144
- Expenses related to rights issue	-	(283,226)	-	-	-	-	(283,226)
- Warrants granted	-	-	-	7,673,980	-	(7,673,980)	-
- Dividends	-	-	-	-	-	(4,110,928)	(4,110,928)
Total transactions with owners	54,814,144	(283,226)	(4,556)	7,673,980	-	(11,784,908)	50,415,434
Balance at 30.6.2015	164,966,514	3,924,623	(1,134,428)	7,673,980	(2,781,794)	26,041,203	198,690,098

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2016 (cont'd)

	← Non-Distributable					Distributable →	
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrant Reserve RM	Fair Value Reserve RM	Retained Profits RM	Total Equity RM
The Company							
Balance at 1.7.2015	164,966,514	3,924,623	(1,134,428)	7,673,980	(2,781,794)	26,041,203	198,690,098
Loss after taxation for the financial year	-	-	-	-	-	(2,085,042)	(2,085,042)
Other comprehensive income for the financial year:							
- fair value changes for available-for-sale financial assets	-	-	-	-	1,576,867	-	1,576,867
Total comprehensive expenses for the financial year	-	-	-	-	1,576,867	(2,085,042)	(508,175)
Contributions by and distribution to owners of the Company:							
- Purchase of treasury shares	-	-	(3,741)	-	-	-	(3,741)
- New shares issued under private placement	16,400,000	1,476,000	-	-	-	-	17,876,000
- Expenses related to private placement	-	(120,624)	-	-	-	-	(120,624)
- Dividends	-	-	-	-	-	(4,110,865)	(4,110,865)
Total transactions with owners	16,400,000	1,355,376	(3,741)	-	-	(4,110,865)	13,640,770
Balance at 30.6.2016	181,366,514	5,279,999	(1,138,169)	7,673,980	(1,204,927)	19,845,296	211,822,693

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

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 30 June 2016

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FOR OPERATING ACTIVITIES				
Profit/(Loss) before taxation	49,010,378	5,156,938	(2,084,451)	(263,373)
Adjustments for:-				
Depreciation on property, plant and equipment	1,525,624	1,189,299	-	-
Equipment written off	2,233	10	-	-
Impairment loss on investment in subsidiaries	-	-	1,828,241	-
Impairment loss on property, plant and equipment	-	4,716,672	-	-
Interest expenses	1,282,581	552,389	-	-
Imputed interest on trade receivables	-	377,833	-	-
Loss/(Gain) on disposal of equipment	12,629	(1,358)	-	-
Interest income	(1,484,667)	(1,796,762)	(91)	(96,874)
Imputed interest on trade payables	-	(223,302)	-	-
Impairment loss :				
- trade receivables	5,328,499	-	-	-
- other receivables	-	4,309,472	-	-
Reversal of imputed interest on trade receivables	-	(760,000)	-	-
Unrealised (gain)/loss on foreign exchange	(439,427)	192,690	-	-
Operating profit/(loss) before working capital changes	55,237,850	13,713,881	(256,301)	(360,247)
Increase in inventories	(63,560,326)	(58,870,089)	-	-
Decrease/(Increase) in trade and other receivables	14,078,048	(29,792,473)	(1,367)	-
Decrease/(Increase) in amounts owing by/to contract customers	16,745,451	(32,960,207)	-	-
(Decrease)/Increase in trade and other payables	14,282,697	66,747,179	(79,395)	95,882
CASH FROM/(FOR) OPERATIONS	8,218,326	(41,161,709)	(337,063)	(264,365)
Income tax (paid)/refunded	(13,617,952)	(1,871,390)	(591)	1,064
Interest paid	(3,228,427)	(2,675,996)	-	-
NET CASH FOR OPERATING ACTIVITIES/BALANCES CARRIED FORWARD	(8,628,053)	(45,709,095)	(337,654)	(263,301)

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2016 (cont'd)

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
BALANCES BROUGHT FORWARD		(8,628,053)	(45,709,095)	(337,654)	(263,301)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(5,352,485)	(54,345,439)
Interest received		1,434,469	1,751,951	91	96,874
Investment in a subsidiary		-	-	(1,299,996)	(2)
Placement of deposits with licensed banks		(3,119,915)	(947,455)	-	-
Proceeds from disposal of property, plant and equipment		162,962	1,360	-	-
(Purchase)/Redemption of short-term investments		(8,157,029)	1,256,654	-	-
Proceeds from non-controlling interests		-	1,953,727	-	-
Purchase of property, plant and equipment	46	(1,484,076)	(451,993)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(11,163,589)	3,564,244	(6,652,390)	(54,248,567)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment to)/Advances from a director		(2)	2	(2)	2
Repayment of bankers' acceptances		-	(15,981,000)	-	-
(Repayment)/Drawdown of trust receipts		(512,361)	617,370	-	-
(Repayment)/Drawdown of invoice financing facility		(158,122)	4,843,186	-	-
Repayment from subsidiaries		-	-	-	1,875
Repayment of hire purchase obligations, net		(182,807)	(85,506)	-	-
Drawdown of term loans		40,098,374	-	-	-
Repayment of term loans		(6,771,430)	(3,146,666)	-	-
Net proceeds from issuance of shares via private placement		17,755,376	-	17,755,376	-
Net proceeds from issuance of shares via rights issue		-	54,530,918	-	54,530,918
Purchase of treasury shares		(3,741)	(4,556)	(3,741)	(4,556)
Dividends paid	45	(8,221,793)	-	(8,221,793)	-
NET CASH FROM FINANCING ACTIVITIES		42,003,494	40,773,748	9,529,840	54,528,239
BALANCES CARRIED FORWARD		22,211,852	(1,371,103)	2,539,796	16,371

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2016 (cont'd)

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS/BALANCE BROUGHT FORWARD		22,211,852	(1,371,103)	2,539,796	16,371
EFFECT OF EXCHANGE DIFFERENCES		(11,811)	(41,340)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		32,739,621	34,152,064	66,995	50,624
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	44	54,939,662	32,739,621	2,606,791	66,995

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2016

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur.
Principal place of business	:	No. 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 October 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 No new accounting standards and interpretations (including the consequential amendments) have been adopted by the Group during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

3.2 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

(a) MFRS 9 (IFRS 9 issued by IASB in July 2015) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

(b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impact of MFRS 15 until the Group performs a detailed review.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

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

(c) Impairment of Non-financial Assets

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

(d) Write-down of Inventories

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Impairment of Trade and Other Receivables

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

(f) Classification between Investment Properties and Owner-occupied Properties

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

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

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

(g) Classification of Leasehold Land

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

(h) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(j) Fair Value Estimates for Certain Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(k) Construction Contracts

The Group recognises contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the contract costs incurred for work performed to date bear to the estimated total contract cost.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the projects. In making the judgement, the Group evaluates based on past experience.

The Group assesses at each reporting date on the contract revenue and costs. The revised contract revenue and costs are recognised in profit or loss accordingly.

(l) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimation of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

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

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributable to the owners of the Company and non-controlling interests, as appropriate.

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

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

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

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

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Equity Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are sold, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. When the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserves.

(iii) Warrant reserve

Warrant reserve represents the amount allocated to warrants issued and outstanding at the reporting date. The warrants reserve will be transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants, on expiry of the exercise period, shall remain in equity.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 50%
Renovations	10% - 20%
Land development, expenditure, fish pond and equipment	10% - 20%
Telecommunication equipment	50%

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

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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

4.8 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as property, plant and equipment and the corresponding obligations are treated as hire purchase payables. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

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

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.10 INTANGIBLE ASSETS

Intangible assets that are acquired by the Group are stated at cost less accumulated impairment losses, if any.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

4.11 CONSTRUCTION CONTRACTS

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

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

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

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

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

Contract cost includes direct materials, labour and applicable overheads.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 ADVANCE PAYMENTS MADE FOR PURCHASE OF TIMBER LOGS

Advance payments made for purchase of timber logs are treated as prepayments. The costs of timber logs shall be deducted against prepayments on the basis of the volume of timber logs extracted during the financial year as a proportion of the total volume of timber logs extractable over the remaining period from the timber concession area.

4.14 INVENTORIES

i) Property Development Costs

Inventories are stated at the lower of cost and net realisable value. Inventories comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Revenue is recognised only when it is probable that the economic benefits associated with the inventories will flow to the Group which is upon the Group transferring to the purchaser the control, significant risks and rewards of ownership of the completed development project units.

The inventories of the completed development project units whose revenue is recognised, is then recognised in the profit or loss simultaneously as cost of sales in the profit or loss.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as liability and will only be expensed off upon the recognition of the revenue of the development project.

The billings to purchasers are classified as third party receivables within trade receivables.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sales.

ii) Trading

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.16 INCOME TAXES

Income taxes for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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

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 taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.18 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.19 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) Share-based Payment Transactions

The Group Employee Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to its directors and employees is recognised as an employee cost with a corresponding increase in the share option reserve within the equity.

