Unifying Directions

LOH & LOH

ANNUAL REPORT 2016

DESIGN CONCEPT & RATIONALE

Unifying Directions

Each and every team member is just as important in winning the race. Working as one is essential in moving forward.

In facing new challenges, teamwork is the key. Working together is the fundamental strategy that will propel us forward and guide us in navigating an uncertain future. Every one of us joining strengths creates the blueprint for success.

Teamwork with a direction.
Every position plays a
significant role.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.A.M. Tengku Dato' Rahimah Binti Almarhum Sultan Mahmud
Non-Independent Non-Executive Chairman

Mr. Loh Choon Quan (Marc)
Managing Director (Appointed on 16 April 2015)

Dato' Che Abdullah @ Rashidi Bin Che Omar
Non-Independent Non-Executive Director

Encik Mohd. Faizul Bin Ibrahim
Non-Independent Non-Executive Director

Mr. Tan Vern Tact
Independent Non-Executive Director

COMPANY SECRETARIES

Chua Siew Chuan
MAICSA 0777689

Chin Mun Yee
MAICSA 7019243

AUDITORS

KPMG PLT
Chartered Accountants
Level 10, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor, Malaysia.

SOLICITORS

Zaid Ibrahim & Co.

PRINCIPAL BANKERS

Hong Leong Bank Berhad
RHB Bank Berhad
United Overseas Bank (M) Bhd

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Malaysia.
Tel: +603 - 2084 9000
Fax: +603 - 2094 9940 / 2095 0292

CORPORATE STRUCTURE

AS AT 31 MAY 2017

LOH & LOH CORPORATION BERHAD

Civil & Structural

100% LOH & LOH CONSTRUCTIONS SDN BHD

// 100% Jutakim Sdn Bhd

// 68% Quality Quarry Sdn Bhd

Mechanical & Electrical

100% WATER ENGINEERING TECHNOLOGY SDN BHD

// 100% WET O&M Sdn Bhd

// 100% WET Sales & Services Sdn Bhd

Renewable Energy

100% 1 SERI MERDEKA SDN BHD

// 100% Thinkhouse Communications Sdn Bhd

// 70% Pelus Hidro Sdn Bhd

Property Development

100% LOH & LOH DEVELOPMENT SDN BHD

// 100% Millenium Creation Sdn Bhd

// 100% Turf-Tech Sdn Bhd

// 100% Medius Developments Sdn Bhd

// 100% Green Heights Developments Sdn Bhd

// 100% Decorus Development Sdn Bhd

FINANCIAL HIGHLIGHTS

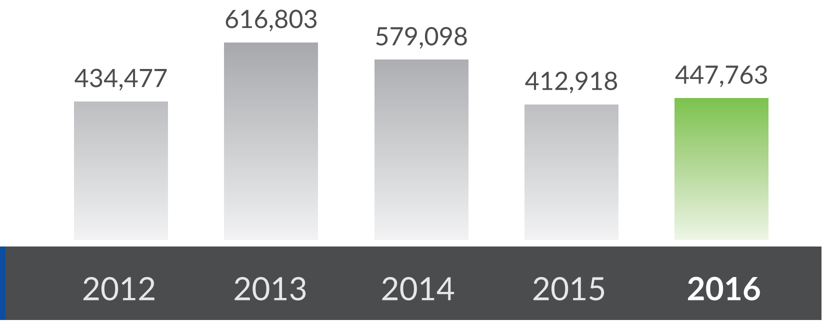
5 YEAR GROUP FINANCIAL STATISTICS

	2012	2013	2014	2015	**2016**
	RM'000	RM'000	RM'000	RM'000	**RM'000**
Revenue	434,477	616,803	579,098	412,918	**447,763**
Profit Before Tax	62,019	83,200	150,004	107,344	**84,830**
Profit After Tax	43,549	63,355	111,565	80,212	**63,266**
Total Assets	506,610	614,534	703,777	711,263	**659,921**
Net Tangible Asset	276,849	298,845	358,838	398,460	**413,340**
Shareholders' Fund	271,531	297,210	357,314	397,143	**430,896**
Paid-up Share Capital	68,000	68,000	68,000	68,000	**68,000**

Per Share (SEN)					
Group Earnings	64	93	164	118	**93**
Net Tangible Asset	407	439	528	586	**608**
Dividend	38	56	75	67.38	**43.62**

1

REVENUE RM'000



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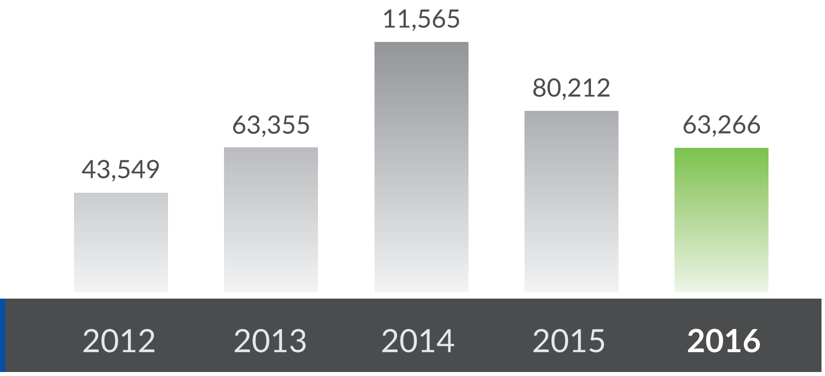
PROFIT AFTER TAX RM'000



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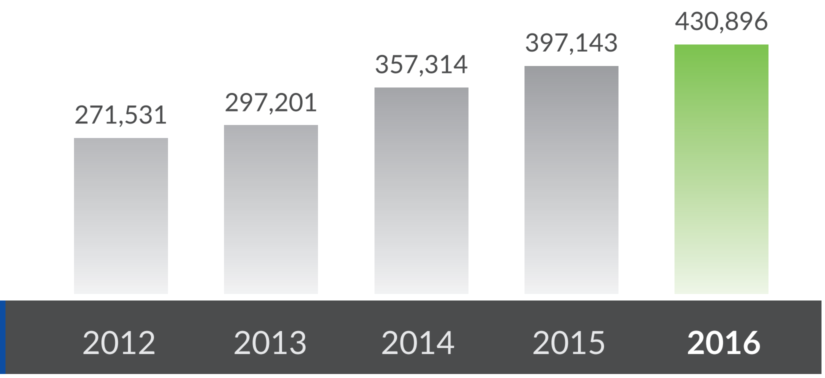
SHAREHOLDERS' FUNDS RM'000



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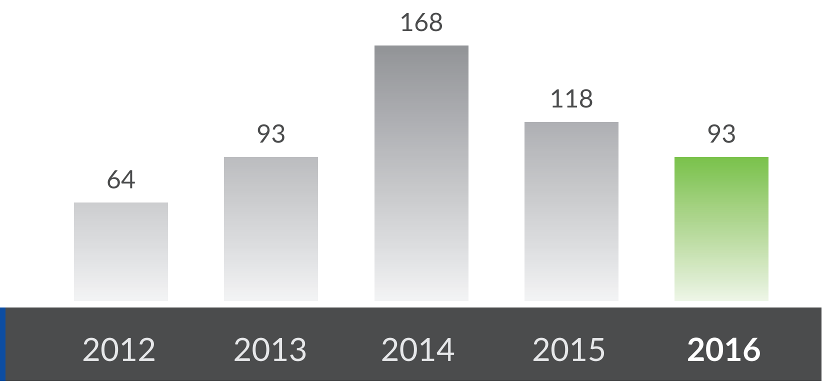
EARNINGS PER SHARE SEN



"When we dream alone, it is only a dream, but when many dream together it is the beginning of a new reality."

Bintang Intake for 14MW Kerian Hydroelectric Project, Selama

GROUP CORPORATE CALENDAR

JANUARY - APRIL 2016

23 JANUARY
HQ
KELAU DAM - Knowledge Sharing

17 FEBRUARY
L2P1B Site
Technical Site Visit by Special Project Division (SPD) & Management of Pengurusan Aset Air Berhad

19 FEBRUARY
Restaurant Unique Seafood
Chinese New Year Lunch

21 & 22 MARCH
Site Office, L2P1B
SIRIM Surveillance Audit

6 APRIL
Nilai, P&M Workshop
Study Tour by automotive final year students from Monfort Youth Centre (Melaka)

09 APRIL
Langat 2
Site Visit by YB Dato' Dr Tan Yew Chong from Ministry of Energy, Green Energy and Water (KeTTHA)

MAY - AUGUST 2016

14 MAY
National Blood Bank, Kuala Lumpur
Blood Donation

28 MAY
Cyberjaya
DPulze Shopping Centre
Bowling Friendly Match

9 JUNE
HQ
Dumpling Festival

21 JUNE
KLGCC
Berbuka Puasa

20 JULY
RWTP Site, Pengerang, Johor
1 Million Man Hours

1 & 2 AUGUST
Site Office, Langat Centralised Sewage Treatment Plant (LCSTP)
BM Trada Surveillance Audit

20 AUGUST
Berjaya Times Square
Laser Battle Games

SEPTEMBER - OCTOBER 2016

13 SEPTEMBER

Langat Site Office

Technical Visit by Ketua Setiausaha YBhg. Dato' Seri Ir. Dr. Zaini Bin Ujang

25 SEPTEMBER

Selayang Mall Badminton Hall

Badminton Competition

14 OCTOBER

HQ

HTP Knowledge Sharing

17 OCTOBER

Semantan Intake & Kelau Dam

KSU Visit to Semantan Intake & Kelau Dam

17 & 18 OCTOBER

HQ

ISO Training, HTP Knowledge Sharing

26 OCTOBER

Sipitang

Staff Group Photo.

OCTOBER - DECEMBER 2016

27 OCTOBER
L2P1B Project Site
Technical Visit by PAAB's CEO En. Mahadzir Mustafa

27 OCTOBER
Package 1B, Langat 2 water supply scheme
Site Visit by CEO of Pengurusan Aset Air Bhd

11 NOVEMBER
Hilton Hotel, Kuala Lumpur
17th Annual Dinner (Bollywood Night)

17 DECEMBER
Perkarangan Surau Sayyidus Syuhada
Public Engagement of Langat 2 Project

22 DECEMBER
HQ
Christmas Gathering

29 DECEMBER
RWTP Walkabout
1st Train Commissions with attendance of owner

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A benchmark of any successful enterprise is the sincere responsibility of giving back. Since the beginning, The Loh & Loh Group has taken on this duty with passion and commitment.

Focusing mainly on the causes closest to our hearts; the health of the environment, our people and the community around us, supporting whenever we can. We believe in contributing more than just donations by encouraging the people we work with to involve themselves as well. It is a definite 'win-win' situation as we get to build a more caring work-force.

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Community Causes

We continue to support worthy causes every year. This year, the Taman Megah Handicapped Children's Home was one of them. We handed out contributions during our Bollywood themed annual dinner held at The Kuala Lumpur Hilton on the 11th of November. It was a night to remember and brought much joy all around.

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1. Certificate of Appreciation from Pusat Kanak-kanak Spastik, Perak.

2. Certificate of Appreciation from Pusat Penjagaan Kanak-kanak Cacat, Taman Megah, Petaling Jaya.

3. RM100k cash in Aid of 6 deserving charity organizations.

1

Blood Donation

Every year we partner with The Kuala Lumpur General Hospital for a blood donation drive and this year was no different. Formally held at the National Blood Bank in Jalan Tun Razak on the 14th of May, the staff of Loh & Loh left their "deposits" there willingly.

Many thanks to the capable staff at Pusat Darah Negara, the day was an eventful one. Whilst helping to keep the blood bank fully stocked, the practice of giving blood is actually beneficial to the giver as well. Gratitude to all involved!

