



**BREM HOLDING BERHAD** (66756-P)  
Incorporated In Malaysia



**ANNUAL REPORT 2013**

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**ANNUAL REPORT 2013**

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Second Annual General Meeting of Brem Holding Berhad (“Brem” or “the Company”) will be held at Crown Hall, 1st Floor, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 September 2013, at 10.30 a.m. for the transaction of the following businesses:-

1. To receive the Audited Financial Statements for the year ended 31 March 2013 together with the Reports of the Directors and the Auditors thereon. (Resolution 1)
2. To declare a final dividend of 3% less income tax of 25% in respect of the year ended 31 March 2013. (Resolution 2)
3. To approve the payment of Directors’ fees of RM70,000/- (2012: RM70,000/-) in respect of the year ended 31 March 2013. (Resolution 3)
4. To re-elect the following Directors who retire pursuant to the Company’s Articles of Association and being eligible, offer themselves for re-election:-
  - (a) Mr. Khoo Chai Kaa (Article 80) (Resolution 4)
  - (b) Mr. Wong Miow Song (Article 80) (Resolution 5)
5. To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965:-

“That Dato’ Hj. Abu Sujak bin Hj. Mahmud, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.”
6. To re-appoint Messrs. STYL Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)
7. As Special Business:-

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

  - (a) **Ordinary Resolution 1** (Resolution 8)  
**Authority To Allot Shares Pursuant To Section 132D Of The Companies Act, 1965**

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant regulatory bodies obtained for such allotment and issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”
  - (b) **Ordinary Resolution 2** (Resolution 9)  
**Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“THAT approval be and is hereby given to the Company and/or its subsidiary companies to renew the mandate from the shareholders of the Company for the Company and/or its subsidiary companies to enter into and give effect to Recurrent Related Party Transactions of a revenue or trading nature with specified class of the Related Parties as stated in Part A - Section 2.4(a) of the Circular to Shareholders dated 4 September 2013 (“Circular”) subject to the following:-

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (i) the transactions are necessary for the Group's day-to-day operations and they are carried out in the ordinary course of business made on an arm's length basis and on normal commercial terms; and
- (ii) are on terms that are not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company;

AND THAT the authority conferred by this resolution shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier, and disclosure will be made in the annual report of the aggregate value on the transactions conducted during the financial year pursuant to the shareholders' mandate;

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

**(c) Ordinary Resolution 3  
Proposed Renewal of Authority for Share Buy-Back**

**(Resolution 10)**

"THAT subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares of RM1.00 each in the Company which may be purchased and/or held by the Company shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the Company's latest audited retained profits and/or share premium account;
- (c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which this resolution was passed, at which time it shall lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

AND THAT the Directors of the Company be and are hereby authorised to cancel all the shares or any part thereof so purchased or to retain all the shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the shares so purchased as treasury shares and cancel the remainder, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

**(d) Ordinary Resolution 4  
Continuing In Office As Independent Non-Executive Director**

**(Resolution 11)**

“THAT authority be and is hereby given to Mr. Wong Miow Song who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”

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

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS HEREBY GIVEN** that, subject to the approval of the shareholders at the Thirty-Second Annual General Meeting, the final dividend of 3% less income tax of 25% in respect of the year ended 31 March 2013 will be payable on 18 November 2013 to depositors registered in the Record of Depositors on 1 November 2013.

A depositor shall qualify for entitlement to the final dividend only in respect of:-

- (a) Shares transferred to the depositor's securities account before 4.00 p.m. on 1 November 2013 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board,

CHOW CHOOI YOONG  
MAICSA 0772574  
Secretary

Kuala Lumpur  
4 September 2013

### Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
2. Where a member is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
3. In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the company's Common Seal or under the hand of the officer or attorney duly authorised.
4. The Form of Proxy must be deposited at the Company's Registered Office at 3rd Floor, BREM House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor not less than 48 hours before the time set for the meeting or any adjournment thereof.
5. In respect of deposited securities, only members whose names appeared on the Record of Depositors on 19 September 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.
6. **Explanatory Notes in Special Business:-**
  - (a) **Resolution pursuant to Section 132D of the Companies Act, 1965**  
Resolution No. 8 proposed under item 7(a) is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965.

As at the date of this notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last AGM held on 27 September 2012.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

The proposed Resolution No. 8, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the interests of the Company up to an aggregate not exceeding 10% of the issued share capital of the Company without convening a general meeting. This authority unless revoked or varied at a general meeting will expire at the next AGM.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisition.

**(b) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and Trading Nature**

Resolution No. 9 proposed under item 7(b), if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from the shareholders of the Company at a General Meeting. For further information, please refer to Part A of the Circular to Shareholders dated 4 September 2013, which is circulated together with this Annual Report.

**(c) Resolution No. 10 pursuant to Proposed Share Buy-Back**

Resolution No. 10 proposed under item 7(c), if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM. For further information, please refer to Part B of the Circular to Shareholders dated 4 September 2013, which is circulated together with this Annual Report.

**(d) Resolution No. 11**

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed the independence of Mr. Wong Miow Song, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and upon its recommendation, the Board of Directors has recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- (i) Mr. Wong Miow Song has fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities, and hence, he would be able to provide an element of objectivity, independent judgment and balance to the Board.
- (ii) His vast experience in the building construction and housing development industry would enable him to provide the Board with relevant expertise, knowledge and independent judgment to properly evaluate corporate performance and contribute to the effective decision making of the Board. Being the Chairman of the Audit Committee, he has demonstrated that he has the qualities and competencies to enable him to ensure the effectiveness of the Audit Committee in providing independent, objective and effective oversight to the Board.
- (iii) Mr. Wong Miow Song, having been with the Company for more than nine years, is familiar with the Group's business operations and has devoted sufficient time and attention to his professional obligations for informed and balance decision making.
- (iv) He has exercised due care during his tenure as Independent Non-Executive Directors of the Company and has carried out his professional duties in the interest of the Company and shareholders.

Resolution No. 11 proposed under item 7(d), if passed, will authorise Mr. Wong Miow Song to continue in office as an Independent Non-Executive Director of the Company.

# CORPORATE INFORMATION

## DIRECTORS

<b>Dato' Hj. Abu Sujak Bin Hj. Mahmud</b>	<i>(Independent Non-Executive Chairman)</i>
<b>Khoo Chai Kaa</b>	<i>(Managing Director)</i>
<b>Khoo Chai Thiam</b>	<i>(Executive Director)</i>
<b>Low Yew Hwa</b>	<i>(Non-Independent Non-Executive Director)</i>
<b>Wong Miow Song</b>	<i>(Independent Non-Executive Director)</i>
<b>Khoo Hui Keam</b>	<i>(Non-Independent Non-Executive Director)</i>
<b>Khoo Hui Giok</b>	<i>(Non-Independent Non-Executive Director)</i>

## COMMITTEES

### AUDIT

Wong Miow Song *(Chairman)*  
Dato' Hj. Abu Sujak Bin Hj. Mahmud  
Khoo Hui Giok

### NOMINATION

Wong Miow Song *(Chairman)*  
Dato' Hj. Abu Sujak Bin Hj. Mahmud  
Khoo Hui Giok

### REMUNERATION

Dato' Hj. Abu Sujak Bin Hj. Mahmud *(Chairman)*  
Khoo Chai Kaa  
Wong Miow Song

## COMPANY SECRETARY

Chow Chooi Yoong, MAICSA 0772574

## REGISTERED OFFICE

3rd Floor, Brem House, Crystal Crown Hotel,  
No. 12, Lorong Utara A, Off Jalan Utara, 46200  
Petaling Jaya, Selangor Darul Ehsan.  
Tel : (03) 7958 7888  
Fax: (03) 7958 1533  
Website : [www.bremholding.com](http://www.bremholding.com)

## AUDITORS

STYL Associates  
Chartered Accountants

## PRINCIPAL BANKERS

Malayan Banking Berhad  
Alliance Bank Malaysia Berhad

## REGISTRARS

Insurban Corporate Services Sdn. Bhd.,  
149-B, Jalan Aminuddin Baki,  
Taman Tun Dr. Ismail,  
60000 Kuala Lumpur.  
Tel : (03) 7729 5529  
Fax: (03) 7728 5948

## SOLICITORS

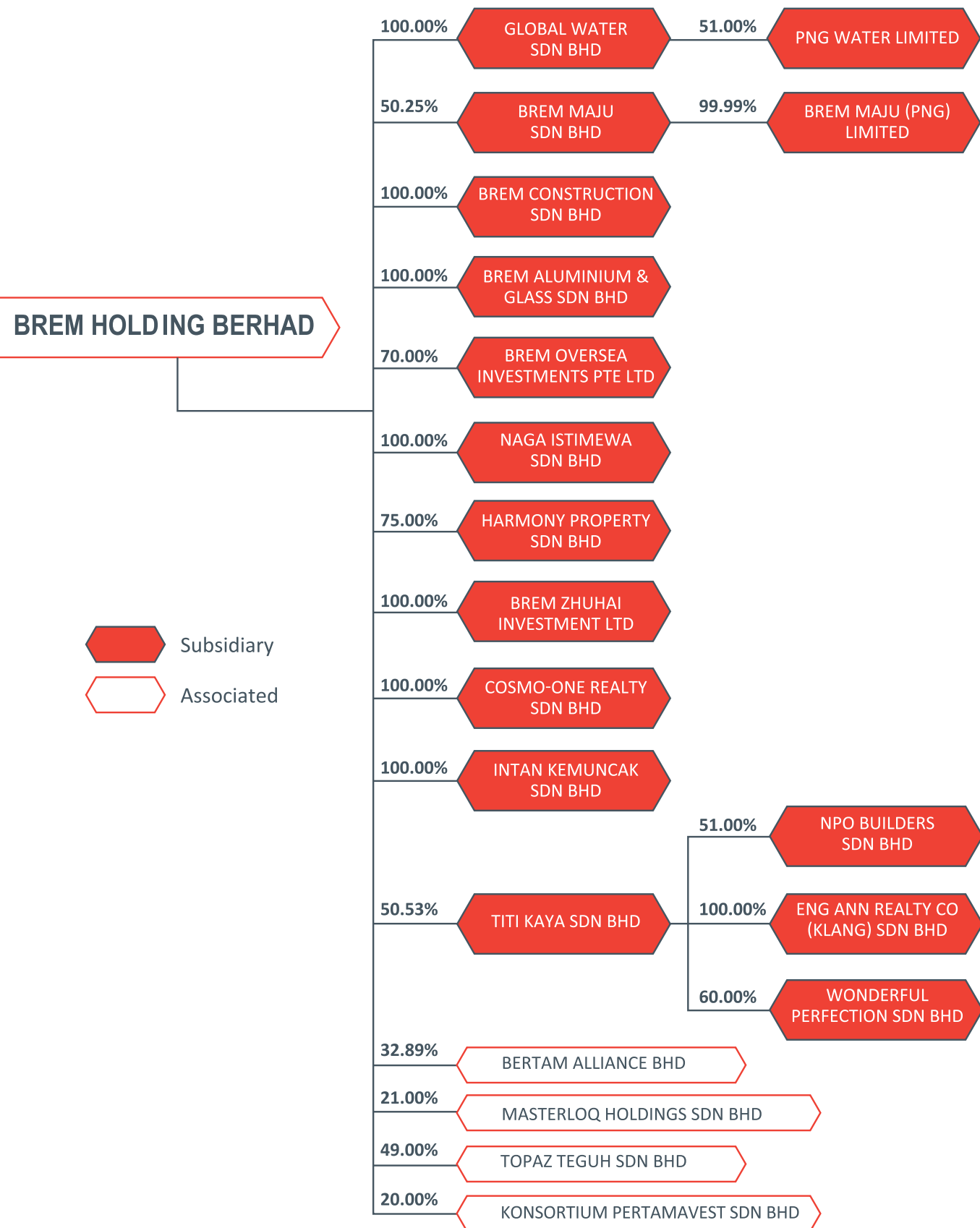
Kamarudin & Partners  
HK Ang & Partners

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market



# CORPORATE STRUCTURE



# PARTICULARS OF EACH DIRECTOR OF BREM HOLDING BERHAD

## **DATO' HJ. ABU SUJAK BIN HJ. MAHMUD, DSSA, KMN, PPT, PJK**

*(Independent Non-Executive Director)*

Dato' Hj. Abu Sujak Bin Hj. Mahmud, aged 73, Malaysian, was appointed to the Board of the Company on 4 January 2006 as Independent Non-Executive Director. He began his career as an audit clerk in Jabatan Pembangunan Koperasi Malaysia in 1958. He then joined the Maktab Perguruan Bahasa in 1960 and then taught for a period of five (5) years before pursuing his degree in the University of Malaya. In 1971, he joined Dewan Bandaraya Kuala Lumpur and subsequently was appointed as Secretary of Majlis Perbandaran Klang and Majlis Perbandaran Shah Alam. In 1986, he was chosen to stand for election, which marked his career as a politician. He served as a member of the Selangor State Legislative Council for three (3) terms and was also a member of the Selangor State Executive Council from 1986 to 1995. He was also appointed as Timbalan Menteri Besar Selangor Darul Ehsan in 1990 until 1995. In the year 2000, he was appointed as the Datuk Bandar Majlis Bandaraya Shah Alam and was in office until 2002. He was elected Chairman of the Board of Directors on the 28 July 2010. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of Brem Holding Berhad. He also sits on the Board of Resintech Berhad as an Independent Non-Executive Chairman.

## **KHOO CHAI KAA**

*(Managing Director)*

Khoo Chai Kaa, aged 62, Malaysian, is the Managing Director of the Company and a founder member of the Brem Holding Group. He has been a Director of the Company since its incorporation on 21 January 1981. Mr. Khoo holds a Bachelor of Science degree in Civil Engineering and Building from the United Kingdom. He has over 35 years of experience in the construction and property development sectors as well as vast experience in hotel industry. He has also attained a wide experience in heavy machinery know-how. He also sits on the Board of some of the subsidiary companies of Brem Holding Berhad and several other private limited companies. He is a member of the Remuneration Committee of Brem Holding Berhad.

## **KHOO CHAI THIAM**

*(Executive Director)*

Khoo Chai Thiam, aged 51, Malaysian, was appointed to the Board of the Company on 12 October 1982 and has over 31 years of experience in the construction sector. He is also the Project Manager of Brem Maju Sdn. Bhd. being responsible for project coordination and is in charge of the overall work progress and staffing. He also sits on the Board of some of the subsidiary companies of Brem Holding Berhad and several other private limited companies.

## **LOW YEW HWA**

*(Non-Independent Non-Executive Director)*

Low Yew Hwa, aged 57, Malaysian, has been with the Company since year 1989. He was appointed to the Board of the Company on 24 August 1992. Mr. Low is a qualified Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Association of Certified Accountants, United Kingdom. He sits on the Board of some of the subsidiary companies of Brem Holding Berhad and several other private limited companies. He also sits on the Board of Bertam Alliance Berhad as a Non-Independent Executive Director.

## PARTICULARS OF EACH DIRECTOR OF BREM HOLDING BERHAD (CONT'D)

### **KHOO HUI KEAM**

*(Non-Independent Non-Executive Director)*

Khoo Hui Keam, aged 37, Malaysian, was appointed to the Board of the Company on 26 November 2007 as a Non-Independent Non-Executive Director. She holds a Bachelor of Business degree majoring in banking from Nanyang Technological University Singapore. She has been in the banking industry for years before joining the Group as an Operating Manager of the subsidiary.

### **KHOO HUI GIOK**

*(Non-Independent Non-Executive Director)*

Khoo Hui Giok, aged 35, Malaysian, was appointed to the Board of the Company on 26 May 2008 as a Non-Independent Non-Executive Director. She holds a Bachelor of Business Accounting, Charles Sturt University. She is a certified practicing accountant of CPA Australia and a member of the Malaysian Institute of Accountants. She has over 11 years of experience in financial management. Currently she is a financial controller of a chain of hotels in Malaysia. She is also a member of the Audit Committee and Nomination Committee of Brem Holding Berhad. She also sits on the Board of Bertam Alliance Berhad as a Non-Independent Non-Executive Director.