The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profits.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) the entity is controlled or jointly controlled by a person identified in (a) above.
(vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.21 CONTINGENT LIABILITIES

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

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

4.23 EARNINGS PER ORDINARY SHARE

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

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible preference shares and shares options granted to employees.

4.24 REVENUE AND OTHER INCOME

(a) Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonable ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE AND OTHER INCOME (CONT'D)

(b) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns, cash and trade discounts.

(c) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(d) Management Fees

Management fees are recognised when services are rendered.

(e) Interest Income

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

(f) Dividend Income

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

(g) Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

4.25 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2016 RM	2015 RM
Unquoted shares, at cost		
At 1 July 2015/2014	110,586,282	110,586,280
Addition during the financial year	1,299,996	2
At 30 June 2016/2015	111,886,278	110,586,282
Accumulated impairment losses:-		
At 1 July 2015/2014	-	-
Addition during the financial year	(1,828,241)	-
At 30 June 2016/2015	(1,828,241)	-
	110,058,037	110,586,282

The details of the subsidiaries are as follows:-

Name of Company	Principal Place of Business	Effective Equity Interest 2016 %	Effective Equity Interest 2015 %	Principal Activities
Fajarbaru Builder Sdn. Bhd. ("FBSB")	Malaysia	100	100	General contractors in construction.
Fajarbaru Trading Sdn. Bhd.	Malaysia	100	100	Provision of trading of construction materials.
Fajarbaru Properties Sdn. Bhd. ("FPSB")	Malaysia	100	100	Investment holding and provision of management services to its subsidiary.
Potential Region Sdn. Bhd.	Malaysia	100	100	Property development.
Billion Variety Sdn. Bhd. ("BVSB")	Malaysia	51	51	Logging and trading of timber.
Fajarbaru Land Sdn. Bhd. #	Malaysia	100	100	Property development.
Wajatex Sdn. Bhd. #	Malaysia	100	100	Property development.
Renowaja Sdn. Bhd. #	Malaysia	100	100	Property development.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Company	Principal Place of Business	Effective Equity Interest 2016 %	Effective Equity Interest 2015 %	Principal Activities
Fajarbaru Logistics Sdn. Bhd.	Malaysia	100	100	Transportation and logistics service provider.
Fajarbaru-Beulah (Melbourne) Pty Ltd ("FBM") # @	Australia	51	51	Property development.
Smooth Accomplishment Sdn. Bhd. ("SASB") ^	Malaysia	51	51	Logging and trading of timbers.

Notes:-
- Interest held by FPSB.
^ - Interest held by BVSB.
@ - Not required to be audited under the law of the country of incorporation.

During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment loss of RM1,828,241 (2015 – Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income.

This investment in a subsidiary is belonged to the Group's property development reportable segment.

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest 2016 %	Effective Equity Interest 2015 %	The Group 2016 RM	The Group 2015 RM
BVSB Group	49	49	28,506,770	5,524,144
FBM	49	49	(2,804,770)	(634,992)
			25,702,000	4,889,152

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

	BVSB Group	
	2016 RM	2015 RM
At 30 June		
Non-current assets	34,284,300	42,640,044
Current assets	53,748,400	40,080,839
Non-current liabilities	(541,546)	(374,764)
Current liabilities	(29,314,072)	(71,072,342)
Net assets	58,177,082	11,273,777
Financial Year Ended 30 June		
Profit for the financial year/Total comprehensive income attributable to non-controlling interests	46,905,411	10,664,977
Net cash from/(for) operating activities	60,385,735	(37,107,105)
Net cash for investing activities	(13,725,696)	(1,645,849)
Net cash (for)/from financing activities	(41,093,102)	40,580,016

	FBM	
	2016 RM	2015 RM
At 30 June		
Non-current assets	3,065	3,432
Current assets	89,960,575	30,171,665
Non-current liabilities	(40,098,374)	-
Current liabilities	(55,589,274)	(31,470,999)
Net liabilities	(5,724,008)	(1,295,902)
Financial Year Ended 30 June		
Loss for the financial year/Total comprehensive expenses attributable to non-controlling interests	(4,416,402)	(5,647,990)
Net cash for operating activities	(52,858,732)	(29,171,533)
Net cash for investing activities	(395,507)	(3,432)
Net cash from financing activities	51,191,969	35,239,561

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2015 RM	Additions RM	Written Off RM	Disposal RM	Exchange Fluctuation Differences RM	Depreciation Charge RM	At 30.6.2016 RM
2016							
Net Book Value							
Freehold land	4,920,641	-	-	-	-	-	4,920,641
Buildings	1,310,240	-	-	-	-	(30,516)	1,279,724
Plant and machinery	761,610	248,500	-	-	-	(136,481)	873,629
Motor vehicles	1,466,106	1,195,713	-	(175,591)	-	(792,943)	1,693,285
Furniture, fittings and office equipment	307,145	234,543	(2,233)	-	106	(253,721)	285,840
Renovations	778,807	715,574	-	-	-	(293,610)	1,200,771
Land development, expenditure, fish pond and equipment	32,564	-	-	-	-	(8,141)	24,423
Telecommunication equipment	-	20,424	-	-	-	(10,212)	10,212
	9,577,113	2,414,754	(2,233)	(175,591)	106	(1,525,624)	10,288,525

The Group 2015	At 1.7.2014 RM	Additions RM	Written Off RM	Disposal RM	Impairment Loss RM	Depreciation Charge RM	At 30.6.2015 RM
Net Book Value							
Freehold land	4,920,641	-	-	-	-	-	4,920,641
Buildings	1,340,756	-	-	-	-	(30,516)	1,310,240
Plant and machinery	844,491	28,750	-	-	-	(111,631)	761,610
Motor vehicles	1,480,203	684,544	(10)	(2)	-	(698,629)	1,466,106
Furniture, fittings and office equipment	244,290	217,198	-	-	-	(154,343)	307,145
Renovations	878,845	86,001	-	-	-	(186,039)	778,807
Land development, expenditure, fish pond and equipment	4,755,377	2,000	-	-	(4,716,672)	(8,141)	32,564
	14,464,603	1,018,493	(10)	(2)	(4,716,672)	(1,189,299)	9,577,113

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

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

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
The Group				
2016				
Freehold land	6,230,278	-	(1,309,637)	4,920,641
Buildings	1,525,800	(246,076)	-	1,279,724
Plant and machinery	1,364,815	(491,186)	-	873,629
Motor vehicles	7,328,976	(5,635,691)	-	1,693,285
Furniture, fittings and office equipment	1,322,208	(1,036,368)	-	285,840
Renovations	1,831,224	(630,453)	-	1,200,771
Land development, expenditure, fish pond and equipment	6,115,032	(1,373,937)	(4,716,672)	24,423
Telecommunication equipment	20,424	(10,212)	-	10,212
	25,738,757	(9,423,923)	(6,026,309)	10,288,525
2015				
Freehold land	6,230,278	-	(1,309,637)	4,920,641
Buildings	1,525,800	(215,560)	-	1,310,240
Plant and machinery	1,116,315	(354,705)	-	761,610
Motor vehicles	6,567,036	(5,100,930)	-	1,466,106
Furniture, fittings and office equipment	1,090,242	(783,097)	-	307,145
Renovations	1,115,650	(336,843)	-	778,807
Land development, expenditure, fish pond and equipment	6,115,032	(1,365,796)	(4,716,672)	32,564
	23,760,353	(8,156,931)	(6,026,309)	9,577,113

(a) Included in the freehold land and buildings of the Group are certain land and buildings with a total net book value of RM2,202,024 (2015 - RM2,221,340) which have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 34.

(b) Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicles with a total net book value of RM1,258,975 (2015 - RM486,271) which were acquired under hire purchase terms.

(c) In the previous financial year, the Group had made an allowance for impairment loss in full on the land development expenditure, fish pond and equipment of a subsidiary as the value-in-use was lower than the carrying amount. An impairment loss of RM4,716,672 was recognised in "Other Expenses" line item of the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

7. INVESTMENT PROPERTIES

	The Group	
	2016	2015
	RM	RM
At cost:-		
At 30 June	44,693,459	44,693,459
Less: Accumulated impairment losses	(612,348)	(612,348)
	44,081,111	44,081,111
Approximate fair value:-		
Investment property under construction, at cost	9,272,741	9,272,741
Leasehold land	871,200	871,200
Freehold land	43,598,800	44,352,221
	53,742,741	54,496,162

The fair value of the investment properties are based on the current prices in an active market for similar properties within the area in which the investment properties are located except for investment property under construction in which its fair value is not reliably determinable.

The fair value of the investment properties are within level 2 of the fair value hierarchy.