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1,2,3. Blood Donation at National Blood Bank, Jalan Tun Razak, KL

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Career Talk and Scholarships

We frequently inform the young public about the opportunities at Loh & Loh through our outreach events such as career fairs and also directly to local higher learning institutions. Letting them know the real experience of the goings on in the construction and developing world.

We also provide a hands-on involvement through actual site visits and offering internship opportunities to the lucky few. This provides a unique and personal peek into the industry.

In addition, Loh & Loh Group allocates an annual sum to our scholarship fund to assist the more financially challenged individuals interested in pursuing courses related to our business interests.

1. Scholarship holders in Annual Dinner (Bollywood Night 2016) at Hilton KL.
2. Inti University Career Fair.
3. Universiti Sains Malaysia Career Fair.
4. UNITAR International University Career Fair.

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Enviroment Concerns

There is a popular hikers motto – "Take only photos, leave only footprints."

At Loh & Loh, we practice the spirit of this belief in everything we do. We have but one earth to live in and making sure to leave as little an impact on the environment as possible is a must; so we can leave our children a best possible planet to live in.

The consequences of global warming affects everyone and we have to do our part.

Recycling

Everyone at the Group is enlightened on the practice to recycle, re-use, replenish, restore and reduce whenever possible through our instituted training programs.

Reducing the wastage of paper in all our departments is practiced as often as possible and some have even gone the extra mile personally. Well done!

Staff Development and Welfare

The Loh & Loh Group is similar to a very large family; and as in a family we take good care of the members. All are treated and paid fairly and given every opportunity to achieve their full potential; and in return, contribute their very best back to the company.

A regular calendar of training is organized to equip everyone with the tools to rise in their chosen fields. To enhance their awareness of the latest applications and techniques, lifting the quality of performance and having a more complete understanding of the industry is key in remaining a relevant force in the business.

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1,2. Annual Dinner 2016 Hilton

3. Hari Raya 2016 KLGCC

4. Chinese New Year 2016 Restaurant Unique.

5. Laser Battle Berjaya Times Square.

6. Bowling 2016 Cyberjaya DPulze Shopping Centre.

7. Badminton 2016 Selayang Mall Badminton Hall.

8. Christmas HQ.

9. Dumpling Festival HQ.

5

Team Building

In continuing on the subject of family, the organizing of events to strengthen the bond between co-workers is something to look forward to. Birthdays parties, the respective festival celebrations, sports tournaments, competitions, recreational outings, company trips and annual dinners add a flavour of togetherness that brings us closer as a unit.

As they say.... "We are only as strong as we are united, as weak as we are divided."

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Workplace - Health and Safety

The safety standards are extremely high at all our project sites and business locations. Anyone venturing in can be assured that any and all precautions have been taken. Their safety and security is our top priority.

Our policy of no fatalities extends to all our subcontractors and suppliers as well. Representatives from all parties make up the Health and Safety Committee that oversees their respective projects.

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1. RWTP Monthly HSSE Management Walkabout with PMC.
2. 1 Million Hours without Lost Time Injury (LTI) celebration, Sipitang.
3. Sipitang.

1,2. 1st Train Commissions with attendance of owner.

3. Public Engagement of Langat 2 Project.

4. Achievement of 1 Million Man Hours without LTI RWTP.

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Coming together is a beginning.
Keeping together is progress.
Working together is success.

BOARD OF DIRECTORS

Y.A.M. Tengku Dato' Rahimah Binti Almarhum Sultan Mahmud
Non-Independent Non-Executive Chairman

Mr. Loh Choon Quan (Marc)
Managing Director

Dato' Che Abdullah @ Rashidi Bin Che Omar
Non-Independent Non-Executive Director

Encik Mohd. Faizul Bin Ibrahim
Non-Independent Non-Executive Director

Mr. Tan Vern Tact
Independent Non-Executive Director

BOARD OF DIRECTOR'S PROFILE

Y.A.M. Tengku Dato' Rahimah Binti Almarhum Sultan Mahmud
Non-Independent Non-Executive Chairman

Y.A.M. Tengku Dato' Rahimah Binti Almarhum Sultan Mahmud, a Malaysian, aged 51, was appointed as Chairman and Director of LLCB on 19 September 2008.

Y.A.M. Tengku Dato' Rahimah holds a BSc in Economics and Accountancy from the City of London University, England and Y.A.M. Tengku Dato' Rahimah is a member of the Malaysian Institute of Accountants.

Upon completing her degree course, Y.A.M. Tengku Dato' Rahimah started her career with the Hongkong Bank in London, England. She then joined Esso Malaysia Berhad in Kuala Lumpur before moving on to owning and running a few private limited companies.

Y.A.M. Tengku Dato' Rahimah currently sits on the board of Puncak Niaga Holdings Berhad and also holds directorships in several private limited companies.

Mr. Loh Choon Quan (Marc)
Managing Director

Mr. Loh Choon Quan, a Malaysian Permanent Resident, aged 41, was appointed as Managing Director of LLCB on 16 April 2015.

Mr. Loh Choon Quan holds a Bachelor's Degree in Civil Engineering (1st Class) from The University of Sheffield, UK, where he graduated top of his class and won two British Steel Design Awards. Subsequently he obtained a Masters of Business Administration (MBA) from INSEAD, one of the top business schools, under the Asian Enterprise Fund (AEF) Scholarship.

Mr. Loh Choon Quan has been with the Group for fifteen years and has been involved in all divisions of the Group throughout the fifteen years. Mr. Loh Choon Quan was appointed as a Chief Executive Officer of LLCB on 12 July 2011 and subsequently promoted to Managing Director of LLCB on 16 April 2015. Mr. Loh Choon Quan does not hold any directorship in other public companies. He holds directorships in several private limited companies.

Dato' Che Abdullah @ Rashidi Bin Che Omar
Non-Independent Non-Executive Director

Dato' Che Abdul|ah @ Rashidi bin Che Omar, a Malaysian aged 69, was appointed to the Board of LLCB on 13 September 2012 as a Non-Independent Non-Executive Director.

Dato' Rashidi graduated with a Diploma in Plantation Management from Universiti Teknologi Mara. He began his career with FELDA as a Cadet Planter in 1968 and left as a Manager. In 1974, he joined Kuala Lumpur Kepong Berhad as Assistant Manager and left as Senior Manager. In 1989, he joined Austral Enterprise Berhad as a Senior Manager. In 1990, he joined Tradewinds (M) Berhad as a Manager in the Plantation Division and was subsequently promoted to General Manager in 1993. In 1996, he was seconded to Tradewinds Plantation Services Sdn. Bhd. and promoted to the position of Senior General Manager. In 1999, he became the Executive Director of Tradewinds Plantation Services Sdn. Bhd. In 2002, he joined Lembaga Tabung Haji as its Plantation Director. He was the Managing Director of TH Plantations Berhad from 2003 to 2009.

Dato' Rashidi was conferred a Datukship by His Royal Highness the Sultan of Kelantan in 2005. Dato' Rashidi is currently the Chairman of Consolidated Fertiliser Corporation Sdn. Bhd. and PT. TH Indo Plantations. Dato' Rashidi also sits on the board of various companies such as Tadmax Resources Berhad, TH Pelita Gedong Sdn. Bhd., TH Pelita Sadong Sdn. Bhd., TH Pelita Simunjan Sdn. Bhd., Sime Darby Plantation Sdn. Bhd., PT Minamas Gemilang and PT Synergy Oil Nusantara.

Encik Mohd. Faizul Bin Ibrahim
Non-Independent Non-Executive Director

Encik Mohd Faizul bin Ibrahim, a Malaysian aged 36, was appointed to the Board of LLCB on 13 September 2012 as a Non-Independent Non-Executive Director. Encik Faizul graduated in 2005 from MARA University of Technology with a Bachelor's in Accountancy (Hons). Encik Faizul is a member of the Malaysian Institute of Accountants and he spent three (3) years in public practice with Messrs. Azman, Wong, Salleh & Co. before joining the commercial sector in 2009. Encik Faizul does not hold any directorships in other public companies. However, he is a director of several private limited companies.

Mr. Tan Vern Tact
Independent Non-Executive Director

Mr. Tan Vern Tact, a Malaysian aged 41, was appointed to the Board of LLCB on 14 September 2012 as an Independent Non-Executive Director. Mr. Tan graduated from Trinity College, University of Cambridge, United Kingdom with a Bachelor of Arts (B.A) and a Master of Engineering (M.Eng.) in Electrical and Information Sciences. Mr. Tan does not hold any directorships in other public companies. However, he Is a director of several private limited companies.

A LETTER FROM OUR CHAIRMAN

Y.A.M. TENGKU DATO' RAHIMAH
BINTI ALMARHUM SULTAN MAHMUD

2016 continues to be a challenging year with the weak property market, volatility in commodity prices and the further weakening of our foreign exchange value due to banking controls. These factors have affected all businesses in Malaysia and no company is spared. However, the construction industry provides some reprieve in this situation with the roll out of infrastructure projects by the Government. These infrastructure projects have softened the impact to our development business. I am pleased to inform that LOH & LOH Group has continued to perform well this year despite these challenging circumstances and is currently implementing 13 projects with a total outstanding value of over RM 1 Billion!

Group Performance

The Group continues to perform well in 2016, achieving a profit after taxation of RM63.3million. This is a remarkable achievement considering the challenging environment with the continual weakening of the property market, volatile prices of materials, and fluctuations in FOREX. These challenges continue to weigh down on our profits due to increasing costs and deferred property development revenue.

I commend the dedicated management team together with the staff that demonstrated collective strengths, resilient spirit and diligent works to mitigate these challenges to achieve such a significant financial result, especially in such challenging times.

Moving Forward

The Group continues to actively participate in tenders to replenish as well as grow our order book, especially our construction order book to mitigate the impact of the weak property market. The management is also looking to further strengthen our revenue inflow by investing in our own renewable energy concessions, and bringing these to reality in the next 3years. This new revenue stream will enable us to have a constant income and mitigate any volatility from the construction and property businesses.

The Group continues to evolve and grow by accepting and incorporating improvements to strengthen our core activities of construction and property development. With a challenging environment which will continue to last for the next 1 to 2 years, we will exercise prudence and caution in all our undertakings to mitigate any potential risks as part of our business endeavors.

Acknowledgement

On behalf of the Board, I wish to express my appreciation to the Management team and staff for their unyielding loyalty, valuable contributions and team spirit, and to our valued customers, business associates, bankers and relevant authorities for their continued support and confidence in us. My appreciation also goes to my fellow colleagues on the Board for their counsel and guidance during the past year.

Thank you.

CEO'S REVIEW OF OPERATIONS

MR. LOH CHOON QUAN

Dear Valued Shareholders,
on behalf of the Board of Directors,
I am pleased to present the Annual Report and
Audited Financial Statements of
LOH & LOH Corporation Berhad
(‘LLCB” or “the Group”) for the financial
year ended 31 December 2016.

REVIEW OF FINANCIAL YEAR

ENDED 31 DECEMBER 2016

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In 2016, LOH & LOH Group continues to perform admirably considering the challenging environment due to the continual weakness in the property industry, volatile commodity prices especially for steel and diesel which has a significant impact on all construction materials. The Malaysian Ringgit also continues to be weak, impacting our cost of foreign labour and imported equipment and materials, especially equipment related to our Mechanical & Electrical business. Despite the challenging environment, I am pleased to inform that the Group has performed well with the continual resilience and dedication of our management and staff. The coming year looks daunting as the property market continues to be weak, and there are no significant catalysts that will change this weak outlook for property; however the continued investment by the government in green energy and water infrastructure should provide opportunities for our niche capabilities and expertise in water, hydro and sewerage infrastructure. The management is aware of the coming challenges in the next year and is working hard to build our order book and enable the Group to sustain our profits.

1. 200MLD to 400MLD Batu Kitang WTP Rehabilitation, Sarawak.
2. The Pipeline Package 1B for the Langat 2 Project.

