MOVING TOGETHER

LOH & LOH CORPORATION BERHAD

ANNUAL REPORT 2013


LOH & LOH
CORPORATION BERHAD

Introduction to LOH & LOH

Water has been at the heart of LOH & LOH's history since the beginning. From the first dam built in 1973 – the Durian Tunggal Dam in Malacca – LOH & LOH has continued to build its track record to include water treatment plants, water intakes, pumping stations, pipelines, reservoirs, sewerage treatment plants and environmental products; encompassing the full water cycle. LOH & LOH continues to be at the forefront of water technology and engineering, excelling as an Operation & Maintenance Specialist and the leading water engineering infrastructure specialist in the country with full Civil & Structural and Mechanical & Electrical Engineering capabilities.

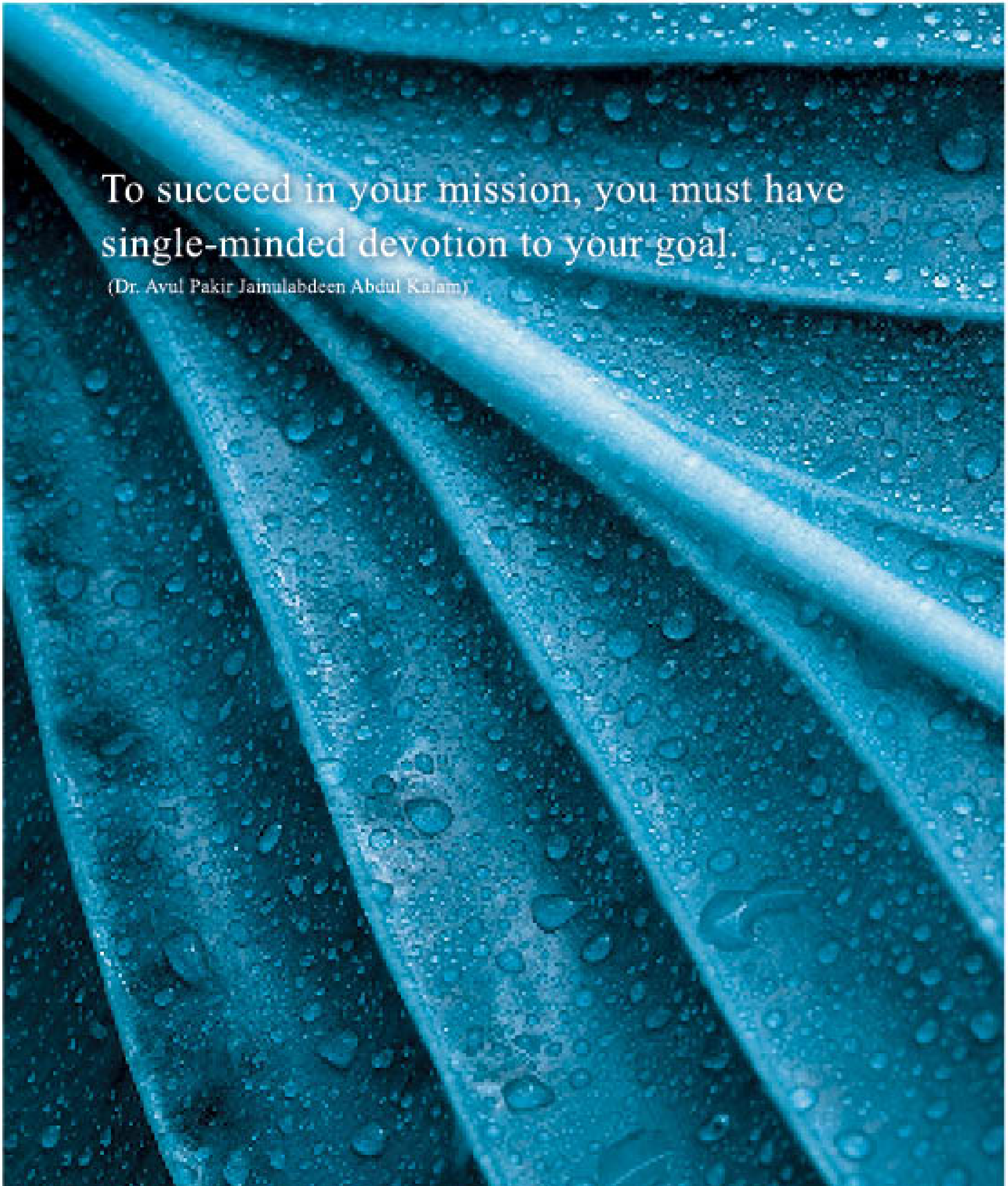
As a premier Engineering Infrastructure Specialist, LOH & LOH is involved in building several key national infrastructure projects such as the Kelau Dam and 2230MLD Semantan Intake, part of the Pahang-Selangor Interstate Transfer project, 950MLD Bukit Badong Water Treatment Plant, one of the largest WTP in Malaysia, Hulu Terengganu Hydroelectric power project, consisting of two hydrodams with a total capacity of 250MW for Tenaga Nasional Berhad, Kinta Dam, 1st Roller Compacted Concrete Dam in Malaysia, the Rawang-Ipoh Electrified Double Track as well as the Seremban-Gemas Electrified Double Track.

LOH & LOH has established capabilities in handling large M&E projects as well as Engineering, Procurement, Construction and Commissioning (EPCC) contracts having completed several major projects including the Medini Utility 2 project in Iskandar, the Bakun Hydro Power Plant in Sarawak and the Sandakan River Lock Gate in Sabah. We are presently working on another 7 projects including 2 Operation and Maintenance contracts and have just secured the RM189million rehabilitation of Batu Kitang Water Treatment Plant, Kuching, Sarawak.

The Group is also in Property Development specializing in boutique developments, and has successfully completed and handed over several developments in the Klang Valley. The Group leverages on its synergistic construction expertise to deliver exceptional value to buyers. Our projects have also been rated among the top developments in Malaysia for quality standards by the Building Construction Authority of Singapore.

The Staff of LOH & LOH adhere to our 8 Core Values, PRACTICE, namely Passion, Results-oriented, Accountability, Change Responsiveness, Teamwork, Integrity & Loyalty, Creativity & Innovativeness, and Equity. We have a loyal core management team with many who have grown up with the Group, bringing stability, experience and know-how to LOH & LOH.

LOH & LOH, Engineering the Future!


To succeed in your mission, you must have single-minded devotion to your goal.
(Dr. Avul Pakir Jainulabdeen Abdul Kalam)

Contents

Corporate Structure
As at 30 April 2014

LOH & LOH CORPORATION BERHAD

CIVIL & STRUCTURAL

100%
LOH & LOH CONSTRUCTIONS SDN BHD

- **100%** Jutakim Sdn Bhd
- **100%** 1 Seri Merdeka 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

PROPERTY DEVELOPMENT

100%
LOH & LOH DEVELOPMENT SDN BHD

- **100%** Decorus Development Sdn Bhd (fka Loh & Loh Klimas Sdn Bhd)
- **100%** Green Heights Developments Sdn Bhd
- **100%** Medius Developments Sdn Bhd
- **100%** Turf-Tech Sdn Bhd
- **100%** Millenium Creation Sdn Bhd

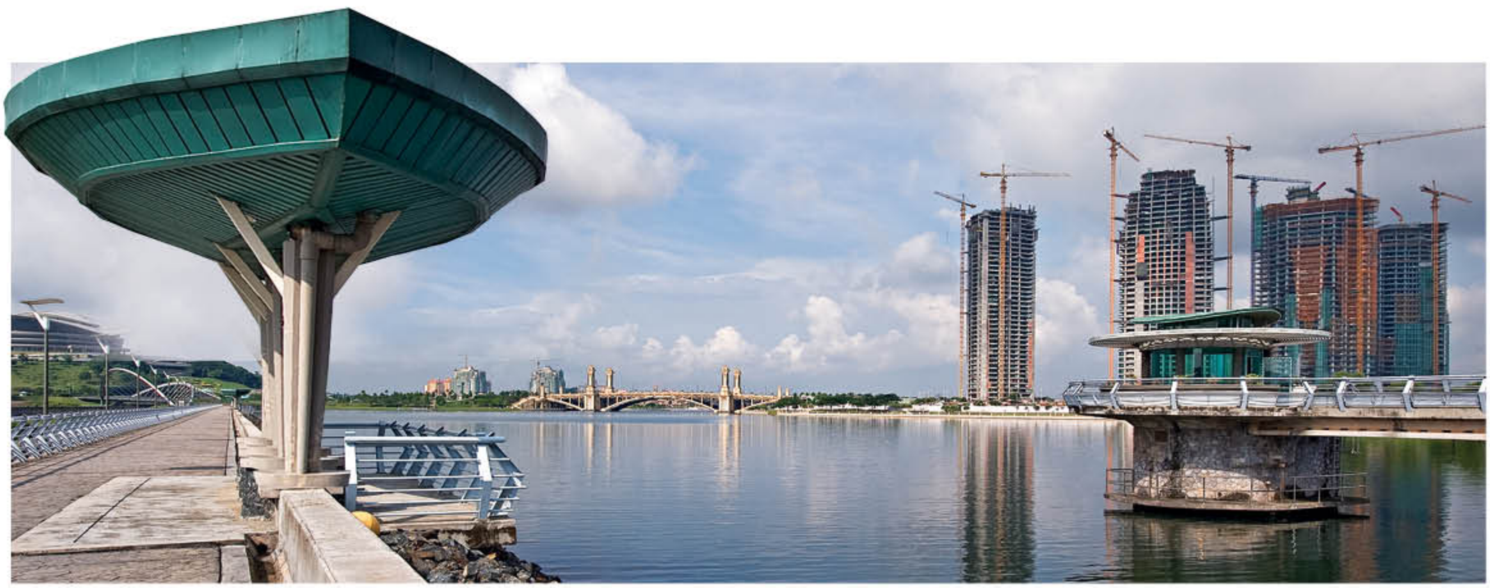
Financial Highlights

5 YEAR GROUP FINANCIAL STATISTICS

	2009	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	243,153	299,468	316,163	434,477	616,803
Profit Before Tax	39,599	44,108	74,674	62,019	83,200
Profit After Tax	27,603	34,719	61,383*	43,549	63,355
Total Assets	332,740	438,372	448,748	506,610	614,534
Net Tangible Assets	219,115	251,550	259,454	276,849	298,845
Shareholders' Funds	217,432	250,234	254,289	271,531	297,201
Paid-up Share Capital	68,000	68,000	68,000	68,000	68,000

Per Share (sen)					
Group Earnings	41	51	86#	64	93
Net Tangible Assets	322	370	382	407	439
Dividend	10	44	37	38	46

* Profit after tax includes one-off gain on disposal of asset classified as held for sale of RM 26,261,000.
# Group earnings per share includes one-off gain on disposal of asset classified as held for sale of 38 sen.