### **WONG MIOW SONG**

*(Independent Non-Executive Director)*

Wong Miow Song, aged 62, Malaysian, was appointed to the Board of the Company on 24 May 2001 as an Independent Non-Executive Director. He was also elected as Chairman of the Audit Committee of the Company with effect from 24 May 2001. He holds a Bachelor of Engineering (Honours) degree in Civil Engineering from University of Malaya. He has over 31 years of experience in building construction and housing development. Currently he is a director of a private construction company involved in the construction of houses, shop houses and apartments in Klang Valley area. He is a member of The Institution of Engineers, Malaysia and a professional engineer registered with the Board of Engineers, Malaysia. He is the Chairman of the Audit Committee and Nomination Committee and also a member of the Remuneration Committee of Brem Holding Berhad.

# ADDITIONAL INFORMATION

## Other directorship of public companies

Save for the following directors, none of the directors of the Company has any directorship in other public companies.

- (i) Mr. Low Yew Hwa sits on the Board of Bertam Alliance Berhad,
- (ii) Dato' Hj. Abu Sujak Bin Hj. Mahmud sits on the Board of Resintech Berhad,
- (iii) Ms. Khoo Hui Giok sits on the Board of Bertam Alliance Berhad.

## Family relationship of directors and/or Major Shareholders

There is no family relationship among the directors and/or major shareholders except that:-

- (a) Mr. Khoo Chai Kaa and Ms. Khoo Hui Keam and Ms. Khoo Hui Giok are father and daughters;
- (b) Ms. Khoo Hui Keam and Ms. Khoo Hui Giok are sisters; and,
- (c) Mr. Khoo Chai Kaa and Mr. Khoo Chai Thiam are brothers.

## Conflict of interest with the company

Other than the recurrent transactions of revenue or trading nature which are necessary for the company day-to-day operations, none of the directors has conflict of interest with the company.

## List of convictions for offences

None of the directors has been convicted of any offences within the past 10 years other than traffic offences.

## Material Contract involving Directors and Major Shareholders

There is no material contract (not being contract entered into in the ordinary course of business) of the Company and its subsidiaries, involving directors' and major shareholders' interests, still subsisting at the end of the financial year.

## Revaluation Policy

The Group does not adopt a policy on regular revaluation of its landed properties.

## Non-Audit Fees

No non-audit fees were paid to external auditors for the financial year.

## Recurrent Related Party Transaction of a Revenue or Trading Nature

On 27 September 2012, the Company obtained approval from the shareholders for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("recurrent transactions") with persons who are considered to be "Related Party" as defined in Chapter 10 of the Listing Requirements.

## ADDITIONAL INFORMATION (CONT'D)

The breakdown of the aggregate value paid/payable of the recurrent transactions made during the financial year are set out below:

<b>Nature /Type of Transactions</b>	<b>Supplier</b>	<b>Customer</b>	<b>Interested Director/ Major Shareholder or Person Connected</b>	<b>RM</b>
Construction Contracts	Perniagaan Sinn Huat	Brem Holding Berhad	Lee Lei Choo Lee Kok Ting	<b>2,067,934</b>
Construction Contracts	Idio Construction Works	Brem Holding Berhad	Khoo Chai Kaa Khoo Chai Thiam Koo Chai Bok	<b>1,442,464</b>

Relationship of Related Parties with Brem Holding Berhad ("Brem") as at the financial year ended 31 March 2013:

<b>Names of Related Party</b>	<b>Relationship</b>
Idio Construction Works	No relationship except for the managing partner of this company is related to two directors and a major shareholder of Brem
Perniagaan Sinn Huat	No relationship except for the sole-proprietor of this company is related to a major shareholder of Brem

## ADDITIONAL INFORMATION (CONT'D)

### Share Buy-backs

There were no cancellations or re-sale of treasury shares during the financial year ended 31 March 2013.

From 1 April 2012 to 7 August 2013, the Company had purchased a total of 2,085,100 of its own shares and the details of purchases made showing the monthly breakdown are as follows:

Month of Purchase	No. of BREM Shares Purchased	Purchase Price Per Share (RM)		Average Price Per BREM Share (RM)	Total Consideration paid (RM)
		Lowest	Highest		
April 2012	209,700	1.17	1.22	1.20	251,869.40
May 2012	266,200	1.16	1.20	1.18	314,365.62
June 2012	229,000	1.18	1.21	1.20	273,805.35
July 2012	73,900	1.19	1.21	1.20	88,787.95
August 2012	198,400	1.18	1.19	1.19	237,391.19
September 2012	0	0	0	0	0
October 2012	8,200	1.17	1.17	1.17	9,647.18
November 2012	75,000	1.10	1.10	1.10	82,954.25
December 2012	166,900	1.09	1.11	1.10	184,342.45
January 2013	100,000	1.09	1.09	1.10	109,600.50
February 2013	112,200	1.06	1.10	1.08	120,908.38
March 2013	123,000	1.08	1.15	1.12	138,067.32
April 2013	180,000	1.05	1.08	1.07	193,022.95
May 2013	66,300	1.03	1.06	1.05	69,746.47
June 2013	230,000	1.13	1.17	1.16	265,706.90
July 2013	20,000	1.18	1.18	1.19	23,730.20
7 August 2013	26,300	1.17	1.18	1.18	31,141.37

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 March 2013. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the latest “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” issued by the Task Force on Internal Control with the support and endorsement of the Exchange.

## BOARD RESPONSIBILITIES

The Board acknowledges that risk management and systems of internal control are integral parts of corporate governance and believes that the focus on effective risk oversight is critical to set the right tone and culture towards effective risk management and internal control in the Group.

Principally, the responsibilities of the Board as provided in the Guideline for risk governance and controls are:

- Embed risk management in all aspects of the company’s activities;
- Define and approve the board’s acceptable risk appetite; and
- Review risk management framework, processes, responsibilities and assessing whether the present systems provide reasonable assurance that risk is managed within tolerable ranges.

The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the incurrence and balancing of risk and return in order to reward the shareholders. The Board implements and reviews the risk management processes with the assistance of Management in identification and assessment of risk as well as designing and monitoring of internal controls to mitigate and manage risks.

Functionally, risk management are the responsibility of all executive directors and the management team members. The Executive Directors and senior management regularly organise informal meetings and discussions to identify and manage the business risk of the Group and ensure that businesses are under control and corporate targets and objectives are achieved.

## RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS

Presently, the operational risk management functions are led by the management committee comprising the executive directors and heads of department. The management committee assists the Board in considering and deliberating these principal risks before presenting them to the Board for review and approval.

The systems of internal control are independently reviewed by the Audit Committee. The presence of the internal audit functions supports this review by assessing and reporting the status of management control procedures to the Audit Committee. Audit Committee reviews the internal audit reports and reports to the Board on major issues. Follow-up audit is carried out in order to determine the audit findings status and ensure that management actions have been effectively implemented. Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by Management. With the consultation with Management, the Board and Audit Committee deliberate the integrity of the financial results, annual report and audited financial statements before presenting this financial information to the shareholders and public investors.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The other key elements of systems of internal control and its review mechanisms are as follows:

- i. Clearly defined job description, authority and responsibility for each functional division and process and procedure for core business activities;
- ii. Management information systems generating timely financial data and information for reporting, review and monitoring purposes;
- iii. Announcement of financial information to Bursa is subject to Audit Committee's review with the presence of the management; and
- iv. Project planning, monitoring and reporting systems ensuring timely completion of projects and achievement of business targets. Post mortem review is carried out on completed project to identify areas of improvement.

## MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Bursa's Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies implementing, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

Before producing this Statement, the Board has received assurance from the Group Managing Director and Executive Director that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

## BOARD ASSURANCE AND LIMITATION

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. For the financial year under review, the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control problem that would require separate disclosure in the Annual Report. Nonetheless, the Board recognises that the risk management and systems of internal control should be continuously improved in line with the evolving business development. It should also be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.



# CHAIRMAN'S STATEMENT 2013

*On behalf of the Board of Directors of Brem Holding Berhad, I am very pleased to present to you the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2013.*

## Financial Performance

For the financial year under review, the Group has registered lower revenue of RM134.6 million as compared to RM146.9 million recorded in the previous financial year. The decrease in revenue was mainly due to elimination of inter-company revenue. The profit before taxation for the Group decreased from RM55.4 million in 2012 to RM48.0 million in 2013. This was mainly attributable to impairment loss on investment in an associated company. Excluding the impairment, the profit before taxation would be RM60.6 million for year 2013.

## Review of Operation

During the financial year, the property development division of the Group recorded higher revenue which was attributed to contribution from the ongoing projects such as Pelangi Heights Phase 2 in Klang and Villa Orkid Project in Segambut Dalam. New phrase is expected to be launched in the first quarter of year 2014 with the anticipation of the completion of the Villa Orkid Project. The construction division will continue to grow the order book by undertaking more projects through active participation in promising tenders.

The property investment and investment holding division registered a slight increase in revenue for the year under review as compared to the preceding year. This was attributed to better performance of Kepong Brem Mall.

The profit contribution from the water concession business in Papua New Guinea has increased compared to the preceding year. The improved performance was due to the realized gain on foreign exchange and reduction of finance cost arising from redemption of debenture.

## Dividend

The Board of Directors has recommended a final dividend of 3.0 sen less 25% income tax per ordinary share in respect of the year ended 31 March 2013 for shareholders' approval at the forthcoming 32nd Annual General Meeting of the Company to be convened. With the interm dividend of 3.0 sen per share paid on 3 May 2013, total dividend for the financial year is therefore 6.0 sen per share.

## Industry Trends and Development

Citing the various projects under The Economic Transformation Program launched under the 10th Malaysian Plan (2011-2015) by the Government of Malaysia last year and a GDP growth rate which is forecast between 5% to 6% in year 2013, the construction industry in Malaysia is still remained resilient and expected to grow by 11.2% this year.

The local property market will be steady with strong growth in certain sub-sectors like residential and industrial. It will be driven by the implementation of affordable housing scheme nationwide, the launching of mega infrastructure projects such as Mass Rapid Transit, Light Rail Transit and Komuter train lines as well as the possible influx of foreign funds into Malaysia property market. For the residential sector, the property prices are expected to rise 10% to 15% in year 2013. The sales of residential development will be driven by high demand for houses especially for areas close to mega infrastructure projects.

# CHAIRMAN'S STATEMENT 2013 (CONT'D)

## Prospects

The on-going construction and property development projects will continue to contribute profit for the coming years. The Group's current construction order book, which will last us for another 4 years, is approximately RM260.0 million of which the Gross Development Value is exceeding RM650.0million. The Directors are of the view that, with the increased construction and property development activities, the overall performance for the year coming is optimistic.

The water supply and services sector is expected to contribute consistent revenue and profit to the Group. For the property investment and investment holding sector, the contribution from rental receivable is encouraging and expected to contribute positively to the results of the Group.

## Corporate Social Responsibility

The Group acknowledges its responsibilities for reducing the impact that our activities may have on the environment. Efforts are continually made to operate our business in a safe, environmentally sound manner. Awareness on the collective responsibility among the employees is created for the prevention of injuries and occupational health hazards and the assurance of public safety when carrying out our business activities.

Our continual commitment to the preservation of the environment, charitable contributions to the welfare of the needy and the less fortunate are part of our other corporate social responsibility activities. The Group also recognizes the importance of nurturing our employees' talent by encouraging them to undertake support courses related to personal training.

## Appreciation

The Board wishes to extend its heartfelt appreciation and gratitude to our shareholders, business associates, contractors, consultants, suppliers, financial institutions and regulatory authorities for their continued support, guidance and assistance extended to the Group.

Our sincere appreciation also goes to our management team and employees for their sacrifices over the years as well as dedication and contributions to the Group.

**DATO' HJ. ABU SUJAK BIN HJ. MAHMUD**

Chairman

# GROUP FINANCIAL HIGHLIGHTS

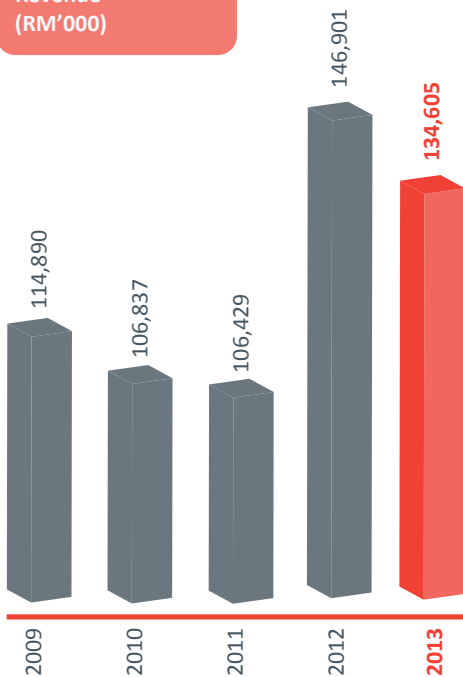
<b>INCOME STATEMENT</b> <i>(Financial Year Ended 31 March)</i>	<b>2013</b> <b>RM '000</b>	<b>2012</b> <b>RM '000</b>	<b>2011</b> <b>RM '000</b> <b>(Restated)</b>	<b>2010</b> <b>RM '000</b>	<b>2009</b> <b>RM '000</b>
Revenue	134,605	146,901	106,429	106,837	114,890
Profit before taxation	47,979	55,452	61,676	22,094	23,388
Taxation	(14,331)	(11,381)	(9,718)	(4,815)	(5,552)
Profit after taxation	33,648	44,071	51,958	17,279	17,836
Non-controlling interests	(11,241)	(10,488)	(8,657)	(5,534)	(4,359)
Profit attributable to shareholders	22,407	33,583	43,301	11,745	13,477
<b>BALANCE SHEET</b> <i>(As At 31 March)</i>	<b>2013</b> <b>RM '000</b>	<b>2012</b> <b>RM '000</b>	<b>2011</b> <b>RM '000</b> <b>(Restated)</b>	<b>2010</b> <b>RM '000</b> <b>(Restated)</b>	<b>2009</b> <b>RM '000</b> <b>(Restated)</b>
<b>Equities</b>					
Share capital	172,736	172,736	139,616	139,616	123,543
Reserves	294,480	289,486	283,804	248,605	240,162
Treasury shares	(4,460)	(2,648)	(8,040)	(3,659)	(2,104)
Equity attributable to shareholders	462,756	459,574	415,380	384,562	361,601
Non-controlling interests	142,767	133,714	108,465	106,306	56,871
Total equity	605,523	593,288	523,845	490,868	418,472
<b>Represented by:</b>					
Property, plant and equipment	2,992	2,375	2,068	2,032	158,157
Operating financial assets	131,277	146,276	126,587	146,391	-
Land held for property development	240,848	199,956	65,316	52,956	-
Investment properties	112,936	120,209	128,112	123,467	121,101
Associated companies	54,882	66,798	56,997	21,646	56,433
Other investments	595	5,595	5,595	5,595	5,595
Intangible assets	33,257	33,257	33,257	33,257	9,495
Non-current trade receivables	633	588	545	-	-
Net current assets	149,618	110,026	148,829	170,674	117,050
Deferred taxation	(10,316)	(9,294)	(6,622)	(6,193)	(5,785)
Long term liabilities	(111,199)	(74,352)	(30,405)	(49,473)	(34,224)
Debentures	-	(8,146)	(6,434)	(9,484)	(9,350)
	605,523	593,288	523,845	490,868	418,472
Net Tangible Assets Per Share (RM)	2.54	2.51	2.90	2.58	2.89
Gross Earnings Per Share (RM)	0.28*	0.35*#	0.37*#	0.17*	0.19*
Gross Dividend Per Share (%)	6.00	6.00	10.00	5.00	5.00

\* Based on the weighted average number of ordinary shares

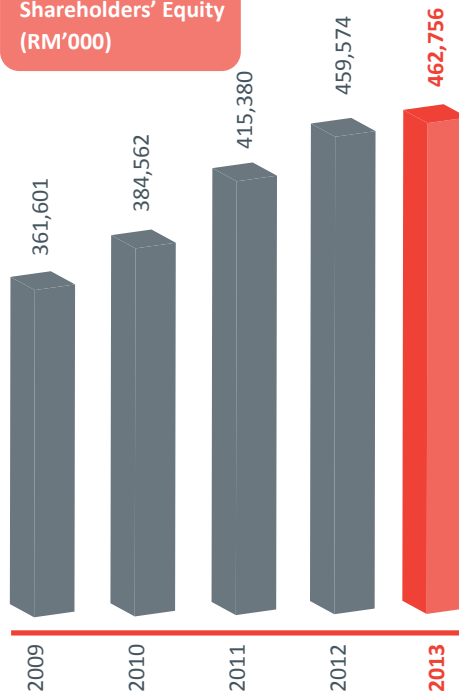
# Adjusted for bonus issue.