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FINANCIAL PERFORMANCE

In 2016, I am pleased to report that the Group has continued to achieve admirable results in the challenging environment with a Group revenue and profit after tax of RM447.8million and RM63.3million respectively. The overall figures translate to net earnings per share of 93.2 sens.

In line with our results, the Group declared an interim single tier dividend of 43.6 sens per ordinary share of RM1.00 for the financial year ended 31 December 2016.

1. 920,00PE Langat Centralised Sewage Treatment Plant, Selangor.

OPERATIONAL HIGHLIGHTS

Strengthening our water infrastructure track record

LOH & LOH Constructions S/B, our construction subsidiary, continued to improve on our water track record with the completion of the 260MLD RAPID Water Treatment Plant (WTP) BEPCC contract in Pengerang for PETRONAS. This water treatment plant will provide for all the water needs of the PETRONAS RAPID project and will be the first project that we have completed for PETRONAS. Hopefully this will pave the way for new projects with a new client and the Oil & Gas industry. The Pipeline package 1B for the Langat 2 project which comprises of 4 lines of 3.0m diameter pipes connecting the interstate tunnel to the new Langat 2 Water Treatment Plant was also completed, and will strengthen our pipeline track record. These 3.0m diameter pipes are currently the largest water pipelines in Malaysia, and will transport 2260MLD (Million Litres per Day) of water per day for the Langat 2 Phase 1 & 2 water treatment plants.

LOH & LOH Constructions S/B continues to be busy in 2016 with the 920,000PE (Persons Equivalent) Langat CSTP EPCC contract and the 210ML (Million Litres) Enggan Reservoir going into high gear. The Enggan Reservoir will be the largest water reservoir in Malaysia once completed and will further strengthen our track record. This Reservoir will hold the water for both the Langat 2 Phase 1 and 2 Water Treatment plants. These projects are all key national water and sewerage projects, and are a testimony of our competitiveness and capabilities.

Other ongoing projects are the CT8 Container Yard for Westport, the Tan Sri G Hall and the 14MW (MegaWatt) Kerian Minihydro scheme. I am also cautiously optimistic that with the Government's continued expenditure in green energy, the continual investment and emphasis on improving water and wastewater infrastructure, the Construction group will be able to secure new major infrastructure projects and continue to grow and expand.

Strengthening our EPCC capabilities

Water Engineering Technology (WET), our M&E subsidiary, continues to develop its Mechanical and Electrical design capabilities with several EPCC projects ongoing such as the Batu Kitang Rehabilitation project, which involves the rehabilitation of part of the Batu Kitang Water Treatment Plant, which is the largest water treatment plant in Kuching, from 200MLD to 400MLD. The 260MLD RAPID WTP and the 920,000PE Langat CSTP which WET is working together with LOH & LOH Constructions, are both also large scale water and sewerage projects respectively and both have been awarded on an EPCC basis. These two projects are currently moving into high gear for design and construction and WET has continued to show its engineering prowess and strong design capabilities for both projects.

In 2016, WET continues to be busy with works on 7 projects including 4 Operation and Maintenance (O&M) contracts. WET's strong record in O&M of water treatment plants has enabled it to secure another 7-year contract for the Sandakan water treatment plant, and I believe we will continue to grow this business with our growing track record.

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1. Aerial View of Raw Water Treatment Plant at Pengerang, Johor.

2. 210 Enggan Reservoir, Selangor.

3. Commissioning of 1st Train with attendance of OWNER.

Slow and Prudent Development Approach

In 2016, our development subsidiary, LOH & LOH Development, continues to implement a prudent approach towards our property development business due to the continued weak demand conditions due to the tight loan policies implemented by the banks. A review of the property business was carried out and a difficult but necessary decision was made to defer some projects and to focus on projects that are able to cater for the current weak demand scenario, but still be ready to capitalize on any upturns in the property market. With this direction, the development team has focused on securing approvals for the projects, especially for our Panaroma project in Kelana Jaya which will feature one, two and three-bedroom service apartments with expansive views of the Subang golf course and Kelana Jaya lakes. This project will cater to first time home buyers with a target value of RM500k, and with easy access to the new Glenmarie LRT station.

The year ahead in 2017 is expected to continue to be a challenging year for the development industry with the softening market conditions due to the tightening of loans, high cost of land and raw materials. LOH & LOH Development will continue to proceed prudently and mitigate these risks in our upcoming developments through a combination of diverse products, precise scheduling and prudent management.

HUMAN CAPITAL DEVELOPMENT AND VALUES

The continual commitment, expertise and dedication of our management and staff plays a key role in the Group's performance and the milestones achieved in 2016 continues to be a testimony of this crucial role. The Group encourages a teamwork approach towards decision making and involves team members at all levels to ensure ownership and commitment to set targets. The involvement of all our senior management in Human Resource management by being part of the Human Resource Executive Committee, highlights the importance and emphasis on Human capital especially in training, promotion, and setting a system that rewards and incentivizes based on performance and results.

Our LOH & LOH Scholarship continues to provide the group with noble means of helping aspiring individuals achieve their dreams. These individuals have also given the Group a steady stream of talent. To date, the Group supports over 20 scholars!

The Group continues to incorporate our PRACTICE 8 Core Values, which encompass Passion, Results Oriented, Accountability, Change Responsiveness, Teamwork, Integrity & Loyalty, Creativity & Innovativeness and Equity, under the acronym of 'PRACTICE,' as part of the Group Core Values.

NEW OPPORTUNITIES

The Malaysian construction industry continues to be challenging in 2016 with the shortage of skilled labour, increasing material prices and highly volatile FOREX. This coupled with a weakening market in property will make 2016 a challenging year. However, with our niche engineering capabilities, synergistic businesses and boutique development business, I believe the Group should be able to weather these difficulties and maintain the progress we have made over the past few years.

With our expertise in water infrastructure, LOH & LOH is also venturing into the concession business with the acquisition of the 25.8MW Pelus Minihydro Concession. This concession involves the design, construction, maintenance and production of energy for sale to Tenaga Nasional Berhad under a Renewable Energy Power Purchase Agreement (REPPA). This concession should pave the way for more stable earnings and reduce the volatility of our construction and development earnings. This pioneer project will also pave the way for more concessions especially in minihydros and is highly synergistic with our capabilities and expertise.

1. 4 X 3.0m Diameter Langat 2 Pipeline Project, Selangor.
2. O&M for Sandakan Water Treatment Plant, Sabah.
3. O&M for 60MLD Sipitang Water Treatment Plant, Sabah.

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THE COMING YEAR

LOH & LOH Group has built a strong premium brand, which stands for quality, reliability, safety, expertise and innovation. We have a long and respected history spanning over 50years! We have a highly qualified and energetic workforce of over 750 personnel led by an experienced and dedicated management team, whose enthusiasm and experience are vital to the success of our businesses. Our prudent financial approach continues to yield results in our revenue and profit. This coupled with a strong balance sheet allows us to take advantage of new opportunities as they arise.

Our Construction and M&E subsidiary continues to have potential with our expertise and proven infrastructure track record. Major Infrastructure projects in 2016 such as the Pan Borneo Highway, Sarawak Corridor of Renewable Energy (SCORE), Hydroelectric power projects in Pahang and Kelantan, Planting of New Power Plants, High Speed Rail Link and the East Coast Rail Way line Project should provide the group with significant opportunities to increase our order book.

Our strong track record in boutique developments with good design and quality should improve the branding of our development subsidiary. Despite the weak property market, all efforts will be done to ensure approvals and designs are ready, to ensure that the development subsidiary is ready to capitalize once the property market improves.

With our excellent niche track record, strong finances, expertise and the support of all LOH & LOH's staff and management, I am cautiously optimistic about the year ahead. I am confident that the Group will continue to improve and sustain its growth.

IN APPRECIATION

On behalf of the Group, my sincere appreciation goes to our shareholders, the Board of Directors, the Management and my colleagues for your contributions and efforts in 2016, and believe that your contributions will continue into 2017. To our valued customers, business associates, suppliers, subcontractors, bankers and regulatory authorities, I thank you for your continual support and confidence in us. Thank you!

A successful team is
a group of many hands
and one mind.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the year ended 31 December 2016

The Directors have the pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and civil construction, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the year attributable to:		
Owners of the Company	63,414	34,304
Non-controlling interests	(148)	-
	63,266	34,304

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

i) a fifth interim single-tier dividend of 39.92 sen per ordinary share totalling RM27,145,600 in respect of the financial year ended 31 December 2015 on 4 March 2016.

ii) a first interim single-tier dividend of 2.49 sen per ordinary share totalling RM1,693,200 in respect of the financial year ended 31 December 2016 on 10 June 2016.

iii) a second interim single-tier dividend of 39.34 sen per ordinary share totalling RM26,750,000 in respect of the financial year ended 31 December 2016 on 13 September 2016.

iv) a third interim single-tier dividend of 1.79 sen per ordinary share totalling RM1,217,880 in respect of the financial year ended 31 December 2016 on 13 December 2016.

The Directors do not recommend any final dividend to be paid for the financial year under review.

DIRECTORS' REPORT

for the year ended 31 December 2016 (continued)

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Y.A.M. Tengku Dato' Rahimah binti Almarhum Sultan Mahmud
Dato' Che Abdullah @ Rashidi bin Che Omar
Mohd. Faizul bin Ibrahim
Tan Vern Tact
Monica Oh Chin Chin (alternate director to Tan Vern Tact) (resigned on 23.2.2016)
Loh Choon Quan

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2016 '000	BOUGHT '000	SOLD '000	AT 31.12.2016 '000
SHAREHOLDINGS IN WHICH DIRECTORS HAVE INTERESTS				
In the Company				
Y.A.M. Tengku Dato' Rahimah binti Almarhum Sultan Mahmud				
- indirect interest	68,000	-	-	68,000
Dato' Che Abdullah @ Rashidi bin Che Omar				
- indirect interest	68,000	-	-	68,000

None of the other Directors holding office at 31 December 2016 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

for the year ended 31 December 2016 (continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor 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 or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business 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:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

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

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

for the year ended 31 December 2016 (continued)

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, other than as disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2016 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT DURING THE YEAR

The significant event is as disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, KPMG PLT (converted from a conventional partnership, KPMG, on 27 December 2016), have indicated their willingness to accept re-appointment.