8. INVESTMENT SECURITIES

	The Group/The Company	
	2016	2015
	RM	RM
Quoted shares in Malaysia	6,701,681	5,124,814

Investment in quoted shares of the Group and of the Company are designated as available-for-sale financial assets and are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

9. INTANGIBLE ASSETS

	The Group	
	2016	2015
	RM	RM
Transferable club membership, at cost	208,202	208,202

10. TRADE RECEIVABLES

	The Group	
	2016	2015
	RM	RM
Non-current portion:-		
Trade receivables	10,087,165	8,929,581
Current portion:-		
Trade receivables	74,648,494	81,600,837
	84,735,659	90,530,418
Trade receivables	91,601,895	92,068,155
Imputed interest, at amortised cost:-		
At 1 July 2015/2014	(1,428,359)	(1,050,526)
Addition during the financial year	-	(377,833)
At 30 June 2016/2015	(1,428,359)	(1,428,359)
Less: Allowance for impairment loss		
At 1 July 2015/2014	(109,378)	(109,378)
Addition during the financial year	(5,328,499)	-
At 30 June 2016/2015	(5,437,877)	(109,378)
	84,735,659	90,530,418

The Group's normal trade credit terms range from 30 to 90 days (2015 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group at the end of the reporting period is an amount of RM18,889,929 (2015 - RM24,413,218) being project retention sums receivable from customers ranging between 1 to 2 years (2015 - 2 to 3 years) after the completion of projects.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Non-current portion:-					
Prepayments	(a)	33,200,368	33,850,811	-	-
Current portion:-					
Other receivables		4,985,664	12,090,178	1,367	-
Prepayments		8,730,575	8,518,973	-	-
Deposits	(b)	3,151,223	2,580,034	1,000	1,000
Advances to subcontractors		12,362,017	18,512,014	-	-
		29,229,479	41,701,199	2,367	1,000
		62,429,847	75,552,010	2,367	1,000

	Note	The Group 2016 RM	The Group 2015 RM
Other receivables		9,328,736	16,433,250
Imputed interest, at amortised cost:-			
At 1 July 2015/2014		-	(760,000)
Reversal during the financial year		-	760,000
At 30 June 2016/2015		-	-
Allowance for impairment loss:-			
At 1 July 2015/2014		(4,343,072)	(33,600)
Addition during the financial year	(c)	-	(4,309,472)
At 30 June 2016/2015		(4,343,072)	(4,343,072)
		4,985,664	12,090,178

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(a) Included in the non-current prepayments are advance payments made for the future supply of timber logs. The cost of timber logs extracted/supplied will be progressively set off against the advance payments.

(b) Included in the deposits of the Group at the end of the reporting period is an amount of RM147,000 (2015 - RM267,000) pertaining to deposits for the tender submission which the Group is bidding for.

(c) In the previous financial year, the Group made an allowance for impairment loss in full on the amount owing by other receivable of RM4,309,472 due to the poor financial results from the fish breeding operations.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2016	2015
	RM	RM
Deferred tax assets		
At 1 July 2015/2014	2,614,029	3,941,562
Recognised in profit or loss (Note 42)	-	(1,327,533)
As at 30 June 2016/2015	2,614,029	2,614,029
Deferred tax liabilities		
At 1 July/30 June	(7,392,792)	(7,392,792)

The components of the deferred tax assets and liabilities during the financial year are as follows:-

	The Group	
	2016	2015
	RM	RM
Deferred tax assets:-		
Unutilised tax losses	1,648,673	1,648,673
Others	965,356	965,356
	2,614,029	2,614,029
Deferred tax liabilities:-		
Investment properties	(4,625,675)	(4,625,675)
Accelerated capital allowances	(2,767,117)	(2,767,117)
	(7,392,792)	(7,392,792)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

13. INVENTORIES

	The Group	
	2016	2015
	RM	RM
Work-in-progress	18,793,014	24,293,410
Finished goods	4,058,974	1,859,878
Property development costs	189,765,142	120,957,670
	212,617,130	147,110,958

Property development costs are analysed as follows:-

Freehold land at cost	101,578,099	100,962,333
Development costs	88,187,043	19,995,337
	189,765,142	120,957,670

Recognised in profit or loss:-		
Inventories recognised as cost of sales	47,820,730	18,392,821

Included in development costs during the financial year was interest expense amounting to RM1,945,846 (2015 - RM2,123,607).

The freehold land at cost with an aggregate carrying value of RM66,122,628 (2015 - RM66,122,628) had been pledged to financial institutions for credit facilities granted to the Group as disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

14. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	2016	2015
	RM	RM
Contract costs incurred	1,197,854,642	913,990,262
Attributable profits	41,026,214	31,880,845
	1,238,880,856	945,871,107
Progress billings	(1,247,651,147)	(937,895,947)
	(8,770,291)	7,975,160
Amount owing by contract customers	20,591,151	29,012,455
Amount owing to contract customers	(29,361,442)	(21,037,295)
	(8,770,291)	7,975,160

The amount of contract costs recognised as a project expense in the financial year is as follows:

	The Group	
	2016	2015
	RM	RM
Project expenses	277,539,064	276,054,486

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

16. SHORT-TERM INVESTMENTS

	The Group	
	2016	2015
	RM	RM
Unit trusts in Malaysia, at fair value	17,388,303	9,231,274
Short-term highly liquid investments	11,599,526	10,228,715
	28,987,829	19,459,989
Weighted average effective interest rate (%):		
- licensed investment banks	3.74	3.27
- short-term highly liquid investments	3.50	2.70
Average maturity (days):		
- licensed investment banks	1	1
- short-term highly liquid investments	1	1

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore a weighted effective interest rate of 2.46% (2015 - 2.77%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (2015 - 30 to 365 days).

Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM17,181,184 (2015 - RM14,061,269) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 29 and Note 34.

18. CASH AND BANK BALANCES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash and bank balances	41,724,202	20,940,941	2,606,791	66,995
Cash held under housing development accounts	212,396	207,929	-	-
	41,936,598	21,148,870	2,606,791	66,995

Cash held under housing development accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are prohibited from being used in other operations.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

19. SHARE CAPITAL

	The Group/The Company			
	2016	2015	2016	2015
	Number Of Shares		RM	RM
Authorised				
Ordinary shares of RM0.50 each	500,000,000	500,000,000	250,000,000	250,000,000
Issued And Fully Paid-up				
Ordinary shares of RM0.50 each:-				
At 1 July 2015/2014	329,933,028	220,304,740	164,966,514	110,152,370
New shares issued under:				
- rights issue	-	109,628,288	-	54,814,144
- private placement	32,800,000	-	16,400,000	-
At 30 June 2016/2015	362,733,028	329,933,028	181,366,514	164,966,514

During the financial year, the Company increased its issued and paid-up share capital from RM164,966,514 to RM181,366,514 by the issuance of 32,800,000 new ordinary shares of RM0.50 each pursuant to private placement at an exercise price of RM0.545 per ordinary share. The new shares issued rank pari passu in all respects with the existing shares of the Company.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

20. SHARE PREMIUM

	The Group/The Company	
	2016	2015
	RM	RM
At 1 July 2015/2014	3,924,623	4,207,849
New shares issued under private placement exercised	1,476,000	-
Expenses related to private placement/right issues	(120,624)	(283,226)
At 30 June 2016/2015	5,279,999	3,924,623

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

21. TREASURY SHARES

		The Group/The Company	
	Weighted Average Cost Per Share RM	Number Of Shares	Amount RM
At 1 July 2014	1.08	1,048,164	1,129,872
Purchase of treasury shares	0.46	10,000	4,556
At 30 June 2015/1 July 2015	1.07	1,058,164	1,134,428
Purchase of treasury shares	0.53	7,000	3,741
At 30 June 2016	1.07	1,065,164	1,138,169

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sales and issuance and distribution of treasury share dividend.

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting held on 3 December 2015, granted their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company repurchased 7,000 (2015 - 10,000) of its issued ordinary shares from the open market through Bursa Malaysia Securities Berhad during the financial year at a weighted average price of approximately RM0.53 (2015 - RM0.46) per share. The total consideration paid for the repurchase including transaction costs was RM3,741 (2015 - RM4,556). The repurchase transactions were financed by internally generated funds.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

22. WARRANT RESERVE

On 25 September 2014, the Company issued a renounceable rights issue of 109,628,288 new ordinary shares of RM0.50 each with 109,628,288 free detachable new warrants on the basis of one (1) rights share and one (1) warrant for every two (2) ordinary shares of RM0.50 each held in the Company at an issue price of RM0.50 per rights share. These warrants were listed on the Bursa Malaysia Securities Berhad on 2 October 2014.

The principal terms of the warrants are as follows:-

(i) The exercise period commenced on the date of issue of the warrants (25 September 2014) and will expire five years from the date of issuance (24 September 2018). Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid.

(ii) The warrants are issued in registered form and constituted by a Deed Poll dated 15 August 2014.