# GROUP FINANCIAL HIGHLIGHTS (CONT'D)

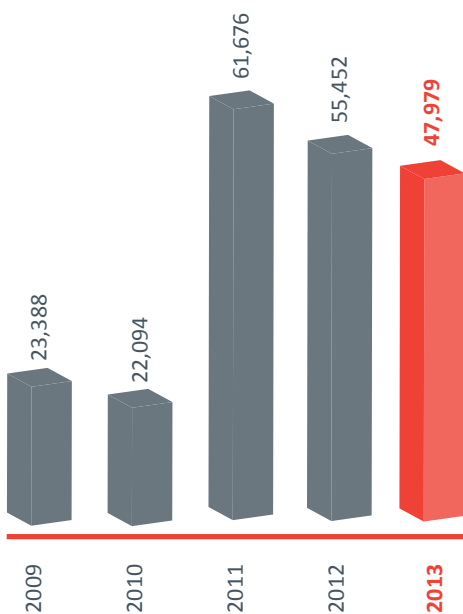
Revenue  
(RM'000)



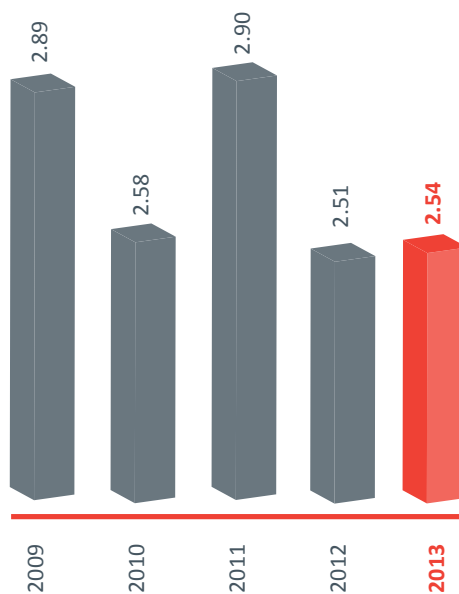
Shareholders' Equity  
(RM'000)



Profit Before Taxation  
(RM'000)



Net Tangible Assets  
Per Share (RM)



# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Brem Holding Berhad (“Board”) recognizes the importance of practicing the high standards of corporate governance in the Malaysian Code on Corporate Governance (“2012 Code”) and is committed to ensuring that the Group’s business and operations are in line with the principles and best practices advocated in the Code.

The Board is pleased to disclose below a description of how the Group has applied the principles and recommendations laid down in the 2012 Code and the extent of its compliance during the financial year ended 31 March 2013:-

## **1. Establish clear roles and responsibilities**

### **1.1 Clear Functions of the Board and Management**

The Group is led and managed by an effective Board which assumes responsibility in corporate governance and the overall performance of the Group.

To ensure the effective discharge of its function and responsibilities, the Board has established and delegates certain responsibilities to specific Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee which operates within defined terms of reference and operating procedures. These Committees ensure greater attention, objectivity and independence are provided in the deliberation of specific board agenda. The Chairman of the respective Board Committee would report to the Board during the Board Meetings on significant matters deliberated in the Committees.

In addition, subsequent to the financial year end, the Board has approved its Board Charter which sets out a list of specific functions that are reserved for the Board. Key matters reserved for the Board’s approval includes financial results, dividend policy, related party transactions, annual business plan and budgets, new ventures and investments, material acquisitions and disposal of assets not in the ordinary course of business and authority levels.

### **1.2 Clear Roles and Responsibilities**

The Board assumes the primary responsibilities prescribed under the 2012 Code which include, amongst others, the review of the Group’s strategic plans, overseeing the conduct of the business operations of the Group, reviewing adequacy of the internal control, identifying principal risks and ensuring that the risks are properly managed, establishing a succession plan and developing a communications policy.

### **1.3 Formalised Ethical Standards through Code of Ethics**

Subsequent to the financial year end, the Group has established a Whistle Blowing Policy and a Code of Ethics and Conduct (“Code”) in line with good governance practices. The Whistle Blowing policy provides a framework for direction and procedure to deal with fraud and related matters and defines the rights of the informants and the protection accorded to them while the Code sets out the principles and standards of business ethics and conduct of the Group.

### **1.4 Strategies Promoting Sustainability**

The Group is committed to sustainability development. The sustainability policy of the Group and information on sustainability activities, demonstrating the Company’s commitment to its environmental, social and governance is available at the company’s website at [www.bremholding.com](http://www.bremholding.com).

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 1.5 Access to Information and Advice

The Directors have full access to all information, management and the advice and services of the Company Secretary. The Directors are supplied with the relevant documents and information in advance of each meeting so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. In addition, the Directors are also empowered to seek independent professional advice at the Company's expense, should they consider it necessary in their course of duties.

## 1.6 Qualified and Competent Company Secretary

The Company has appointed a qualified Company Secretary to play a supportive role to the Board. The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company. The Company Secretary attends all board meetings and ensures that accurate and adequate records of the proceedings of board meetings and decisions made are properly kept.

## 1.7 Board Charter

The Company's Board Charter sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board will periodically review and update its charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

## 2. Strengthen Composition

### 2.1 Nomination Committee ("NC")

The NC was established on 27 February 2002. The members of the NC, comprising exclusively of Non-Executive Directors, a majority of whom are independent, are as follows:-

#### *Chairman*

Wong Miow Song

*(Independent Non-Executive Director)*

#### *Members*

Dato' Hj. Abu Sujak Bin Hj. Mahmud

*(Independent Non-Executive Chairman)*

Khoo Hui Giok

*(Non-Independent Non-Executive Director)*

The NC is responsible for making recommendations on any nomination to the Board and Committees of the Board. In making these recommendations, due consideration is given to the required mix of skills and experience that the proposed directors should bring to the Board and to the respective Board Committees. The decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the NC.

The NC will also assess annually, the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director including Independent Non-Executive Directors.

The NC had held two (2) meetings during the financial year ended 31 March 2013 which were attended by all members.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 2.2. Develop, Maintain And Review Criteria For Recruitment And Annual Assessment Of Directors

### (a) Recruitment or New Appointment of Directors

The Board appoints its members through a formal and transparent selection process which involves (1) identification of candidates for directorships, (2) evaluation and deliberation of suitability of candidates by the NC and (3) recommendation to the Board.

In making these, due consideration is given to the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment, gender diversity and other qualities that the proposed directors should bring to the Board and to the respective Board Committees.

### (b) Gender Diversity Policy

The Board has no immediate plans to implement a gender diversity policy but in its selection for Board appointment, the Board provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

### (c) Re-election and Re-appointment of Directors

The Articles of Association of the Company provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire from office and be eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

Any Director appointed during the year is required under the Company's Articles to retire and seek re-election by shareholders at the following AGM immediately after his appointment. In addition, Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Information of each Director standing for re-election covering their personal profile, meeting attendance, directorships in other public companies and shareholdings in the Group is furnished in the Annual Report.

### (d) Annual Assessment

The NC conducted its annual appraisal on the effectiveness of the Board, its Committees and the contribution of each director at the meeting held on 30 May 2012. The NC, upon the review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.

## 2.3 Directors' Remuneration

The Remuneration Committee ("RC") was established on 27 February 2002. The members of the RC, comprising a majority of Non-Executive Directors, are as follows:-

#### *Chairman*

Dato' Hj. Abu Sujak Bin Hj. Mahmud (Independent Non-Executive Chairman)

#### *Members*

Wong Miow Song (Independent Non-Executive Director)  
Khoo Chai Kaa (Managing Director)

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The RC's duty is to make recommendations to the Board on the remuneration framework for all Executive Directors. The policy practiced on Directors' remuneration is to provide the remuneration necessary to attract, retain and motivate Executive Directors of the quality required to manage the businesses of the Company.

Annually, the RC reviews the remuneration of the Executive Directors to ensure that it commensurate with the market expectation, the Directors' experience and competency and the performance of the Group. Directors do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year. The RC had held one (1) meeting during the financial year ended 31 March 2013 and was attended by all the members.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors shall abstain from discussions pertaining to their own remuneration.

The details of the Directors' remuneration from the Group for the financial year ended 31 March 2013 are as follows:-

- (a) An analysis of the aggregate remuneration received by the Directors of the Company from the Group, categorised into appropriate components is set out below:-

	<b>Fees RM'000</b>	<b>Salaries &amp; other emoluments RM'000</b>	<b>Benefit in Kind RM'000</b>	<b>Total RM'000</b>
Executive Directors	20,000	550,903	4,500	575,403
Non-Executive Directors	50,000	95,720	21,250	166,970

- (b) Analysis of Directors' remuneration categorized in successive band of RM50,000:-

<b>Remuneration Bands</b>	<b>Executive Directors</b>	<b>Non-Executive Directors</b>
RM50,000 and below	-	4
RM50,001 to RM100,000	-	1
RM100,001-RM150,000	1	-
RM400,001-RM450,000	1	-

### 3. Reinforce Independence

#### 3.1 Annual Assessment of Independence

The Board will assess the independence of its Independent Directors annually in accordance with the criteria prescribed by the Listing Requirements of Bursa Securities.

During the financial year, the Board conducted the annual appraisal on the independence of the Independent Directors using the peer evaluation questionnaire for assessing the performance of the Independent Directors and the Independent Director questionnaire. Based on results of the appraisal, it was concluded that the Independent Directors continues to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Additionally, each of the Independent Non-Executive Directors has provided an annual confirmation of their independence to the Nomination Committee and the Board.



# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 3.2 Tenure of Independent Directors

In line with the 2012 Code, the Board has agreed that upon the completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director. However, the Board must justify and seek shareholders' approval in the event it retains an Independent Director, a person who has served in that capacity for more than nine (9) years.

As at the date of this statement, one of its existing Independent Directors namely Mr. Wong Miow Song has served on the Board for more than nine years. The Board, through the NC, has assessed, reviewed and determined that he has remained objective and independent. The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The Board believes that the Group benefits from long serving Directors, who possess detailed knowledge of the Group's business and have proven commitment, experience and competence for informed and balance decision making. As such, the Board would be seeking shareholders' approval at the coming AGM for him to continue in office as Independent Director.

## 3.3 Separation of positions of the Chairman and Managing Director ("MD")

The roles and responsibilities of the Chairman and MD are separated to ensure balance of authority. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility for the day-to-day management of the Group's businesses and implementation of the Board's policies and decisions. All major matters and issues are referred to the Board for consideration and approval.

## 3.4 Composition of the Board

As at the financial year ended 31 March 2013, the Board has seven (7) members comprising an Independent Non-Executive Chairman, a Managing Director, a Non-Independent Executive Director, three Non-Independent Non-Executive Directors and one Independent Non-Executive Director. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Group practices a division of responsibility between the Executive and Non-Executive Directors. The Executive Directors are responsible for implementing the policies and decisions of the Board, to oversee operations and to coordinate the development and implementation of business and corporate strategies.

The role of the Independent Non-Executive Directors is particularly important in providing an independent view, advice and judgment to ensure that the interests of minority shareholders and the general public are given due consideration in the decision-making process.

The Board comprises a balanced mix of members with professional and business experience relevant to the Group's businesses. A brief profile of each Director is presented on pages 9 and 10 of this Annual Report.

## 4. Foster Commitment

### 4.1 Time Commitment

The Directors' commitment in carrying out their duties and responsibilities is affirmed by their attendance at the Board and Board Committee Meetings held during the financial year ended 31 March 2013, as reflected below:-

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

	Attendance At Meetings of			
	Board	Audit Committee	NC	RC
Dato' Hj. Abu Sujak Bin Hj. Mahmud	7/*7	5/*5	2/*2	1/*1
Khoo Chai Kaa	7/*7	N/A	N/A	1/*1
Khoo Chai Thiam	7/*7	N/A	N/A	N/A
Low Yew Hwa	7/*7	#5/*5	N/A	N/A
Wong Miow Song	7/*7	5/*5	2/*2	1/*1
Khoo Hui Keam	6/*7	N/A	N/A	N/A
Khoo Hui Giok	7/*7	5/*5	2/*2	N/A

\*Reflect the number of meetings held during the director's tenure of office

# Attended by invitation

N/A – Not Applicable

## 4.2 Directors' Training

All Board members have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements. During the financial year ended 31 March 2013, all the Directors have attended development and training programmes, the details of which were as follows:

Name of Directors	Development and Training Programmes
Dato' Hj. Abu Sujak Bin Hj. Mahmud	ISO 9001 Requirements & Internal Auditing
Khoo Chai Kaa	Advocacy Sessions On Corporate Disclosure For Directors
Khoo Chai Thiam	a) Talk on Greenpass – Green Performance b) Assessment system in Construction c) ISO 9001 Requirements & Internal Auditing d) Seminar on Qclassic: Way Forward for Quality Enhancement
Low Yew Hwa	a) 8th Tricor Tax & Corporate Seminar b) The MIA Conference 2012
Wong Miow Song	ISO 9001 Requirements & Internal Auditing
Khoo Hui Keam	Management By Leadership
Khoo Hui Giok	a) 8th Tricor Tax & Corporate Seminar b) Management By Leadership

The Board acknowledges the importance of continuous education and training to enable the Board to effectively discharge its duties and responsibilities. The Board shall evaluate and determine the training needs of its Directors on a continuous basis pursuant to the Listing Requirements of Bursa Securities.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 5. Uphold Integrity In Financial Reporting

### 5.1 Compliance With Applicable Financial Reporting Standards

The Directors are responsible for the preparation and fair presentation of the financial statements for each financial year in accordance with applicable Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Quarterly financial results and annual financial statements are reviewed and deliberated upon by the Audit Committee to ensure the quality and adequacy of such information, prior to submission the Board for its approval. The Audit Committee also reviews the appropriateness of the Company's accounting policies and the changes to these policies.

The Statement of Directors' Responsibility in relation to the financial statements is presented on the appropriate section of this Annual Report.

### 5.2 Assessment Of Suitability And Independence of External Auditors

To maintain a transparent and formal relationship with the Company's external auditors, the Audit Committee reviews the appointment, performance, independence and remuneration of the external auditors. The Audit Committee had met with the external auditors twice during the financial year under review without the presence of executive members of the Board. The Audit Committee Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 29 to 32.

## 6 Recognise And Manage Risks

### 6.1 Sound Framework to Manage Risks

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. Risk management is embedded in the Group's management systems. The Board with the assistance of the outsourced internal audit function has established processes for identifying, evaluating and managing the significant risks faced by the core business of the Group. The outcome of the process is reviewed by the Board and is guided by the Statement on Risk Management & Internal Control Guidelines for Directors of Public Listed Companies issued by Bursa Securities.