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

Y.A.M. Tengku Dato' Rahimah binti Almarhum Sultan Mahmud
Director

Loh Choon Quan
Director

Kuala Lumpur,
Date: 29 May 2017

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
ASSETS					
Property, plant and equipment	3	103,123	109,937	-	-
Investment properties	4	10,665	14,484	-	-
Investments in subsidiaries	5	-	-	145,315	156,839
Investments in joint venture	6	5,453	-	-	-
Concession assets	7	25,646	-	-	-
Deferred tax assets	8	5,961	8,098	-	-
Trade and other receivables	9	7,736	31,533	-	-
TOTAL NON-CURRENT ASSETS		158,584	164,052	145,315	156,839
Inventories	10	13,514	15,018	-	-
Other investments	11	15,177	25,577	15,177	25,577
Property development costs	12	210,739	205,945	-	-
Trade and other receivables	9	160,676	183,599	46,723	72,657
Current tax assets		18,055	11,733	579	346
Cash and cash equivalents	13	76,796	105,339	680	113
		494,957	547,211	63,159	98,693
Asset held for sale	14	6,380	-	-	-
TOTAL CURRENT ASSETS		501,337	547,211	63,159	98,693
TOTAL ASSETS		659,921	711,263	208,474	255,532
EQUITY					
Share capital		68,000	68,000	68,000	68,000
Revaluation reserve		11,887	11,887	76,886	76,886
Retained earnings		351,009	317,256	9,252	4,609
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		430,896	397,143	154,138	149,495
NON-CONTROLLING INTERESTS		8,090	1,317	-	-
TOTAL EQUITY	15	438,986	398,460	154,138	149,495

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016 (continued)

		GROUP		COMPANY	
	NOTE	2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Loans and borrowings	16	23,816	37,660	-	-
Deferred tax liabilities	8	6,698	7,380	-	-
Trade and other payables	17	7,281	9,722	-	-
TOTAL NON-CURRENT LIABILITIES		37,795	54,762	-	-
Loans and borrowings	16	48,544	47,879	-	-
Deferred income	18	23,132	60,506	-	-
Trade and other payables	17	110,820	117,788	54,336	78,891
Current tax liabilities		644	4,722	-	-
Dividends payable		-	27,146	-	27,146
TOTAL CURRENT LIABILITIES		183,140	258,041	54,336	106,037
TOTAL LIABILITIES		220,935	312,803	54,336	106,037
TOTAL EQUITY AND LIABILITIES		659,921	711,263	208,474	255,532

The notes set out on pages 55 to 116 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2016

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
Revenue	19	447,763	412,918	31,078	45,987
Cost of sales	20	(346,829)	(276,386)	(11,944)	(151)
GROSS PROFIT		100,934	136,532	19,134	45,836
Other income		18,315	5,641	18,815	3,377
Administrative expenses		(38,032)	(33,731)	(631)	(2,199)
RESULTS FROM OPERATING ACTIVITIES		81,217	108,442	37,318	47,014
Finance costs		(1,840)	(1,098)	(2,786)	(2,737)
Share of profit of equity-accounted joint venture, net of tax		5,453	-	-	-
PROFIT BEFORE TAX	21	84,830	107,344	34,532	44,277
Income tax expense	22	(21,564)	(27,132)	(228)	834
PROFIT FOR THE YEAR		63,266	80,212	34,304	45,111
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Item that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment	23	-	5,228	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		63,266	85,440	34,304	45,111
PROFIT ATTRIBUTABLE TO:					
Owner of the Company		63,414	80,419	34,304	45,111
Non-controlling interests		(148)	(207)	-	-
PROFIT FOR THE YEAR		63,266	80,212	34,304	45,111
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owner of the Company		63,414	85,647	34,304	45,111
Non-controlling interests		(148)	(207)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		63,266	85,440	34,304	45,111

The notes set out on pages 55 to 116 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

		ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		NON-DISTRIBUTABLE		DISTRIBUTABLE			
		SHARE CAPITAL	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
GROUP	**NOTE**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
AT 1 JANUARY 2015		68,000	6,659	282,655	357,314	1,524	358,838
Other comprehensive income for the year							
- Revaluation of property, plant and equipment	23	-	5,228	-	5,228	-	5,228
Profit for the year		-	-	80,419	80,419	(207)	80,212
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	5,228	80,419	85,647	(207)	85,440
Contributions by and distributions to owners of the Company							
- Dividends to owners of the Company	24	-	-	(45,818)	(45,818)	-	(45,818)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(45,818)	(45,818)	-	(45,818)
AT 31 DECEMBER 2015		68,000	11,887	317,256	397,143	1,317	398,460
		Note 15	Note 15				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016 (continued)

		ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		NON-DISTRIBUTABLE		*DISTRIBUTABLE*			
GROUP	**NOTE**	**SHARE CAPITAL RM'000**	**REVALUATION RESERVE RM'000**	**RETAINED EARNINGS RM'000**	**TOTAL RM'000**	**NON-CONTROLLING INTERESTS RM'000**	**TOTAL EQUITY RM'000**
AT 1 JANUARY 2016		68,000	11,887	317,256	397,143	1,317	398,460
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	63,414	63,414	(148)	63,266
Contributions by and distributions to owners of the Company							
- Dividends to owners of the Company	24	-	-	(29,661)	(29,661)	-	(29,661)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(29,661)	(29,661)	-	(29,661)
Acquisition through business combination	30	-	-	-	-	6,921	6,921
AT 31 DECEMBER 2016		68,000	11,887	351,009	430,896	8,090	438,986
		Note 15	Note 15				

The notes set out on pages 55 to 116 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

		ATTRIBUTABLE TO OWNERS OF THE COMPANY			
		NON-DISTRIBUTABLE		DISTRIBUTABLE	
		SHARE CAPITAL	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
COMPANY	**NOTE**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
AT 1 JANUARY 2015		68,000	76,886	5,316	150,202
Profit and total comprehensive income for the year		-	-	45,111	45,111
Contributions by and distributions to owners of the Company					
- Dividends to owners of the Company	24	-	-	(45,818)	(45,818)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(45,818)	(45,818)
AT 31 DECEMBER 2015/1 JANUARY 2016		68,000	76,886	4,609	149,495
Profit and total comprehensive income for the year		-	-	34,304	34,304
Contributions by and distributions to owners of the Company					
- Dividends to owners of the Company	24	-	-	(29,661)	(29,661)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(29,661)	(29,661)
AT 31 DECEMBER 2016		68,000	76,886	9,252	154,138
		Note 15	Note 15		

The notes set out on pages 55 to 116 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		84,830	107,344	34,532	44,277
Adjustments for:					
Property, plant and equipment					
• depreciation		6,204	5,797	-	-
• loss/(gain) on disposal		495	951	-	-
• written off		17	-	-	-
Net impairment loss/(reversal of impairment) on:					
• investment in a subsidiary		-	-	11,524	-
• trade receivables		(4,333)	(1,445)	-	-
Dividend income		(1,232)	(1,197)	(30,675)	(45,168)
Fair value (gain)/loss					
• financial assets at fair value through profit or loss		(348)	278	(348)	278
• investment properties		(2,561)	-	-	-
Finance income					
• deposits		(2,648)	(2,610)	-	-
• other investments		(55)	(62)	(55)	(62)
• others		(3,665)	(2,969)	(2,255)	(3,377)
Finance costs					
• interest expenses		1,650	610	2,786	2,737
• others		190	650	-	-
Reversal of provision for foreseeable losses		-	(58)	-	-
Share of profit of equity-accounted joint venture, net of tax		(5,453)			
Unrealised foreign exchange loss		-	344	-	344
Waiver of amount owing to a subsidiary		-	-	(16,560)	-
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL		73,091	107,633	(1,051)	(971)

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016 (continued)

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL (CONTINUED)		73,091	107,633	(1,051)	(971)
Changes in inventories		1,504	4,610	-	-
Changes in property development costs		(2,727)	(38,857)	-	-
Changes in trade and other receivables		45,353	2,246	28,189	(3,940)
Changes in trade and other payables and deferred income		(46,800)	(79,805)	(10,781)	(7,960)
CASH GENERATED FROM/(USED IN) OPERATIONS		70,421	(4,173)	16,357	(12,871)
Tax refunded		752	1,525	-	-
Tax paid		(31,261)	(53,032)	(461)	(138)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		39,912	(55,680)	15,896	(13,009)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of:					
• a subsidiary	30	(8,000)	-	-	-
• property, plant and equipment	(i)	(64)	(6,780)	-	-
Additions to concession assets	7	(2,802)	-	-	-
Deposit paid for acquisition of a subsidiary		-	(8,150)	-	-
Dividends received		1,232	1,197	30,675	31,522
Interest received		5,251	2,672	55	62
Proceeds from disposal of:					
• other investments		10,748	-	10,748	-
• property, plant and equipment		419	2,923	-	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		6,784	(8,138)	41,478	31,584

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016 (continued)

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(3,683)	(610)	-	-
Proceeds from refinancing of property, plant and equipment via finance lease		2,431	-	-	-
Repayment of finance lease liabilities		(3,523)	(9,530)	-	-
Net (repayment)/drawdown of loans and borrowings		(13,657)	40,000	-	-
Dividends paid to owners of the Company		(56,807)	(18,672)	(56,807)	(18,672)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(75,239)	11,188	(56,807)	(18,672)
Net (decrease)/increase in cash and cash equivalents		(28,543)	(52,630)	567	(97)
Cash and cash equivalents at 1 January		104,079	156,709	113	210
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(ii)	75,536	104,079	680	113

(i) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM1,634,810 (2015: RM12,481,854) of which RM1,570,450 (2015: RM5,701,937) were acquired by means of finance leases.

(ii) CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
Deposits	13	35,850	85,301	-	-
Less: Pledged deposits	13	(1,260)	(1,260)	-	-
		34,590	84,041	-	-
Cash and bank balances	13	40,946	20,038	680	113
		75,536	104,079	680	113

NOTES TO THE FINANCIAL STATEMENTS

Loh & Loh Corporation Berhad is a limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

PRINCIPAL PLACE OF BUSINESS
19 & 21, Jalan Sri Hartamas 7
Taman Sri Hartamas
50480 Kuala Lumpur

REGISTERED OFFICE
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in joint ventures. The financial statements of the Company as at and for the year ended 31 December 2016 do not include other entities.

The Company is principally engaged in investment holding and civil construction, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

The holding company is Selesa Produktif Sdn. Bhd., which is incorporated and domiciled in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 29 May 2017.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 107, *Statement of Cash Flows - Disclosure Initiative*
- Amendments to FRS 112, *Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- FRS 9, *Financial Instruments (2014)*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*
- Amendments to FRS 4, Insurance Contracts - *Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts*
- Amendments to FRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 140, *Investment Property - Transfers of Investment Property*

FRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to FRS 10, *Consolidated Financial Statements and FRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 April 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The Group and the Company fall within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Group and the Company are currently exempted from adopting the Malaysian Financial Reporting Standards and are referred to as a "Transitioning Entity".

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

The Group's and the Company's financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB and International Financial Reporting Standards.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with Financial Reporting Standards ("FRSs") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2(p)(ii) - Revenue from construction contracts
- Note 4 - Valuation of investment properties
- Note 8 - Recognition of deferred tax assets
- Note 26.4 - Valuation and impairment of receivables

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

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

The Group controls an entity when it is exposed, 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.

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

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Joint arrangements

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

A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(m)(i)).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) 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 control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. 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, 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that 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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- buildings 40-50 years
- plant and machinery 10-20 years
- office equipment, furniture and fittings 5-10 years
- motor vehicles 5-8 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(iii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Investment property

(i) Investment properties carried at fair value

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties (continued)

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(g) Concession assets

Concession assets, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

Developed properties

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

(i) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables as amount due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of the deferred income in the statement of financial position.

(k) Property development costs

Property development costs 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.

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

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(m) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investments in joint venture) are assessed at each reporting date 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. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables and held-to-maturity investments 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 asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets, investment properties measured at fair value, amount due from contract customers, property development costs and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(o) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenue and other income (continued)

(ii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(iii) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

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

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

The excess of revenue recognised in profit or loss over billings to the purchasers is shown as accrued billings receivable under trade receivables while the excess billing to purchasers over revenue recognised in profit or loss is shown as progress billings under trade payables.

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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenue and other income (continued)

(iv) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

(v) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) 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. Operating segments' results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Contingencies

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Fair value measurement

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

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

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

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : unobservable inputs for the asset or liability.