(iii) The exercise price will be RM0.70 payable in full in respect of each new share of the Company issued upon the exercise of the warrant. Each warrant carries the entitlement to subscribe for one (1) new ordinary share of the Company.

The movement of the warrants are as follows:-

	The Group/The Company			
	2016	2015	2016	2015
	Number Of Warrants		RM	RM
At 1 July 2015/2014	109,628,288	-	7,673,980	-
Issue during the financial year	-	109,628,288	-	7,673,980
At 30 June 2016/2015	109,628,288	109,628,288	7,673,980	7,673,980

23. OTHER RESERVE

Included in the other reserve is the reserve arising from discount on acquisition of non-controlling interests by the Group and waiver of debts due to non-controlling interests.

24. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

25. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary and is not distributable by way of dividends.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

26. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

27. TRADE PAYABLES

	The Group	
	2016 RM	2015 RM
Non-current portion:-		
Trade payables	1,404,150	8,471,263
Current portion:-		
Trade payables	71,740,765	90,211,981
	73,144,915	98,683,244
Trade payables	74,667,314	100,205,643
Imputed interest, at amortised cost:-		
At 1 July 2015/2014	(1,522,399)	(1,299,097)
Addition during the financial year	-	(223,302)
At 30 June 2016/2015	(1,522,399)	(1,522,399)
	73,144,915	98,683,244

The normal trade credit terms granted to the Group range from 30 to 90 days (2015 - 14 to 90 days).

Included in the trade payables of the Group at the end of the reporting period is an amount of RM12,146,508 (2015 - RM20,728,663) being project retention sums payable to subcontractors ranging between 1 to 2 years (2015 - 2 to 3 years) after the completion of the projects.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

28. LONG-TERM BORROWINGS

	The Group	
	2016	2015
	RM	RM
Term loans (Note 29)	55,431,390	32,979,446
Hire purchase payables (Note 30)	976,398	374,764
	56,407,788	33,354,210

29. TERM LOANS

	The Group	
	2016	2015
	RM	RM
Current portion (Note 34):		
- not later than one year	17,646,666	6,771,666
Non-current portion (Note 28):		
- later than one year and not later than two years	14,021,666	17,646,666
- later than two years and not later than five years	41,409,724	15,332,780
	55,431,390	32,979,446
	73,078,056	39,751,112

The term loans are secured by:-

(a) legal charges over the freehold land of the Group as disclosed in Note 13;

(b) a corporate guarantee of the Company; and

(c) a fixed deposit with a licensed bank amounting to RM710,755 (2015 - RM691,893) as disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

30. HIRE PURCHASE PAYABLES

	The Group	
	2016 RM	2015 RM
Minimum hire purchase payments:		
- not later than one year	313,872	128,268
- later than one year and not later than five years	1,091,757	416,044
	1,405,629	544,312
Less: Future finance charges	(176,764)	(63,318)
Present value of hire purchase payables	1,228,865	480,994
Current		
Not later than one year (Note 34)	252,467	106,230
Non-current		
Later than one year and not later than five years (Note 28)	976,398	374,764
	1,228,865	480,994

The hire purchase payables of the Group are secured by:

(i) a corporate guarantee of the Company; and

(ii) a personal guarantee of a director of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

31. OTHER PAYABLES AND ACCRUALS

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Other payables		29,913,743	44,609,155	14,862	90,657
Accruals	(a)	27,479,981	1,944,291	55,000	58,600
Deposits received from subcontractors	(b)	574,038	503,064	-	-
Advances received from customers	(c)	12,870,000	16,348,948	-	-
Dividend payable		-	4,110,928	-	4,110,928
		70,837,762	67,516,386	69,862	4,260,185

(a) Included in accruals are accrued costs of construction for a project amounting to RM13,108,642 (2015-Nil).

(b) These deposits have been received from the subcontractors engaged by the Group to carry out the constructions.

(c) These amounts have been advanced by the project owner to a subsidiary of the Group, Fajarbaru Builder Sdn. Bhd. to be used for mobilisation of the construction works.

32. AMOUNT OWING TO A DIRECTOR

In the previous financial year, the amount owing was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

33. PROVISION

Included in provision is an amount of RM7,214,953 (2015 - RM3,840,290) being the provision for Liquidated Ascertained Damages ("LAD") in respect of construction projects undertaken by the Group. The provision is recognised based on the terms of the applicable construction agreements for expected LAD to be claimed by contract customers.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

34. SHORT-TERM BORROWINGS

	The Group	
	2016	2015
	RM	RM
Term loans (Note 29)	17,646,666	6,771,666
Hire purchase payables (Note 30)	252,467	106,230
Invoice financing facility	8,934,757	9,092,879
Trust receipts	105,009	617,370
	26,938,899	16,588,145

The invoice financing facility and trust receipts are secured by:-

(a) fixed deposits with licensed banks amounting to RM6,174,518 (2015 - RM3,769,451) as disclosed in Note 17; and

(b) a corporate guarantee of the Company.

The bank overdraft facilities of the subsidiary were not utilised at the end of the reporting period.

The bank overdrafts of the Group are secured by:-

(a) a first party first legal charge over the freehold land and buildings of the subsidiary as disclosed in Note 6;

(b) fixed deposits with licensed banks amounting to RM10,295,911 (2015 - RM9,599,925) as disclosed in Note 17; and

(c) a corporate guarantee of the Company.

35. REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Construction contracts	295,912,782	303,114,091	-	-
Trading	127,877,036	84,412,514	-	-
Management fee from subsidiaries	-	-	491,000	514,500
Services	124,616	-	-	-
	423,914,434	387,526,605	491,000	514,500

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

36. COST OF FINISHED GOODS

Costs of finished goods comprise original costs of purchase plus the costs incurred in bringing the goods to the present location.

37. OTHER INCOME

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income:				
- licensed banks	572,649	663,014	91	96,874
- short-term highly liquid investment bank	408,826	281,200	-	-
- short-term investments	267,029	476,541	-	-
- imputed interest on trade payables	-	223,302	-	-
- overdue interest	-	309,904	-	-
- others	236,163	66,103	-	-
Gain on disposal of equipment	-	1,358	-	-
Others	99,758	7,729	-	-
Reversal of imputed interest on other receivables	-	760,000	-	-
Rental income	839,717	369,736	-	-
Service charges	-	284,022	-	-
	2,424,142	3,442,909	91	96,874

38. STAFF COSTS

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Salaries, wages, bonus and allowances	15,795,208	15,674,793	491,000	504,000
Defined contribution plan	1,847,050	1,802,713	-	10,500
Other staff related expenses	564,518	462,037	-	-
	18,206,776	17,939,543	491,000	514,500
Less: Amount classified as project expenses	(7,569,599)	(8,948,065)	-	-
	10,637,177	8,991,478	491,000	514,500

Included in staff costs of the Group and of the Company are directors' remuneration amounting to RM655,788 (2015 - RM938,064) and RM491,000 (2015 - RM514,500) respectively as disclosed in Note 39.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

39. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive:-				
Non-fee emoluments:				
- salaries, wages, bonus and allowances	146,723	563,108	-	175,000
- defined contribution plan	17,625	45,336	-	10,500
- other emoluments	440	620	-	-
	164,788	609,064	-	185,500
Non-executive:-				
Fees	491,000	329,000	491,000	329,000
	655,788	938,064	491,000	514,500

Included in the other expenses of the Group are benefits-in-kind for directors amounting to RM4,000 (2015 - RM11,200).

40. FINANCE COSTS

	The Group	
	2016 RM	2015 RM
Interest expenses on:		
- bank overdraft	46,234	28,568
- bankers' acceptances	7,413	-
- imputed interest on trade and other receivables	-	377,833
- invoice financing	662,325	417,657
- term loans	395,507	-
- trust receipts	13,839	9,744
- hire purchase	25,881	11,298
- others	131,382	85,122
	1,282,581	930,222

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

41. PROFIT/(LOSS) BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, the profit/(loss) before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Auditors' remuneration:				
- audit fee:				
- current financial year	163,900	145,900	45,000	40,000
- (over)/underprovision in the previous financial year	(8,000)	2,000	-	2,000
- other services:				
- current financial year	12,000	12,000	12,000	12,000
- overprovision in the previous financial year	(3,000)	-	(3,000)	-
Equipment written off	2,233	10	-	-
Impairment loss on investment in subsidiaries	-	-	1,828,241	-
Impairment loss on property, plant and equipment	-	4,716,672	-	-
Impairment loss:				
- trade receivables	5,328,499	-	-	-
- other receivables	-	4,309,472	-	-
Loss on disposal of equipment	12,629	-	-	-
Rental of premises	285,850	134,346	-	-
Rental of equipment	320	-	-	-
Unrealised (gain)/loss on foreign exchange	(439,427)	192,690	-	-