### 6.2 Internal Audit Function

The internal audit function is outsourced to an independent internal audit service company. The Audit Committee reviews and approves the internal audit plan, which is developed based on the key risk areas and major operating units of the Group. Audit reviews were carried out on quarterly basis and audit findings were reported to the Audit Committee. Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 29 to 32 of this Annual Report.

The Statement of Risk Management and Internal Control furnished on pages 14 to 15 of this Annual Report provide an overview on the state of internal controls within the Group.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 7. Ensure Timely and High Quality Disclosure

### 7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. In that respect, the Company is guided by Bursa Securities' disclosure framework as outlined in its Corporate Disclosure Guide.

### 7.2 Leverage on Information Technology For Effective Dissemination of Information

The Board endeavours to leverage on information technology for broader and effective ways to communicate with both its shareholders and stakeholders. Information is disseminated through various disclosures and announcements made to the Bursa Securities which includes the quarterly financial results, audited financial statements and Annual Reports. Shareholders and members of the public can obtain information on the Group through the Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and the Company's website at [www.bremholding.com](http://www.bremholding.com).

## 8. Strengthen Relationship Between Company and Shareholders

### 8.1 Encourage Shareholder Participation At General Meetings

The Board regards the AGM and other general meetings as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue.

Notice of the AGM and Annual Report are sent to shareholders 21 days prior to the meeting. At each AGM, the Board presents the performance and progress of the Company and provides shareholders with the opportunity to raise questions pertaining to the Company. The Chairman and the Board will respond to the questions raised by the shareholders during the AGM. The Board has ensured that an explanatory statement will accompany each item of special business included in the notice of meeting on the effects of the proposed resolution.

### 8.2 Encourage Poll Voting

Recommendation 8.2 of the 2012 Code recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that with the current level of shareholders' attendance at AGM, voting by way of a show of hands continues to be efficient.

### 8.3 Effective Communication And Proactive Engagement

Besides the key channels of communication through the Company's AGM, Annual Report, Quarterly Report and various announcements to the Bursa Securities, the Company's website at [www.bremholding.com](http://www.bremholding.com) also provides corporate, financial and non-financial information. Through the website, shareholders are able to direct enquiries to the Company. Additionally, a press conference is held immediately after the AGM upon request.

The Board has also designated Mr. Wong Miow Song as the Senior Independent Director to whom shareholders and investors can voice their view and concerns by email at [wongms@bremholding.com](mailto:wongms@bremholding.com) as an alternative channel of communication with shareholders.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## Statement of Directors' Responsibility for Preparation of the Financial Statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 and the Main Market Listing Requirements of the Bursa Securities so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have:

- applied appropriate and relevant accounting policies consistently;
- complied with all applicable approved accounting standards; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a resolution of the Board dated 24 July 2013.

# AUDIT COMMITTEE REPORT

## ESTABLISHMENT AND COMPOSITION

The Audit Committee of Brem Holding Berhad was established on 25 July 1994. For the financial year ended 31 March 2013, the Audit Committee comprises the following three directors:-

### *Chairman*

Mr. Wong Miow Song *(Independent Non-Executive Director)*

### *Members*

Dato' Hj. Abu Sujak bin Hj. Mahmud *(Independent Non-Executive Director)*

Ms. Khoo Hui Giok *(Non-Independent Non-Executive Director)*

## SUMMARY OF THE TERMS OF REFERENCE

### (1) MEMBERSHIP

- 1.1) The Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, of whom the majority shall be independent.
- 1.2) The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or alternatively a person who has fulfill such other requirements as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") or approved by Bursa Securities.
- 1.3) No alternate director shall be appointed as a member of the Committee.
- 1.4) The members of the Committee shall elect from among their number a chairman who is non-executive and independent, as defined above.
- 1.5) If one or more members of the Committee resign, die or for any other reason cease to be a member with the result that the Listing Requirements of the Bursa Securities are breached, the Board shall, within three months of the event, appoint such number of new members as may be required to correct the breach.
- 1.6) The Board shall review the term of office of Committee members not less than once every three years.

### (2) AUTHORITY

The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:

- (a) investigate any activity within the Committee's terms of reference;
- (b) have resources which are reasonably required to enable it to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company or the Group;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- (f) convene meetings with the external auditors, internal auditors or both, excluding the attendance of the executive members of the other directors and employees of the Company, whenever deemed necessary.

# AUDIT COMMITTEE REPORT (CONT'D)

## (3) FUNCTIONS AND RESPONSIBILITIES

3.1) The Audit Committee shall, amongst others, discharge the following functions:-

3.1.1) review the following and report the same to the Board:-

- (a) with the external auditors, the scope of the audit and the audit plan;
- (b) with the external auditors, their evaluation of the system of internal controls;
- (c) with the external auditors, their management letter and the management's response;
- (d) with the external auditors, their audit report;
- (e) the assistance given by the employees to the external auditors;
- (f) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (g) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (h) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
  - (i) any changes in or implementation of major accounting policy changes;
  - (ii) significant adjustments arising from the audit;
  - (iii) significant and unusual events;
  - (iv) the going concern assumption; and
  - (v) compliance with accounting standards and other legal requirements;
- (i) any related party transaction and conflict of interest situation that may arise within the Company or the group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (j) any letter of resignation from the external auditors; and
- (k) whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

3.1.2) recommend the nomination of a person or persons as external auditors; and

3.1.3) any other matters as directed by the Board.

3.2) The Committee shall establish an internal audit function which is independent of the activities it audits.

3.3) The Committee shall oversee all internal audit functions and is authorized to commission investigations to be conducted by internal auditors as it deems fit.

3.4) The internal auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.

3.5) All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the prior approval of the Committee.

# AUDIT COMMITTEE REPORT (CONT'D)

## (4) QUORUM, ATTENDANCE AND FREQUENCY OF MEETINGS

- 4.1) The quorum shall be formed only if there is a majority of members present at the meeting who are independent directors.
- 4.2) The Head of Finance, the Head of Internal Audit and a representative of the External Auditors shall normally attend meetings. Other Board members and employees may attend any particular meeting only at the Audit Committee's invitation, specific to the relevant meeting. However, twice a year the Committee shall meet with the External Auditors without executive Board members present.
- 4.3) The Chairman shall call for meetings, to be held not less than four times a year. The External Auditors may request a meeting if they consider one necessary.

## AUDIT COMMITTEE MEETINGS

The Audit Committee met five times during the financial year ended 31 March 2013. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:-

Audit Committee Member	No. of Audit Committee Meetings	
	Held	Attended
<b>Chairman</b> Wong Miow Song <i>(Independent Non-Executive Director)</i>	5	5
<b>Members</b> Dato' Hj. Abu Sujak bin Hj. Mahmud <i>(Independent Non-Executive Director)</i>	5	5
Khoo Hui Giok <i>(Non-Independent Non-Executive Director)</i>	5	5

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2013

During the financial year ended 31 March 2013, the activities of the Audit Committee included the following:-

- (a) reviewed the unaudited quarterly financial results and announcements for the financial quarters prior to submission to the Board of Directors for consideration and approval;
- (b) reviewed the audited financial statements for the year ended 31 March 2012;
- (c) reviewed the external auditors' report to the Committee in relation to the audit and accounting issues arising from the audit of the Group's financial statements and the management's response;
- (d) considered the audit fee payable and the nomination of the external auditors for recommendation to the Board for appointment;



## AUDIT COMMITTEE REPORT (CONT'D)

- (e) reviewed the assistance given by the employees to the external auditors in respect of the audit for the year ended 31 March 2012;
- (f) reviewed the external auditors' audit plans and the scope of audit for the financial year ended 31 March 2013;
- (g) met with the external auditors twice during the financial year ended 31 March 2013 without the presence of any executive Board members;
- (h) reviewed internal audit reports prepared by the Internal Auditor on the Company and its subsidiaries and management implementation of audit recommendations;
- (i) reviewed the internal audit plan for 2013 outlining its scope and focus;
- (j) reviewed the disclosure statements on Corporate Governance, Audit Committee Report and the Statement of Internal Control for the year ended 31 March 2012 and recommended their adoption to the Board; and
- (k) reviewed the guidelines and procedures set out to monitor recurrent related party transactions.

### INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2013, the Group has outsourced its internal audit function to an independent internal audit service company and the selected team is independent of the activities audited by them. The cost incurred for the internal audit function in respect of the financial year ended 31 March 2013 is RM59,839/- .

The principal responsibility of the internal audit function is to undertake regular and systematic review of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The internal auditors undertake internal audit function based on the audit plan that was reviewed and approved by the Audit Committee.

During the financial year under review, the internal auditors have conducted audit on selected subsidiaries and key functions and reported their findings and recommendations to the Audit Committee. These internal audit reports together with responses by management were circulated to all members of the Audit Committee. All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings and recommendations were duly acted upon by the management.

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ANNUAL REPORT 2013

# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The principal activities of the Company are those of general contractors, property development, property investments and investment holdings. All other operational activities of the Group are undertaken by respective subsidiaries and associates and are disclosed in Notes 8 and 9 to the financial statements.

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

## FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Net profit for the financial year	33,647,919	9,009,902
Other comprehensive loss, net of taxation	(7,168,852)	-
Total comprehensive income for the financial year	26,479,067	9,009,902
Attributable to:		
Shareholders of the Company	16,431,054	9,009,902
Non-controlling interests	10,048,013	-
	26,479,067	9,009,902

## DIVIDENDS

A first and final dividend of 6% less 25% tax amounting to RM7,633,800 in respect of the financial year ended 31 March 2012 has been paid on 7 December 2012.

A first and interim dividend of 3% less 25% tax amounting to RM3,803,908 in respect of the financial year ended 31 March 2013 has been paid on 3 May 2013.

## RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

# DIRECTORS' REPORT (CONT'D)

## BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due other than as disclosed in Note 36 to the financial statements.

## CHANGE OF CIRCUMSTANCES

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

# DIRECTORS' REPORT (CONT'D)

## ITEMS OF AN UNUSUAL NATURE

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

No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

## TREASURY SHARES

During the financial year, the Company repurchased 1,562,500 ordinary shares of RM1 each of its issued ordinary shares from open market at an average price of RM1.16 per share. The total consideration paid for the repurchase including transaction costs was RM1,811,740. The shares repurchased were held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

## DIRECTORS

Directors who served on the Board of the Company since the date of the last report are as follows:

Dato' Hj. Abu Sujak Bin Hj. Mahmud  
Khoo Chai Kaa  
Low Yew Hwa  
Khoo Chai Thiam  
Wong Miow Song  
Khoo Hui Keam  
Khoo Hui Giok

In accordance with Article 80 of the Company's Article of Association, Khoo Chai Kaa and Wong Miow Song retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Section 129(2) of the Companies Act, 1965 in Malaysia, Dato' Hj. Abu Sujak Bin Hj. Mahmud having attained age of 70, shall vacate the office of the Director of the Company. However, pursuant to Section 129(6), he may be re-appointed by resolution passed by a majority of not less than three-fourths of such number of shareholders of the Company entitled to vote at a general meeting of the Company. The appointment to hold office shall be until the next Annual General Meeting of the Company. A resolution to re-appoint him as Director of the Company will be proposed at the forthcoming Annual General Meeting.

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Company Act, 1965 in Malaysia were as follows:

Direct Interest	Number of ordinary shares of RM1.00 each			Balance at 31.03.2013
	Balance at 01.04.2012	Allotted/ Bought	Sold	
Khoo Chai Kaa	24,374,410	-	-	24,374,410
Low Yew Hwa	2,530,863	-	-	2,530,863
Khoo Chai Thiam	3,428,672	-	-	3,428,672
<b>Indirect Interest</b>				
Khoo Chai Kaa*	39,913,350	-	-	39,913,350

\* *Indirect interest through Brem Properties Sdn. Bhd.*

By virtue of his interest in shares in the Company, Mr. Khoo Chai Kaa is also deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year held any interest in shares or debentures of the Company or the subsidiaries.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the 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 except as recorded and disclosed in the Notes 32 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company or its related companies was a party, whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# DIRECTORS' REPORT (CONT'D)

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 40 to the financial statements.

## AUDITORS

The auditors, Messrs. STYL Associates, have indicated their willingness to continue in office.

On behalf of the Board,

---

KHOO CHAI KAA  
Director

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KHOO CHAI THIAM  
Director

KUALA LUMPUR  
DATE:

# STATEMENT BY DIRECTORS

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

We, **KHOO CHAI KAA** and **KHOO CHAI THIAM**, being two of the Directors of BREM HOLDING BERHAD, state that, in the opinion of the Directors, the financial statements set out on pages 42 to 128 are drawn up in accordance with Financial Reporting Standards and 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 at 31 March 2013 and of their financial performance and cash flows of the financial year then ended.

The supplementary information set out in page 129 have been prepared in accordance with the Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

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**KHOO CHAI KAA**

Director

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**KHOO CHAI THIAM**

Director

Kuala Lumpur

Date: 24 July 2013

# STATUTORY DECLARATION

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

I, **KHOO CHAI KAA**, being the Director primarily responsible for the financial management of BREM HOLDING BERHAD, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 42 to 128 and the supplementary information set out on page 129 are 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.

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**KHOO CHAI KAA**

Director

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 24 July 2013.

Before me,

---

Commissioner for Oaths

Kuala Lumpur



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BREM HOLDING BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Brem Holding Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 42 to 128.

#### *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 the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the Company'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 Company's internal controls. 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 at 31 March 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BREM HOLDING BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- b) Other than the subsidiary without the auditor's report as indicated in Note 8 to the financial statements, we have considered the financial statements of all the subsidiaries and the auditor's reports of the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) Other than the subsidiary without the auditor's report as indicated in Note 8 to the financial statements, the auditor's reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

### OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in page 129 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

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

**STYL Associates**  
No. AF 1929  
Chartered Accountants

**Lock Peng Kuan**  
No. 2819/10/14 (J)  
Chartered Accountant

Kuala Lumpur  
Date: 24 July 2013

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2013

	Note	2013 RM	2012 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,991,767	2,375,239
Operating financial assets	5	131,276,870	146,276,408
Land held for property development	6	240,847,674	199,956,330
Investment properties	7	112,935,939	120,209,270
Investment in associates	9	54,881,770	66,797,894
Other investments - unquoted		595,445	5,595,445
Deferred tax assets	10	3,671,612	3,421,061
Goodwill on consolidation	11	33,257,325	33,257,325
Trade receivables	12	633,442	587,608
<b>Total non-current assets</b>		<b>581,091,844</b>	<b>578,476,580</b>
<b>Current assets</b>			
Property development costs	13	69,496,459	102,682,254
Inventories	14	12,581,137	13,272,175
Trade receivables	12	70,421,796	55,070,579
Other receivables, deposits and prepayments	15	4,181,812	12,544,027
Deposits with licensed financial institutions	17	14,450,203	13,856,913
Tax recoverable		2,587,600	2,308,096
Cash and bank balances	18	17,285,132	13,416,684
<b>Total current assets</b>		<b>191,004,139</b>	<b>213,150,728</b>
<b>TOTAL ASSETS</b>		<b>772,095,983</b>	<b>791,627,308</b>

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2013 (CONT'D)

	Note	2013 RM	2012 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	19	172,736,172	172,736,172
Reserves	20	294,479,678	289,486,332
Treasury shares	21	(4,459,977)	(2,648,237)
Total equity attributable to shareholders of the Company		462,755,873	459,574,267
Non-controlling interests	22	142,767,240	133,714,227
<b>Total equity</b>		<b>605,523,113</b>	<b>593,288,494</b>
<b>Non-current liabilities</b>			
Hire purchase payables	23	675,986	553,185
Bank borrowings	24	110,522,573	73,799,086
Deferred tax liabilities	10	13,987,746	12,715,370
<b>Total non-current liabilities</b>		<b>125,186,305</b>	<b>87,067,641</b>
<b>Current liabilities</b>			
Trade payables	26	11,402,688	18,330,887
Other payables, deposits and accruals	27	15,904,487	56,848,243
Amount due to Directors	29	169,625	4,454,072
Hire purchase payables	23	395,731	238,762
Bank borrowings	24	10,541,927	21,933,477
Debentures	25	-	8,145,900
Provision for taxation		2,972,107	1,319,832
<b>Total current liabilities</b>		<b>41,386,565</b>	<b>111,271,173</b>
<b>TOTAL LIABILITIES</b>		<b>166,572,870</b>	<b>198,338,814</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>772,095,983</b>	<b>791,627,308</b>