REVENUE
RM'000

2009	243,153
2010	299,468
2011	316,163
2012	434,477
2013	616,803

PROFIT AFTER TAX
RM'000

2009	27,603
2010	34,719
2011	61,383*
2012	43,549
2013	63,355

SHAREHOLDERS' FUNDS
RM'000

2009	217,432
2010	250,234
2011	254,289
2012	271,531
2013	297,201

EARNINGS PER SHARE SEN

2009	41
2010	51
2011	86#
2012	64
2013	93

Corporate Information

BOARD OF DIRECTORS

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

Mr. Loh Kim Kah
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

Miss Monica Oh Chin Chin*
*Alternate Director to Mr. Tan Vern Tact

COMPANY SECRETARIES

Chua Siew Chuan
MAICSA 0777689

Chin Mun Yee
MAICSA 7019243

AUDITORS

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

SOLICITORS

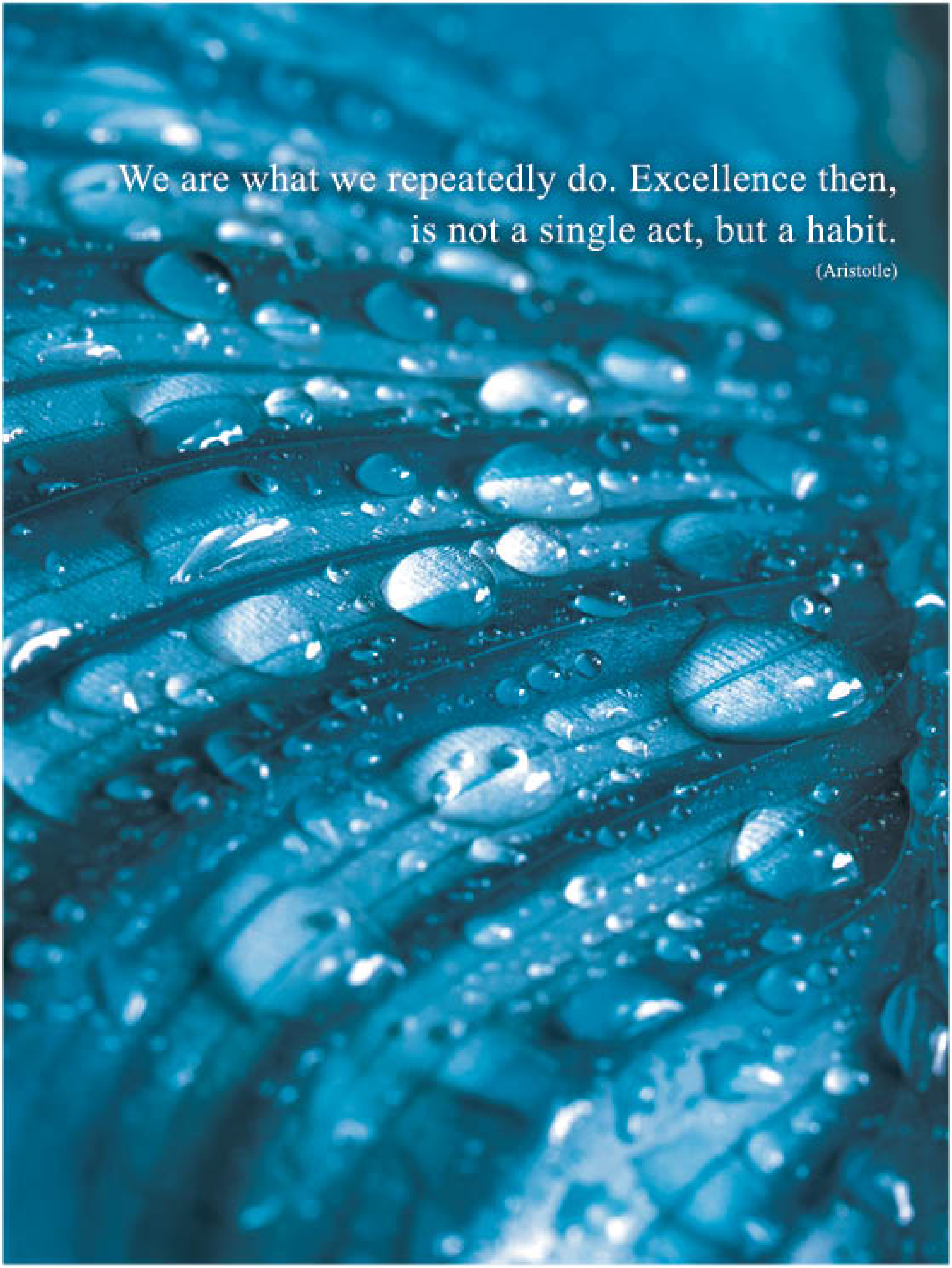
Zaid Ibrahim & Co.

PRINCIPAL BANKERS

AmBank (M) Berhad
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


We are what we repeatedly do. Excellence then,
is not a single act, but a habit.
(Aristotle)

Group Corporate Calendar

Chinese New Year Celebrations (VALE)
Lumut, Perak

4 FEB

Chinese New Year Celebration (HQ)

16 FEB

1 Million Safe Man Hours without Lost Time Injury (SIP)
Karak, Pahang

27 MAR

Badminton Competition (HQ)
Taman Pusat Kepong

7 JUL

Briefing on Employment Act 1955 & Performance Counselling (HQ LCC)

8 JUL

Idaman Hills Selayang (LLD) Phase 2 (Project Completed)

16 JUL

Ramadan Buka Puasa
Sime Darby Convention Centre

19 JUL

Ramadan Buka Puasa (VALE)
Marina Bay Resort, Lumut, Perak

25 JUL

Ramadan Buka Puasa (HTP)
Hulu Terengganu

25 JUL

THE GROUP secured the General Construction Package for Kerian Hydroelectric Project (LLC)
Perak Darul Ridzuan

29 JUL


BCA
10574
BUILDING AND CONSTRUCTION AUTHORITY
SINGAPORE
CONQUAS
BCA Construction Quality Assessment System
Idaman Hills Selayang - Phase 2
Main Contractor
Loh & Loh Constructions Sdn Bhd

Idaman Hills Selayang - Phase 2
CONQUAS

16 AUG

Code of Practice on Prevention and Eradication of Drug, Alcohol and Substance in the Workplace (HTP)

Code of Practice on Prevention and Management of HIV/AIDS at Workplace (HTP)
Hulu Terengganu

18 ,25 AUG / 22 SEPT / 27 OCT

THE GROUP secured Design, Build and Turnkey Contract for The Proposed Upgrading and Rehabilitation of Batu Kitang Water Treatment Plant 3 (Module 5 and 6) including all associated works (WET)
Kuching

30 AUG

LOH & LOH Sponsored Butterfly Lovers The Musical at The Kuala Lumpur Performing Arts Centre (KLPAC)

19 OCT

The AIRIE, Damansara (LLD) (Project Completed)

12 DEC

Teambuilding
Gold Coast Sepang

14 SEPT

Introduction to ISO9001:2008 STD
Briefing on ITP & Handling of Non Conformity
HQ LLC

26 OCT

Celebration for Achievement of Milestone 4 and 4 Million Man Hours without LTI (HTP)
Grand Continental Hotel,
Kuala Terengganu

27 NOV

Christmas Celebration
Theatre Lounge Cafe

20 DEC

Blood Donation
National Blood Bank

28 SEPT

Annual Dinner
Sheraton Imperial Hotel

16 NOV

The AIRIE, Damansara
CONQUAS

20 DEC

Efficient, Effective, Comprehensive Solutions

Board of Directors

1. **Y.A.M. TENGKU DATO' RAHIMAH BINTI ALMARHUM SULTAN MAHMUD**
   Non-Independent Non-Executive Chairman
2. **LOH KIM KAH**
   Managing Director
3. **DATO' CHE ABDULLAH @ RASHIDI BIN CHE OMAR**
   Non-Independent Non-Executive Director
4. **MOHD FAIZUL BIN IBRAHIM**
   Non-Independent Non-Executive Director
5. **TAN VERN TACT**
   Independent Non-Executive Director
6. **MONICA OH CHIN CHIN***
   *Alternate Director to Tan Vern Tact

Profile of Directors

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 48, was appointed as Chairman and Director of LLCB on 19 September 2008.

Y.A.M. Tengku Dato' Rahimah holds a BSc 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 ("MIA").

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

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

LOH KIM KAH

Managing Director

Mr. Loh Kim Kah, a Malaysian aged 54, was appointed as a Director of LLCB on 9 January 1997 and subsequently appointed as Managing Director and Chief Executive Officer of LLCB on 10 January 1997.

Mr. Loh obtained a Bachelor of Economics (Honours) degree in Accounting and Business Finance from University of Manchester in 1985. He has been with the Group for over 20 years.

Mr. Loh does not hold any directorship in other public companies. However, he is a director of several private limited companies.

DATO' CHE ABDULLAH @ RASHIDI BIN CHE OMAR

Non-Independent Non-Executive Director

Dato' Che Abdullah @ Rashidi bin Che Omar, a Malaysian aged 65, 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 (formerly known as Wijaya Baru Global Berhad), TH Pelita Gedong Sdn. Bhd., TH Pelita Sadong Sdn. Bhd., TH Pelita Simunjan Sdn. Bhd., Sime Darby Plantation Sdn. Bhd., SRC International Sdn. Bhd., PT Minamas Gemilang and PT Synergy Oil Nusantara.

MOHD FAIZUL BIN IBRAHIM
Non-Independent Non-Executive Director

Encik Mohd Faizul bin Ibrahim, a Malaysian aged 32, 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 Bachelor in Accountancy (Hons).

Encik Faizul is a member of the Malaysian Institute of Accountants and he spent 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.

TAN VERN TACT
Independent Non-Executive Director

Mr. Tan Vern Tact, a Malaysian aged 37, 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 currently sits on the board of several public limited companies and private limited companies.

MONICA OH CHIN CHIN*
*Alternate Director to Tan Vern Tact

Ms. Monica Oh Chin Chin, a Malaysian aged 53, was appointed to the Board of LLCB as an Alternate Director to Mr. Tan Vern Tact on 14 September 2012.

Ms. Monica graduated in 1982 from Monash University, Australia with a Bachelor of Economics majoring in Accounting. Ms. Monica is a member of the Malaysian Institute of Accountants and CPA Australia. She has served in a foreign bank in Malaysia and has more than 13 years of banking experience.

Ms. Monica does not hold any directorships in other public companies. However, Ms. Monica is a director of several private limited companies.

A Letter from Our Chairman

THE INTERNATIONAL ECONOMIC ENVIRONMENT AND THE MALAYSIAN ECONOMY

The global economy expanded at a modest pace in 2013, with uneven momentum across economies. In the advanced economies, growth remained on a path of gradual improvement, led by a private-sector recovery in the US. The euro area emerged from recession while economic activity improved in Japan following the introduction of stimulative policies.

The Malaysian economy expanded by 4.7% in 2013 (2012: 5.6%), driven by the continued strong growth in domestic demand. Despite the weaker external environment in the first half of the year, domestic demand remained resilient throughout the year, led by robust private sector activity. Private consumption was strong, supported mainly by favourable employment conditions and wage growth.

Growth remained strong in the construction sector (10.9%), owing to robust activity in the residential and civil engineering sub-sectors. Growth in the residential sub-sector was underpinned by the construction of high-end and high-rise properties in the Klang Valley, Penang and Johor. In the civil-engineering sub-sector, activities in infrastructure and oil and gas-related projects supported growth. (Source: BNM Annual Report 2013)

GROUP PERFORMANCE

Despite the challenging environment in 2013, the Group continued to build and grow its business activities. The Group did exceedingly well with improved revenue and operational profitability in 2013 as compared to the previous financial year. The financial results for 2013 were a significant achievement by the Group as both the revenue and the profit were the highest achieved thus far.

I commend the dedicated management team together with the staff that demonstrated collective strengths, resilient spirit and diligent works for achieving an improved performance and financial results.

The Group continues to evolve and grow by accepting and incorporating improvements that strengthen our core activities of construction and property development. We continue to exercise prudence and caution in our undertaking mitigating potential risks as part of our business endeavours.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to express my appreciation to the Management team and staff for their unyielding loyalty, valuable contribution 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

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 2013.

REVIEW OF FINANCIAL YEAR ENDED 31 DECEMBER 2013

LOH & LOH Group continues to have an outstanding year in 2013 despite the challenging conditions in the construction industry with the rising cost of labour and raw materials, shortage of manpower and competitive environment. Despite the challenging environment, I am pleased to inform that the Group has continued to perform remarkably with the hard work and dedication of our management and staff. The continual investment by the government in green energy such as hydrodams and mini-hydro projects should provide opportunities in the coming year, and with our niche capabilities and expertise in water and sewerage infrastructure, and our continual investment in our development business, I am cautiously optimistic that the Group will continue to sustain its growth.

IMPROVED FINANCIAL PERFORMANCE

For in 2013, I am pleased to report that the Group continues to maintain its strong financial growth recording a new historical benchmark in terms of revenue and profit before tax of RM616.8million and RM83.2million respectively. This translates to a growth of 42% in revenue and 34% in profit before tax. The overall figures translate to net earnings per share of 93sen compared to 64sen in 2012.

In line with our improved results, the Group declared a dividend of 56sen per ordinary share of RM1.00 for the financial year ended 31 December 2013.