42. INCOME TAX EXPENSE

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current tax expense:				
- for the financial year	16,754,069	4,011,049	-	-
- under/(over)provision in the previous financial year	695,234	(86,172)	591	-
	17,449,303	3,924,877	591	-
Deferred tax expense (Note 12):				
- relating to originating and recognition of temporary differences	-	1,327,533	-	-
	17,449,303	5,252,410	591	-

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

42. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit/(Loss) before taxation	49,010,378	5,156,938	(2,084,451)	(263,373)
Tax at the statutory tax rate of:-				
- Malaysia 24% (2015 - 25%)	12,716,966	2,680,967	(500,268)	(65,843)
- Australia 30%	(1,193,093)	(1,670,079)	-	-
Tax effects of:-				
Non-deductible expenses	1,754,132	2,798,976	480,588	146,268
Non-taxable gains	(162,205)	(192,110)	-	-
Deferred tax assets not recognised during the financial year	3,638,269	1,720,828	19,680	-
Utilisation of deferred tax assets not recognised in the previous financial year	-	-	-	(80,425)
Under/(Over)provision of current tax in the previous financial year	695,234	(86,172)	591	-
Income tax expense for the financial year	17,449,303	5,252,410	591	-

The temporary differences attributable to the deferred tax assets and deferred tax liability which are not recognised in the financial statements are as follows:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Deferred tax assets:				
- unutilised tax losses	12,571,857	7,617,930	957,000	875,000
- unabsorbed capital allowances	616,200	92,100	-	-
- accelerated capital allowances	63,800	-	-	-
- others	8,645,128	-	-	-
	21,896,985	7,710,030	957,000	875,000
Deferred tax liability:				
- accelerated capital allowances	(98,800)	(97,400)	-	-
	21,798,185	7,612,630	957,000	875,000

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

43. EARNINGS/(LOSS) PER SHARE

	The Group	
	2016	2015
Basic earnings/(loss) per share		
Profit/(Loss) attributable to owners of the Company (RM)	10,742,492	(2,592,899)
Weighted average number of ordinary shares in issue for basic earnings per share	334,785,913	308,350,633
Basic earnings/(loss) per ordinary share attributable to owners of the Company (sen)	3.21	(0.84)
Diluted earnings/(loss) per ordinary share attributable to owners of the Company (sen)	3.21	(0.84)

There is no dilution in the earnings/(loss) per share as the average market value of the Company's ordinary shares during the financial year was lower than the exercise price of the outstanding warrants. Accordingly, there would be no conversion of these outstanding instruments for the purpose of calculating diluted earnings/(loss) per share.

44. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Short-term highly liquid investments (Note 16)	11,599,526	10,228,715	-	-
Fixed deposits with licensed banks (Note 17)	18,584,722	15,423,305	-	-
Cash and bank balances (Note 18)	41,936,598	21,148,870	2,606,791	66,995
	72,120,846	46,800,890	2,606,791	66,995
Less: Fixed deposits pledged to licensed banks	(17,181,184)	(14,061,269)	-	-
	54,939,662	32,739,621	2,606,791	66,995

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

45. DIVIDENDS

	The Group/The Company	
	2016	2015
	RM	RM
Paid:-		
- interim dividend of approximately 2.5% of RM0.50 per ordinary share in respect of financial year ended 30 June 2016	4,110,865	-
- interim dividend of approximately 2.5% of RM0.50 per ordinary share in respect of financial year ended 30 June 2015	4,110,928	-
	8,221,793	-
Payable:-		
- interim dividend of 2.5% of RM0.50 per ordinary share in respect of financial year ended 30 June 2015	-	4,110,928

46. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2016	2015
	RM	RM
Cost of property, plant and equipment purchased	2,414,754	1,018,493
Amount financed through hire purchase	(930,678)	(566,500)
Cash disbursed for purchase of property, plant and equipment	1,484,076	451,993

47. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

47. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Company	
	2016	2015
	RM	RM
Subsidiaries:		
- advances received	2,119,998	1,146,000
- advances given	15,130,000	69,841,213
- management fees received	491,000	514,500
- payment on behalf	47,459	12,539
- received on behalf	25	154,838

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Key Management Personnel Compensation

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Key management personnel Directors				
Salaries, wages, allowances and bonus	146,723	563,108	-	175,000
Defined contribution plan	17,625	45,336	-	10,500
Others	4,440	11,820	-	-
	168,788	620,264	-	185,500
Other key management personnel				
Salaries, wages, allowances and bonus	1,922,242	1,260,889	-	-
Defined contribution plan	229,812	151,356	-	-
Others	36,648	47,588	-	-
	2,188,702	1,459,833	-	-

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

48. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balance at the end of the reporting period is as follows:-

	The Group	
	2016	2015
	RM	RM
Australian Dollar	3.01	2.91

49. OPERATING SEGMENTS

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services. The operating segment reporting are organised and managed separately according to the nature of the services provided, with each segment representing a business unit that serves different markets.

(b) Business segments

The Group Finance Director (the chief operating decision maker) review internal management report at least on a quarterly basis.

The Group is organised into 6 main business segments as follows:-

(i) Investment holding - involved in group-level corporate services.

(ii) Property development - involved in development of commercial and residential properties.

(iii) Construction - involved as general contractors in the construction industry.

(iv) Trading - involved in trading of construction materials.

(v) Logging and trading of timber - involved in the extraction and trading of timber.

(vi) Services - involved as transportation and logistics service provider.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

49. OPERATING SEGMENTS (CONT'D)

(c) Allocation basis and transfer pricing

Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The directors are of the opinion that transfer prices between business segments are based on negotiated prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

2016	Property development RM	Construction RM	Trading RM	Investment holding RM	Logging and trading of timber RM	Services RM	Adjustments and eliminations RM		Per consolidated financial statements RM
Revenue									
External sales	-	295,912,782	5,623,589	-	122,253,447	124,616	-		423,914,434
Inter-segment sales	-	-	12,662,521	491,000	163,677	-	(13,317,198)	(a)	-
Total revenue	-	295,912,782	18,286,110	491,000	122,417,124	124,616	(13,317,198)		423,914,434
Results									
Depreciation	268,372	916,817	-	3,287	317,918	19,230	-		1,525,624
Other non-cash income	-	-	-	-	-	-	-	(b)	-
Other non-cash expenses	2,233	5,328,499	-	-	12,629	-	-	(c)	5,343,361
Segment (loss)/profit	(5,310,330)	(9,175,598)	(260,715)	(374,404)	64,335,849	(2,338)	(202,086)	(d)	49,010,378
Assets									
Additions to non-current assets	800,143	121,846	-	-	915,865	576,900	-	(e)	2,414,754
Segment assets	247,589,461	284,943,320	3,398,154	247,595,377	91,580,586	1,037,560	(342,272,031)	(f)	533,872,427
Liabilities									
Segment liabilities	209,531,942	220,034,206	1,069,495	31,001,410	26,402,187	642,608	(210,621,203)	(g)	278,060,645

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

49. OPERATING SEGMENTS (CONT'D)

2015	Property development RM	Construction RM	Trading RM	Investment holding RM	Logging and trading of timber RM	Adjustments and eliminations RM		Per consolidated financial statements RM
Revenue								
External sales	-	303,114,091	46,830,245	-	37,582,269	-		387,526,605
Inter-segment sales	-	-	12,692,695	514,500	-	(13,207,195)	(a)	-
Total revenue	-	303,114,091	59,522,940	514,500	37,582,269	(13,207,195)		387,526,605
Results								
Depreciation	117,132	915,283	-	4,517	152,367	-		1,189,299
Other non-cash income	760,000	224,660	-	-	-	-	(b)	984,660
Other non-cash expenses	9,026,144	377,843	-	-	-	-	(c)	9,403,987
Segment (loss)/profit	(14,343,428)	5,387,109	1,353,435	(250,117)	14,254,312	(1,244,373)	(d)	5,156,938
Assets								
Additions to non-current assets	37,310	295,632	-	2,300	683,251	-	(e)	1,018,493
Segment assets	174,979,380	266,323,660	8,334,443	234,164,655	125,517,427	(349,429,987)	(f)	459,889,578
Liabilities								
Segment liabilities	131,283,839	191,901,058	6,502,757	30,584,998	111,214,992	(220,642,841)	(g)	250,844,803

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

49. OPERATING SEGMENTS (CONT'D)

(a) Inter-segment revenues are eliminated on consolidation.