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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	FREEHOLD LAND	BUILDING ON FREEHOLD LAND	PLANT & MACHINERY	OFFICE EQUIPMENT, FURNITURE & FITTINGS	MOTOR VEHICLES	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
COST						
At 1 January 2015	12,133	2,941	100,143	8,687	22,342	146,246
Additions	-	-	3,272	2,430	6,780	12,482
Disposals	-	-	(6,581)	-	(6,210)	(12,791)
Transfer from investment properties	3,081	1,159	-	-	-	4,240
Revaluation						
- Offset of accumulated depreciation	-	(218)	-	-	-	(218)
- Revaluation of property	5,503	-	-	-	-	5,503
Written off	-	-	-	(81)	-	(81)
At 31 December 2015/1 January 2016	20,717	3,882	96,834	11,036	22,912	155,381
Additions	-	-	-	73	1,561	1,634
Disposals	-	-	(959)	(6)	(1,554)	(2,519)
Written off	-	-	(29)	(1,076)	(3)	(1,108)
At 31 December 2016	20,717	3,882	95,846	10,027	22,916	153,388
DEPRECIATION						
At 1 January 2015	-	143	31,821	6,457	8,849	47,270
Depreciation for the year	-	75	4,446	1,188	1,681	7,390
Disposals	-	-	(5,323)	-	(3,594)	(8,917)
Offset of accumulated depreciation on property revalued	-	(218)	-	-	-	(218)
Written off	-	-	-	(81)	-	(81)
At 31 December 2015/1 January 2016	-	-	30,944	7,564	6,936	45,444
Depreciation for the year	-	83	4,220	955	2,259	7,517
Disposal	-	-	(727)	(6)	(872)	(1,605)
Written off	-	-	(29)	(1,059)	(3)	(1,091)
At 31 December 2016	-	83	34,408	7,454	8,320	50,265
CARRYING AMOUNTS						
At 1 January 2015	12,133	2,798	68,322	2,230	13,493	98,976
At 31 December 2015/1 January 2016	20,717	3,882	65,890	3,472	15,976	109,937
At 31 December 2016	20,717	3,799	61,438	2,573	14,596	103,123

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Leased plant and equipment

At the end of the reporting period, the carrying amount of leased plant and equipment was as follows:

GROUP	2016 RM'000	2015 RM'000
Motor vehicles	2,560	8,799
Plant and machinery	7,209	19,062
	9,769	27,861

4. INVESTMENT PROPERTIES

GROUP	2016 RM'000	2015 RM'000
At 1 January	14,484	18,724
Change in fair value recognised in profit or loss	2,561	-
Transfer to:		
- assets classified as held for sale (Note 14)	(6,380)	-
- property, plant and equipment	-	(4,240)
At 31 December	10,665	14,484
Included in the above are:		
At fair value		
Freehold land	10,125	13,944
Buildings	540	540
	10,665	14,484

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

GROUP	2016 RM'000	2015 RM'000
Rental income	-	27
Direct operating expenses:		
- income generating investment properties	-	(10)

NOTES TO THE FINANCIAL STATEMENTS

(continued)

4. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

Fair value of investment properties are categorised as level 3.

Level 3 fair value

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

GROUP	2016 RM'000	2015 RM'000
At 1 January	14,484	18,724
Change in fair value recognised in profit or loss	2,561	-
Transfer to:		
- assets classified as held for sale	(6,380)	-
- property, plant and equipment	-	(4,240)
At 31 December	10,665	14,484

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

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

Description of Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).

Valuation process applied by the Group for Level 3 fair value

The fair value of the investment properties is estimated by a registered valuer using the comparison approach based on current market value.

The comparison approach is the market approach of comparing the investment properties with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the investment properties, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at the fair value of the investment properties.

NOTES TO THE FINANCIAL STATEMENTS

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5. INVESTMENTS IN SUBSIDIARIES

COMPANY	2016 RM'000	2015 RM'000
Unquoted shares, at cost	156,839	156,839
Less: Impairment loss	(11,524)	-
	145,315	156,839

DETAILS OF SUBSIDIARIES

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST 2016 %	2015 %
Direct subsidiaries				
Loh & Loh Constructions Sdn. Bhd.	Malaysia	Building and civil construction and investment holding	100	100
Loh & Loh Development Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Water Engineering Technology Sdn. Bhd.	Malaysia	Trading, contracting and mechanical and electrical engineering related activities	100	100
Central Icon Sdn. Bhd.	Malaysia	Dormant	100	100
1 Seri Merdeka Sdn. Bhd.	Malaysia	Investment holding (2015: Dormant)	100	100
Subsidiaries of Loh & Loh Constructions Sdn. Bhd.				
Jutakim Sdn. Bhd.	Malaysia	Civil engineering	100	100
Quality Quarry Sdn. Bhd.	Malaysia	Dormant (2015: Quarry operation)	68	68

NOTES TO THE FINANCIAL STATEMENTS

(continued)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

DETAILS OF SUBSIDIARIES (CONTINUED)

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST 2016 %	2015 %
Subsidiaries of Loh & Loh Development Sdn. Bhd.				
Turf-Tech Sdn. Bhd.	Malaysia	Property development	100	100
Green Heights Developments Sdn. Bhd.	Malaysia	Property development	100	100
Medius Developments Sdn. Bhd.	Malaysia	Property development	100	100
Decorus Developments Sdn. Bhd.	Malaysia	Property development	100	100
Millenium Creation Sdn. Bhd.	Malaysia	Property development	100	100
Subsidiaries of Water Engineering Technology Sdn. Bhd.				
WET Sales and Services Sdn. Bhd.	Malaysia	Trading and contracting in water related equipment	100	100
WET O&M Sdn. Bhd.	Malaysia	Maintenance and operation of water and waste water treatment facilities	100	100
Subsidiary of Central Icon Sdn. Bhd.				
Ladang Impian Sdn. Bhd.*	Malaysia	Dormant	100	100
Subsidiaries of Ladang Impian Sdn. Bhd.				
Ladang Impian 1 Sdn. Bhd.*	Malaysia	Dormant	100	100
Ladang Impian 2 Sdn. Bhd.*	Malaysia	Dormant	100	100
Subsidiary of Ladang Impian 1 Sdn. Bhd.				
Pasarakyat Sdn. Bhd.*	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

(continued)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

DETAILS OF SUBSIDIARIES (CONTINUED)

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST 2016 %	2015 %
Subsidiary of 1 Seri Merdeka Sdn. Bhd.				
Thinkhouse Communications Sdn. Bhd.#	Malaysia	Investment holding	100	-
Subsidiary of Thinkhouse Communications Sdn. Bhd.				
Pelus Hidro Sdn. Bhd. #	Malaysia	Own, operate, and maintain a renewable energy power plant	70	-

* These subsidiaries are in the process of striking-off from the register of Companies Commission of Malaysia.

#Acquired in January 2016 (see Note 30).

All the subsidiaries are audited by KPMG.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

NON-CONTROLLING INTEREST IN SUBSIDIARIES

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

GROUP	PELUS HIDRO SDN. BHD. RM'000	OTHER SUBSIDIARIES WITH IMMATERIAL NCI RM'000	TOTAL RM'000
2016			
NCI percentage of ownership interest and voting interest	30%		
Carrying amount of NCI	6,904	1,186	8,090
Loss allocated to NCI	(17)	(131)	(148)

SUMMARISED FINANCIAL INFORMATION BEFORE INTRA-GROUP ELIMINATION	
AS AT 31 DECEMBER 2016	
Non-current assets	25,740
Current assets	565
Current liabilities	(3,292)
Net assets	23,013
YEAR ENDED 31 DECEMBER 2016	
Revenue	-
Loss and total comprehensive expense for the year	(58)
Cash flows used in operating activities	(73)
Cash flows used in investing activities	(2,802)
Cash flows from financing activities	3,276
Net increase in cash and cash equivalents	401

NOTES TO THE FINANCIAL STATEMENTS

(continued)

6. INVESTMENTS IN JOINT VENTURE

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Unquoted shares in Malaysia, at cost	#	#	*	*
Share of post-acquisition reserve	5,453	#	-	-
	5,453	-	*	*

* Denotes RM1.00
# Denotes RM2.00

Details of the joint venture are as follows:

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST 2016 %	2015 %
Salcon - Loh & Loh JV Sdn. Bhd. ("SLLJV")	Malaysia	Civil Engineering	50	50
Joint venture of Water Engineering Technology Sdn. Bhd				
WET-Envitech JV Sdn. Bhd. ("WEJV")	Malaysia	Mechanical and electrical engineering related activities	50	50

SLLJV and WEJV are structured as separate vehicles and provide the Group rights to the net assets of the entities. Accordingly, the Group has classified the investments in SLLJV and WEJV as joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

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6. INVESTMENTS IN JOINT VENTURE (CONTINUED)

The following table summarises the financial information of material joint venture, as adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in joint venture, which is accounted for using the equity method.

GROUP	SLLJV RM'000
2016	
Percentage of ownership interest and voting interest	50%
SUMMARISED FINANCIAL INFORMATION AS AT 31 DECEMBER 2016	
Current assets (excluding cash and cash equivalents)	28,579
Current liabilities	(39,860)
Cash and cash equivalents	22,187
Net assets	10,906
YEAR ENDED 31 DECEMBER 2016	
Profit and total comprehensive income for the year	10,906
Included in profit and total comprehensive income:	
Revenue	125,788
Interest income	370
Income tax expense	(3,453)

NOTES TO THE FINANCIAL STATEMENTS

(continued)

7. CONCESSION ASSETS

GROUP	NOTE	2016 RM'000	2015 RM'000
At 1 January		-	-
Acquisition through business combination	30	22,844	-
Additions		2,802	-
At 31 December		25,646	-

Concession assets relate to rights conferred by the state of Perak Darul Ridzuan to participate in the development and operation of a Mini Hydro Power Plant under the Sustainable Energy Development Authority Malaysia's Feed in Tariff Programme in the state of Perak Darul Ridzuan. Under these agreements, the Group has the right to sell electrical power derived from the operation of the Mini Hydro Power Plant over the concession period of 21 years commencing from the feed-in tariff commencement date. Upon expiry of the concession period, possession of the Mini Hydro Power Plant will be delivered to the state government of Perak Darul Ridzuan, unless extensions are granted.

Impairment testing for intangibles not yet available for use

The recoverable amount of the concession assets was estimated based on their value in use, determined by discounting future cash flows to be generated from the operation of concession assets.

Value in use was determined by discounting the future cash flows expected to be generated from the operation of concession assets over the remaining concession period of 21 years based on the following key assumptions:

- Cash flows were projected based on 21 years business plan.
- Cash inflow from sales of electricity power is expected to be derived from full power generation capacity of the Mini Hydro Power Plant when it is commissioned.
- A pre-tax discount rate of 8% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the assets.

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

The above estimates are not sensitive to the impairment testing for the concession assets.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

8. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP						
Property, plant and equipment	-	-	(15,217)	(13,863)	(15,217)	(13,863)
Provisions	11,431	12,595	-	-	11,431	12,595
Other items	3,049	1,986	-	-	3,049	1,986
Tax assets/(liabilities)	14,480	14,581	(15,217)	(13,863)	(737)	718
Set off of tax	(8,519)	(6,483)	8,519	6,483	-	-
Net tax assets/(liabilities)	5,961	8,098	(6,698)	(7,380)	(737)	718

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

GROUP	2016	2015
	RM'000	RM'000
Tax loss carry-forward	10,691	6,750
Unabsorbed capital allowances	1,460	2,466
Other deductible temporary differences	691	(3)
	12,842	9,213

Deferred tax assets have not been recognised in respect of these items as they have arisen in Group entities that have a recent history of losses or in Group entities where future taxable profits may be insufficient to trigger the utilisation of these items.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the year

	AT 1.1.2015	RECOGNISED IN PROFIT OR LOSS (NOTE 22)	RECOGNISED IN OTHER COMPREHENSIVE INCOME (NOTE 23)	AT 31.12.2015/ 1.1.2016	RECOGNISED IN PROFIT OR LOSS (NOTE 22)	AT 31.12.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	(11,727)	(1,861)	(275)	(13,863)	(1,354)	(15,217)
Provisions	11,515	1,080	-	12,595	(1,164)	11,431
Other items	1,979	7	-	1,986	1,063	3,049
	1,767	(774)	(275)	718	(1,455)	(737)

NOTES TO THE FINANCIAL STATEMENTS

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9. TRADE AND OTHER RECEIVABLES