1. **Hulu Terengganu Hydroelectric Project - 250MW**
   Puah Dam
   Height : 70m Length : 600m

2. **Puah Spillway Concrete**
   - 45,800 cubic meters

OPERATIONAL HIGHLIGHTS

Strengthening our energy credentials

LOH & LOH Constructions Sdn. Bhd, our construction subsidiary, did exceedingly well last year despite challenging conditions, with 10 major infrastructure projects being implemented in various stages of construction. The Construction group continues to be a key national infrastructure player involved in major projects and has started venturing into the energy sectors such as hydropower as per our group strategic direction. Currently, the Construction group is progressing well with our first hydropower project, the Hulu Terengganu Hydroelectric project consisting of two hydrodams with a total capacity of 250MW as well as commencing on the 14MW Kerian Minihydro project.

In 2013, LOH & LOH has continued to replenish its order book and has secured the CT7, Container Yard Zone T&U, Pulau Indah, Selangor, for Westport Berhad and the Kerian Minihydro project, Perak. To further improve on our competitiveness and capabilities, we have also invested heavily in the latest plant and equipment, increasing our plant fleet from 120 plant machines to over 200 plant machines with a total approximate value of RM80million. These investments, our strong track record and experienced personnel will increase our competitiveness and capabilities. I am optimistic that with the Government's continued expenditure in green energy, the continual need for improvement in water and wastewater infrastructure, the Construction group will be able to secure new major infrastructure projects and continue to grow and expand.

1. **Pahang - Selangor Raw Water Transfer Project**
   - 2260MLD Semantan Intake
2. **SAMUR Water Treatment Plant, Sipitang, Sabah**
   - 60MLD

Growing M&E capabilities

Water Engineering Technology (WET), our M&E subsidiary, has also grown remarkably and has outperformed expectations this year with a record order book of RM561million. This year, WET continues to show its increasing capabilities in handling large M&E projects as well as Engineering, Procurement, Construction and Commissioning (EPCC) contracts with the securing of the RM189million rehabilitation of Batu Kitang Water Treatment Plant, Kuching, Sarawak. This project will be WET's largest rehabilitation project and will be a showcase of WET's capabilities in the niche segment of rehabilitation of water and wastewater treatment plants.

In 2013, WET completed the Medini Utility 2 project in Iskandar, the Bakun Hydro Power Plant in Sarawak and the Sandakan River Lock Gate in Sabah, and is working on another 7 projects including 2 Operation and Maintenance contracts. Several of these projects involve both WET and LOH & LOH Constructions providing synergy to the group as well as a one stop solution to clients. I believe this synergistic co-operation will continue to pave the way to more projects.

A new era for our development business

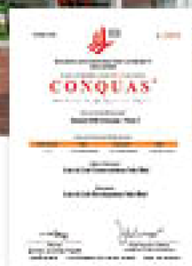
In 2013, our development subsidiary, LOH & LOH Development, successfully handed over Phase 2 of Idaman Hills in Selayang comprising 80 units of Bungalow Homes as well as The Airie, Sri Damansara comprising 79 units of Semi-Detach, Zero Lot and Bungalow Homes. This brings the number of homes completed by LOH & LOH Development to approximately

1. **UT2, Iskandar** - 280MLD Booster Pump Station
2. **Pahang - Selangor Raw Water Transfer Project** - Flange Adaptor for DN3000 Flowmeter

350 homes. These recent developments have also been benchmarked and assessed under the CONQUAS21 system by the Building Construction Authority of Singapore, and achieved remarkable scores of 77.6 and 79.4 respectively placing our development quality standards among the top developers in Malaysia. I believe quality in developments is crucial and by implementing CONQUAS in all our developments, buyers can be assured that they will be purchasing a product with a certain level of quality.

During the year, the development group has continued to be a key subsidiary, maintaining its revenue and profit contributions. In line with our expansion plans, LOH & LOH Development has also acquired 3 pieces of land comprising 2.5acres in North Kiara, Kuala Lumpur, 3.05 acres in Kelana Jaya, Selangor and 65acres in Rawang, Selangor. The 3 pieces of land will be utilized for residential developments consisting of a family orientated condominium development in North Kiara, a lifestyle service apartment development in Kelana Jaya and a nature inspired landed residential development in Rawang. These 3 developments are expected to have a total Gross Development Value (GDV) of approximately RM1.1billion and will push LOH & LOH Development to the next level of growth over the next 2 to 3 years.

2014 will prove to be a challenging year for the development industry with the softening market conditions due to the tightening of loans and the high cost of land and raw materials. LOH & LOH Development will mitigate these impacts through a combination of diverse products, precise scheduling and prudent management. However, in a weak market, there should be good opportunities for land acquisition and our development subsidiary should be able to leverage on our strong cash position to capitalize on these opportunities.



1. **The AIRIE** - Damansara
2. **Idaman Hills** - Selayang

HUMAN CAPITAL DEVELOPMENT AND VALUES

The continual commitment, expertise and dedication of our management and staff play a key role in the Group's performance and the improved results of 2013 continue 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 senior management continues to play an important role in Human Resource management by being involved in the Human Resource Executive Committee which makes all key Human Resource policies especially in training, promotion, and setting a system that rewards and incentivizes based on performance and results.

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 'PRACTICE,' as part of the Group Core Values.

1. **Vale Malaysia minerals, Lumut** - Civil Work

MOVING FORWARD

The Malaysian construction industry continues to be challenging in 2014 with the shortage of skilled labour, increasing material prices and highly competitive environment. This coupled with a softening market in the development industry will make 2014 a challenging year. However, with our niche engineering capabilities, synergistic businesses and boutique development business, I believe the Group should be able to weather this difficult year and maintain the progress we have made over the past few years.

Our Construction and M&E subsidiaries continue to have potential with our expertise and proven infrastructure track record. Major Infrastructure projects that have been delayed should progress in 2014, such as the Sarawak Corridor Of Renewable Energy (SCORE), Pengerang Water Supply Scheme, Klang Valley My Rapid Transit Phase 2 (KVMRT), High Speed Rail Link, Gemas – Johor Baru Double Track Project as well as the Government's initiatives in green energy such as new Hydropower projects and the planting of new power plants should provide the group with significant opportunities to increase our order book.

1. **Pahang - Selangor Raw Water Transfer Project**
   - 2260MLD Semantan Intake

2. **Medini Iskandar Malaysia**
   - 2 x 6MG Water Reservoir

Our continuing success in boutique developments and increasing track record in quality and design should improve the branding of our development subsidiary. This coupled with the 3 potential new developments should contribute to the growth of our development subsidiary. However this growth will only be seen in 2015 due to the long development lead times. In 2014, we will continue to improve our systems, invest in resources and focus on building our brand through marketing and unique boutique concepts. With our strong financial position, LOH & LOH Development will continue to grow its land bank with a prudent approach.

LOH & LOH Group has built a strong premium brand, which stands for quality, reliability, safety, expertise and innovation over our 48 years of history. We have a highly qualified and energetic workforce of over 850 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 allow us to take advantage of new opportunities as they arise.

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 challenging year ahead. I am confident that the Group will continue to improve and sustain its growth.

1&2. **Pahang - Selangor Raw Water Transfer Project**
- 2260MLD Semantan Intake

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 effort in 2013, and hope that your contributions will continue into 2014. 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!

1&2. **Westports**
- Pelabuhan Klang

Corporate Social Responsibility (CSR)

Corporate social responsibility has always been an important and integral aspect of **LOH & LOH Group**. At LOH & LOH we take our social responsibility seriously; as an obligation as well as a passion.

LOH & LOH believes that when the Group actively promotes the idea that corporate success and social welfare are interdependent, the results are good for both Group and society.

Towards this end the Group in its best endeavours merge CSR initiatives with our business activities while encouraging and inspiring our employees to contribute to the environment and communities that the Group operates in.

1. **Sponsoring Musical Drama** - Butterfly Lovers in aid of National Kidney Foundation
2. **Teambuilding** - Gold Coast, Sepang

COMMUNITY CAUSES

Arts, Culture & Charity

Over the years LOH & LOH have made numerous donations to worthy causes such as disaster relief efforts as well as contribution to the poor and helpless.

In October 2013, LOH & LOH sponsored a musical drama – "The Butterfly Lovers" produced by the renowned home grown Dama Orchestra. While this was part of our effort to support the culture and arts community in the country, we also used this occasion to raise funds for the National Kidney Foundation ("NKF").

Dama Orchestra got the needed sponsorship to produce the excellent musical while a capacity crowd comprising our clients, associates and well wishers were treated to a wonderful display of music and theatre.

The occasion raised more than RM100,000 for NKF. In fact, this was the second year running that LOH & LOH has sponsored the musical in aid of NKF.

1. **Sponsoring Musical Drama** - Butterfly Lovers in aid of National Kidney Foundation

Blood Donation

Another annual event for the Company is the blood donation drive, held in partnership with the Kuala Lumpur General Hospital. This year the staff from the Hospital came to LOH & LOH Head Office in Sri Hartamas on 28 September. LOH & LOH staff members took time off from their work to make their life-giving donations. The Company also organised a hearty tea buffet for all those who donated blood.

Community Parks

It is our belief that we should play a role in communities that our developments are located in. This belief continues in The Airie, Sri Damansara, where we upgraded two surrounding green areas to nature parks with proper landscaping, picnic tables, intertwining pathways and a playground. These parks will provide the surrounding community of Sri Damansara with additional green open spaces to exercise, play and appreciate the beauty of nature.

1&2. **Blood Donation**
- National Blood Bank

Career Talks and Scholarships

LOH & LOH believes in helping young Malaysians in their careers, and senior members of our staff take time off to give career talks at Career Fairs and other organised meetings at local institutions regularly. These talks provide a real life perspective to students and hopefully will provide them insight and guidance into the construction and development industries. The Group also assists in educational programs such as site visits to our projects as well as provide internship opportunities. We hope that these small efforts will provide the students with the much needed exposure to the industry.

In our continuing efforts to provide educational opportunities to the less fortunate or financially challenged individuals, LOH & LOH Group has set up a Scholarship fund that provides scholarships to students in courses related to the Group's businesses. These scholarships are given out yearly to students pursuing their tertiary education and in 2013, 7 scholarships were awarded.

1. Recipients of LOH & LOH Scholarships
2. Career Fairs

ENVIRONMENTAL CONCERNS

Global warming is a reality as seen by the changes in weather patterns across the world. LOH & LOH believes in looking after our environment for the future generation. The Group believes in minimising the impact of our business activities on the environment and have implemented a Group wide environmental policy that commits to mitigate or minimise adverse impacts arising from our business activities, strive to ensure that we comply with all environmental standards, rules and regulations set by the relevant authorities, and to proactively reduce our carbon footprint on the environment.

Recycling

The Group has instituted training programs to raise awareness among our staff about the best practices that should put in place in order that we might "reuse, recycle, replenish, restore and reduce" wherever possible. Our staff have taken their own initiative to recycle paper whenever possible through recycling single-sided printouts, reducing usage through double-sided printing as well as ensuring that used paper is sold to recycling companies.

Health and Safety

The Group ensures that all project sites and offices are safe and conducive for our employees and all who set foot on our premises and projects. The Group does not compromise on safety and security and have set a goal of zero fatality at all worksites and premises.

1&2. **Idaman Hills, Selayang**
River beautification

3. **The AIRIE, Damansara**
Landscaping

1

2

The Group also encourages suppliers and subcontractors to play an active role and be involved in our health and safety policies. All suppliers and subcontractors are appointed to form part of our project site Health and Safety Committees to ensure their participation and representation.