(b) Non-cash income consist of the following:-

	The Group	
	2016	2015
	RM	RM
Imputed interest on trade payables	-	223,302
Gain on disposal of equipment	-	1,358
Reversal of imputed interest on other receivable	-	760,000
	-	984,660

(c) Non-cash expenses consist of the following:-

	The Group	
	2016	2015
	RM	RM
Impairment on land development, expenditure, fish pond and equipment	-	4,716,672
Written off of other receivable	-	4,309,472
Impairment loss on trade receivables	5,328,499	-
Imputed interest on trade receivables	-	377,833
Equipment written off	2,233	10
Loss on disposal of equipment	12,629	-
	5,343,361	9,403,987

(d) The following items are (deducted)/added from segment profit to arrive at "Profit/(Loss) before taxation" presented in the consolidated income statement:-

	The Group	
	2016	2015
	RM	RM
Interest income	(1,484,667)	(1,796,762)
Interest expenses	1,282,581	552,389
	(202,086)	(1,244,373)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

49. OPERATING SEGMENTS (CONT'D)

(e) Additions to non-current assets consist of the following:-

	The Group	
	2016	2015
	RM	RM
Plant and machinery	248,500	28,750
Motor vehicles	1,195,713	684,544
Furniture, fittings and office equipment	234,543	217,198
Renovations	715,574	86,001
Land development expenditure, fish pond and equipment	-	2,000
Telecommunication equipment	20,424	-
	2,414,754	1,018,493

(f) The following items are (deducted)/added from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	The Group	
	2016	2015
	RM	RM
Inter-segment balances	(344,974,506)	(352,082,823)
Deferred tax assets	2,614,029	2,614,029
Current tax assets	88,446	38,807
	(342,272,031)	(349,429,987)

(g) The following items are (deducted)/added from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	The Group	
	2016	2015
	RM	RM
Inter-segment balances	(224,327,424)	(230,468,072)
Deferred tax liabilities	7,392,792	7,392,792
Current tax liabilities	6,313,429	2,432,439
	(210,621,203)	(220,642,841)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

49. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

The Group operates in Malaysia and Australia. However, the information by geographical segment is not presented as the non-current assets and revenue relating to Australia is immaterial to the Group.

MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group revenue:-

	Revenue		Segment
	2016 RM	2015 RM	
Customer A	134,032,948	115,165,185	Construction
Customer B	-	90,783,130	Construction
Customer C	93,796,240	-	Construction
	227,829,188	205,948,315	

50. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

a) On 29 July 2016, the Company incorporated a subsidiary company, Asiahub Trading Sdn. Bhd., to carry out the business in trading of building materials with the authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each and the total issued and paid-up share capital is RM2.00 divided into 2 ordinary shares of RM1.00 each.

b) On 23 August 2016, the Company entered into a Sale and Purchase Share Agreement with Dato' Sri Lim Ah Chap to acquire 20,000 ordinary shares of RM1.00 each in Kerjaya Jutamas Sdn. Bhd. ("KJSB") representing 20% of the total issued and paid-up capital in KJSB for a total cash consideration of RM20,000. The acquisition was completed on 24 August 2016.

51. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group's exposure to the interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 51.1(c) to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016	**2015**
	RM	**RM**
Effects On Profit/(Loss) After Taxation/Other Comprehensive income		
Increase of 100 basis points	(833,000)	(499,000)
Decrease of 100 basis points	833,000	499,000

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016	**2015**
	RM	**RM**
Effects On Other Comprehensive Income		
Increase of 10%	2,409,000	1,435,000
Decrease of 10%	(2,409,000)	(1,435,000)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. The Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the trade receivables at the end of the reporting period is as follows:-

	2016	2015
Major concentration of credit risk	34%	60%
Number of customers	1	3

(ii) Exposure to Credit Risk

At the end of the reporting period, as the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The Group does not have exposure to international credit risk as the entire trade receivables are concentrated in Malaysia.

(iii) Ageing Analysis

The ageing analysis of the Group's trade receivables (after discounting expected future cash flows) as at end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2016			
Not past due	63,651,620	-	63,651,620
Past due:			
- less than 3 months	4,912,369	-	4,912,369
- 3 to 6 months	3,828,689	-	3,828,689
- over 6 months	5,248,937	(1,238,995)	4,009,942
- more than 1 year	12,531,921	(4,198,882)	8,333,039
	90,173,536	(5,437,877)	84,735,659

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis (Cont'd)

The ageing analysis of the Group's trade receivables (after discounting expected future cash flows) as at end of the reporting period is as follows (Cont'd):-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2015			
Not past due	43,058,018	-	43,058,018
Past due:			
- less than 3 months	2,815,565	-	2,815,565
- 3 to 6 months	44,766,213	(109,378)	44,656,835
	90,639,796	(109,378)	90,530,418

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no impairment allowance is necessary in respect of these trade receivables which arising from rendering construction services. These receivables include retention sums which are to be settled in accordance with terms in the respective contracts. For those receivables that are not provided for impairment, the Group is satisfied that recovery of the amounts is possible.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2 – 5 Years RM
The Group					
2016					
Non-derivative Financial Liabilities					
Amount owing to contract customers	-	29,361,442	29,361,442	29,361,442	-
Trade payables	6.70	73,144,915	74,667,314	71,740,765	2,926,549
Other payables and accruals	-	57,967,762	57,967,762	57,967,762	-
Provision	-	7,663,618	7,663,618	7,663,618	-
Invoice financing facility	5.08	8,934,757	8,950,916	8,950,916	-
Hire purchase payables	5.67	1,228,865	1,405,629	313,872	1,091,757
Term loans	5.60	73,078,056	86,368,060	24,238,785	62,129,275
Trust receipts	7.55	105,009	105,921	105,921	-
		251,484,424	266,490,662	200,343,081	66,147,581

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2 – 5 Years RM
The Group 2015					
Non-derivative Financial Liabilities					
Amount owing to contract customers	-	21,037,295	21,037,295	21,037,295	-
Trade payables	8.00	98,683,244	100,205,643	90,211,981	9,993,662
Other payables and accruals	-	51,167,438	51,167,438	51,167,438	-
Amount owing to a director	-	2	2	2	-
Provision	-	3,840,290	3,840,290	3,840,290	-
Invoice financing facility	4.97	9,092,879	9,213,230	9,213,230	-
Hire purchase payables	4.99	480,994	544,312	128,268	416,044
Term loans	5.21	39,751,112	43,119,219	8,690,908	34,428,311
Trust receipts	7.35	617,370	623,330	623,330	-
		224,670,624	229,750,759	184,912,742	44,838,017

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company			
2016			
Non-derivative Financial Liabilities			
Other payables and accruals	69,862	69,862	69,862
Amount owing to a subsidiary	1,875	1,875	1,875
	71,737	71,737	71,737
2015			
Non-derivative Financial Liabilities			
Other payables and accruals	4,260,185	4,260,185	4,260,185
Amount owing to a subsidiary	1,875	1,875	1,875
Amount owing to a director	2	2	2
	4,262,062	4,262,062	4,262,062

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.2 CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholders' value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. No changes were made in the objective, policies or processes during the financial years ended 30 June 2016 and 30 June 2015.

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect. The Group's policy is to maintain a sustainable gearing ratio to meet its existing requirements. The Group includes within net debt, borrowings less cash and bank balances and deposits with financial institutions. Capital includes equity attributable to owners of the Company.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	2016	**2015**
	RM	**RM**
Invoice financing facility	8,934,757	9,092,879
Hire purchase payables	1,228,865	480,994
Term loans	73,078,056	39,751,112
Trust receipts	105,009	617,370
	83,346,687	49,942,355
Less: Fixed deposits with licensed banks (Note 17)	(18,584,722)	(15,423,305)
Less: Cash and bank balances (Note 18)	(41,936,598)	(21,148,870)
Net debt	22,825,367	13,370,180
Total equity attributable to the owners of the Company	230,109,782	204,155,623
Debt-to-equity ratio	0.10	0.07

The Group is also required to comply with certain loan covenants, failing which, the banks may call an event of default. The Group has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial assets				
Available-for-sale Financial Asset				
Investments securities	6,701,681	5,124,814	6,701,681	5,124,814
Fair Value through Profit or Loss				
Short-term investments	17,388,303	9,231,274	-	-
Loans and Receivables Financial Assets				
Trade receivables	84,735,659	90,530,418	-	-
Other receivables and deposits	8,136,887	14,670,212	2,367	1,000
Amount owing by contract customers	20,591,151	29,012,455	-	-
Amount owing by subsidiaries	-	-	92,519,820	87,167,335
Fixed deposits with licensed banks	18,584,722	15,423,305	-	-
Cash and bank balances	41,936,598	21,148,870	2,606,791	66,995
Short-term investments	11,599,526	10,228,715	-	-
	185,584,543	181,013,975	95,128,978	87,235,330
Financial liabilities				
Other Financial Liabilities				
Hire purchase payables	1,228,865	480,994		
Invoice financing facility	8,934,757	9,092,879	-	-
Term loans	73,078,056	39,751,112	-	-
Trust receipts	105,009	617,370	-	-
Amount owing to contract customers	29,361,442	21,037,295	-	-
Amount owing to a director	-	2	-	2
Amount owing to a subsidiary	-	-	1,875	1,875
Trade payables	73,144,915	98,683,244	-	-
Other payables and accruals	57,967,762	51,167,438	69,862	4,260,185
Provision	7,663,618	3,840,290	-	-
	251,484,424	224,670,624	71,737	4,262,062