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

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2013

	Note	2013 RM	2012 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,206,456	1,008,766
Land held for property development	6	33,779,639	-
Investment in subsidiaries	8	91,448,469	91,448,469
Investment in associates	9	43,520,000	56,100,000
Other investments - unquoted		-	5,000,000
<b>Total non-current assets</b>		<b>169,954,564</b>	<b>153,557,235</b>
<b>Current assets</b>			
Property development costs	13	12,964,625	46,618,573
Inventories	14	12,581,137	13,183,155
Trade receivables	12	16,709,103	24,513,968
Other receivables, deposits and prepayments	15	2,671,940	2,620,582
Amount due from subsidiaries	16	119,039,859	106,101,282
Deposits with licensed financial institutions	17	21,882	21,417
Cash and bank balances	18	4,392,589	17,000
<b>Total current assets</b>		<b>168,381,135</b>	<b>193,075,977</b>
<b>TOTAL ASSETS</b>		<b>338,335,699</b>	<b>346,633,212</b>

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2013 (CONT'D)

	Note	2013 RM	2012 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	19	172,736,172	172,736,172
Reserves	20	126,486,398	128,914,204
Treasury shares	21	(4,459,977)	(2,648,237)
<b>Total equity</b>		<b>294,762,593</b>	<b>299,002,139</b>
<b>Non-current liabilities</b>			
Hire purchase payables	23	418,808	496,307
Deferred tax liabilities	10	67,100	67,100
<b>Total non-current liabilities</b>		<b>485,908</b>	<b>563,407</b>
<b>Current liabilities</b>			
Trade payables	26	9,549,147	10,710,286
Other payables, deposits and accruals	27	4,120,115	1,371,950
Amount due to subsidiaries	28	22,312,181	23,744,398
Amount due to Directors	29	70,736	1,697,376
Hire purchase payables	23	237,313	188,738
Bank borrowings	24	5,141,896	8,941,734
Provision for taxation		1,655,810	413,184
<b>Total current liabilities</b>		<b>43,087,198</b>	<b>47,067,666</b>
<b>Total liabilities</b>		<b>43,573,106</b>	<b>47,631,073</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>338,335,699</b>	<b>346,633,212</b>

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

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM	2012 RM
Revenue	30	134,605,013	146,901,312
Cost of sales	31	(94,293,261)	(117,032,672)
<b>Gross profit</b>		<b>40,311,752</b>	<b>29,868,640</b>
Other operating income		29,159,945	33,168,051
Administrative expenses		(19,786,455)	(7,300,639)
Finance costs		(3,730,516)	(4,304,736)
Share of results of associates		2,023,877	4,020,996
<b>Profit before taxation</b>	32	<b>47,978,603</b>	<b>55,452,312</b>
Taxation	33	(14,330,684)	(11,381,675)
<b>Profit after taxation</b>		<b>33,647,919</b>	<b>44,070,637</b>
<b>Other comprehensive (loss)/income, net of taxation</b>			
Foreign currency translation		(7,168,852)	32,952,139
<b>Total comprehensive income for the financial year</b>		<b>26,479,067</b>	<b>77,022,776</b>
<b>Profit after taxation attributable to:</b>			
Shareholders of the Company		22,406,439	33,583,294
Non-controlling interests		11,241,480	10,487,343
		<b>33,647,919</b>	<b>44,070,637</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		16,431,054	50,523,148
Non-controlling interests		10,048,013	26,499,628
		<b>26,479,067</b>	<b>77,022,776</b>
<b>Earnings per share (sen)</b>			
- Basic (sen)	34	13.21	20.26
- Diluted (sen)	34	13.21	20.26

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

# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM	2012 RM
Revenue	30	67,130,840	39,814,302
Cost of sales	31	(43,722,287)	(33,168,908)
<b>Gross profit</b>		23,408,553	6,645,394
Other operating income		4,382,286	9,471,366
Administrative expenses		(15,669,000)	(2,852,143)
Finance costs		(399,408)	(246,318)
<b>Profit before taxation</b>	32	11,722,431	13,018,299
Taxation	33	(2,712,529)	(1,221,030)
<b>Profit after taxation</b>		9,009,902	11,797,269
<b>Other comprehensive income, net of taxation</b>		-	-
<b>Total comprehensive income for the financial year</b>		9,009,902	11,797,269

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



# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Group	Note	Attributable to Owners of the Parent										Non-controlling Interests	Total Equity	
		Share Capital	Share Premium	Share Reserves	Capital Reserves	Fluctuation Reserves	Treasury Shares	Retained Earnings	Total	Exchange	Total			
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1 April 2011		139,616,498	31,557,380	3,884,536	(1,674,518)	(8,040,184)	250,036,908	415,380,620	108,464,599	523,845,219				
Share repurchased		-	-	-	-	(1,273,047)	-	(1,273,047)	-	-	(1,273,047)	-	-	(1,273,047)
Total comprehensive income for the year		-	-	-	16,939,854	-	33,583,294	50,523,148	26,499,628	77,022,776				
Additional investment in a subsidiary		-	-	-	-	-	-	-	(1,250,000)	(1,250,000)				
Share issuance expenses		-	(88,499)	-	-	-	-	(88,499)	-	(88,499)				(88,499)
Bonus issue	19	33,119,674	(31,468,881)	-	-	-	(1,650,793)	-	-	-				-
Dividend paid	35	-	-	-	-	6,664,994	(11,632,949)	(4,967,955)	-	(4,967,955)				(4,967,955)
Balance at 31 March 2012		172,736,172	-	3,884,536	15,265,336	(2,648,237)	270,336,460	459,574,267	133,714,227	593,288,494				
Share repurchased		-	-	-	-	(1,811,740)	-	(1,811,740)	-	(1,811,740)				(1,811,740)
Total comprehensive income for the year		-	-	-	(5,975,385)	-	22,406,439	16,431,054	10,048,013	26,479,067				
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	(995,000)	(995,000)				(995,000)
Dividend paid	35	-	-	-	-	-	(11,437,708)	(11,437,708)	-	(11,437,708)				(11,437,708)
Balance at 31 March 2013		172,736,172	-	3,884,536	9,289,951	(4,459,977)	281,305,191	462,755,873	142,767,240	605,523,113				

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Company	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Earnings RM	Total Equity RM
Balance at 1 April 2011		139,616,498	31,557,380	(8,040,184)	130,400,677	293,534,371
Share repurchased		-	-	(1,273,047)	-	(1,273,047)
Total comprehensive income for the financial year		-	-	-	11,797,269	11,797,269
Share issuance expenses		-	(88,499)	-	-	(88,499)
Bonus issue	19	33,119,674	(31,468,881)	-	(1,650,793)	-
Dividend paid	35	-	-	6,664,994	(11,632,949)	(4,967,955)
Balance at 31 March 2012		172,736,172	-	(2,648,237)	128,914,204	299,002,139
Share repurchased		-	-	(1,811,740)	-	(1,811,740)
Total comprehensive income for the financial year		-	-	-	9,009,902	9,009,902
Dividend paid/payable	35	-	-	-	(11,437,708)	(11,437,708)
<b>Balance at 31 March 2013</b>		<b>172,736,172</b>	<b>-</b>	<b>(4,459,977)</b>	<b>126,486,398</b>	<b>294,762,593</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	2013 RM	2012 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	47,978,603	55,452,312
Adjustments for:		
Share of results of associates	(2,023,877)	(4,020,996)
Depreciation of property, plant and equipment	475,664	433,054
Depreciation of investment properties	2,478,646	2,474,351
Interest expenses	3,730,516	6,720,589
Property, plant and equipment written off	958	354
Interest income	(22,888,596)	(20,123,303)
Gain on disposal of property, plant and equipment	(105,045)	(250,696)
Gain on disposal of investment properties	(585)	(1,596,047)
Additional/(Reversal of) impairment loss on investment in an associate	12,580,000	(6,460,000)
Unrealised (gain)/ loss on foreign exchange, net	(313,661)	800,990
Operating cash flows before working capital changes	41,912,623	33,430,608
Property development cost	368,305	(4,277,163)
Land held for property development	(8,069,600)	-
Operating financial assets	32,193,377	32,634,612
Inventories	691,038	1,007,262
Receivables	(6,835,512)	22,028
Payables	(10,816,425)	46,795,001
Net cash generated from operations	49,443,806	109,612,348
Tax paid	(11,870,433)	(9,084,598)
Net Operating Cash Flows	37,573,373	100,527,750
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(659,425)	(372,646)
Acquisition and additional development cost in investment properties	(214,730)	(535,949)
Acquisition of land held for property development	-	(134,640,059)
Proceeds from disposal of other investment	5,000,000	-
Dividend received	1,360,000	680,000
Proceeds from disposal of property, plant and equipment	112,250	250,700
Proceeds from disposal of investment properties	5,010,000	7,786,447
Interest received	3,173,586	1,477,885
Net Investing Cash Flows	13,781,681	(125,353,622)

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

	2013 RM	2012 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(200,230)	(208,845)
Redemption of debentures	(7,844,855)	-
Repayment of term loans	(7,280,513)	(18,828,682)
Dividend paid to non-controlling interest of a subsidiary	(995,000)	-
Proceeds from term loan	-	46,100,000
Repurchase of treasury shares	(1,811,740)	(1,273,047)
Expense for issuance of bonus shares	-	(88,499)
Dividend paid to shareholders of the Company	(7,633,800)	(4,967,955)
Interest paid	(3,730,516)	(6,720,589)
Withdrawal/(Placement) of deposit with licensed financial institutions	2,338,324	(818,088)
Net Financing Cash Flows	(27,158,330)	13,194,295
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	24,196,724	(11,631,577)
<b>EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION</b>	(5,009,112)	184,759
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	9,725,405	21,172,223
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	28,913,017	9,725,405
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Deposits with licensed financial institutions	14,450,203	13,856,913
Cash and bank balances	17,285,132	13,416,684
Bank overdrafts	(2,541,927)	(14,929,477)
	29,193,408	12,344,120
Less: deposits pledged to licensed financial institutions	(280,391)	(2,618,715)
	28,913,017	9,725,405

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

# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	2013 RM	2012 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	11,722,431	13,018,299
Adjustments for:		
Bad debts written off	-	109,356
Depreciation	320,621	281,923
Interest expenses	399,408	223,858
Property, plant and equipment written off	226	88
Interest income	(2,595,587)	(1,073,402)
Dividend income	(13,716,203)	(1,760,000)
Gain on disposal of property, plant and equipment	(34,197)	(172,997)
Additional/(Reversal of) impairment loss on investment in an associate	12,580,000	(6,460,000)
Unrealised loss on foreign exchange	6,217	-
Operating cash flows before working capital changes	8,682,916	4,167,125
Property development cost	(125,691)	375,287
Inventories	602,018	(109,764)
Receivables	7,753,507	(456,569)
Payables	(3,806,394)	(1,994,950)
Subsidiaries	(14,370,794)	(3,470,433)
Net cash used in operations	(1,264,438)	(1,489,304)
Tax refund	-	258,711
Tax paid	(1,469,903)	(989,290)
Net Operating Cash Flows	(2,734,341)	(2,219,883)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(394,885)	(143,606)
Investment in subsidiaries	-	(3,750,000)
Proceeds from disposal of investment	5,000,000	-
Dividend received	13,716,203	1,760,000
Proceeds from disposal of property, plant and equipment	37,200	173,000
Interest received	2,595,587	1,073,402
Net Investing Cash Flows	20,954,105	(887,204)

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

# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

	2013 RM	2012 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(198,924)	(165,114)
Repurchase of treasury shares	(1,811,740)	(1,273,047)
Share issuance expenses	-	(88,499)
Dividend paid to shareholders of the Company	(7,633,800)	(4,967,955)
Interest paid	(399,408)	(223,858)
Net Financing Cash Flows	(10,043,872)	(6,718,473)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>8,175,892</b>	<b>(9,825,560)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(3,903,317)</b>	<b>5,922,243</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>4,272,575</b>	<b>(3,903,317)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Deposits with licensed financial institutions	21,882	21,417
Cash and bank balances	4,392,589	17,000
Bank overdrafts	(141,896)	(3,941,734)
	4,272,575	(3,903,317)

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

### 1. GENERAL INFORMATION

The principal activities of the Company are those of general contractors, property development, property investments and investment holdings. All other operational activities of the Group are undertaken by respective subsidiaries and associates and are disclosed in Notes 8 and 9 to the financial statements.

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

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

The registered office and principal place of business are located at 3rd Floor, Brem House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 July 2013.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

The financial statements of the Group and the of Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

##### (a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Company had adopted the following revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:

Revised FRS

FRS 124

Related Party Disclosures

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (cont'd)

###### Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments: Disclosures
FRS 112	Income Taxes

###### New IC Int

IC Int 19	Extinguishing Financial Liabilities with Equity Instruments
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###### Amendments to IC Int

IC Int 14	FRS 119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
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The adoption of the above revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:

##### ***Revised FRS 124 Related Party Disclosures***

The revised FRS 124 simplifies and clarifies the definition of related party and eliminates inconsistencies from the definition. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduced a partial exemption from disclosures for government-related entities. Prior to this, no disclosure of transactions is required in financial statements of state-controlled entities of transactions with other state-controlled entities. The additional disclosures are intended to draw attention to users that such related party transactions have occurred and to give an indication of their extent. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

##### ***Amendments to FRS 7 Financial Instruments: Disclosures***

These amendments to FRS 7 requires disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. The additional disclosures will help users of financial statements to evaluate the risk of exposures relating to transfer of financial assets and the effect of those risks on an entity's financial position.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (cont'd)

###### *Amendments to FRS 112 Income Taxes*

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time.

###### *New IC Int 19 Extinguishing Financial Liabilities with Equity Instruments*

This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It does not address the accounting by the creditor.

IC Int 19 will standardise practice among debtors applying FRSs to a debt for equity swap. This interpretation clarifies that the equity instruments issued shall be measured at their fair value. If the fair value cannot be reliably measured, the equity instruments shall be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid, shall be recognised in profit or loss. When only part of the financial liability is extinguished and if part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

###### *Amendments to IC Int 14 FRS119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The amendments to IC Int 14 apply in the limited circumstances when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements. The amendments permit the entity to treat the benefit of such early payment as an asset.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early

The Group and the Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
<u>Revised FRSs</u>		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
FRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
<u>New IC Int</u>		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (cont'd)

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

##### ***FRS 9 Financial Instruments***

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

##### ***FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)***

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (cont'd)

###### ***FRS 11 Joint Arrangements***

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

###### ***FRS 12 Disclosures of Interests in Other Entities***

FRS 12 is a single disclosure standard for interests in subsidiaries, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

###### ***FRS 13 Fair Value Measurement***

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, 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.

###### ***FRS 128 Investments in Associates and Joint Ventures (Revised)***

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (cont'd)

###### *Amendments to FRS10, FRS12 and FRS127 Investment Entities*

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS12 Disclosure on Interests in Other Entities and FRS127 Separate Financial Statements.

##### (c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 April 2014. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 31 March 2015.

As at 31 March 2013, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 *Agriculture* and IC Int 15 *Agreements for the Construction of Real Estate* as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b). The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

##### (c) MASB Approved Accounting Standards, MFRSs (cont'd)

###### Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2014 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

###### MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

###### IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group and the Company are currently assessing the impact of the adoption of this Interpretation.

#### 2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

##### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (a) Basis of consolidation (cont'd)

###### (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. 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. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiary companies are consolidated using the purchase method of accounting.