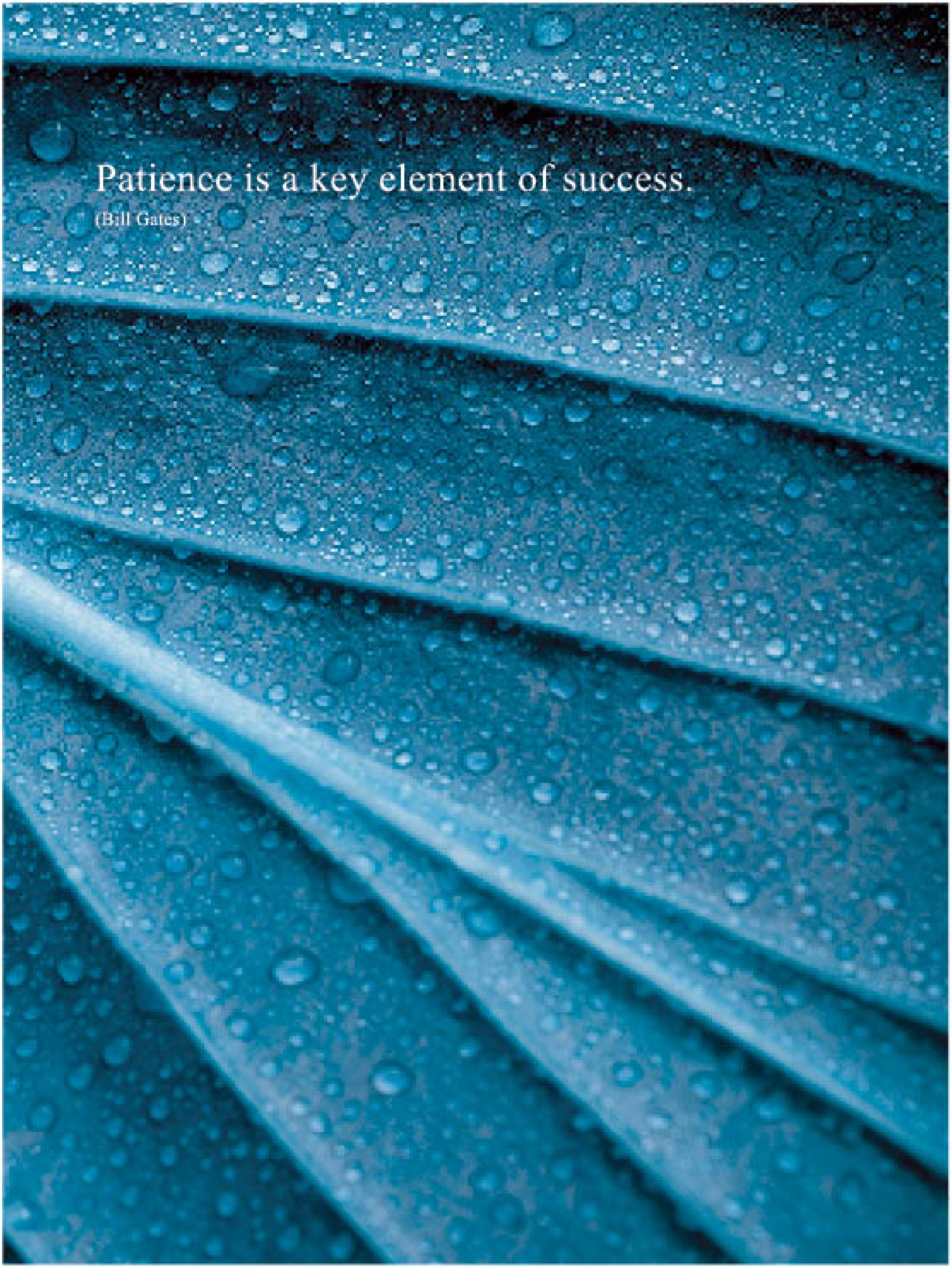
Staff Development and Welfare

Staff development and welfare is an integral part of LOH & LOH Group. Policies are set to ensure that all staff are treated fairly, paid and rewarded equitably and given the right tools and opportunity to contribute their best and achieve their full potential within the Group.

Training is an important part of developing a skilled workforce that is aware of the latest applications and techniques. To this effect, the Group identifies staff training needs constantly, and training programmes and schemes were conducted both in-house and externally to meet these needs. Where appropriate, suitable employees are sent for courses to enhance their performance, upgrade their knowledge, obtain better skills and understanding of the industry.

The Group aims to inculcate a family based culture as all management and staff are part of the LOH & LOH family. Staff organised events are encouraged to develop bonding among each other and over the year birthday celebrations, festive celebrations, sports, competitions, recreational activities, company trips and our annual dinner were organized.

1. **Teambuilding**
   - Gold Coast, Sepang
2. **Group Briefing for management**


Patience is a key element of success.
(Bill Gates)

Financial Statements

Directors' report

for the year ended 31 December 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2013.

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	63,404	39,478
Non-controlling interests	(49)	-
	63,355	39,478

RESERVES AND PROVISIONS

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

DIVIDENDS

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

i) a second interim single-tier dividend of 9.05 sen per ordinary share totalling RM6,154,000 in respect of the financial year ended 31 December 2012 on 11 March 2013;

ii) a first interim single-tier dividend of 29.41 sen per ordinary share totalling RM20,000,000 in respect of the financial year ended 31 December 2013 on 13 June 2013; and

iii) a second interim single-tier dividend of 26.18 sen per ordinary share totalling RM17,800,000 in respect of the financial year ended 31 December 2013 on 12 September 2013.

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

Subsequent to the financial year end, the Directors declared and paid a first and second interim single-tier dividend of 5.68 sen per ordinary share and 14.71 sen per ordinary share respectively totalling RM3,862,400 and RM10,000,000 respectively in respect of the financial year ending 31 December 2014 on 11 January 2014 and 13 March 2014 respectively. These dividends will be recognised in the subsequent financial period.

Directors' report

for the year ended 31 December 2013 (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
Loh Kim Kah
Dato' Che Abdullah @ Rashidi bin Che Omar
Mohd. Faizul bin Ibrahim
Tan Vern Tact
Monica Oh Chin Chin (alternate director to Tan Vern Tact)

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 1.1.2013	BOUGHT	SOLD	AT 31.12.2013
	'000	'000	'000	'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 2013 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 2013 (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 2013

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 the impairment loss of trade receivables as disclosed in Note 17 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2013 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.

SUBSEQUENT EVENTS

On 15 January 2014, a subsidiary of the Group, Loh & Loh Constructions Sdn. Bhd. ("LLCSB") has made a payment of RM54,154,868 on behalf of its related company, Millenium Creation Sdn. Bhd. ("MCSB") for the acquisition of a piece of land.

AUDITORS

The auditors, Messrs KPMG, 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

Loh Kim Kah

Kuala Lumpur,
Date: 23 April 2014

Statements of financial position
as at 31 December 2013

		GROUP		COMPANY	
	NOTE	2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Property, plant and equipment	3	101,217	78,737	-	-
Investment properties	4	15,060	15,060	-	-
Other investments	9	15,000	-	15,000	-
Investments in subsidiaries	5	-	-	156,839	153,280
Deferred tax assets	6	4,753	3,246	-	-
Trade and other receivables	7	46,064	27,526	-	-
TOTAL NON-CURRENT ASSETS		182,094	124,569	171,839	153,280
Inventories	8	35,782	6,117	-	-
Other investments	9	1,625	6,133	1,625	6,133
Property development costs	10	6,120	64,358	-	-
Current tax assets		1,963	10,256	294	361
Trade and other receivables	7	232,744	82,475	51,963	26,817
Cash and cash equivalents	11	154,206	212,702	9,331	8,269
TOTAL CURRENT ASSETS		432,440	382,041	63,213	41,580
TOTAL ASSETS		614,534	506,610	235,052	194,860

The notes set out on pages 48 to 111 are an integral part of these financial statements.

Statements of financial position
as at 31 December 2013 (continued)

		GROUP		COMPANY	
	NOTE	2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital	12	68,000	68,000	68,000	68,000
Revaluation reserve	12	6,659	6,659	76,886	76,886
Retained earnings	12	222,542	196,872	11,384	9,706
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		297,201	271,531	156,270	154,592
NON-CONTROLLING INTERESTS		1,644	5,318	-	-
TOTAL EQUITY		298,845	276,849	156,270	154,592
LIABILITIES					
Loans and borrowings	13	9,274	1,856	-	-
Deferred tax liabilities	6	3,093	3,603	-	-
Trade and other payables	14	25,358	38,388	-	-
TOTAL NON-CURRENT LIABILITIES		37,725	43,847	-	-
Loans and borrowings	13	11,440	2,282	-	-
Trade and other payables	14	263,025	183,229	78,782	40,268
Current tax liabilities		3,499	403	-	-
TOTAL CURRENT LIABILITIES		277,964	185,914	78,782	40,268
TOTAL LIABILITIES		315,689	229,761	78,782	40,268
TOTAL EQUITY AND LIABILITIES		614,534	506,610	235,052	194,860

The notes set out on pages 48 to 111 are an integral part of these financial statements.

Statements of profit or loss and other comprehensive income

for the year ended 31 December 2013

	NOTE	GROUP 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
REVENUE	15	616,803	434,477	40,843	27,264
Cost of sales	16	(501,913)	(350,833)	(365)	(109)
GROSS PROFIT		114,890	83,644	40,478	27,155
Other income		5,843	5,285	-	-
Administrative expenses		(35,651)	(22,742)	(938)	(857)
RESULTS FROM OPERATING ACTIVITIES		85,082	66,187	39,540	26,298
Finance costs		(1,882)	(4,168)	-	-
PROFIT BEFORE TAX	17	83,200	62,019	39,540	26,298
Tax expense	19	(19,845)	(18,470)	(62)	(279)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		63,355	43,549	39,478	26,019
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		63,404	43,396	39,478	26,019
Non-controlling interests		(49)	153	-	-
PROFIT FOR THE YEAR		63,355	43,549	39,478	26,019
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		63,404	43,396	39,478	26,019
Non-controlling interests		(49)	153	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		63,355	43,549	39,478	26,019

The notes set out on pages 48 to 111 are an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2013

		ATTRIBUTABLE TO SHAREHOLDERS 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 2012		68,000	6,659	179,630	254,289	5,165	259,454
Profit for the year		-	-	43,396	43,396	153	43,549
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	43,396	43,396	153	43,549
Contributions by and distributions to owners of the Company							
- Dividends to owners of the Company	20	-	-	(26,154)	(26,154)	-	(26,154)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(26,154)	(26,154)	-	(26,154)
AT 31 DECEMBER 2012/ 1 JANUARY 2013		68,000	6,659	196,872	271,531	5,318	276,849
Profit for the year		-	-	63,404	63,404	(49)	63,355
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	63,404	63,404	(49)	63,355
Contributions by and distributions to owners of the Company							
- Changes in ownership interests in a subsidiary	28	-	-	66	66	(3,625)	(3,559)
- Dividends to owners of the Company	20	-	-	(37,800)	(37,800)	-	(37,800)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(37,734)	(37,734)	(3,625)	(41,359)
AT 31 DECEMBER 2013		68,000	6,659	222,542	297,201	1,644	298,845
		Note 12	Note 12	Note 12			

The notes set out on pages 48 to 111 are an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2013

		NON-DISTRIBUTABLE		*DISTRIBUTABLE*	
		SHARE CAPITAL	**REVALUATION RESERVE**	**RETAINED EARNINGS**	**TOTAL**
COMPANY	**NOTE**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
AT 1 JANUARY 2012		68,000	76,886	9,841	154,727
Profit for the year		-	-	26,019	26,019
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	26,019	26,019
Contributions by and distributions to owners of the Company					
- Dividends to owners of the Company	20	-	-	(26,154)	(26,154)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(26,154)	(26,154)
AT 31 DECEMBER 2012/1 JANUARY 2013		68,000	76,886	9,706	154,592
Profit for the year		-	-	39,478	39,478
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	39,478	39,478
Contributions by and distributions to owners of the Company					
- Dividends to owners of the Company	20	-	-	(37,800)	(37,800)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		-	-	(37,800)	(37,800)
AT 31 DECEMBER 2013		68,000	76,886	11,384	156,270
		Note 12	Note 12		

The notes set out on pages 48 to 111 are an integral part of these financial statements.