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial statements. These fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
The Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**RM**	**RM**
2016								
Financial Assets								
Investment securities	6,701,681	-	-	-	-	-	6,701,681	6,701,681
Short-term investments	17,388,303	-	-	-	-	-	17,388,303	17,388,303
Trade receivables	-	-	-	-	84,735,659	-	84,735,659	84,735,659
Financial Liabilities								
Trade payables	-	-	-	-	73,144,915	-	73,144,915	73,144,915
Term loans	-	-	-	-	86,368,060	-	86,368,060	73,078,056
Hire purchase payables	-	-	-	-	1,405,629	-	1,405,629	1,228,865

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.4 FAIR VALUE INFORMATION (CONT'D)

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2015								
Financial Assets								
Investment securities	5,124,814	-	-	-	-	-	5,124,814	5,124,814
Short-term investments	9,231,274	-	-	-	-	-	9,231,274	9,231,274
Trade receivables	-	-	-	-	90,530,418	-	90,530,418	90,530,418
Financial Liabilities								
Trade payables	-	-	-	-	98,683,244	-	98,683,244	98,683,244
Term loans	-	-	-	-	43,119,219	-	43,119,219	39,751,112
Hire purchase payables	-	-	-	-	544,312	-	544,312	480,994

The fair value of non-current receivables, payables, loans and borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of borrowing at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.4 FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2016								
Financial Asset								
Investment securities	6,701,681	-	-	-	-	-	6,701,681	6,701,681
2015								
Financial Asset								
Investment securities	5,124,814	-	-	-	-	-	5,124,814	5,124,814

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

51. FINANCIAL INSTRUMENTS (CONT'D)

51.4 FAIR VALUE INFORMATION (CONT'D)

The fair values of hire purchase payables and term loans are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2016	2015
	%	%
Term loans	5.53	5.25
Hire purchase payables	5.54	5.01

52. CONTINGENT LIABILITIES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Performance and tender bond granted to contract customers	104,610,339	72,987,628	-	-
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	-	188,121,235	124,623,669

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

53. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group	
	As Restated RM	As Previously Reported RM
Statements of Financial Position (Extract):-		
Short-term investments	19,459,989	9,231,274
Cash and bank balances	21,148,870	31,377,585
Deferred tax assets	2,614,029	-
Deferred tax liabilities	(7,392,792)	(4,778,763)
Statements of Cash Flow (Extract):-		
Net cash from investing activities	3,564,244	3,524,912
Net decrease in cash and cash equivalents	(1,371,103)	(1,410,435)
Cash and cash equivalents at beginning of the financial year	34,152,064	32,829,360
Cash and cash equivalents at end of the financial year	32,739,621	31,377,585

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2016 (cont'd)

54. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained profits				
- realised	85,950,842	61,400,417	19,845,296	26,041,203
- unrealised	(4,339,336)	(4,971,453)	-	-
	81,611,506	56,428,964	19,845,296	26,041,203
Less: Consolidation adjustments	(44,542,171)	(25,991,256)	-	-
	37,069,335	30,437,708	19,845,296	26,041,203

LIST OF PROPERTIES
30 June 2016

Owned by:	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Fajarbaru Builder Sdn Bhd	Lot 7496, Mukim Labu, Seremban, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in May 1995)*	2,227	360
	Lot 7695, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in Feb 2010)*	984	297
	Lot 7716, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in Feb 2010)*	446	134
	Lot 7406, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in Feb 2010)*	353	84
	Lot 7426, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in Feb 2010)*	372	88
	Lot 7357, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in Feb 2010)*	280	66
	Lot 7715, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land *-(acquired in Dec 2010)*	446	134
	61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	18	4 Storey Shop Lot *-(acquired in Oct 2005)*	374	2,202
	59, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	18	4 Storey Shop Lot *-(acquired in Oct 2013)*	187	1,366

LIST OF PROPERTIES
30 June 2016 (cont'd)

Owned by:	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Potential Region Sdn Bhd	*PD Orchard Homestead Resort, Off Jalan Si-Rusa-Sunggala, Port Dickson, Negeri Sembilan Darul Khusus	Freehold	N/A	75 orchard homestead lots *-(acquired in June 1994)*	344,670	11,237
		Freehold	N/A	109 Bungalow lots *-(acquired in June 1994)*	127,367	18,506
		Freehold	N/A	1 lot 4.33 acres commercial land PT3223 *-(acquired in June 1994)*	17,500	3,391
		99 years leasehold expiring 30.05.2096	N/A	1 lot 10 acres agriculture Land PT3386 *-(acquired in June 1994)*	40,469	871
		Freehold	N/A	1 orchard homestead PT 3261 *-(acquired in Feb 2003)*	4,241	251
		Freehold	N/A	1 orchard homestead Lot PT3256 *-(acquired in Apr 2003)*	6,857	406
		Freehold	N/A	1 orchard homestead Lot PT3204 *-(acquired in Jul 2003)*	4,101	243

LIST OF PROPERTIES
30 June 2016 (cont'd)

Owned by:	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Renowaja Sdn Bhd	HSD 79278 (PT 836), Pulau Melaka Town Area XLIII, District of Melaka Tengah, State of Melaka.	99 years leasehold expiring 15.04.2113	N/A	Vacant Land for development *-(acquired in Sept 2010)*	4,321	1,929
	HSD 79279-79280 (PT 837-838), Pulau Melaka Town Area XLIII, District of Melaka Tengah, State of Melaka.	99 years leasehold expiring 15.04.2113	N/A	Vacant Land for development *-(acquired in Sept 2010)*	8,712	11,609
Wajatex Sdn Bhd	Geran 5441, Lot 76, Seksyen 76, Bandar Kuala Lumpur Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Freehold	N/A	Vacant Land for development *-(acquired in Nov 2011)*	9,331	24,266
Fajarbaru Land Sdn Bhd	GM1408, Lot 796, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Freehold	N/A	Vacant Land for development *-(acquired in Oct 2012)*	27,490	41,857
Fajarbaru-Beulah (Melbourne) Pty Ltd	Lot 6, 7 and 8 on Plan of Subdivision No. 042014, Doncaster, Victoria, 3108 Australia	Freehold	N/A	Vacant Land for development - (acquired in Sep 2014)	2,367	21,918

ORCHARD HOMESTEAD LOTS

* HSD 34235-34239 (PT 6117-6121),Geran 103178 – 103188 (Lot 7929 -7939), Geran 103190 – 103195 (Lot 7941 – 7946), Geran 103197 – 103199 (Lot 7948 – 7950), Geran 103201 (Lot 7952), Geran 103204 – 103213 (Lot 7955 – 7964), Geran 103215 (Lot 7967), Geran 103220 (Lot 7972), Geran 103229 – 103230 (Lot 7981 – 7982), Geran 103238 – 103241 (Lot 7990 – 7993), Geran 103243 (Lot 7995), Geran 103245 (Lot 7997), Geran 103252 (Lot 8004), Geran (103257 (Lot 8009),Geran103260 (Lot 8012),Geran 103265 – 103266 (Lot 8017 - 8018),Geran 103273 (Lot 8025), Geran 103277-103278 (Lot 8029 - 8030), Geran 103280 - 103285 (8032-8037), Geran 103287 (Lot 8039), Geran 103290 – 103291 (Lot 8042 - 8043), Geran 103293 – 103296 (Lot 8045 - 8048), Geran 103305 -103308 (Lot 8057 - 8060),Geran 103310 (Lot 8062), Geran 103311-103312 (Lot 8063 - 8064), Geran 169498 (Lot 9175).

ANALYSIS OF SHAREHOLDINGS

As at 18 October 2016

LIST OF DIRECTORS' SHAREHOLDINGS (as per Record of Register of Directors' Shareholdings)

Directors	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Dato' Ir. Low Keng Kok	7,297	0.00	-	-
Ooi Leng Chooi	16,900	0.01	-	-
Dato' Ismail Bin Haji Omar	17,269	0.01	-	-
Foong Kuan Ming	102,857	0.03	-	-
Wong Chee Heng	84,000	0.02	-	-
Zahedi Bin Mohd Zain	-	-	-	-

LIST OF SUBSTANTIAL SHAREHOLDERS (as per Record of Register of Substantial Shareholders)

Substantial Shareholders	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Big Victory Holdings Sdn. Bhd.	23,587,199	6.52	-	-
Tan Sri Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	25,044,700	6.92	7,581,600[(a)]	2.10
Lembaga Tabung Haji	18,377,742	5.08	-	-
Numina Gem Sdn. Bhd.	4,233,150	1.17	23,587,199[(b)]	6.52
Ho Shau Kian	-	-	23,587,199[(b)]	6.52
Datin Lai Mooi Far	7,755,375	2.14	29,604,302[(c)]	8.18
Winnie Lim Lee Chuen	-	-	29,392,602[(d)]	8.13

Notes:-

(a) Deemed interest by virtue of Section 6A of the Companies Act, 1965 through Unique Bay Sdn. Bhd.