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
Non-current Trade					
Trade receivables	9.1	7,736	31,533	-	-
Current Trade					
Trade receivables	9.1	100,068	149,116	-	-
Less: Allowance for impairment loss		(4,583)	(8,916)	-	-
		95,485	140,200	-	-
Amount due from contract customers	9.2	43,439	18,191	-	-
		138,924	158,391	-	-
Non-trade					
Amount due from subsidiaries	9.3	-	-	46,701	71,593
Deposits		3,936	1,716	2	2
Prepayments		594	598	-	-
Other receivables	9.4	17,879	23,551	20	1,062
Less: Allowance for impairment loss		(657)	(657)	-	-
		21,752	25,208	46,723	72,657
		160,676	183,599	46,723	72,657
		168,412	215,132	46,723	72,657

NOTES TO THE FINANCIAL STATEMENTS

(continued)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

9.1 Trade receivables

Included in trade receivables at 31 December 2016 are retentions of RM48,084,754 (2015: RM73,953,965) relating to construction work-in-progress. Retentions are unsecured, interest-free and are expected to be collected as follows:

GROUP	2016 RM'000	2015 RM'000
Within 1 year	40,349	42,421
1 - 2 years	7,186	29,031
2 - 3 years	550	2,502
	48,085	73,954

9.2 Construction work-in-progress

GROUP	NOTE	2016 RM'000	2015 RM'000
Aggregate costs incurred to date		2,359,341	2,126,104
Add: Attributable profits		514,031	489,319
Less: Provision for foreseeable losses		-	(101)
		2,873,372	2,615,322
Less: Progress billings		(2,853,065)	(2,657,637)
		20,307	(42,315)
Represented by:			
Amount due to contract customers	18	(23,132)	(60,506)
Amount due from contract customers		43,439	18,191
Amount due from contract customers		20,307	(42,315)
Included in aggregate costs incurred during the financial year are the following:			
Depreciation of property, plant and equipment		1,279	1,593

NOTES TO THE FINANCIAL STATEMENTS

(continued)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

9.3 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, subject to interest at 6.70% - 6.85% (2015: 6.85%) per annum and repayable on demand.

9.4 Other receivables

Included in other receivables of the Group are:

(a) advance payment of RM107,972 (2015: RM350,000) made to sub-contractors/suppliers in accordance with the terms of the contracts;
(b) Goods and Services Tax receivable of RM4,888,563 (2015: RM1,250,000); and
(c) deposits for acquisition of a subsidiary amounting to RM8,150,000 in 2015, which was completed in the current year (see Note 30).

10. INVENTORIES

GROUP	2016 RM'000	2015 RM'000
Water related equipment	3	3
Completed properties	13,511	15,015
	13,514	15,018
Recognised in profit or loss:		
Inventories recognised as cost of sales	3,890	4,610

11. OTHER INVESTMENTS

GROUP AND COMPANY	2016 RM'000	2015 RM'000
Held-to-maturity investments	15,000	15,000
Financial assets at fair value through profit or loss		
- Held for trading	177	10,577
	15,177	25,577

NOTES TO THE FINANCIAL STATEMENTS

(continued)

12. PROPERTY DEVELOPMENT COSTS

GROUP	2016 RM'000	2015 RM'000
CUMULATIVE PROPERTY DEVELOPMENT COSTS		
At 1 January	205,945	167,088
Additions	4,794	38,857
At 31 December	210,739	205,945
Included in the above are:		
Freehold land	160,509	160,509
Development costs	45,329	42,568
Borrowing costs	4,901	2,868
	210,739	205,945
Included in additions are:		
Borrowing costs	2,033	723
Depreciation of property, plant and equipment	34	-

At 31 December 2016, freehold land with carrying amount of RM60,020,726 (2015: RM60,020,726) is pledged as security for banking facilities secured.

NOTES TO THE FINANCIAL STATEMENTS

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13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits are placed with:				
Licensed banks	14,648	9,709	-	-
Licensed investment institution	21,202	75,592	-	-
	35,850	85,301	-	-
Cash and bank balances	40,946	20,038	680	113
	76,796	105,339	680	113

Included in the deposits placed with licensed banks is RM1,260,000 (2015: RM1,260,000) pledged as securities for banking facilities secured.

Included in cash and bank balances of the Group is RM531,622 (2015: RM844,685) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

14. ASSET HELD FOR SALE

Investment property of the Group comprising a plot of freehold land is presented as asset held for sale as the Group has executed a sales and purchase agreement for its disposal in December 2016. The transaction was not completed at year end as the conditions precedent has not been met.

	2016	2015
GROUP	RM'000	RM'000
Investment property - Freehold land	6,380	-

The carrying amount of investment property included in asset classified as held for sale is the same as their carrying amount before it was being reclassified to current asset.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

15. CAPITAL AND RESERVES

SHARE CAPITAL

GROUP AND COMPANY	AMOUNT 2016 RM'000	NUMBER OF SHARES 2016 '000	AMOUNT 2015 RM'000	NUMBER OF SHARES 2015 '000
Authorised:				
Ordinary shares of RM1 each	100,000	100,000	100,000	100,000
Issued and fully paid shares classified as equity instruments:				
Ordinary shares of RM1 each	68,000	68,000	68,000	68,000

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

All shares rank equally with regard to the Company's residual assets.

REVALUATION RESERVE

The revaluation reserve relates to the revaluation of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

16. LOANS AND BORROWINGS

GROUP	NOTE	2016 RM'000	2015 RM'000
NON-CURRENT			
Term loans - secured	16.1	21,518	35,107
Finance lease liabilities	16.2	2,298	2,553
		23,816	37,660
CURRENT			
Term loans - secured	16.1	13,591	5,663
Finance lease liabilities	16.2	2,949	2,216
Revolving credit - unsecured		32,004	40,000
		48,544	47,879
		72,360	85,539

16.1 Securities

The term loans are secured over freehold land included in property development costs (see Note 12).

16.2 Finance lease liabilities

Finance lease liabilities are payable as follows:

GROUP	FUTURE MINIMUM LEASE PAYMENTS 2016 RM'000	INTEREST 2016 RM'000	PRESENT VALUE OF MINIMUM LEASE PAYMENTS 2016 RM'000	FUTURE MINIMUM LEASE PAYMENTS 2015 RM'000	INTEREST 2015 RM'000	PRESENT VALUE OF MINIMUM LEASE PAYMENTS 2015 RM'000
Less than one year	3,152	(203)	2,949	2,383	(167)	2,216
Between one and five years	2,416	(118)	2,298	2,667	(114)	2,553
	5,568	(321)	5,247	5,050	(281)	4,769

NOTES TO THE FINANCIAL STATEMENTS

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17. TRADE AND OTHER PAYABLES

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
NON-CURRENT TRADE					
Trade payables	17.1	7,281	9,722	-	-
CURRENT TRADE					
Trade payables	17.1	90,390	90,721	-	-
NON-TRADE					
Other payables	17.2	6,415	3,084	-	-
Amount due to subsidiaries	17.3	-	-	54,163	78,536
Accrued expenses		14,015	23,983	173	355
		20,430	27,067	54,336	78,891
		110,820	117,788	54,336	78,891
		118,101	127,510	54,336	78,891

17.1 Trade payables

Included in trade payables at 31 December 2016 are retention sums payable amounting to RM19,071,770 (2015: RM32,909,853).

17.2 Other payables

Included in other payables of the Group is Goods and Services Tax payable of RM51 (2015: RM59,000).

15.3 Amount due to subsidiaries

The amount due to subsidiaries is unsecured, subject to interest at 6.70% - 6.85% (2015: 6.85%) per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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18. DEFERRED INCOME

GROUP	NOTE	2016 RM'000	2015 RM'000
Amount due to contract customers	9.2	23,132	60,506

19. REVENUE

	GROUP		COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Construction contracts	443,729	404,936	-	-
Sale of goods	286	677	-	-
Sale of completed properties	2,113	5,262	-	-
Rental income from investment properties	-	27	-	-
Finance income	55	62	55	62
Dividends:				
- subsidiaries	-	-	29,443	43,971
- other investments	1,232	1,197	1,232	1,197
Others	348	757	348	757
	447,763	412,918	31,078	45,987

20. COST OF SALES

	GROUP		COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Construction contract costs	345,281	270,913	-	-
Cost of goods sold	242	383	-	-
Cost of completed properties	886	4,610	-	-
Impairment loss on investment in a subsidiary	-	-	11,524	-
Rental expense from revenue generating investment properties	-	15	-	-
Others	420	465	420	151
	346,829	276,386	11,944	151

NOTES TO THE FINANCIAL STATEMENTS

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21. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX IS ARRIVED AFTER CHARGING:				
Auditors' remuneration:				
- Audit fees				
KPMG Malaysia	199	205	22	22
- Under/(Over) provision in prior years	10	5	-	-
Impairment loss on investment in a subsidiary	-	-	11,524	-
Fair value loss on financial assets at fair value through profit or loss	-	278	-	278
Finance costs				
- interest expense	1,650	610	2,786	2,737
- others	190	650	-	-
Property, plant and equipment				
- depreciation	6,204	5,797	-	-
- loss on disposal	495	951	-	-
- written off	17	-	-	-
Personnel expenses				
- wages, salaries and others	39,773	49,424	-	-
- contributions to state plans	4,675	5,168	-	-
Realised foreign exchange loss	18	204	-	-
Unrealised foreign exchange loss	-	344	-	344
Rental of premises	593	373	-	-
AND AFTER CREDITING:				
Interest income				
- deposits	2,648	2,610	-	-
- other investments	55	62	55	62
- others	3,665	2,969	2,255	3,377
Fair value gain on financial assets at fair value through profit or loss	348	-	348	-
Fair value gain on investment properties	2,561	-	-	-
Reversal of impairment loss on trade receivables	4,333	1,445	-	-
Reversal of provision for foreseeable losses	-	58	-	-
Waiver of amount owing to a subsidiary	-	-	16,560	-

NOTES TO THE FINANCIAL STATEMENTS

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22. INCOME TAX EXPENSE

RECOGNISED IN PROFIT OR LOSS

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
CURRENT TAX EXPENSE				
Malaysian - current	19,613	25,612	-	173
- prior year	496	746	228	(1,007)
Total current tax recognised in the profit or loss	20,109	26,358	228	(834)
DEFERRED TAX EXPENSE				
Origination and reversal of temporary differences	27	1,360	-	-
Under/(Over) provision in prior years	1,428	(586)	-	-
Total deferred tax recognised in profit or loss (Note 8)	1,455	774	-	-
Total income tax expense	21,564	27,132	228	(834)
Share of tax of equity-accounted joint venture	1,727	-	-	-
	23,291	27,132	228	(834)

RECONCILIATION OF TAX EXPENSE

	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
Profit before tax	84,830	107,344	34,532	44,277
Income tax calculated using Malaysian tax rate of 24%/25%	20,359	26,836	8,288	11,069
Non-deductible expenses	1,715	3,136	3,049	585
Non-taxable income	(698)	-	(3,974)	-
Tax exempt income	(880)	(1,430)	(7,363)	(11,481)
Net deferred tax assets not recognised in respect of deductible temporary differences	871	-	-	-
Recognition of previously unrecognised deductible temporary differences	-	(1,570)	-	-
Under/(Over) provision of current tax in prior years	496	746	228	(1,007)
Over provision of deferred tax in prior year	1,428	(586)	-	-
	23,291	27,132	228	(834)

Tax exempt income of the Company mainly relates to dividend income of RM29,443,000 (2015: RM43,972,000).