Statements of cash flows

for the year ended 31 December 2013

	NOTE	GROUP 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		83,200	62,019	39,540	26,298
Adjustments for:					
Property, plant and equipment					
• depreciation		4,407	3,273	-	-
• gain on disposal		(18)	(700)	-	-
• written off		1	8	-	-
Impairment loss on trade receivables		13,281	-	-	-
Provision for foreseeable losses		-	30	-	-
Dividend income		(736)	(209)	(39,386)	(26,358)
Finance income					
• deposits with banks		(2,588)	(2,870)	(166)	(93)
• loans and receivables		(7)	(497)	-	-
Fair value loss on investment securities		148	376	148	376
Finance costs					
• interest expenses		400	236	-	-
• loans and receivables		1,481	3,932	-	-
Reversal of impairment loss on trade receivables		(2,430)	(1,339)	-	-
Reversal on provision for foreseeable losses		(572)	-	-	-
Net gain on disposal of other investments		(1,291)	(809)	(1,291)	(812)
Unrealised foreign exchange (gain)/loss		(547)	(789)	87	-
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL		94,729	62,661	(1,068)	(589)

Statements of cash flows
for the year ended 31 December 2013 (continued)

		GROUP		COMPANY	
	NOTE	2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL (CONTINUED)					
Changes in inventories		(29,093)	(5,869)	-	-
Changes in property development costs		58,238	(1,329)	-	-
Changes in trade and other receivables		(180,522)	36,320	(24,535)	3,982
Changes in trade and other payables		75,394	59,148	44,668	23,886
CASH GENERATED FROM OPERATIONS		18,746	150,931	19,065	27,279
Interest paid		(400)	(236)	-	-
Income tax refunded		9,394	7,586	53	-
Income tax paid		(19,867)	(20,718)	(48)	(74)
NET CASH GENERATED FROM OPERATING ACTIVITIES		7,873	137,563	19,070	27,205
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		-	209	38,650	20,209
Interest received		2,423	2,870	-	93
Acquisition of non-controlling interests		(3,559)	-	(3,559)	-
Purchase of other investments		(15,000)	-	(15,000)	-
Purchase of property, plant and equipment	(ii)	(8,198)	(22,902)	-	-
Proceeds from disposal of property, plant and equipment		761	2,359	-	-
Proceeds from disposal of other investments		5,855	2,963	5,855	2,461
Placement of deposits held under investment management agreement		(5,511)	(953)	(5,511)	(953)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(23,229)	(15,454)	20,435	21,810

Statements of cash flows

for the year ended 31 December 2013 (continued)

	NOTE	GROUP 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of finance lease obligations		(4,597)	(2,633)	-	-
Dividends paid		(44,054)	(45,000)	(43,954)	(45,000)
NET CASH USED IN FINANCING ACTIVITIES		(48,651)	(47,633)	(43,954)	(45,000)
Net (decrease)/increase in cash and cash equivalents		(64,007)	74,476	(4,449)	4,015
Cash and cash equivalents at 1 January		209,057	134,581	4,624	609
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(i)	145,050	209,057	175	4,624

(i) 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 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
Deposits placed with licensed banks	11	115,403	67,307	9,156	3,645
Cash and bank balances	11	38,803	145,395	175	4,624
		154,206	212,702	9,331	8,269
Less: Deposits held under investment management agreement	11	(9,156)	(3,645)	(9,156)	(3,645)
		145,050	209,057	175	4,624

(ii) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with aggregate costs of RM29,371,000 (2012: RM25,356,715) of which RM21,173,000 (2012: RM2,455,000) were acquired by means of finance leases.

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 2013 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the year ended 31 December 2013 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 23 April 2014.

Notes to the financial statements
(continued)

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and 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 2014

- Amendments to FRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to FRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

FRSs, Interpretations and amendments effective from a date yet to be confirmed

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- FRS 9, *Financial Instruments – Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 January 2014 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for IC Interpretation 21 which is not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company, except as mentioned below:

Notes to the financial statements
(continued)

1. BASIS OF PREPARATION (CONTINUED)

1.1 Statement of compliance (continued)

FRS 9, *Financial Instruments*

FRS 9 replaces the guidance in FRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of FRS 9.

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 ("MFRS") and are referred to as a "Transitioning Entity". Being a Transitioning Entity, the Group and the Company will adopt the MFRS and present their first set of MFRS financial statements when adoption of the MFRS is mandated by the MASB.

1.2 Basis of measurement

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

1.3 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.

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with 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)(iii) and Note 2(p)(iv) – Revenue from construction contracts and property development
- Note 3 – Revaluation of property, plant and equipment
- Note 4 – Valuation of investment properties
- Note 6 – Recognition of deferred tax assets
- Note 7 – Valuation 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 the Group entities.

2.1 Basis of consolidation

(a) 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 adopted FRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group 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. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.

- The Group 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. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 has no significant impact to the financial statements of the Group.

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 investments includes transaction costs.

(b) 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.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of consolidation (continued)

(c) Acquisitions of non-controlling interests

The Group treats 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.

(d) 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.

(e) Jointly 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.

The Group adopted FRS 11, *Joint Arrangements* in the current financial year. As a result, joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

In the previous financial years, joint arrangements were classified and accounted for as follows:

- For jointly controlled entity, the Group accounted for its interest using the equity method.

- For jointly controlled asset or jointly controlled operation, the Group accounted for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 11. The adoption of FRS 11 has no significant impact to the financial statements of the Group.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of consolidation (continued)

(f) 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.

(g) 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.

2.2 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 period, except 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)

2.3 Financial instruments

(a) 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.

(b) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

i. *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.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other 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.

ii. *Held-to-maturity investments*

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and 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.

iii. *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(k)).

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial instruments (continued)

(b) 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.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other 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.

(c) Financial guarantee contracts

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

Fair values arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(d) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

i. the recognition of an asset to be received and the liability to pay for it on the trade date, and
ii. derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial instruments (continued)

(e) Derecognition

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

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

2.4 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost or valuation 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.

Property, plant and equipment under the revaluation model

The Group revalues its property comprising land and buildings 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.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

(b) 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.

(c) 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. 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.

2.5 Leased assets

(a) 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.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Leased assets (continued)

(b) 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 in 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 unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. 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.

2.6 Investment properties

(a) 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.

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, direct labour and any other costs directly attributable to bringing the investment property to a working condition for their intended use.

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.

(b) 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.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Investment properties (continued)

(c) Determination of fair value

The Directors estimate the fair values of the Group's investment properties for disclosure purposes without involvement of independent valuers.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 2(t)).

2.7 Inventories

Inventories of completed properties are measured at the lower of cost and net realisable value. The cost of inventories includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion.

Other 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.

2.8 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 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 trade payables in the statement of financial position.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 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.

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 an expense immediately.

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. 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.

2.10 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 pledged deposits.

2.11 Impairment

(a) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) 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.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment (continued)

(a) Financial assets (continued)

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.

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.

(b) Other assets

The carrying amounts of other assets (except for inventories, amount due from contract customers, investment properties measured at fair value and deferred tax assets) 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 (or a group 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)

2.12 Equity instruments

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

(a) Issue expenses

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

(b) Ordinary shares

Ordinary shares are classified as equity.

2.13 Employee benefits

(a) 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.

(b) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(c) Long Term Incentive Plan ("LTIP")

The grant date fair value of LTIP granted to employees is recognised as an employee expense, over the period when the employees meet the vesting conditions. The amount recognised as an expense is based on the performance of the Company and employees meeting the related service conditions at the vesting date. The fair value of the LTIP is measured using total tangible assets per share issued as per the latest audited financial statements.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(a) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(b) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.15 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.

2.16 Revenue and other income

(a) 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 discount 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, and 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)

2.16 Revenue and other income

(b) 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 is likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(c) Property development

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.

(d) 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 subleased property is recognised as other income.

(e) 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.

(f) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 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.

2.18 Income tax

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

Current tax 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 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 by 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.

Notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 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. All operating segments' operating 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.

2.21 Fair value measurement

From 1 January 2013, the Group adopted FRS 13, *Fair Value Measurement* which prescribed that 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.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group and the Company assets or liabilities other than the additional disclosures in Note 4 and Note 22 to the financial statements.

Notes to the financial statements
(continued)

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	NOTE	FREEHOLD LAND	BUILDINGS 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/VALUATION							
At 1 January 2012		12,133	2,941	54,622	6,760	19,239	95,695
Additions		-	-	20,326	1,288	3,743	25,357
Disposals		-	-	(3,001)	(35)	(1,984)	(5,020)
Written off		-	-	-	(168)	-	(168)
At 31 December 2012/1 January 2013		12,133	2,941	71,947	7,845	20,998	115,864
Additions		-	-	25,616	887	2,868	29,371
Disposals		-	-	(723)	(71)	(1,358)	(2,152)
Written off		-	-	-	(72)	-	(72)
At 31 December 2013		12,133	2,941	96,840	8,589	22,508	143,011
DEPRECIATION							
At 1 January 2012		-	35	24,810	3,895	6,953	35,693
Depreciation charge for the year:							
- Recognised in profit or loss	17	-	35	1,938	617	683	3,273
- Capitalised in property development costs	10	-	-	-	4	-	4
- Capitalised in construction contract costs	7	-	-	751	236	692	1,679
		-	35	2,689	857	1,375	4,956
Disposals		-	-	(2,102)	(25)	(1,234)	(3,361)
Written off		-	-	-	(161)	-	(161)
At 31 December 2012/1 January 2013		-	70	25,397	4,566	7,094	37,127

Notes to the financial statements
(continued)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	NOTE	FREEHOLD LAND	BUILDINGS ON FREEHOLD LAND	PLANT & MACHINERY	OFFICE EQUIPMENT, FURNITURE & FITTINGS	MOTOR VEHICLES	TOTAL
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
DEPRECIATION (CONTINUED)							
At 1 January 2013		-	70	25,397	4,566	7,094	37,127
Depreciation charge for the year:							
- Recognised in profit or loss	17	-	36	2,763	846	762	4,407
- Capitalised in property development costs	10	-	-	-	6	-	6
- Capitalised in construction contract costs	7	-	-	632	274	828	1,734
		-	36	3,395	1,126	1,590	6,147
Disposals		-	-	(573)	(64)	(772)	(1,409)
Written off		-	-	-	(71)	-	(71)
At 31 December 2013		-	106	28,219	5,557	7,912	41,794
CARRYING AMOUNTS							
At 31 December 2012/1 January 2013		12,133	2,871	46,550	3,279	13,904	78,737
At 31 December 2013		12,133	2,835	68,621	3,032	14,596	101,217

Notes to the financial statements
(continued)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Property, plant and equipment under the revaluation model

Had the freehold land and buildings been carried under the cost model, their carrying amounts would have been as follows:

	GROUP	
	2013 RM'000	2012 RM'000
Freehold land	5,764	5,764
Buildings on freehold land	2,209	2,228
	7,973	7,992

3.2 Assets under finance leases

Included in the Group's property, plant and equipment are assets acquired under finance lease liabilities with carrying values as follows:

	GROUP	
	2013 RM'000	2012 RM'000
Motor vehicles	6,286	6,679
Plant and machinery	23,428	2,576
	29,714	9,255

4. INVESTMENT PROPERTIES

	GROUP	
	2013 RM'000	2012 RM'000
At 1 January/At 31 December	15,060	15,060

Included in the above are:

	GROUP	
	2013 RM'000	2012 RM'000
At fair value		
Freehold land	13,944	13,944
Buildings	1,116	1,116

Notes to the financial statements
(continued)

4. INVESTMENT PROPERTIES (CONTINUED)

4.1 Fair value information

Fair value of investment properties are categorised as follows:

	2013			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	RM'000	RM'000	RM'000	RM'000
Freehold land	-	-	13,944	13,944
Buildings	-	-	1,116	1,116
	-	-	15,060	15,060

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

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

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

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties 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 of comparable properties.

Transfer between Level 1 and 2 fair values
There is no transfer between Level 1 and 2 fair values during the financial year.

Notes to the financial statements
(continued)

4. INVESTMENT PROPERTIES (CONTINUED)

4.1 Fair value information (continued)

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

Valuation process applied by the Group for Level 3 fair value
The fair value of the investment properties is estimated by a registered valuer with Henry Butcher Malaysia Sdn. Bhd. 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.