(b) Deemed interest by virtue of Section 6A of the Companies Act, 1965 through Big Victory Holdings Sdn. Bhd.

(c) Deemed interest by virtue of Section 6A of the Companies Act, 1965 through Big Victory Holdings Sdn. Bhd., Bright Memory Sdn. Bhd., Numina Gem Sdn. Bhd. and her spouse.

(d) Deemed interest by virtue of Section 6A of the Companies Act, 1965 through Big Victory Holdings Sdn. Bhd., Bright Memory Sdn. Bhd. and Numina Gem Sdn. Bhd.

ANALYSIS OF SIZE OF SHAREHOLDINGS AS AT 18 OCTOBER 2016

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Share held	% of Share held
Less than 100	922	18.64	42,302	0.01
100 – 1,000	449	9.08	119,556	0.03
1,001 – 10,000	1,806	36.51	9,084,659	2.51
10,001 – 100,000	1,509	30.50	45,097,957	12.47
100,001 to less than 5% of issued shares	258	5.21	240,615,234	66.53
5% and above of issued shares	3	0.06	66,708,156	18.45
TOTAL	**4,947**	**100.00**	**361,667,864**	**100.00**

LIST OF THIRTY (30) LARGEST ACCOUNTHOLDERS

As at 18 October 2016

No.	Names	Shareholdings	%
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KUAN PENG CHING @ KUAN PENG SOON (MM1076)	25,044,700	6.92
2.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BIG VICTORY HOLDINGS SDN BHD	23,285,714	6.44
3.	LEMBAGA TABUNG HAJI	18,377,742	5.08
4.	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR RHB SECURITIES SINGAPORE PTE. LTD. (A/C CLIENTS)	17,906,827	4.95
5.	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	16,034,011	4.43
6.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MODERN DISCOVERY SDN BHD (PB)	16,021,678	4.43
7.	CHANG MEI YUN	13,783,700	3.81
8.	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR IMPROVE PERFORMANCE INVESTMENTS LIMITED	12,199,613	3.37
9.	LAI HONG MUN	11,345,450	3.14
10.	CHONG PAN LIM	9,000,000	2.49
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG TONG HAI	7,714,285	2.13
12.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	7,581,600	2.10
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI MOOI FAR (010)	6,938,401	1.92
14.	TANG YIN SENG	5,500,000	1.52
15.	TOP FUTURE HOLDINGS SDN BHD	4,656,600	1.29
16.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NUMINA GEM SDN BHD	4,233,150	1.17
17.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	3,932,743	1.09
18.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	3,601,352	1.00
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG (E-BCG)	3,145,200	0.87
20.	LIM AH LEK @ LIM MOK SIANG	3,000,000	0.83
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR LIM AH CHAP (SMART)	2,872,000	0.79
22.	LAU KUAN KAM	2,768,653	0.77
23.	CHOONG YEAN YAW	2,731,200	0.76
24.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FU AH KIOW @ OH (FU) SOON GUAN	2,556,100	0.71
25.	LAM SANG	2,497,600	0.69
26.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG SEOW FONG	2,051,100	0.57
27.	WONG FOH SANG	2,000,000	0.55
28.	KOH LOK KIANG WILLIAM	1,991,190	0.55
29.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YEOW WAH (MG0231-019)	1,926,000	0.53
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG (8055840)	1,852,000	0.51

STATISTICS ON WARRANT HOLDINGS

As at 18 October 2016

Types of securities : Warrant 2015/2019

Date of Expiry : 24 September 2019

Voting Rights : One (1) vote per warrant in respect of a meeting of warrant holders

LIST OF DIRECTORS' WARRANT HOLDINGS (as per Record of Register of Directors' Warrantholdings)

Directors	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Dato' Ir. Low Keng Kok	2,432	0.00	-	-
Ooi Leng Chooi	-	-	-	-
Dato' Ismail Bin Haji Omar	-	-	-	-
Foong Kuan Ming	-	-	-	-
Wong Chee Heng	31,200	0.03	-	-
Zahedi Bin Mohd Zain	-	-	-	-

DISTRIBUTION OF WARRANT HOLDINGS AS AT 18 OCTOBER 2016

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	128	8.57	5,766	0.00
100 – 1,000	101	6.77	44,919	0.04
1,001 – 10,000	678	45.41	2,878,559	2.63
10,001 – 100,000	452	30.28	16,352,653	14.92
100,001 to less than 5% of issued shares	132	8.84	75,545,297	68.91
5% and above of issued shares	2	0.13	14,801,094	13.50
TOTAL	**1,493**	**100.00**	**109,628,288**	**100.00**

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

As at 18 October 2016

No.	Names	Shareholdings	%
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KUAN PENG CHING @ KUAN PENG SOON (MM1076)	9,301,094	8.48
2.	LEMBAGA TABUNG HAJI	5,500,000	5.02
3.	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR RHB SECURITIES SINGAPORE PTE. LTD. (A/C CLIENTS)	4,083,942	3.73
4..	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	3,644,361	3.32
5.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR MAK NGIA NGIA @ MAK YOKE LUM (MM0749)	3,259,600	2.97
6.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG (8055840)	3,250,000	2.96
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG TONG HAI	2,571,428	2.35
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	2,527,200	2.31
9.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI YENG SUN	2,397,300	2.19
10.	LAU FOY HANG @ LAU FAY HANG	2,082,600	1.90
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI MOOI FAR (010)	2,000,000	1.82
12.	LAM SANG	1,889,300	1.72
13.	LOO THIN POH	1,425,600	1.30
14.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NUMINA GEM SDN BHD	1,411,050	1.29
15.	TOP FUTURE HOLDINGS SDN BHD	1,252,643	1.14
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	1,245,000	1.14
17.	MAK NGIA NGIA @ MAK YOKE LUM	1,216,100	1.11
18.	KHOO KOOI CHIEW	1,180,000	1.08
19.	LEE SENG PIOW	1,150,000	1.05
20.	MAK NGIA NGIA @ MAK YOKE LUM	1,112,500	1.01
21.	LIM JEN SEN	1,100,000	1.00
22.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG AH YONG (MY1278)	1,000,000	0.91
23.	TEO AH SENG	967,000	0.88
24.	THOMAS LO KIAT ON	950,000	0.87
25.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WAT YEN @ LUI WAT YEN	845,000	0.77
26.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG	833,300	0.76
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG SENG SEE	780,000	0.71
28.	TAN JOON HENG	771,200	0.70
29.	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEN CHEE (IPOH GARDEN-CL)	740,000	0.68
30.	LYE MING ZH	720,000	0.66

FAJARBARU BUILDER GROUP BHD (281645-U)

Form Of Proxy

No. of Shares held	

I/We_____
(Full name in block letters)

of_____

being a member of **FAJARBARU BUILDER GROUP BHD**, hereby appoint_____
(Full name in block letters)

of_____
(Address)

or failing him_____
(Full name in block letters)

of_____
(Address)

as my / our proxy to vote for me / us and on my / our behalf at the **TWENTY-SECOND ANNUAL GENERAL MEETING** of the Company to be held at Dewan Perdana, 1st Floor Sport Complex, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 December 2016 at 10.00 a.m. and at any adjournment thereof.

My / our proxy is to vote as indicated hereunder.

	Resolution	For	Against
Resolution 1	To receive the Audited Financial Statements and Reports		
Resolution 2	To re-elect Dato' Ir. Low Keng Kok		
Resolution 3	To re-elect En. Zahedi Bin Mohd Zain		
Resolution 4	To re-appoint Dato' Ismail Bin Haji Omar		
Resolution 5	To approve the payment of Directors' fees		
Resolution 6	To re-appoint Auditors		
Resolution 7	To approve the Continuation of office as Independent Director		
Resolution 8	To approve the Authority to Issue Shares		
Resolution 9	To approve the Proposed Renewal of Share Buy-Back Authority		

Dated this_____day of _____, 2016.

_____
Signature

Notes :

1. *A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such member, and where a member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy to attend and vote instead of him at the same meeting. Where a member appoints more than (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.*
2. *Where a Member 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*
3. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
4. *If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*
5. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's Registrar Office, Unit 32-01, Level 32, Tower A, Vertival Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for the Meeting.*
6. *Depositor whose name appears on the Record of Depositors as at 23 November 2016 shall be regarded as member of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at meeting.*

Affix
Stamp
here

The Company Registrar
FAJARBARU BUILDER GROUP BHD
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