Under the purchase method of accounting, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3 (h). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition date unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1 January 2006 and 1 January 2011, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1 January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

###### (ii) 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 comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (a) Basis of consolidation (cont'd)

##### (ii) Non-controlling interests (cont'd)

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where 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. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per ordinary share.

In the previous years, where losses applicable to the non-controlling interests exceed the non-controlling's interest in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests were charged against the Group's interest except to the extent that the non-controlling interest had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

##### (iii) Transactions eliminated on consolidation

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

Unrealised gains on transactions between the Group and the associated companies are eliminated against the investment to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

Unrealised losses are eliminated in the same way as unrealised gain, but only to the extent that there is no evidence of impairment.

##### (iv) Associated companies

Associated companies are entities, including unincorporated entities, in which the Group exercises significant influence but not control, through participation in the financial and operating policy decision of the companies.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method less any impairment losses, of accounting based on the audited or management financial statements of the associated companies unless it is classified as held for sale. Under the equity method of accounting, the Group's share of profits less losses of the associated companies during the financial year is included in the statements of comprehensive income, from the date that significant influence commences until the date that significant influence ceases. The Group's interest in the associated companies is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition accumulated profits or accumulated losses and other reserves.

When the Group's share of losses exceeds its interest in an equity associate, the carrying amount of that interest (including any long term investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (b) Property, plant and equipment and depreciation

###### (i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure 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. 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "realised gains and losses" in the financial statement.

###### (ii) Subsequent costs

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

###### (iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Freehold land is not depreciated. Other property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives. The principal annual rates used are as follows:

Plant and machinery	20%
Motor vehicle	20%
Furniture, fittings, equipment and renovation	10% - 25%

Long term leasehold land and buildings are amortised evenly over their lease period of 92 years.

The residual values, depreciation method and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at end of each reporting period.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (c) Properties development activities

###### (i) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at a revalued amount it continues to retain this amount as its surrogate cost as allowed by FRS 201<sub>2004</sub>. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

###### (ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

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

When 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 are probable of recovery.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value. Upon the completion of development, unsold completed development properties are transferred to inventory.

Where revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under payables (within current liabilities).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (d) Investment properties

Investment properties are properties which are held to earn rental income or for capital appreciation or both. Property that is occupied by the Group for the conduct of business operations is accounted for as owner-occupied rather than as an investment property.

The Group has adopted the cost method in measuring investment properties. Investment properties are measured initially at its cost, including transaction cost. Subsequent to initial recognition, all properties are stated at cost less accumulated amortisation and impairment losses.

No depreciation is provided for freehold land. Freehold building is depreciated at the annual rate of 2%.

Long term leasehold land and building are amortised evenly over the period ranging from 50 to 97 years.

On disposal of such properties, the difference between net disposal proceeds and their carrying amounts is recognised in the profit or loss.

##### (e) Construction contracts

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

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

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

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

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

##### (f) Investment in subsidiaries and associated companies

Investments in subsidiary companies and associated companies are stated at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2.3 (n).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (g) Other investments

Other investments are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3 (n).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the profit or loss.

##### (h) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of equity include the carrying amount of goodwill relating to the entity sold.

Negative goodwill represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination. Negative goodwill is recognised directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

##### (i) Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined principally on a first-in, first-out basis (FIFO). Cost of work-in-progress and finished goods consist of direct materials, direct labour and direct overheads less foreseeable losses.

The cost of raw material comprises the original cost of purchase plus the cost of bringing the inventory to their present location and condition.

Property inventories are valued at the lower of cost and net realisable value. Cost is determined on average cost or specific identification basis. Cost of property inventories comprises the attributable costs of land and related development costs.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (i) Inventories (cont'd)

Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

##### (j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft and deposits pledged to licensed financial institutions.

##### (k) Hire purchase and leases

###### *Finance leases*

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase or lease payments at the inception of the hire purchase or lease, less accumulated depreciation and impairment losses. The corresponding liability is included in the financial statements as borrowings. In calculating the present value of the minimum hire purchase or lease payments, the discount factor used is the interest rate implicit in the hire purchase or lease, when it is practicable to determine, otherwise, the Group's incremental borrowing rate is used.

Hire purchase or lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase or leasing commitments and the fair value of the assets acquired, are charged to the financial statements over the term of the relevant hire purchase or lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for hire purchase or leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2.3 (b).

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

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (l) Impairment of non-financial assets (cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

##### (m) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (m) Financial assets (cont'd)

###### (i) Financial assets at fair value through profit or loss (cont'd)

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

As at the end of the financial period, the Group and the Company have not designated any financial assets as at fair value through profit or loss.

###### (ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

###### (iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

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

As at the end of the financial period, the Group and the Company have not designated any financial assets as at held-to-maturity investments.

###### (iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (m) Financial assets (cont'd)

##### (iv) Available-for-sale financial assets (cont'd)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or 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 and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales is a purchases or sales of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned. All regular way purchases or sales of financial asset are recognised and derecognised, as applicable, using trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

##### (n) Impairment of financial assets

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

##### *Trade and other receivables and other financial assets carried at amortised cost*

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (n) Impairment of financial assets (cont'd)

*Trade and other receivables and other financial assets carried at amortised cost (cont'd)*

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

##### (o) Foreign currency

###### (i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

###### (ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange difference arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (o) Foreign currency (cont'd)

##### (iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at average exchange rates for the financial year, which approximates the exchange rates at the dates of the translations. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

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

The closing rates used in the translation are:

	Group	
	2013	2012
	RM	RM
1 Papua New Guinea Kina	1.4825	1.5085
1 Chinese Renminbi	0.4981	0.4866

##### (p) Provisions for liabilities

Provisions for liabilities are recognised when the Group have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial statements date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

##### (q) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (q) Revenue and other income (cont'd)

###### (i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.3 (e).

###### (ii) Property development

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.3 (c).

###### (iii) Sale of goods and services

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer or when services are rendered.

###### (iv) Rental income

Rental income is recognised on the accrual basis unless collectibility is in doubt, in which case the recognition of such income is suspended.

###### (v) Dividend income

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

###### (vi) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset. Interest income arising from operating financial assets are recognised based on the policy as stated in Note 2.3 (w).

###### (vii) Supply of treated water

Revenue from sale of water is recognised when the Group has produced and delivered the treated water.

###### (viii) Management and Administration fee received

Administrative fee received is recognised based on monthly fixed fee and recognised when earned over the term of the concession.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (r) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs will cease when substantially all the activities necessary to prepare the assets for its intended use or sale are completed.

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

##### (s) Treasury shares

The Company shares repurchased and held are designated as treasury shares. These shares are treated as unissued shares and presented as a deduction from total equity. Should such shares be cancelled, their nominal amounts will be eliminated and the differences between their cost and nominal amounts will be taken to reserves as appropriate.

##### (t) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (t) Income tax (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same authority and the Group intends to settle its current tax assets and liabilities on a net basis.

##### (u) Employee benefits

###### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which associated services rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

###### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

###### (iii) Termination benefits

The Group pays termination benefits in cases of termination of employment within the framework of a restructuring. Termination benefits are recognised as a liability and an expense which the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

##### (v) Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

###### (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (v) Financial liabilities (cont'd)

###### (i) Financial liabilities at fair value through profit or loss (cont'd)

As at the end of the financial period, the Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

###### (ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables, amount due to subsidiaries companies, amount due to Directors, debentures, term loans, bank overdraft, revolving credit, hire purchase payables and amount due to subsidiary companies.

Trade payables, other payables and amount due to subsidiary companies are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Term loans, bank overdraft, revolving credit and hire purchase payables are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

###### (iii) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

###### (iv) 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 receivables fails to make payment when due.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (v) Financial liabilities (cont'd)

##### (iv) Financial guarantee contracts (cont'd)

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the receivables fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

##### (w) Operating financial assets

The Group constructs or upgrade infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in public-to-private service concession arrangement for its entire concession period.

The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the interest income on that amount is calculated using the effective interest method.

Any asset carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

##### (x) Segment reporting

For management purposes, the Group is organised into operating segments based on their business segment and geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

##### (y) Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.3 Significant Accounting Policies (cont'd)

##### (z) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### 3.1 Judgement Made in Applying Accounting Policies

There was no significant judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements during the current financial year.

#### 3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### 3.2 Key Sources of Estimation Uncertainty

##### (b) Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular review is performed if events indicate that this is necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

The carrying amount of the goodwill at the end of the reporting period is RM33,257,325 (2012: RM33,257,325).

##### (c) Property development revenue recognition

When the financial outcome of the development activity can be estimated reliably and the sale of the development unit is affected, the Group recognises property development profits and costs by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the financial outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probably will be recovered and the property development costs on the development units sold are recognised when incurred.

Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development costs, the expected loss is recognised as an expense in the period in which the loss is identified.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as recoverability of the property development costs. In making the judgement, the Group and the Company evaluates based on past experience, external economic factors, by relying on the work/opinion of specialists and continuous monitoring mechanism.

Adjustments based on the percentage-of-completion method are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognise a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

##### (d) Recognition of construction contracts profits

The Group recognises contract profits based on the percentage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### 3.2 Key Sources of Estimation Uncertainty (cont'd)

##### (d) Recognition of construction contracts profits (cont'd)

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the construction costs. In making the judgement, the Group and the Company evaluates based on past experience, external economic factors, by relying on the work/opinion of specialists and continuous monitoring mechanism.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement. Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

##### (e) Income taxes

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

##### (f) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future fees receivable, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties; hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

##### (g) Impairment of loans and receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the reporting date is disclosed in Notes 12 and 15.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### 3.2 Key Sources of Estimation Uncertainty (cont'd)

##### (h) Revenue recognition in relation to Concession Arrangement

In accordance to IC Interpretation 12 Service Concession Agreements, the Group recognised the operating financial assets using financial asset model.

The Group measures the operating financial asset model using the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the interest income on the amount is calculated using the effective interest method.

Significant judgement is required to apply a suitable effective interest rate in order to determine the present value of the operating financial asset. If the expectation is different from the estimation, such difference will impact the carrying value of the operating financial asset.

### 4. PROPERTY, PLANT AND EQUIPMENT

Group 2013	Freehold Land RM	Leasehold land and Building RM	Plant and machinery RM	Motor vehicles RM	Furniture, Fittings, Equipment and Renovation RM	Total RM
<b>Cost</b>						
At 1 April 2012	16,266	1,044,012	13,831,445	6,084,815	1,994,894	22,971,432
Additions	-	-	-	898,693	240,732	1,139,425
Reclassification	-	-	(195,265)	-	193,188	(2,077)
Exchange difference	-	7,411	(4,583)	(7,849)	(6,539)	(11,560)
Transfer	(4,255)	-	-	-	-	(4,255)
Disposals/written off	-	-	(285,000)	(135,493)	(82,072)	(502,565)
At 31 March 2013	12,011	1,051,423	13,346,597	6,840,166	2,340,203	23,590,400
<b>Accumulated Depreciation</b>						
At 1 April 2012	-	87,251	13,831,416	5,011,481	1,666,045	20,596,193
Charge for the year	-	15,397	-	377,423	126,189	519,009
Reclassification	-	-	(195,265)	-	193,188	(2,077)
Exchange difference	-	444	(4,583)	(8,075)	(5,566)	(17,780)
Disposals/written off	-	-	(284,999)	(132,488)	(79,225)	(496,712)
At 31 March 2013	-	103,092	13,346,569	5,248,341	1,900,631	20,598,633
<b>Net Book Value at 31 March 2013</b>	12,011	948,331	28	1,591,825	439,572	2,991,767

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2012	Freehold Land RM	Leasehold land and Building RM	Plant and machinery RM	Motor vehicles RM	Furniture, Fittings, Equipment and Renovation RM	Total RM
<b>Cost</b>						
At 1 April 2011	16,266	923,825	13,775,570	6,331,737	2,011,412	23,058,810
Additions	-	120,187	-	535,841	116,618	772,646
Exchange difference	-	-	55,875	138,550	79,336	273,761
Disposals/written off	-	-	-	(921,313)	(212,472)	(1,133,785)
At 31 March 2012	16,266	1,044,012	13,831,445	6,084,815	1,994,894	22,971,432
<b>Accumulated Depreciation</b>						
At 1 April 2011	-	62,383	13,775,541	5,456,376	1,696,872	20,991,172
Charge for the year	-	14,555	-	339,464	115,361	469,380
Exchange difference	-	10,313	55,875	136,948	65,929	269,065
Disposals/written off	-	-	-	(921,307)	(212,117)	(1,133,424)
At 31 March 2012	-	87,251	13,831,416	5,011,481	1,666,045	20,596,193
<b>Net Book Value at 31 March 2012</b>	16,266	956,761	29	1,073,334	328,849	2,375,239

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2013	Plant and Machinery RM	Motor Vehicle RM	Furniture, Fittings, Equipment and Renovation RM	Total RM
<b>Cost</b>				
At 1 April 2012	6,478,719	4,013,414	943,195	11,435,328
Additions	-	418,982	145,903	564,885
Disposals	(35,000)	(99,143)	(24,069)	(158,212)
At 31 March 2013	6,443,719	4,333,253	1,065,029	11,842,001
<b>Accumulated Depreciation</b>				
At 1 April 2012	6,478,697	3,114,839	833,026	10,426,562
Charge for the year	-	305,901	58,065	363,966
Disposals	(34,999)	(96,140)	(23,844)	(154,983)
At 31 March 2013	6,443,698	3,324,600	867,247	10,635,545
<b>Net Book Value at 31 March 2013</b>	21	1,008,653	197,782	1,206,456
<b>2012</b>				
<b>Cost</b>				
At 1 April 2011	6,478,719	4,326,983	935,986	11,741,688
Additions	-	398,304	45,302	443,606
Disposals	-	(711,873)	(38,093)	(749,966)
At 31 March 2012	6,478,719	4,013,414	943,195	11,435,328
<b>Accumulated Depreciation</b>				
At 1 April 2011	6,478,697	3,554,021	825,470	10,858,188
Charge for the year	-	272,686	45,563	318,249
Disposals	-	(711,868)	(38,007)	(749,875)
At 31 March 2012	6,478,697	3,114,839	833,026	10,426,562
<b>Net Book Value at 31 March 2012</b>	22	898,575	110,169	1,008,766

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM1,139,425 (2012: RM772,646) of which RM673,467 (2012: RM535,841) were acquired by means of hire purchase arrangements. Cash payments of RM659,425 (2012: RM372,646) were used to acquire the property, plant and equipment.
- (b) Included in property, plant and equipment of the Group and of the Company are motor vehicles acquired under hire purchase arrangements at net book value of RM925,793 (2012: RM1,046,784) and RM845,613 (2012: RM894,190) respectively.
- (c) The depreciation of property, plant and equipment charged for the year is as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Amount due from contract customers (Note 12)	43,345	36,326	43,345	36,326
Profit before taxation (Note 32)	475,664	433,054	320,621	281,923
	519,009	469,380	363,966	318,249

- (d) Included in property, plant and equipment of the Group and of the Company are costs of the following fully depreciated assets which are still in use:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Plant and machinery	13,346,597	13,831,445	6,443,719	6,478,719
Motor Vehicle	4,417,235	4,364,513	2,566,255	2,660,899
Furniture, fittings, equipment and renovation	1,592,229	1,555,575	709,307	713,322
	19,356,061	19,751,533	9,719,281	9,852,940