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

	GROUP	
	2013 **RM'000**	**2012** **RM'000**
Rental income	108	108
Direct operating expenses		
- income generating investment properties	(44)	(28)

Notes to the financial statements
(continued)

5. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost(ii)	25,805	22,246
Unquoted shares, at valuation	131,034	131,034
	156,839	153,280

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST 2013 %	EFFECTIVE OWNERSHIP INTEREST 2012 %
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.*(ii)	Malaysia	Dormant	100	90
Subsidiaries of Loh & Loh Constructions Sdn. Bhd.				
Jutakim Sdn. Bhd.	Malaysia	Civil engineering	100	100
Quality Quarry Sdn. Bhd.	Malaysia	Quarry operation	68	68
1 Seri Merdeka Sdn. Bhd.(iv)	Malaysia	Dormant	100	-
Decorus Developments Sdn. Bhd. (formerly known as Loh & Loh Ikhmas Sdn. Bhd.) (i)	Malaysia	Civil engineering	-	100

Notes to the financial statements
(continued)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST 2013 %	EFFECTIVE OWNERSHIP INTEREST 2012 %
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	Civil engineering	100	100
Decorus Developments Sdn. Bhd. (formerly known as Loh & Loh Ikhmas Sdn. Bhd.)[i]	Malaysia	Property development	100	-
Millenium Creation Sdn. Bhd.[iii]	Malaysia	Property development	100	-
Subsidiaries of Water Engineering Technology Sdn. Bhd.				
WET Sales and Services Sdn. Bhd.	Malaysia	Trading and contracting in water related equipment	90	90
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)

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

(i) On 31 January 2013, Loh & Loh Development Sdn. Bhd. ("LLDSB"), a wholly-owned subsidiary of the Company, acquired 1,200,000 ordinary shares of RM1.00 each representing 100% of the equity interest in Decorus Developments Sdn. Bhd., for a total consideration of RM1.00 from Loh & Loh Constructions Sdn. Bhd. ("LLCSB"), another wholly-owned subsidiary of the Company.

(ii) On 19 March 2013, the Company acquired 884,967 ordinary shares of RM1.00 each representing 10% of the equity interest in Central Icon Sdn. Bhd. ("CISB"), for a total consideration of RM3,559,245. Pursuant to the acquisition, CISB became a wholly-owned subsidiary of the Company.

(iii) On 1 July 2013, LLDSB acquired 2 ordinary shares of RM1.00 each representing 100% of the equity interest in Millenium Creation Sdn. Bhd. ("MCSB"), for a total consideration of RM2.00. Pursuant to the acquisition, MCSB became a wholly-owned subsidiary of the Group.

(iv) On 2 July 2013, LLCSB acquired 2 ordinary shares of RM1.00 each representing 100% of the equity interest in 1 Seri Merdeka Sdn. Bhd. ("1SMSB"), for a total consideration of RM2.00. Pursuant to the acquisition, 1SMSB became a wholly-owned subsidiary of the Group.

All the subsidiaries are audited by KPMG.

6. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP						
Property, plant and equipment	-	-	(8,645)	(7,759)	(8,645)	(7,759)
Provisions	10,678	7,735	-	-	10,678	7,735
Other items	-	-	(373)	(333)	(373)	(333)
Tax assets / (liabilities)	10,678	7,735	(9,018)	(8,092)	1,660	(357)
Set-off of tax	(5,925)	(4,489)	5,925	4,489	-	-
Net tax assets / (liabilities)	4,753	3,246	(3,093)	(3,603)	1,660	(357)

Notes to the financial statements
(continued)

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

Unrecognised deferred tax assets

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

	COMPANY 2013 RM'000	COMPANY 2012 RM'000
Unused tax losses	12,237	11,341
Unabsorbed capital allowances	1,076	1,147
Other deductible temporary differences	-	9
	13,313	12,497

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.

Movement in temporary differences during the year

	AT 1.1.2012 RM'000	RECOGNISED IN PROFIT OR LOSS (NOTE 19) RM'000	AT 31.12.2012/ 1.1.2013 RM'000	RECOGNISED IN PROFIT OR LOSS (NOTE 19) RM'000	AT 31.12.2013 RM'000
Property, plant and equipment	(6,209)	(1,550)	(7,759)	(886)	(8,645)
Provisions	5,226	2,509	7,735	2,943	10,678
Others	(291)	(42)	(333)	(40)	(373)
	1,274	917	(357)	2,01	1,660

Notes to the financial statements
(continued)

7. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2013	2012	2013	2012
	NOTE	RM'000	RM'000	RM'000	RM'000
Non-current Trade					
Trade receivables	7.1	46,064	27,526	-	-
Current Trade					
Trade receivables	7.1	207,317	48,101	-	-
Less: Allowance for impairment loss		(19,582)	(8,731)	-	-
		187,735	39,370	-	-
Amount due from contract customers	7.2	3,715	16,313	-	-
Accrued billings receivable	7.3	4,911	19,184	-	-
		196,361	74,867	-	-
Non-trade					
Amount due from subsidiaries	7.4	-	-	51,237	26,797
Deposits		118	2,242	2	2
Prepayments		47	682	-	-
Other receivables	7.5	36,875	5,341	724	18
		37,040	8,265	51,963	26,817
Less: Allowance for impairment loss		(657)	(657)	-	-
		36,383	7,608	51,963	26,817
		232,744	82,475	51,963	26,817

Notes to the financial statements
(continued)

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

7.1 Trade receivables

Included in trade receivables at 31 December 2013 are retentions of RM71,812,337 (2012: RM37,342,306) relating to construction work-in-progress.

Retentions are unsecured, interest-free and are expected to be collected as follows:

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
Within 1 year	25,748	9,816
1 - 2 years	14,111	8,408
2 - 3 years	21,516	4,780
3 - 4 years	10,437	9,858
4 - 5 years	-	4,480
	71,812	37,342

7.2 Amount due from contract customers

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
Aggregate costs incurred to date	1,919,334	1,394,017
Add: Attributable profit	249,074	194,084
Less: Provision for foreseeable losses	(715)	(1,287)
	2,167,693	1,586,814
Less: Progress billings	(2,255,015)	(1,596,038)
	(87,322)	(9,224)
Amount due to contract customers (Note 14)	91,037	25,537
Amount due from contract customers	3,715	16,313

Included in aggregate costs incurred during the financial year are the following significant charges:

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
- Depreciation of property, plant and equipment (Note 3)	1,734	1,679

Notes to the financial statements
(continued)

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

7.3 Accrued billings receivable

Accrued billings receivable are in respect of property development activities.

7.4 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

7.5 Other receivables

Included in other receivables of the Group are:

i. Advance payments of RM201,598 (2012: RM2,743,041) to sub-contractors/suppliers of subsidiaries which were paid in accordance with the terms of the contracts.

ii. Deposit of RM32,086,727 (2012: RM1,252,448) paid for the purchase of land by subsidiaries.

8. INVENTORIES

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
At cost:		
Water related equipment	4	66
Properties held for sale (Note 10)	35,778	6,051
	35,778	6,117

Notes to the financial statements
(continued)

9. OTHER INVESTMENTS

GROUP AND COMPANY	TOTAL RM'000	UNQUOTED RM'000	QUOTED IN MALAYSIA RM'000
2013			
NON-CURRENT			
Held-to-maturity investments	15,000	15,000	-
CURRENT			
Financial assets at fair value through profit or loss:			
- Held for trading investments	1,625	-	1,625
	16,625	15,000	1,625
Market value of quoted investments			1,625
2012			
CURRENT			
Financial assets at fair value through profit or loss:			
- Held for trading investments	6,133	-	6,133
	6,133	-	6,133
Market value of quoted investments			6,133

Notes to the financial statements
(continued)

10. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2013	2012
	RM'000	RM'000
CUMULATIVE PROPERTY DEVELOPMENT COSTS		
At 1 January	173,456	178,513
Costs incurred during the year	54,739	84,602
Reversal of completed projects	(186,297)	(83,608)
Transfers to inventories (Note 8)	(35,778)	(6,051)
At 31 December	6,120	173,456
CUMULATIVE COSTS RECOGNISED IN PROFIT OR LOSS		
At 1 January	(109,098)	(115,488)
Recognised during the year (Note 16)	(77,199)	(77,218)
Reversal of completed projects	186,297	83,608
At 31 December	-	(109,098)
Property development costs	6,120	64,358
DEVELOPMENT COSTS ARE ANALYSED AS FOLLOWS:		
Freehold land, at cost	-	67,623
Development costs	6,120	105,833
Costs recognised in profit or loss		
- prior year	(109,098)	(115,488)
- current year (Note 16)	(77,199)	(77,218)
Reversal of completed projects	186,297	83,608
At 31 December	6,120	64,358
Included in development costs incurred during the financial year are:		
- Depreciation of property, plant and equipment (Note 3)	6	4

Notes to the financial statements
(continued)

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits placed with licensed banks	115,403	67,307	9,156	3,645
Cash and bank balances	38,803	145,395	175	4,624
	154,206	212,702	9,331	8,269

Included in the Group and the Company's cash and cash equivalents is an amount of RM9,156,066 (2012: RM3,645,036) held in trust by a trustee under an investment management agreement for discretionary accounts and is not available for use during the placement period.

Included in cash at banks of the Group are amounts of RM15,075,680 (2012: RM43,053,647) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

12. SHARE CAPITAL AND RESERVES

	GROUP AND COMPANY			
	AMOUNT 2013	**NUMBER OF SHARES 2012**	**AMOUNT 2013**	**NUMBER OF SHARES 2012**
	RM'000	**RM'000**	**RM'000**	**RM'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

ORDINARY SHARES

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 the Group's property, plant and equipment.

SECTION 108 TAX CREDIT

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. In 2011, the Company had opted for single tier company income tax system and under the Act this option is irrevocable. As such, the Company may distribute single tier exempt dividends to its shareholders out of its entire retained earnings.

Notes to the financial statements
(continued)

13. LOANS AND BORROWINGS

	GROUP	
	2013	2012
	RM'000	RM'000
NON-CURRENT		
Finance lease liability	9,274	1,856
CURRENT		
Finance lease liability	11,440	2,282
	20,714	4,138

The average discount rates implicit in the leases range between 4.59% and 7.42% (2012: 4.16% and 7.42%) per annum.

Finance lease liabilities are payable as follows:

	FUTURE MINIMUM LEASE PAYMENTS	INTEREST	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	FUTURE MINIMUM LEASE PAYMENTS	INTEREST	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
	2013	2013	2013	2012	2012	2012
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than one year	12,234	794	11,440	2,431	149	2,282
Between one and five years	9,512	238	9,274	1,940	84	1,856
	21,746	1,032	20,714	4,371	233	4,138

Notes to the financial statements
(continued)

14. TRADE AND OTHER PAYABLES

	NOTE	GROUP 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
NON-CURRENT TRADE					
Trade payables	14.1	25,358	38,388	-	-
CURRENT TRADE					
Trade payables	14.1	106,686	35,604	-	-
Amount due to contract customers	7.2	91,037	25,537	-	-
Amount due to related party	14.2	2,498	2,521	-	-
		200,221	63,662	-	-
NON-TRADE					
Other payables	14.3	55,572	101,267	-	-
Accruals and provisions	14.5	7,232	12,146	284	462
Amount due to subsidiaries	14.4	-	-	78,498	33,652
Dividend payables		-	6,154	-	6,154
		62,804	119,567	78,782	40,268
		263,025	183,229	78,782	40,268

14.1 Trade payables

Included in trade payables at 31 December 2013 are retention sums payable amounting to RM25,357,583 (2012: RM38,388,102).

14.2 Amount due to related party

The amounts due to related party (non-controlling interests of certain subsidiaries of the Group) is unsecured, interest free and subject to normal trade terms.

14.3 Other payables

Included in other payables of the Group are advances received from contract customers of a subsidiary amounting to RM44,423,944 (2012: RM98,333,509) in accordance with the terms of the contracts.

14.4 Amount due to subsidiaries

The amount due to subsidiaries is unsecured, interest free and repayment on demand.

Notes to the financial statements
(continued)

14. TRADE AND OTHER PAYABLES (CONTINUED)

14.5 Accruals and provisions

Included in accruals and provisions of the Group is employee benefit in respect of the Long Term Incentive Plan ("LTIP") amounting to RM2,731,641 (2012: Nil).

During the year, the Directors were authorised to proceed with the establishment and administration of the LTIP. The Directors have appointed a Committee ("Committee") to administer the LTIP.

The main features of the LTIP are as follows:

i) The LTIP has been implemented on 31 October 2013, and shall be in force for a period of three years and expires on 31 October 2015.

ii) Eligible employees are determined at the discretion of the Committee subject to employees and executive directors, collectively known as "Group Employees", having been confirmed in the employment of the Company and its subsidiaries on or up to 31 October 2013 and have attained the age of eighteen (18) years. An executive director shall only be eligible if his participation in the LTIP is specifically approved by the shareholders of the Company in general meeting.

iii) The vesting conditions of the LTIP are as follows:

(a) The Group has to achieve at least 90% of the net profit after tax which is budgeted by the management of the Group and approved by the Board from time to time for the financial year immediately prior to the vesting date and which shall be calculated based on the audited consolidated financial statements of the Group.