NOTES TO THE FINANCIAL STATEMENTS

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23. OTHER COMPREHENSIVE INCOME

GROUP	BEFORE TAX RM'000	TAX EXPENSE (NOTE 8) RM'000	NET OF TAX RM'000
2015			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Revaluation of property plant and equipment	5,503	(275)	5,228

24. DIVIDENDS

Dividends recognised by the Company:

	SEN PER SHARE (SINGLE TIER)	TOTAL AMOUNT RM'000	DATE OF PAYMENT
2016			
First interim 2016 ordinary	2.49	1,693	10.6.2016
Second interim 2016 ordinary	39.34	26,750	13.9.2016
Third interim 2016 ordinary	1.79	1,218	13.12.2016
Total amount		29,661	
2015			
First interim 2015 ordinary	3.30	2,244	13.3.2015
Second interim 2015 ordinary	3.15	2,142	12.6.2015
Third interim 2015 ordinary	17.90	12,172	4.9.2015
Fourth interim 2015 ordinary	3.11	2,114	11.12.2015
Fifth interim 2015 ordinary	39.92	27,146	4.3.2016
Total amount		45,818	

The Directors do not recommend any final dividend to be paid for the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

25. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Construction — Includes building and civil construction activities
- Investment holdings — Includes investments in subsidiaries, properties and other unquoted investments
- Property development — Includes property development activities

Non-reportable segment of the Group comprise operations related to trading of water related equipment. The non-reportable segment does not meet the quantitative thresholds for reporting segments in 2016 and 2015.

There are varying levels of integration between the construction reportable segment and the property development reportable segment. This integration includes the construction of buildings by the construction reportable segment for the property development reportable segment. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

SEGMENT ASSETS

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets is used to measure the return of assets of each segment.

SEGMENT LIABILITIES

The total segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

SEGMENT CAPITAL EXPENDITURE

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

25. OPERATING SEGMENTS (CONTINUED)

2016	CONSTRUCTION RM'000	INVESTMENTS RM'000	PROPERTY DEVELOPMENT RM'000	TOTAL REPORTABLE SEGMENT RM'000	NON-REPORTABLE SEGMENTS RM'000	ELIMINATION OF INTER-SEGMENT TRANSACTIONS OR BALANCES RM'000	CONSOLIDATED TOTAL RM'000
SEGMENT PROFIT	75,550	21,202	(3,949)	92,803	1,092	(30,629)	63,266
Included in measure of segment profit are:							
Revenue from external customers	443,729	1,635	2,114	447,478	285	-	447,763
Depreciation of property, plant and equipment	(5,648)	(212)	-	(5,860)	(344)	-	(6,204)
Finance costs	(1,834)	(3)	(3)	(1,840)	-	-	(1,840)
Tax expense	(20,846)	(228)	-	(21,074)	(490)	-	(21,564)
SEGMENT ASSET	348,969	212,023	250,120	811,112	32,131	(183,322)	659,921
SEGMENT LIABILITIES	195,259	464	35,450	231,173	3,160	(13,398)	220,935
SEGMENT CAPITAL EXPENDITURE	1,634	-	-	1,634	-	-	1,634

NOTES TO THE FINANCIAL STATEMENTS

(continued)

25. OPERATING SEGMENTS (CONTINUED)

2015	CONSTRUCTION RM'000	INVESTMENTS RM'000	PROPERTY DEVELOPMENT RM'000	TOTAL REPORTABLE SEGMENT RM'000	NON-REPORTABLE SEGMENTS RM'000	ELIMINATION OF INTER-SEGMENT TRANSACTIONS OR BALANCES RM'000	CONSOLIDATED TOTAL RM'000
SEGMENT PROFIT	94,403	48,610	1,771	144,784	939	(65,511)	80,212
Included in measure of segment profit are:							
Revenue from external customers	404,936	2,043	5,262	412,241	677	-	412,918
Depreciation of property, plant and equipment	(5,536)	(201)	(35)	(5,772)	(25)	-	(5,797)
Finance costs	(1,258)	(2)	-	(1,260)	-	-	(1,260)
Tax expense	(26,982)	717	(741)	(27,006)	(126)	-	(27,132)
SEGMENT ASSET	428,049	214,903	233,661	876,613	31,364	(196,714)	711,263
SEGMENT LIABILITIES	271,535	30,364	41,545	343,444	7,766	(38,407)	312,803
SEGMENT CAPITAL EXPENDITURE	10,666	1,503	296	12,465	17	-	12,482

MAJOR CUSTOMERS

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

GROUP	2016 RM'000	2015 RM'000	SEGMENT
Customer A	92,784	172,695	Construction
Customer B	54,125	50,368	Construction

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

a. Loans and receivables ("L&R");
b. Fair value through profit or loss ("FVTPL")
  - Held for trading ("HFT");
c. Held-to-maturity investments ("HTM"); and
d. Financial liabilities measured at amortised cost ("FL").

2016	CARRYING AMOUNT RM'000	L&R/ (FL) RM'000	FVTPL - HFT RM'000	HTM RM'000
FINANCIAL ASSETS				
GROUP				
Other investments	15,177	-	177	15,000
Trade and other receivables *	162,821	162,821	-	-
Cash and cash equivalents	76,796	76,796	-	-
	254,794	239,617	177	15,000
COMPANY				
Other investments	15,177	-	177	15,000
Trade and other receivables	46,723	46,723	-	-
Cash and cash equivalents	680	680	-	-
	62,580	47,403	177	15,000
FINANCIAL LIABILITIES				
GROUP				
Loans and borrowings	(72,360)	(72,360)	-	-
Trade and other payables *	(118,101)	(118,101)	-	-
	(190,461)	(190,461)	-	-
COMPANY				
Trade and other payables	(54,336)	(54,336)	-	-

* Exclude non-financial instruments

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

2015	CARRYING AMOUNT RM'000	L&R/ (FL) RM'000	FVTPL - HFT RM'000	HTM RM'000
FINANCIAL ASSETS				
GROUP				
Other investments	25,577	-	10,577	15,000
Trade and other receivables *	212,934	212,934	-	-
Cash and cash equivalents	105,339	105,339	-	-
	343,850	318,273	10,577	15,000
COMPANY				
Other investments	25,577	-	10,577	15,000
Trade and other receivables	72,657	72,657	-	-
Cash and cash equivalents	113	113	-	-
	98,347	72,770	10,577	15,000
FINANCIAL LIABILITIES				
GROUP				
Loans and borrowings	(85,539)	(85,539)	-	-
Trade and other payables *	(127,451)	(127,451)	-	-
	(212,990)	(212,990)	-	-
COMPANY				
Trade and other payables	(78,891)	(78,891)	-	-

* Exclude non-financial instruments

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.2 Net gains and losses arising from financial instruments

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Net (losses)/gains on:				
Fair value through profit or loss				
- Held for trading	348	(278)	348	(278)
Loans and receivables	10,230	5,888	2,255	3,033
Financial liabilities measured at amortised cost	(1,650)	(610)	(2,786)	(2,737)
	8,928	5,000	(183)	18

26.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables and investment in debt securities. The Company's exposure to credit risk arises principally from balances outstanding from subsidiaries and financial guarantees given to banks for banking facilities granted to subsidiaries and performance bonds granted in favour of contract customers of group entities.

Receivables

Risk management objectives, policies and processes for managing the risk
Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral
As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2016	2015
GROUP	**RM'000**	**RM'000**
Construction	101,520	167,509
Property development	1,129	3,670
Trading	572	554
	103,221	171,733

Approximately 68% (2015: 77%) of the Group's trade receivables were due from 5 (2015: 5) major customers located in Malaysia.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The Group does not require collateral in respect of trade and other receivables.

The exposure of credit risk for trade receivables as at the end of the reporting period was mainly from domestic geographic region. As such, disclosure on geographical information is not presented.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Receivables (continued)

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

GROUP	GROSS RM'000	INDIVIDUAL IMPAIRMENT RM'000	NET RM'000
2016			
Not past due	32,601	-	32,601
Past due 1 - 30 days	46,397	-	46,397
Past due 31 - 120 days	18,622	-	18,622
Past due more than 120 days	10,184	(4,583)	5,601
	107,804	(4,583)	103,221
2015			
Not past due	32,807	-	32,807
Past due 1 - 30 days	125,275	-	125,275
Past due 31 - 120 days	6,213	-	6,213
Past due more than 120 days	16,354	(8,916)	7,438
	180,649	(8,916)	171,733

The movements in the allowance for impairment losses of trade receivables during the financial year were:

GROUP	2016 RM'000	2015 RM'000
At 1 January	8,916	10,714
Impairment loss reversed	(4,333)	(1,445)
Impairment loss written off	-	(353)
At 31 December	4,583	8,916

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The Group do not require collateral in respect of trade and other receivables. The Group establish an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is specific loss that relates to individually significant exposures.

Although past due trade receivables have exceeded the credit terms granted to them, the Directors are reasonably confident that all debts can be recovered within the next 12 months.

In respect of amount due from contract customers, the amount is not past due.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are only allowed in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group and the Company have only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. The Group and the Company do not have overdue investments that have not been impaired.

The investments and other financial assets are unsecured.

As at the end of the reporting period, there was no indication that the counterparties will fail to meet their obligations, hence no impairment loss has been recognised in respect of investments and other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and repayments made by the subsidiaries on an ongoing basis.

Exposure to credit risk, credit quality and collateral

The Company's maximum exposure to credit risk amounts to RM67,112,049 (2015: RM80,769,723) respectively representing the total banking facilities of the subsidiaries.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment or fail to perform in respect of construction contracts with contract customers.

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

Inter-company balances

Risk management objectives, policies and processes for managing the risk
The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral
As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances are only provided to subsidiaries which are wholly owned by the Company.

Impairment losses
As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries. Nevertheless, these advances are not overdue and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables and loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2016	CARRYING AMOUNT	CONTRACTUAL INTEREST RATE	CONTRACTUAL CASH FLOWS	UNDER 1 YEAR	1 - 5 YEARS
GROUP	**RM'000**	**%**	**RM'000**	**RM'000**	**RM'000**
NON-DERIVATIVE FINANCIAL LIABILITIES					
Term loans	35,109	5.27	36,048	14,531	21,517
Revolving credit	32,004	4.91	32,005	32,005	-
Finance lease liabilities	5,247	4.48-6.67	5,568	3,152	2,416
Non-interest bearing trade and other payables					
- non-current	7,281	-	7,543	-	7,543
- current	110,820	-	110,820	110,820	-
Financial guarantees	-	-	158,804	158,804	-
	190,461		350,788	319,312	31,476
COMPANY					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables					
- interest bearing	54,163	6.70-6.85	54,163	54,163	-
- non-interest bearing	173	-	173	173	-
Financial guarantees	-	-	225,986	225,986	-
	54,336		280,322	280,322	-

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

2015 GROUP	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 5 YEARS RM'000
NON-DERIVATIVE FINANCIAL LIABILITIES					
Term loans	40,770	5.27	41,995	6,888	35,107
Revolving credit	40,000	4.91	40,000	40,000	-
Finance lease liabilities	4,769	4.61 - 5.73	5,050	2,383	2,667
Non-interest bearing trade and other payables					
- non-current	9,722	-	10,175	-	10,175
- current	117,729	-	117,729	117,729	-
Financial guarantees	-	-	152,248	152,248	-
	212,990		367,197	319,248	47,949

COMPANY	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 5 YEARS RM'000
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables					
- interest bearing	78,536	6.85	78,536	78,536	-
- non-interest bearing	355	-	355	355	-
Financial guarantees	-	-	233,018	233,018	-
	78,891	-	311,909	311,909	-

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

26.6.1 Interest rate risk

The Group's and the Company's investment in fixed rate debt securities and deposits placed with licensed banks and the Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate investment in deposits placed with licensed investment institution and variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy of investing in both fixed rate and variable rate instruments to mitigate the risk of fluctuation in interest rates.