### 5. OPERATING FINANCIAL ASSETS

The Group has concession arrangements with a governing body of the government of the Papua New Guinea (the "grantor") to operate water treatment plants. Under the concession agreements, the Group will construct and operate the plants and water distribution networks for a Concession Periods of 22 years and transfer the plants to the grantor at the end of the Concession Periods. Such concession arrangements fall within the scope of IC Interpretation 12, Service Concession Arrangements. Under IC Interpretation 12, the revenue is recognised based on Note 2.3(q)(vii) and Note 2.3(q)(viii).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 6. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
At 1 April 2011	52,308,142	-	13,008,129	65,316,271
Additions	18,674,505	124,209,668	3,632,086	146,516,259
Disposals	(11,876,200)	-	-	(11,876,200)
At 31 March 2012/1 April 2012	59,106,447	124,209,668	16,640,215	199,956,330
Additions	-	-	8,069,600	8,069,600
Transfer from development cost	31,347,591	-	1,474,153	32,821,744
At 31 March 2013	90,454,038	124,209,668	26,183,968	240,847,674

Company	Freehold land RM	Development expenditure RM	Total RM
At 1 April 2012	-	-	-
Transfer from development cost	32,305,486	1,474,153	33,779,639
At 31 March 2013	32,305,486	1,474,153	33,779,639

- a) Included in land held for property development of the Group is interest expense capitalised of RM7,908,689 (2012: RM1,922,985).
- b) The land held for property development of the Group with carrying value of RM142,884,173 (2012: RM142,884,173) has been pledged as security for a bank loan as disclosed in Note 24 of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 7. INVESTMENT PROPERTIES

	Freehold Land RM	Long term leasehold Land RM	Buildings RM	Total RM
<b>Group</b>				
<b>Cost/Deemed Cost</b>				
At 1 April 2012	40,709	38,801,203	91,773,660	130,615,572
Additions	-	-	214,730	214,730
Disposals	-	(5,009,415)	-	(5,009,415)
At 31 March 2013	40,709	33,791,788	91,988,390	125,820,887
<b>Accumulated Depreciation</b>				
At 1 April 2012	-	3,500,342	6,905,960	10,406,302
Charge for the year	-	422,316	2,056,330	2,478,646
Disposals	-	-	-	-
At 31 March 2013	-	3,922,658	8,962,290	12,884,948
<b>Net Book Value at 31 March 2013</b>	40,709	29,869,130	83,026,100	112,935,939
<b>Cost/Deemed Cost</b>				
At 1 April 2011	40,709	44,723,270	91,237,711	136,044,409
Additions	-	-	535,949	535,949
Disposals	-	(5,922,067)	(42,719)	(5,964,786)
At 31 March 2012	40,709	38,801,203	91,773,660	130,615,572
<b>Accumulated Depreciation</b>				
At 1 April 2011	-	3,078,026	4,853,925	7,931,951
Charge for the year	-	422,316	2,052,035	2,474,351
Disposals	-	-	-	-
At 31 March 2012	-	3,500,342	6,905,960	10,406,302
<b>Net Book Value at 31 March 2012</b>	40,709	35,300,861	84,867,700	120,209,270



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 7. INVESTMENT PROPERTIES (cont'd)

The fair value of the investment properties are as follows

	Group	
	2013	2012
	RM	RM
Freehold land	83,000	73,000
Long term leasehold land	55,817,000	50,000,000
Buildings	84,192,000	77,147,000
	140,092,000	127,220,000

The fair value of the investment properties are determined by the Directors based on the relevant information available through internal research and their best estimates.

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

	Group	
	2013	2012
	RM	RM
Rental income	9,803,996	9,109,225
Direct operating expenses:		
- income generating investment properties	11,986,879	11,582,085
- non-income generating investment properties	585,349	484,065
	22,376,224	21,175,375

The total net carrying amount of a long term leasehold land and a building of a subsidiary amounting to RM111,900,994 (2012: RM116,910,409) are pledged to financial institution as collaterals for banking facilities.

A long term leasehold land of a subsidiary was revalued on 4 October 1995 based on independent professional valuation on the resale basis to establish its fair value on the acquisition of the subsidiary.

The revalued amount of the long term leasehold land is retained as its surrogate cost.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2013 RM	2012 RM
Unquoted shares at cost	94,248,469	90,498,469
Add: additional during the year	-	3,750,000
	94,248,469	94,248,469
Less: allowance for impairment loss	(2,800,000)	(2,800,000)
	91,448,469	91,448,469

The details of the subsidiaries are as follows:

Name of Companies	2013 %	2012 %	Country of Incorporation	Principal activities
<b>Direct</b>				
Brem Construction Sdn Bhd. #	100.00	100.00	Malaysia	Civil engineering and general construction.
Brem Aluminium & Glass Sdn Bhd. #	100.00	100.00	Malaysia	Dormant.
Brem Maju Sdn Bhd.#	50.25	50.25	Malaysia	Civil engineering and general construction.
Brem Zhuhai Investment Ltd.# *	100.00	100.00	The People's Republic of China	Currently dormant and its intended principal activities are investment holding and construction management consultancy.
<b>Brem Oversea</b>				
Investments Pte Ltd.#	70.00	70.00	Hong Kong	Dormant.
Cosmo-One Realty Sdn Bhd.#	100.00	100.00	Malaysia	Property investment.
Global Water Sdn Bhd.	100.00	100.00	Malaysia	Investment holding.
Harmony Property Sdn Bhd.	75.00	75.00	Malaysia	Property development.
Intan Kemuncak Sdn Bhd. #	100.00	100.00	Malaysia	Dormant.
Naga Istimewa Sdn Bhd.	100.00	100.00	Malaysia	Property development, contractor and investment holding.
Titi Kaya Sdn Bhd.#	50.53	50.53	Malaysia	Property development and investment holding.
<b>Indirect through</b>				
<b>Titi Kaya Sdn Bhd</b>				
Eng Ann Realty Co. (Klang) Sdn Bhd.#	50.53	50.53	Malaysia	Property development.
Wonderful Perfection Sdn Bhd.#	30.32	30.32	Malaysia	Property development.
NPO Builders Sdn Bhd.#	25.77	25.77	Malaysia	Property development.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 8. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

Name of Companies	2013 %	2012 %	Country of Incorporation	Principal activities
<b>Indirect through</b>				
<b>Global Water Sdn Bhd</b>				
PNG Water Limited #	51.00	51.00	Papua New Guinea	Water concession.
<b>Indirect through</b>				
<b>Brem Maju Sdn Bhd</b>				
Brem Maju (PNG) Limited #	50.25	50.25	Papua New Guinea	Civil engineering and general construction.

# These companies are audited by firms other than STYL Associates.

\* Subsidiary without audited financial statements and the auditor's report but the unaudited financial statements of the subsidiary were adopted by the Group for the purpose of the financial statements of the Group.

### 9. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>At cost</b>				
Unquoted shares	2,660,446	2,660,446	1,460,446	1,460,446
Quoted shares in Malaysia	60,293,541	60,293,541	60,293,541	60,293,541
Share of post acquisition profits	6,277,234	5,613,358	-	-
Share of capital reserve	3,884,536	3,884,536	-	-
	73,115,757	72,451,881	61,753,987	61,753,987
Less: allowance for impairment loss	(18,233,987)	(5,653,987)	(18,233,987)	(5,653,987)
	54,881,770	66,797,894	43,520,000	56,100,000
<b>At market value</b>				
Quoted shares in Malaysia	43,520,000	56,100,000	43,520,000	56,100,000

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 9. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

The summarised financial information of the associates is as follows:

	Group	
	2013 RM	2012 RM
<b>Assets and liabilities</b>		
Total assets	231,485,087	226,611,248
Total liabilities	59,042,389	55,420,320
<b>Results</b>		
Revenue	28,829,757	72,946,240
Profit for the financial year	7,080,547	13,665,385

The details of the associates are as follows:

Name of Companies	2013 %	2012 %	Country of Incorporation	Principal activities
Topaz Teguh Sdn. Bhd.	49.00	49.00	Malaysia	Operators of bowling and snooker centre
Bertam Alliance Berhad	32.89	32.89	Malaysia	Investment holding and management services
Masterloq Holdings Sdn. Bhd.	21.00	21.00	Malaysia	Dormant
Konsortium Pertamavest Sdn. Bhd.	20.00	20.00	Malaysia	Dormant

### 10. DEFERRED TAX ASSETS/(LIABILITIES)

Group Deferred tax assets	Unrealised profit on intercompany transaction RM	Unabsorbed loss and capital allowance RM	Others RM	Total RM
At 1 April 2012	2,783,299	500,105	137,657	3,421,061
Recognised in the profit or loss	290,010	(28,717)	-	261,293
Exchange difference	-	-	(10,742)	(10,742)
At 31 March 2013	3,073,309	471,388	126,915	3,671,612
At 1 April 2011	2,783,299	516,914	2,180	3,302,393
Recognised in the profit or loss	-	(16,809)	-	(16,809)
Exchange difference	-	-	135,477	135,477
At 31 March 2012	2,783,299	500,105	137,657	3,421,061

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 10. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

Deferred tax liabilities	Revaluation Surplus RM	Accelerated Capital Allowances RM	Others RM	Total RM
At 1 April 2012	6,177,737	5,743,074	794,559	12,715,370
Recognised in the profit or loss	(1,187,415)	2,540,811	-	1,353,396
Exchange difference	-	-	(81,020)	(81,020)
At 31 March 2013	4,990,322	8,283,885	713,539	13,987,746
At 1 April 2011	6,238,357	3,707,208	(20,664)	9,924,901
Recognised in the profit or loss	(60,620)	2,035,866	-	1,975,246
Exchange difference	-	-	815,223	815,223
At 31 March 2012	6,177,737	5,743,074	794,559	12,715,370

Company	2013 RM	2012 RM
<b>Deferred tax liabilities</b>		
At 1 April	67,100	(4,400)
Recognised in the profit or loss	-	71,500
At 31 March	67,100	67,100
Representing the tax effect of: Property, plant and equipment	67,100	67,100

### 11. GOODWILL ON CONSOLIDATION

	Group	
	2013 RM	2012 RM
At 1 April/31 March	33,257,325	33,257,325

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 11. GOODWILL ON CONSOLIDATION (cont'd)

- a) The carrying amount of the goodwill allocated to each cash generating units ("CGUs") are as follows:

	Group	
	2013 RM	2012 RM
Property development segment	23,762,410	23,762,410
Property investment segment	7,818,799	7,818,799
Other segment	1,676,116	1,676,116
	33,257,325	33,257,325

- b) The recoverable amounts of the CGUs have been determined based on the value in use calculations using cash flow projections approved by the management. Details are as follows:

#### Property development segment

The recoverable amounts of the CGU have been determined based on value in use calculation using cash flows generated from future property development projects covering five years period. The pre-tax discount rate of 6% is applied to the cash flows projection.

#### Property investment segment

Investment properties comprise of residential and commercial properties that are rented to third parties. The present value of estimated cash flows expected to be generated by the CGU is based on the expected receipts from rental income of the property covering five years period. The pre-tax discount rate of 5% is applied to the cash flows projection.

#### Other segments

The recoverable amounts of the CGUs have been determined based on value in use calculation using cash flows projections approved by the management covering five years period. The pre-tax discount rate of 6% is applied to the cash flows generated from the operating activities of these CGUs.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 12. TRADE RECEIVABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Non-current assets</b>				
Contract retention	199,527	166,362	-	-
Trade receivables	433,915	421,246	-	-
	633,442	587,608	-	-
<b>Current assets</b>				
Contract retention	2,565,666	2,917,356	1,269,767	1,269,767
Trade receivables	34,702,681	35,549,668	14,430,672	20,253,878
Accrued billings	31,660,453	12,541,736	-	-
Amount due from contract customers	1,492,996	4,061,819	1,008,664	2,990,323
	70,421,796	55,070,579	16,709,103	24,513,968
<b>Total trade receivables</b>	<b>71,055,238</b>	<b>55,658,187</b>	<b>16,709,103</b>	<b>24,513,968</b>

The Group's and the Company's normal trade credit terms ranges from 14 to 105 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Group is RM633,442 (2012: RM587,608) owing by a company in which a Director of the Company has interest in.

The aging analysis of the Group's and of the Company's trade receivables and contract retention are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Neither past due nor impaired	2,565,951	-	1,269,767	2,152,855
1 to 30 days past due not impaired	16,087,461	5,950,988	-	-
31 to 60 days past due not impaired	536,049	339,026	-	-
61 to 90 days past due not impaired	280,025	865,686	-	-
91 to 120 days past due not impaired	2,548,762	48,688	329,650	-
More than 120 days due not impaired	15,883,541	31,850,244	14,101,022	19,370,790
	35,335,838	39,054,632	14,430,672	19,370,790
	37,901,789	39,054,632	15,700,439	21,523,645

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 12. TRADE RECEIVABLES (cont'd)

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

Trade receivables and contract retention that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company. More than 51% (2012: 51%) of the Group's trade receivables and contract retention respectively arise from customers with more than a year experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

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

The Group and the Company have trade receivables and contract retention amounting to RM35,335,838 (2012: RM39,054,632) and RM14,430,672 (2012: RM19,370,790) respectively that are past due at the reporting date but no impairment allowance is necessary in respect of these trade receivables. They are companies with good collection track record and no recent history of default.

The following shows the elements included in amount due from/(to) contract customers:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total contract costs incurred to date	97,493,224	61,990,021	71,247,579	41,832,826
Add: attributable profits	10,895,411	6,166,694	7,902,084	3,679,109
	108,388,635	68,156,715	79,149,663	45,511,935
Less: progress billings	(108,651,121)	(71,335,317)	(83,167,386)	(48,163,502)
	(262,486)	(3,178,602)	(4,017,723)	(2,651,567)
Analysed as follows:				
Amount due from contract customers	1,492,996	4,061,819	1,008,664	2,990,323
Amount due to contract customers (Notes 26)	(1,755,482)	(7,240,421)	(5,026,387)	(5,641,890)
	(262,486)	(3,178,602)	(4,017,723)	(2,651,567)

The following expenses incurred during the financial year are included in the contract costs:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Depreciation of plant and equipment	43,345	36,326	43,345	36,326
Hire of machinery and equipment	45,713	7,430	43,313	2,890
Rental of premises	10,900	9,250	3,200	-
Staff costs	1,888,828	1,220,406	1,300,216	837,767



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 12. TRADE RECEIVABLES (cont'd)

The following shows the elements included in accrued billings/(progress billings) in respect of property development costs:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Revenue recognised in the profit or loss	164,678,427	90,608,833	1,840,230	1,840,230
Less: Billings to purchasers	(133,843,293)	(78,892,416)	(2,665,549)	(2,665,549)
	30,835,134	11,716,417	(825,319)	(825,319)
Analysed as follows:				
Accrued billings	31,660,453	12,541,736	-	-
Progress billings (Note 26)	(825,319)	(825,319)	(825,319)	(825,319)
	30,835,134	11,716,417	(825,319)	(825,319)

### 13. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Freehold land, at cost</b>				
At 1 April	63,575,500	63,575,500	39,071,619	39,071,619
Cost incurred during the financial year	14,191,131	-	-	-
Transfer to land held for property development	(31,347,592)	-	(32,305,486)	-
Transfer from property, plant and equipment	4,255	-	-	-
At 31 March	46,423,294	63,575,500	6,766,133	39,071,619
<b>Development costs</b>				
At 1 April	103,856,759	66,600,854	9,165,706	9,080,848
Cost incurred during the financial year	33,215,462	37,525,906	125,691	84,858
Transfer to inventories	-	(270,001)	-	-
Transfer to land held for property development	(1,474,153)	-	(1,474,153)	-
At 31 March	135,598,068	103,856,759	7,817,244	9,165,706
Property development costs as at 31 March	182,021,362	167,432,259	14,583,377	48,237,325

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 13. PROPERTY DEVELOPMENT COSTS (cont'd)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Cost recognised in profit or loss</b>				
At 1 April	(64,750,005)	(32,195,736)	(1,618,752)	(1,158,607)
Recognised during the financial year	(49,955,398)	(32,554,269)	-	(460,145)
Reversal	2,180,500	-	-	-
At 31 March	(112,524,903)	(64,750,005)	(1,618,752)	(1,618,752)
Total property development costs at 31 March	69,496,459	102,682,254	12,964,625	46,618,573
Property development cost at 31 March				
Freehold land	46,423,294	63,575,500	6,766,133	39,071,619
Development costs	23,073,165	39,106,754	6,198,492	7,546,954
	69,496,459	102,682,254	12,964,625	46,618,573

- a) Included in development costs incurred during the financial year is interest expense capitalised of RM27,961 (2012: RM25,780).
- b) The freehold land under development of the Group and of the Company amounting to RM3,940,666 (2012: RM3,992,628) and RM1,239,416 (2012: RM1,239,416) respectively are pledged to financial institutions as collaterals for banking facilities.