(b) The Group Employees shall have been assessed by the relevant management and Committee with the employee performance assessment system.

iv) Key assumptions of LTIP are as follows:

(a) If the Initial Public Offering ("IPO") materialises, the Group grants free shares to Group Employees in the respective vesting dates.

(b) If the IPO does not materialise, the Group pays cash based on the total tangible assets per share issued as per the latest audited financial statements immediately preceding the respective vesting dates.

v) During the three (3) years ending 31 October 2015, 1,775,824 shares are granted under the LTIP. Vesting dates for the LTIP Award and the percentage for each vesting date are as follows:

Vesting dates	Percentage (%)
31 October 2013	40
31 October 2014	30
31 October 2015	30

Notes to the financial statements
(continued)

15. REVENUE

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Construction contracts	479,989	320,317	-	-
Property development	110,626	107,306	-	-
Sale of goods	23,887	5,632	-	-
Gain on disposal of investments	1,291	812	1,291	812
Rental income from revenue generating investment property	108	108	-	-
Finance income	166	93	166	93
Dividends:				
- subsidiaries	-	-	38,650	26,150
- other investments, quoted in Malaysia	736	209	736	209
	616,803	434,477	40,843	27,264

16. COST OF SALES

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Construction contract costs	408,827	268,833	-	-
Property development costs (Note 10)	77,199	77,218	-	-
Cost of goods sold	15,478	4,645	-	-
Cost relating to investing activity	365	109	365	109
Rental expense from revenue generating investment properties	44	28	-	-
	501,913	350,833	365	109

Notes to the financial statements
(continued)

17. PROFIT BEFORE TAX

		GROUP		COMPANY	
	NOTE	2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX IS ARRIVED AT AFTER CHARGING:					
Auditors' remuneration					
- Audit fees					
KPMG Malaysia		212	212	22	22
- Under/(Over) provision in prior years		7	(6)	3	(4)
Impairment loss on trade receivables		13,281	-	-	-
Finance costs					
- interest expense		400	236	-	-
- loans and receivables		1,481	3,932	-	
Fair value loss on investment securities		148	376	148	376
Loss on disposal of quoted investments		-	3	-	-
Property, plant and equipment					
- depreciation	3	4,407	3,273	-	-
- written off		1	8	-	-
Personnel expenses					
- wages, salaries and others		40,493	31,810	261	334
- contribution to state plans		3,647	3,122	-	-
- Long Term Incentive Plan		2,732	-	-	-
Provision for foreseeable losses		-	30	-	-
Unrealised foreign exchange loss		-	-	87	-
Rental of premises		829	27	-	-

Notes to the financial statements
(continued)

17. PROFIT BEFORE TAX (CONTINUED)

	NOTE	GROUP 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
PROFIT BEFORE TAX IS ARRIVED AT AFTER CREDITING					
Rental income		9	15	-	-
Finance income from:					
- short term deposits		2,588	2,870	166	93
- loans and receivables		7	497	-	-
Gain on disposal of property, plant and equipment		18	700	-	-
Net gain on disposal of other investments		1,291	812	1,291	812
Reversal of impairment loss on trade receivables		2,430	1,339	-	-
Reversal on provision for foreseeable losses		572	-	-	-
Realised foreign exchange gain		1,391	-	-	-
Unrealised foreign exchange gain		547	789	-	-

18. KEY MANAGEMENT PERSONNEL COMPENSATIONS

The key management personnel compensations are as follows:

	GROUP 2013 RM'000	GROUP 2012 RM'000	COMPANY 2013 RM'000	COMPANY 2012 RM'000
Directors:				
- Fees	381	454	261	334
- Other emoluments	5,930	4,964	-	-
- Contributions to state plans	584	597	-	-
	6,895	6,015	261	334

The estimated monetary value of Directors' benefits-in-kind is RM944,185 (2012: RM145,198).

Notes to the financial statements
(continued)

19. TAX EXPENSE

RECOGNISED IN PROFIT OR LOSS

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
CURRENT TAX EXPENSE				
Malaysian - current	22,904	14,677	63	20
- prior years	(1,042)	4,710	(1)	259
Total current tax recognised in the profit or loss	21,862	19,387	62	279
DEFERRED TAX ASSETS				
- Origination and reversal of temporary differences	(1,552)	2,234	-	-
- Over provision in prior year	(465)	(3,151)	-	-
Total deferred tax recognised in profit or loss	(2,017)	(917)	-	-
Total income tax expense	19,845	18,470	62	279
RECONCILIATION OF TAX EXPENSE				
Profit before tax	83,200	62,019	39,540	26,298
Tax at Malaysian tax rate of 25%	20,800	15,505	9,885	6,574
Non-deductible expenses	1,156	2,591	314	229
Tax exempt income	(808)	(1,274)	(10,138)	(6,783)
Deferred tax assets not recognised in respect of deductible temporary differences	204	89	-	-
(Over)/Under provision in prior year	(1,507)	1,559	1	259
	19,845	18,470	62	279

Tax exempt income of the Company mainly relates to dividend income of RM38,650,000 (2012: RM26,150,000).

Notes to the financial statements
(continued)

20. DIVIDENDS

Dividends recognised by the Company are as follows:

	SEN PER SHARE (SINGLE TIER)	TOTAL AMOUNT RM'000	DATE OF PAYMENT
2013			
First interim 2013 ordinary	29.41	20,000	13 June 2013
Second interim 2013 ordinary	26.18	17,800	12 September 2013
Total amount		37,800	
2012			
First interim 2012 ordinary	29.41	20,000	12 July 2012
Second interim 2012 ordinary	9.05	6,154	11 March 2013
Total amount		26,154	

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

After the reporting period, the Directors declared and paid a first and second interim single-tier dividend of 5.68 sen per ordinary share and 14.71 sen per ordinary share respectively totalling RM3,862,400 and RM10,000,000 respectively in respect of the financial year ending 31 December 2014 on 11 January 2014 and 13 March 2014 respectively. These dividends will be recognised in the subsequent financial period.

Notes to the financial statements
(continued)

21. 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
- Investment holdings
- Trading
- Property development

Non-reportable segment of the Group comprise operations related to rental of investment properties.

There are varying levels of integration between reportable segments. This integration includes construction of buildings. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, 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)

21. OPERATING SEGMENTS (CONTINUED)

2013	CONSTRUCTION RM'000	INVESTMENTS RM'000	TRADING RM'000	PROPERTY DEVELOPMENT RM'000	ELIMINATIONS RM'000	TOTAL RM'000
REVENUE						
External customers	479,989	2,301	23,887	110,626	-	616,803
Inter-segment	163,954	65,672	-	-	(229,626)	-
Total revenue	643,943	67,973	23,887	110,626	(229,626)	616,803
RESULTS						
Segment results (external)	49,526	66,717	7,485	34,026	(68,265)	89,489
Depreciation	(4,263)	(85)	(53)	(6)	-	(4,407)
Finance costs	(1,873)	(3)	(6)	-	-	(1,882)
Income tax expense	(10,608)	(63)	(16)	(9,158)	-	(19,845)
Segment profit	32,782	66,566	7,410	24,862	(68,265)	63,355
ASSETS						
Segment assets	424,239	269,670	41,618	110,811	(231,997)	614,341
Unallocated assets						193
Total assets						614,534
LIABILITIES						
Segment liabilities	322,951	1,785	2,577	3,922	(16,258)	314,977
Unallocated liabilities						712
Total liabilities						315,689

Notes to the financial statements
(continued)

21. OPERATING SEGMENTS (CONTINUED)

2013	CONSTRUCTION RM'000	INVESTMENTS RM'000	TRADING RM'000	PROPERTY DEVELOPMENT RM'000	ELIMINATIONS RM'000	TOTAL RM'000
OTHER INFORMATION						
Capital expenditure	29,132	226	-	13	-	29,371
Property, plant and equipment written off (Note 3)	1	-	-	-	-	1
Depreciation of property, plant and equipment						
- profit or loss (Note 3)	4,257	93	53	4	-	4,407
- capitalised in construction contract costs (Note 7)	1,734	-	-	-	-	1,734
- capitalised in property development costs (Note 10)	-	-	-	6	-	6

2012	CONSTRUCTION RM'000 RESTATED	INVESTMENTS RM'000 RESTATED	TRADING RM'000 RESTATED	PROPERTY DEVELOPMENT RM'000 RESTATED	ELIMINATIONS RM'000 RESTATED	TOTAL RM'000
REVENUE						
External customers	320,317	1,222	5,632	107,306	-	434,477
Inter-segment	303,852	20,372	-	-	(324,224)	-
Total revenue	624,169	21,594	5,632	107,306	(324,224)	434,477
RESULTS						
Segment results (external)	45,297	20,317	1,277	27,222	(24,653)	69,460
Depreciation	(3,041)	(168)	(61)	(3)	-	(3,273)
Finance costs	(4,119)	(10)	(39)	-	-	(4,168)
Income tax expense	(11,467)	(500)	(113)	(6,390)	-	(18,470)
Segment profit	26,670	19,639	1,064	20,829	(24,653)	43,549

Notes to the financial statements
(continued)

21. OPERATING SEGMENTS (CONTINUED)

2012	CONSTRUCTION RM'000 RESTATED	INVESTMENTS RM'000 RESTATED	TRADING RM'000 RESTATED	PROPERTY DEVELOPMENT RM'000 RESTATED	ELIMINATIONS RM'000 RESTATED	TOTAL RM'000
ASSETS						
Segment assets	305,419	235,995	5,784	149,872	(190,673)	506,397
Unallocated assets						213
Total assets						506,610
LIABILITIES						
Segment liabilities	248,784	10,097	2,540	4,318	(36,698)	229,041
Unallocated liabilities						720
Total liabilities						229,761
OTHER INFORMATION						
Capital expenditure	21,227	7	4,118	5	-	25,357
Property, plant and equipment written off (Note 3)	8	-	-	-	-	8
Depreciation of property, plant and equipment						
- profit or loss (Note 3)	3,041	168	61	3	-	3,273
- capitalised in construction contract costs (Note 7)	1,679	-	-	-	-	1,679
- capitalised in property development costs (Note 10)	-	-	-	4	-	4

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS

22.1 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-materity inverstment (HTM), and
(d) Financial liabilities measured at amortised cost ("FL").

2013	CARRYING AMOUNT RM'000	L&R RM'000	FVTPL - HFT RM'000	HTM RM'000
GROUP				
FINANCIAL ASSETS				
Other investments	16,625	-	1,625	15,000
Trade and other receivables	278,761	278,761	-	-
Cash and cash equivalents	154,206	154,206	-	-
	449,592	432,967	1,625	15,000
COMPANY				
Other investments	16,625	-	1,625	15,000
Trade and other receivables	51,963	51,963	-	-
Cash and cash equivalents	9,331	9,331	-	-
	77,919	61,294	1,625	15,000
2012				
GROUP				
FINANCIAL ASSETS				
Other investments	6,133	-	6,133	-
Trade and other receivables	109,319	109,319	-	-
Cash and cash equivalents	212,702	212,702	-	-
	328,154	322,021	6,133	-
COMPANY				
Other investments	6,133	-	6,133	-
Trade and other receivables	26,817	26,817	-	-
Cash and cash equivalents	8,269	8,269	-	-
	41,219	35,086	6,133	-

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.1 Categories of financial instruments (continued)

	CARRYING AMOUNT RM'000	FL RM'000
2013		
GROUP		
FINANCIAL LIABILITIES		
Loans and borrowings	(20,714)	(20,714)
Trade and other payables	(243,959)	(243,959)
	(264,673)	(264,673)
COMPANY		
FINANCIAL LIABILITIES		
Trade and other payables	(78,782)	(78,782)
2012		
GROUP		
FINANCIAL LIABILITIES		
Loans and borrowings	(4,138)	(4,138)
Trade and other payables	(123,284)	(123,284)
	(127,422)	(127,422)
COMPANY		
FINANCIAL LIABILITIES		
Trade and other payables	(40,268)	(40,268)

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.2 Net gains and losses arising from financial instruments

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Fair value through profit or loss:				
- Held for trading	1,143	436	1,143	436
Loans and receivables	(9,190)	1,567	166	93
Financial liabilities measured at amortise cost	(400)	(236)	-	-
	(8,447)	1,767	1,309	529

22.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk

Credit risk is the risk of a financial loss to the Group 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 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.