The Group regularly reviews its debt portfolio and such strategy enable the Group to source low interest funding from the market and achieve a certain level of protection against interest rate hike. The Group does not use derivative financial instruments to hedge its debt obligations.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing and interest-earning financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
FIXED RATE INSTRUMENTS				
Financial assets	29,648	24,709	15,000	96,302
Financial liabilities	(5,247)	(45,539)	-	-
	24,401	(20,830)	15,000	96,302
FLOATING RATE INSTRUMENTS				
Financial assets	21,202	75,592	-	-
Financial liabilities	(67,113)	(40,000)	(54,163)	(78,536)
	(45,911)	35,592	(54,163)	(78,536)

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

GROUP	100BP INCREASE RM'000	100BP DECREASE RM'000
2016		
Floating rate instruments	(349)	349
2015		
Floating rate instruments	267	(267)
COMPANY		
2016		
Floating rate instruments	(412)	412
2015		
Floating rate instruments	(589)	589

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.2 Other price risk

Equity price risk arises from the Group's investments in funds managed by an asset management company.

Risk management objectives, policies and processes for managing the risk

The Management monitors the portfolio and results of the asset management company on a monthly basis.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remained constant and the Group's equity investments moved in correlation with FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10% (2015: 10%) strengthening in FBMKLCI at the end of the reporting period would have increased equity and post-tax profit by RM18,000 (2015: RM672,059) for investments classified as fair value through profit or loss. A 10% (2015: 10%) weakening in FBMKLCI would have had equal but opposite effect on equity and profit or loss respectively.

26.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted securities due to lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED*/NOT CARRIED AT FAIR VALUE				CARRYING
GROUP	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**TOTAL**	**AMOUNT**
2016	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
FINANCIAL ASSETS					
Fund managed by asset management company	177*	-	-	177	177
Trade and other receivables					
- non-current	-	-	8,200	8,200	7,736
	177	-	8,200	8,377	7,913
FINANCIAL LIABILITIES					
Trade and other payables					
- non-current	-	-	(7,543)	(7,543)	(7,281)
Term loans	-	-	(36,048)	(36,048)	(35,109)
Finance lease liabilities	-	-	(5,568)	(5,568)	(5,247)
	-	-	(49,159)	(49,159)	(47,637)

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED*/NOT CARRIED AT FAIR VALUE				CARRYING
GROUP	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	AMOUNT
2015	RM'000	RM'000	RM'000	RM'000	RM'000
FINANCIAL ASSETS					
Fund managed by asset management company	10,577*	-	-	10,577	10,577
Trade and other receivables					
- non-current	-	-	32,996	32,996	31,533
	10,577	-	32,996	43,543	42,110
FINANCIAL LIABILITIES					
Trade and other payables					
- non-current	-	-	(10,175)	(10,175)	(9,722)
Term loans	-	-	(40,770)	(40,770)	(40,770)
Finance lease liabilities	-	-	(5,050)	(5,050)	(4,769)
	-	-	(55,995)	(55,995)	(55,261)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				CARRYING
COMPANY	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	AMOUNT
2016	RM'000	RM'000	RM'000	RM'000	RM'000
FINANCIAL ASSETS					
Fund managed by asset management company	177	-	-	177	177
2015					
FINANCIAL ASSETS					
Fund managed by asset management company	10,577	-	-	10,577	10,577

NOTES TO THE FINANCIAL STATEMENTS

(continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

Level 3 fair value

The valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models for financial instruments not carried at fair value are as follows:

- Finance lease liabilities and term loans - The fair values of finance lease liabilities and term loans are estimated based on discounted cash flows using prevailing market rates of similar lease agreements.

- Non-current trade and other receivables and payables - The fair values of trade and other receivables and payables are estimated based on discounted cash flows using base lending rate.

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio.

The debt-to-equity ratios at 31 December 2016 and at 31 December 2015 were as follows:

GROUP	NOTE	2016 RM'000	2015 RM'000
Loans and borrowings	16	72,360	85,539
Trade and other payables	17	118,101	127,510
Less: Cash and cash equivalents	13	(76,796)	(105,339)
Net debt		113,665	107,710
Total equity		438,986	398,460
Debt-to-equity ratios		0.26	0.27

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

28. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	GROUP		COMPANY	
CONTINGENT LIABILITIES NOT	**2016**	**2015**	**2016**	**2015**
CONSIDERED REMOTE	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Corporate guarantees given to licensed banks in respect of:				
- Bank facilities granted to subsidiaries	-	-	67,182	80,770
- Performance bond granted infavour of contract customers	158,804	152,248	158,804	152,248
	158,804	152,248	225,986	233,018

The corporate guarantees mature earliest in 2016 as it could be called on demand by the licensed banks or contract customers in the event of a default or non-performance by the subsidiaries.

29. RELATED PARTIES

Identity of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its holding company, subsidiaries and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

29. RELATED PARTIES (CONTINUED)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below.

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Dividends income	-	-	29,443	43,971
Key management personnel				
Directors				
- Fees	481	884	361	764
- Other emoluments	7,861	8,486	-	-
- Contributions to state plans	1,141	1,120	-	-
	9,483	10,490	361	764

The estimated monetary value of Directors' benefit-in-kind is RM96,297 (2015: RM105,375).

30. ACQUISITIONS OF A SUBSIDIARY

Thinkhouse Communications Sdn. Bhd. and Pelus Hidro Sdn. Bhd.

In January 2016, the Group completed the acquisition of the entire issued and paid-up share capital of Thinkhouse Communications Sdn. Bhd. ("TCSB") for a total cash consideration of RM16,150,000. TCSB is involved in investment holding and has a 70% equity interest in Pelus Hidro Sdn. Bhd. ("PHSB"). PHSB's principal activity to own, operate and maintain a renewable energy power plant. For the 11 months period to 31 December 2016, TCSB and PHSB ("TCSB Group") has not contributed any revenue but incurred a loss of RM60,840. If the acquisition had occurred on 1 January 2016, management estimates that consolidated profit for the financial year would have been RM63,261,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2016.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

30. ACQUISITIONS OF A SUBSIDIARY (CONTINUED)

Thinkhouse Communications Sdn. Bhd. and Pelus Hidro Sdn. Bhd. (continued)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	NOTE	GROUP 2016 RM'000
Fair value of consideration transferred		
Cash and cash equivalents		16,150
Identifiable assets acquired and liabilities assumed		
Concession assets	7	22,844
Other receivables		244
Other payables		(17)
Total identifiable net assets		23,071
Net cash outflow arising from acquisition of subsidiary		
Purchase consideration settled in cash and cash equivalents		16,150
Purchase consideration paid in prior year		(8,150)
		8,000
Goodwill		
No goodwill was recognised as a result of the acquisition as shown below:		
Total consideration transferred		16,150
Fair value of identifiable net assets		(23,071)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree		6,921
Goodwill		-

31. SIGNIFICANT EVENT

In January 2016, the Group completed the acquisition of the entire issued and paid-up share capital of Thinkhouse Communications Sdn. Bhd. for a total cash consideration of RM16,150,000.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 46 to 116 are drawn up in accordance with 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 31 December 2016 and of their financial performance and cash flows for the financial year then ended.

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

Y.A.M. TENGKU DATO' RAHIMAH
BINTI ALMARHUM SULTAN MAHMUD
DIRECTOR

LOH CHOON QUAN
DIRECTOR

Kuala Lumpur,
Date: 29 May 2017

STATUTORY DECLARATION

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

I, Loh Choon Quan, the Director primarily responsible for the financial management of Loh & Loh Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Loh Choon Quan, NRIC: 760701-66-5067, at Kuala Lumpur, in the Federal Territory on 29 May 2017.

LOH CHOON QUAN

Before me:

PESURUHJAYA SUMPAH
NO:W320
D. SELVARAJ
MALAYSIA
NO. 277B, JALAN PERKASA 1
TAMAN MALURI, CHERAS
55100 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT

to the members of Loh & Loh Corporation Berhad
(Company No. 389765-V) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Loh & Loh Corporation Berhad, which comprise the statements of financial position as at 31 December 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT

to the members of Loh & Loh Corporation Berhad
(Company No. 389765-V) (Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

INDEPENDENT AUDITORS' REPORT

to the members of Loh & Loh Corporation Berhad
(Company No. 389765-V) (Incorporated in Malaysia)

OTHER MATTERS

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

LAM SHUH SIANG
Approval Number: 03045/02/2019 J
Chartered Accountant

Petaling Jaya,
Date: 29 May 2017

LIST OF PROPERTIES

as at 31 December 2016

LOCATION	DESCRIPTION AND EXISTING USE	TENURE	AGE OF BUILDING (YEARS)	APPROXIMATE LAND AREA/UNITS	BUILT-UP AREA	CARRYING VALUE AS AT 31.12.2016 (RM'000)	DATE OF LAST VALUATION
LOH & LOH CONSTRUCTIONS SDN BHD Grant 14428 Lot 47626 Grant 14429 Lot 47627 19 & 21, Jalan Sri Hartamas 7, Taman Sri Hartamas, 50480 Kuala Lumpur	Two units adjoining four storey shophouses use as office building	Freehold	24.5	298 sq m	1,163.12 sq m	7,200**	2015
Lot 3828 CT No.6177 Mukim Setul, District of Seremban, Negeri Sembilan	Storeyard & workshop	Freehold	n/a	11.0 acres	n/a	3,800**	2015
LOH & LOH DEVELOPMENT SDN BHD Lots 592,593,594,585,586,595,596 and 1327-1329, Mukim of Setul, District of Seremban, Negeri Sembilan	Vacant land	Freehold	n/a	30.993 acres	n/a	10,125**	2015
Unit No 1551, Awana Condominium, Genting Highlands, HS (D) 2078 PT No.2157/95 District of Bentong, Pahang	Vacant apartment	Freehold	25	1,258 sq ft	1,258 sq ft	380**	2015
Grant 14430 Lot 47628 23, Jalan Sri Hartamas 7, Taman Sri Hartamas, 50480 Kuala Lumpur	One unit four storey shophouses used as office building	Freehold	24.5	149 sq m	581,56 sq m	3,550**	2015
Grant 14431 Lot 47629 25, Jalan Sri Hartamas 7, Taman Sri Hartamas, 50480 Kuala Lumpur	One unit four storey shophouses used as office building	Freehold	24.5	149 sq m	581,56 sq m	3,550**	2015
WATER ENGINEERING TECHNOLOGY SDN BHD Geran 58854 Lot 64268 in Mukim Damansara, Daerah Petaling, Selangor 20, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor	3 storey semi-detached factory building for rent	Freehold	14.6	23,838 sq ft	25,112 sq ft	6,500**	2015

*** The properties were revalued by a registered valuer with Henry Butcher Malaysia Sdn. Bhd.. Valuation was made using comparison method on the basis of current market value.*

GROUP DIRECTORY

LOH & LOH CORPORATION BERHAD

LOH & LOH CONSTRUCTIONS SDN BHD

LOH & LOH DEVELOPMENT SDN BHD

1 SERI MERDEKA SDN BHD

19, 21, 23 & 25 Jalan Sri Hartamas 7,
Taman Sri Hartamas,
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Tel : +603 - 6201 3888, 6201 4777
Fax : +603 - 6201 2112, 6201 1010
Email: info@loh-loh.com.my
Website: www.loh-loh.com.my

WATER ENGINEERING TECHNOLOGY SDN BHD

WET SALES & SERVICES SDN BHD

WET O&M SDN BHD

20, Jalan Astaka U8/83,
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Fax :+603 - 7846 8168
Email: wet@wetsb.com
Website: www.wetsb.com

NOTES

LOH & LOH
CORPORATION BERHAD
(389765-V)

Wholly owned subsidiaries of

LOH & LOH Corporation Berhad
(389765-V)

LOH & LOH
CONSTRUCTIONS SDN BHD
(17145-K)

Certificate Number SP003

MS ISO 9001: 2015 REG. NO. AR1025

Water Engineering Technology Sdn. Bhd.
(55314-K)

CERTIFIED TO ISO 9001:2008
CERT NO.:AR 2941

CERTIFIED TO ISO 9001:2008
CERT NO.:AR 2941

LOH & LOH
DEVELOPMENT SDN BHD
(137982-U)

www.loh-loh.com.my

LOH & LOH CORPORATION BERHAD
(389765-V)