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:

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
Construction	183,205	51,615
Property development	48,768	12,558
Trading	1,826	2,722
	233,799	66,895

Approximately 70% (2012: 68%) of the Group's trade receivables were due from 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 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)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Receivables (continued)

Impairment losses

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
2013			
Not past due	112,585	-	112,585
Past due 1 – 30 days	94,350	-	94,350
Past due 31 – 120 days	25,242	-	25,242
Past due more than 120 days	21,204	(19,582)	1,622
	253,381	(19,582)	233,799
2012			
Not past due	36,897	-	36,897
Past due 1 – 30 days	28,112	-	28,112
Past due 31 – 120 days	-	-	-
Past due more than 120 days	10,617	(8,731)	1,886
	75,626	(8,731)	66,895

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

	GROUP	
	2013 RM'000	2012 RM'000
At 1 January	8,731	10,070
Impairment loss recognised	13,281	-
Impairment loss reversed	(2,430)	(1,339)
At 31 December	19,582	8,731

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Amount due from contract customers is not past due. In respect of accrued billings receivable, management does not expect any counterparty to fail to meet its obligations.

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Receivables (continued)

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk
Investments are allowed only 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.

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 on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral
The maximum exposure to credit risk amounts to RM511,960,768 (2012: RM504,960,768) representing the total banking facilities of the subsidiaries as at end of the reporting period.

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

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.

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 have been overdue for less than a year.

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.5 Liquidity risk

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

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its 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:

GROUP	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 5 YEARS RM'000
2013					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Finance lease liabilities	20,714	4.59%-7.42%	21,746	12,234	9,512
Trade and other payables					
- non-current	25,358	6.60%	26,939	-	26,939
- current	218,601	-	218,601	218,601	-
	264,673		267,286	230,835	36,451

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.5 Liquidity risk (continued)

GROUP	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 5 YEARS RM'000
2012					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Finance lease liabilities	4,138	4.61%-7.42%	4,371	2,431	1,940
Trade and other payables					
- non-current	38,388	6.60%	40,012	-	40,012
- current	84,896	-	84,896	84,896	-
	127,422		129,279	87,327	41,952
COMPANY					
2013					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables	78,782	-	78,782	78,782	-
2012					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables	40,268	-	40,268	40,268	-

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk

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

(a) Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Japanese Yen ("JPY").

Risk management objectives, policies and processes for managing the risk

Exposures to foreign currency risk are monitored on an ongoing basis. The Group does not use any forward contracts to hedge against its exposure to foreign currency risk as the foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	2013 DENOMINATED IN		2012 DENOMINATED IN	
	USD	**JPY**	**USD**	**JPY**
GROUP	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade receivables	-	6,696	797	14,150
Cash and bank balances	-	6,040	-	11,706
Trade payables	-	(12,477)	-	(27,804)
NET EXPOSURE	-	259	797	(1,948)

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

(a) Currency risk (continued)

Currency risk sensitivity analysis

A 10% (2012: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased (decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	EQUITY		PROFIT OR LOSS	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
USD	-	(59)	-	(59)
JPY	(19)	146	(19)	146

A 10% (2012: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(b) Interest rate risk

The Group's investments in financial assets are mainly short term in nature and are not held for speculative purposes and include funds in fixed deposit or funds in asset management companies which yield better returns than cash at bank. The Group's investment in deposits placed with licensed banks is not significantly exposed to interest rate risk as they are subject to fixed rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to change in interest rates.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy of investing in fixed rate instruments to avoid the risk of fluctuation in interest rates.

The borrowings which have been taken to finance the working capital of the Group are subject to fixed interest rates. The Group does not hedge its interest rate risk.

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

(b) Interest rate risk (continued)

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:

	2013	2012
	RM'000	RM'000
GROUP		
FIXED RATE INSTRUMENTS		
Financial assets	154,206	212,702
Financial liabilities	(20,714)	(4,138)
	133,492	208,564
COMPANY		
FIXED RATE INSTRUMENTS		
Financial assets	9,331	8,269

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

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% (2012: 10%) strengthening in FBMKLCI at the end of the reporting period would have increased equity and post-tax profit by RM121,857 (2012: RM459,965) for investments classified as fair value through profit or loss.

A 10% (2012: 10%) weakening in FBMKLCI would have had equal but opposite effect on equity and profit or loss respectively.

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information

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

For non-current receivables and payables, the fair value is estimated by discounting the estimated future cash flows at the applicable discounting rates.

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.

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 show in the statement of financial position.

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				CARRYING VALUE
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP AND COMPANY					
2013					
FINANCIAL ASSETS					
Held for trading investments	1,625	-	-	1,625	1,625
2012					
FINANCIAL ASSETS					
Held for trading investments	6,133	-	-	6,133	6,133

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information (continued)

	FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE				CARRYING VALUE
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP					
2013					
FINANCIAL ASSETS					
Trade and other receivables	-	-	46,064	46,064	46,064
Held-to-maturity investment	-	-	15,000	15,000	15,000
FINANCIAL LIABILITIES					
Trade and other payables	-	-	(25,358)	(25,358)	(25,358)
Finance lease liabilities	-	-	(20,714)	(20,714)	(20,714)
2012					
FINANCIAL ASSETS					
Trade and other receivables	-	-	27,526	27,526	27,526
FINANCIAL LIABILITIES					
Trade and other payables	-	-	(38,388)	(38,388)	(38,388)
Finance lease liabilities	-	-	(4,138)	(4,138)	(4,138)

Policy on transfer between levels

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

Level 1 fair value

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

Investments in equity and debt securities
The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

Notes to the financial statements
(continued)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information (continued)

Level 2 fair value

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

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2012: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Fair value of financial instruments not carried at fair value

The method and assumptions used to estimate the fair value of the financial instruments not carried at fair value are as follows:

- Finance lease liabilities – The fair values of finance lease liabilities 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.

Interest rates used to determine fair value
The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2013	**2012**
	%	**%**
Trade and other receivables and payables	6.60	6.60
Finance leases liabilities	4.59 – 7.42	4.61 – 7.42

Notes to the financial statements
(continued)

23. 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 2013 and at 31 December 2012 were as follows:

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
Total loans and borrowings (Note 13)	20,714	4,138
Trade and other payables (Note 14)	288,383	221,617
Less: Cash and cash equivalents (Note 11)	(154,206)	(212,702)
Net debt	154,891	13,053
Total equity	298,845	276,849
Debt-to-equity ratios	0.52	0.05

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

24. CAPITAL AND OTHER COMMITMENTS

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
Capital expenditure commitments		
Land purchase for future development		
Authorised but not contracted for	-	62,624
Contracted but not provided for	59,420	-

Notes to the financial statements
(continued)

25. 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.

	COMPANY	
	2013	2012
	RM'000	RM'000
Contingent liabilities not considered remote		
Corporate guarantees (unsecured)		
Guarantees given to banks for Group's performance/tender guarantees granted to customers	282,250	262,577

The Company has given guarantees to banks amounting to RM511,960,768 (2012: RM504,960,768) for banking facilities extended to subsidiaries of which RM282,250,063 (2012: RM262,576,747) have been utilised as at 31 December 2013.

26. JOINT VENTURE

Details of an unincorporated joint venture held by a subsidiary of the Group are as follows:

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST 2013 %	EFFECTIVE OWNERSHIP INTEREST 2012 %
Water Engineering Technology Sdn. Bhd.- Envitech Sdn. Bhd. JV	Malaysia	Project management in relation to sewage treatment plants	-	50

The tables summarised financial information to the carrying amount of the Group interest in joint venture, which is accounted for using the equity method.

	GROUP	
	2013	2012
	RM'000	RM'000
Current assets	-	907
Current liabilities	-	(56)
Net assets	-	851
Revenue	-	-
Expenses	-	-

Notes to the financial statements
(continued)

27. 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. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group, other than key management personnel compensations (see Note 18), are as follows:

Significant related party transactions

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

	GROUP	
	2013	**2012**
	RM'000	**RM'000**
Purchase of goods from Swisslane Granite Sdn. Bhd., a company in which directors of a subsidiary have equity interest	-	12
Progress billings payable to Saroma Engineering Sdn. Bhd., corporate shareholder of a subsidiary	8,382	15,024

Notes to the financial statements
(continued)

28. ACQUISITION OF NON-CONTROLLING INTERESTS

On 19 March 2013, the Group acquired an additional 10% equity interest in Central Icon Sdn. Bhd. for cash consideration of RM3,559,245, increasing its ownership from 90% to 100%. The carrying amount of Central Icon Sdn. Bhd.'s net assets in the Group's financial statements on the date of the acquisition was RM36,251,277. The Group recognised a decrease in non-controlling interest of RM3,625,128 and an increase in retained earnings of RM65,883.

29. SUBSEQUENT EVENTS

On 15 January 2014, a subsidiary of the Company, Loh & Loh Constructions Sdn. Bhd. ("LLCSB") has made a payment of RM54,154,868 on behalf of its related company, Millenium Creation Sdn. Bhd. ("MCSB") for the acquisition of a piece of land.

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 40 to 111 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 2013 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

LOH KIM KAH

Kuala Lumpur,
Date: 23 April 2014

Statutory declaration

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

I, Loh Kim Kah, 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 40 to 111 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOH KIM KAH

Subscribed and solemnly declared by the above named in Kuala Lumpur on 23 April 2014 before me:

COMMISSIONER FOR OATHS
W493
LEE CHIN HIN
No. 149, Jalan Aminuddin Baki,
Taman Tun Dr Ismail,
60000 Kuala Lumpur.

Independent auditors' report

to the members of Loh & Loh Corporation Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Loh & Loh Corporation Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 111.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent auditors' report

to the members of Loh & Loh Corporation Berhad (Incorporated in Malaysia) (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

OTHER MATTERS

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

KPMG
Firm Number: AF 0758
Chartered Accountants

LAM SHUH SIANG
Approval Number: 3045/02/15(J)
Chartered Accountant

Petaling Jaya,
Date: 23 April 2014

List of properties
as at 31 December 2013

LOCATION	DESCRIPTION AND EXISTING USE	TENURE	APPROX. AGE OF BUILDING (YEARS)	APPROXIMATE LAND AREA/ UNITS	NET BOOK VALUE AS AT 31.12.2013 (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, building 50480 Kuala Lumpur	Two units adjoining four storey shophouses used as office	Freehold	22.5	298 sq metres	4,919	2010
Grant 28522 Lot 4474 Mukim of Hulu Bernam Timur, District of Batang Padang, Perak	Vacant industrial land	Freehold	n/a	15.940 acres	3,819	2010
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	10,125	2010
Lot 3828 CT No.6177 Mukim Setul, District of Seremban, Negeri Sembilan	Storeyard & workshop	Freehold	n/a	11.0 acres	3,150	2010
Unit No 1551, Awana Condominium, Genting Highlands, HS (D) 2078 PT No.2157/95 District of Bentung, Negeri Pahang	Vacant apartment	Freehold	22	1,258 sq feet	380	2010
Geran 58854 Lot 64268 in Mukim Damansara, Daerah Petaling, Selangor 20, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam	3 storey semi-detached factory building for rent	Freehold	12.6	23,838 sq feet	4,996	2010
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	22.5	149 sq metres	2,500	2010

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

19, 21 & 23, Jalan Sri Hartamas 7,
Taman Sri Hartamas,
50480 Kuala Lumpur, Malaysia.
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, Seksyen U8,
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Tel : +603 - 7846 9888
Fax : +603 - 7846 8168
Email: wet@wetsb.com
Website: www.wetsb.com

LOH & LOH
CORPORATION BERHAD
(389765-V)

Wholly owned subsidiaries of
LOH & LOH Corporation Berhad

LOH & LOH
CONSTRUCTIONS SDN BHD
(17145-K)

Certificate Number SP003

MS ISO 9001:2008 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 CORPORATION BERHAD
(Company Number 389765-V)

www.loh-loh.com.my