### 14. INVENTORIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>At cost:</b>				
Raw materials	640,111	453,197	640,111	453,197
Completed properties	11,941,026	12,818,978	11,941,026	12,729,958
	12,581,137	13,272,175	12,581,137	13,183,155

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Other receivables	1,066,492	9,746,829	430,862	540,246
Deposits	3,102,152	2,793,043	2,236,585	2,080,336
Prepayments	13,168	4,155	4,493	-
	4,181,812	12,544,027	2,671,940	2,620,582

Included in other receivables in previous financial year is an amount of RM7,243,061 relating to the disposal of investment property.

### 16. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2013 RM	2012 RM
Trade	79,233,806	90,101,410
Non-trade	39,806,053	15,999,872
	119,039,859	106,101,282

The non-trade amount owing by subsidiaries are unsecured, interest free and repayment on demand, except for amount owing by certain subsidiaries which bears interest at the rate of 2% (2012: 2% to 2.85%) per annum.

The trade credit term is as disclosed in Note 12.

### 17. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

a) The interest rates of deposits and the maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Deposits with licensed banks				
Interest rates (%) per annum	0.65-3.50	1.70-3.18	2.90	3.15
Maturity months	1 to 12	1 to 12	12	12

b) Deposits of RM280,391 (2012: RM2,618,715) of the Group is pledged to financial institutions as security for banking facilities granted to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 18. CASH AND BANK BALANCES

Included in the bank balances of the Group is RM4,047,553 (2012: RM1,379,822) which is maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

### 19. SHARE CAPITAL

	Group and Company			
	2013 Number of shares	2012	2013 RM	2012 RM
Authorised:				
Ordinary shares of RM 1 each	250,000,000	250,000,000	250,000,000	250,000,000
Issued and fully paid:				
Ordinary shares of RM 1 each				
At 1 April	172,736,172	139,616,498	172,736,172	139,616,498
Bonus issue on 18.11.2011	-	33,119,674	-	33,119,674
At 31 March	172,736,172	172,736,172	172,736,172	172,736,172

### 20. RESERVES

		Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Non-distributable</b>					
Capital reserve	(i)	3,884,536	3,884,536	-	-
Exchange fluctuation reserve	(ii)	9,289,951	15,265,336	-	-
		13,174,487	19,149,872	-	-
<b>Distributable</b>					
Retained earnings		281,305,191	270,336,460	126,486,398	128,914,204
		294,479,678	289,486,332	126,486,398	128,914,204

(i) Capital reserve

The capital reserve is in respect of the share of reserve in associates.

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 21. TREASURY SHARES

	No. of shares	Group and Company		2012 RM
		2013 RM	No. of shares	
At 1 April	2,110,731	2,648,237	6,495,100	8,040,184
Purchased during financial year	1,562,500	1,811,740	914,700	1,273,047
Distributed to shareholders	-	-	(5,299,069)	(6,664,994)
At 31 March	3,673,231	4,459,977	2,110,731	2,648,237

During the financial year, the Company repurchased 1,562,500 (2012: 914,700) ordinary shares of RM1 each of its issued ordinary shares from open market at an average price of RM1.15 (2012: RM1.39) per share. The total consideration paid for the purchase including transaction costs was RM1,811,740 (2012: RM1,273,047) and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia. Treasury shares have no rights to vote, not entitled to dividends and participation in other distribution.

In the previous financial year, the Company distributed 5,299,069 ordinary shares of RM1 each of its issued ordinary shares from existing treasury shares at an average price of RM1.26 per share. The total treasury shares distributed including transaction costs was RM6,664,994.

As at 31 March 2013, the total issued and fully paid ordinary share is 172,736,172 (2012: 172,736,172) and the treasury shares held by the Company is 3,673,231 (2012: 2,110,731). The number of outstanding ordinary shares in issue after the set-off of the treasury shares is therefore 169,062,941 (2012: 170,625,441) ordinary shares of RM1 each.

### 22. NON-CONTROLLING INTERESTS

	Group	
	2013 RM	2012 RM
Share and share premium in subsidiaries		
At 1 April	19,676,194	20,926,194
Additional investment in a subsidiary	-	(1,250,000)
At 31 March	19,676,194	19,676,194
Share of profits		
At 1 April	100,361,721	89,874,318
Adjustment	-	60
Dividend received	(995,000)	-
Current year profit	11,241,480	10,487,343
At 31 March	110,608,201	100,361,721
Share of exchange fluctuation reserve	12,482,845	13,676,312
	142,767,240	133,714,227

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 23. HIRE PURCHASE PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Minimum hire purchase payments:</b>				
Within 1 year	442,284	274,600	263,760	218,796
More than 1 year but less than 5 years	708,309	589,276	442,072	529,846
	1,150,593	863,876	705,832	748,642
Less: Future finance charges	(78,876)	(71,929)	(49,711)	(63,597)
Present value of hire purchase	1,071,717	791,947	656,121	685,045
<b>Present value of hire purchase:</b>				
Within 1 year	395,731	238,762	237,313	188,738
More than 1 year but less than 5 years	675,986	553,185	418,808	496,307
	1,071,717	791,947	656,121	685,045
<b>Analysed as:</b>				
Due within 1 year	395,731	238,762	237,313	188,738
Due after 1 year	675,986	553,185	418,808	496,307
	1,071,717	791,947	656,121	685,045

The hire purchase liabilities bear interest between 2.38% to 4.00% (2012: 2.40% to 4.00%) per annum.

### 24. BANK BORROWINGS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Short Term Borrowings</b>				
<b>Secured:</b>				
Term loans	3,000,000	2,004,000	-	-
Bank overdraft	2,541,927	6,934,214	141,896	-
<b>Unsecured:</b>				
Bank overdraft	-	7,995,263	-	3,941,734
Revolving credit	5,000,000	5,000,000	5,000,000	5,000,000
	10,541,927	21,933,477	5,141,896	8,941,734

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 24. BANK BORROWINGS (cont'd)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Long Term Borrowings</b>				
<b>Secured:</b>				
Term Loans	110,522,573	73,799,086	-	-
<b>Total Borrowings</b>				
Term loans	113,522,573	75,803,086	-	-
Bank overdraft	2,541,928	14,929,477	141,896	3,941,734
Revolving credit	5,000,000	5,000,000	5,000,000	5,000,000
	121,064,501	95,732,563	5,141,896	8,941,734

#### (i) Term loans

The secured term loans of the Group are obtained from local and foreign financial institutions. The term loans are secured as follows:

##### (a) Local secured term loans

- (i) Legal charge on a long term leasehold land and building of a subsidiary (Note 7);
- (ii) Debenture incorporating a fixed and floating charges for all monies owing or payable under facility over all present and future of a subsidiary;
- (iii) Assignment of all right, title and interest derived from tenancy agreement in respect certain properties of a subsidiary;
- (iv) Corporate guarantee of the Company; and
- (v) First charge on industrial land and freehold land of a subsidiary (Note 6).

##### (b) Foreign secured term loans

- (i) Registered fixed and floating charge over the whole assets of foreign subsidiaries; and
- (ii) Corporate guarantee and indemnity of the Company and a foreign subsidiary.

The local term loans bears interest rate ranging from 0.5% to 1.75% (2012: 0.5% to 1.75%) per annum above the financial institution's base lending rate and the foreign term loan interest rate is fixed at 7.8% per annum effective from 16 December 2007 until 16 December 2011, In April 2011, the Company made an extra settlement of K7M. Full settlement on the loan was made in 5 August 2011.

The local term loans are repayable in:

- (i) 72 instalments after 2 years from the initial drawdown.
- (ii) 12 quarterly instalments after 3 years from the initial drawdown; and
- (iii) 48 instalments after 3 years from the initial drawdown.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 24. BANK BORROWINGS (cont'd)

#### (ii) Bank overdrafts

The secured bank overdrafts of the Group and of the Company are obtained from local financial institutions and are secured as follows:

- (a) Legal charges over the freehold land under development of the Group and of the Company of RM3,940,666 (2012: RM3,992,628) and RM1,239,416 (2012: RM1,239,416) at cost respectively; and
- (b) Facility agreement and corporate guarantee of the Company.

The bank overdrafts bear interest ranging from 1.5% to 3.5% (2012: 1.5% to 3.5%) per annum above the respective financial institutions' base lending rates.

#### (iii) Revolving credit

The revolving credit of the Company bears interest of 2% (2012: 2%) per annum above respective financial institutions' cost of funds.

The revolving credit of the Company is repayable on demand.

### 25. DEBENTURES

	Group	
	2013 RM	2012 RM
At 1 April	8,145,900	6,434,100
Redemption	(8,145,900)	-
Exchange difference	-	1,711,800
At 31 March	-	8,145,900
Repayable as follows:		
Current:		
Within 1 year	-	8,145,900



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 25. DEBENTURES (cont'd)

PNG Water Limited, a subsidiary of Brem Holding Berhad pursuant to a Trust Deed has issued debentures as follows:

Date of issues	Class of debentures	Number of debentures subscribed	
		by The Group	Others
15.01.2005	Class B	330,000	-
01.01.2005	Class B	430,000	-
11.10.2004	Class B	900,000	-
12.07.2004	Class B	-	600,000
01.07.2004	Class B	1,800,000	4,800,000
01.07.2003	Class B	3,840,000	-
18.06.2002	Class B	4,000,000	-
10.10.2002	Class B	3,300,000	-
17.10.2000	Class B	6,130,000	2,270,000

The nominal value of each debenture (one Kina) each bearing interest of 13% per annum, payable half yearly in arrears. The debenture is unsecured and matures on 1 November 2012.

### 26. TRADE PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Contract retention	2,421,450	2,129,648	2,265,413	1,843,027
Trade payables	6,400,437	8,135,499	1,432,028	2,400,050
Amount due to contract customers (Note 12)	1,755,482	7,240,421	5,026,387	5,641,890
Progress billings in respect of property development costs (Note 12)	825,319	825,319	825,319	825,319
	<b>11,402,688</b>	<b>18,330,887</b>	<b>9,549,147</b>	<b>10,710,286</b>

The normal trade credit term granted to the Group and to the Company ranges from 30 to 90 days.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 27. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Other payables	6,275,061	49,773,384	122,512	112,036
Deposits	4,189,651	4,848,854	1,500	1,000,000
Debenture interest	-	264,742	-	-
Dividend payable	3,803,908	-	3,803,908	-
Accruals	1,635,867	1,961,263	192,195	259,914
	15,904,487	56,848,243	4,120,115	1,371,950

Included in other payables in previous financial year is an amount of RM45,000,000 relating to the acquisition of land held for development.

### 28. AMOUNT DUE TO SUBSIDIARIES

	Company	
	2013 RM	2012 RM
Trade	4,263,242	10,522,188
Non-trade	18,048,939	13,222,210
	22,312,181	23,744,398

The non-trade amount owing to subsidiaries is unsecured, interest free and repayable on demand. The trade credit term refer to Note 26.

### 29. AMOUNT DUE TO DIRECTORS

The amount due to Directors is unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 30. REVENUE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Contract revenue	16,870,561	44,460,215	52,590,192	35,265,774
Property development	75,074,040	65,804,394	824,445	2,788,528
Water supply and services rendered	29,127,490	23,984,918	-	-
Rental income	13,532,922	12,651,785	-	-
Dividend	-	-	13,716,203	1,760,000
	134,605,013	146,901,312	67,130,840	39,814,302

### 31. COST OF SALES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Contract cost	5,684,179	39,814,285	42,701,802	31,834,574
Property development cost	52,330,968	46,166,209	1,020,485	1,334,334
Operation and maintenance charges				
- water supply and services rendered	26,613,612	21,891,473	-	-
- rental income	9,664,502	9,160,705	-	-
	94,293,261	117,032,672	43,722,287	33,168,908

### 32. PROFIT BEFORE TAXATION

This has been determined after charging the following items:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Auditors' remuneration				
- Statutory	222,436	199,560	46,800	44,400
- over provision in prior year	(200)	(3,237)	-	-
Bad debts written off	-	-	-	109,356
Depreciation of property, plant and equipment	475,664	433,054	320,621	281,923
Depreciation of investment properties	2,478,646	2,474,351	-	-
Hire of machinery, motor vehicles and equipment	987	-	-	2,890
Interest expenses	3,730,516	6,720,589	399,408	223,858
Loss on foreign exchange				
- realised	314,912	4,789	-	-
- unrealised	7,760	820,841	6,217	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 32. PROFIT BEFORE TAXATION (cont'd)

This has been determined after charging the following items: (cont'd)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Property, plant and equipment written off	958	354	226	88
Impairment loss on investment in an associate	12,580,000	-	12,580,000	-
Rental of premises	254,930	1,365	100,440	96,600
Staff and labour costs	4,148,049	3,994,003	1,559,791	1,565,408
and crediting:				
Commission received	-	-	1,633,672	1,647,940
Gain on disposal of property, plant and equipment	105,045	250,696	34,197	172,997
Gain on disposal of investment property	585	1,596,047	-	-
Gain on foreign exchange				
- realised	4,167,351	1,595,787	-	51,559
- unrealised	321,421	19,851	-	-
Hire of machinery	-	39,795	-	-
Reversal of impairment loss on investment of an associate	-	6,460,000	-	6,460,000
Rental income	438,230	424,835	4,500	5,000
Interest income	22,888,596	20,123,303	2,595,587	1,073,402
Management and administration fee	36,000	40,000	-	36,000
<b>Staff and labour costs comprises:</b>				
<b>Staff cost</b>				
Salaries, wages and bonus	3,765,091	3,678,150	1,447,302	1,466,605
Social security costs	28,114	26,155	7,683	8,107
Increase/(decrease) in short term accumulating compensated absences	1,424	(9,960)	(9,465)	(197)
Contribution to defined contribution plan	353,420	299,658	114,271	90,893
	4,148,049	3,994,003	1,559,791	1,565,408
<b>Directors' remuneration</b>				
Directors' fees	114,865	110,500	70,000	70,000
Salaries, bonus and other emoluments	786,623	1,036,333	453,863	598,225
Contribution to defined contribution plan	29,328	58,736	1,956	20,042
	930,816	1,205,569	525,819	688,267

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 33. TAXATION

The provision for taxation for the financial year is computed at the prevailing tax rates.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Provision of taxation for the financial year				
- Malaysian	8,622,306	5,825,412	2,700,000	1,313,000
- Foreign	4,540,217	4,992,852	-	-
Foreign withholding tax	19,020	20,017	-	-
Crystallisation of deferred tax resulting from revaluation of property	-	(60,620)	-	-
Deferred tax expense relating to origination and reversal of temporary differences	1,108,351	728,880	-	71,500
Real property gain tax	-	176,091	-	-
	14,289,894	11,682,632	2,700,000	1,384,500
Under/(Over) provision of income tax in prior financial years	40,790	(300,957)	12,529	(163,470)
	14,330,684	11,381,675	2,712,529	1,221,030

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 33. TAXATION (cont'd)

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before taxation	47,978,603	55,452,312	11,722,431	13,018,299
Taxation at Malaysian statutory tax rate	11,994,651	13,863,078	2,930,607	3,254,575
Tax effects in respect of:				
Effect of tax rates in foreign jurisdictions	1,004,527	836,072	-	-
Non allowable expenses	4,021,020	668,279	3,209,359	262,336
Non taxable income	(1,402,006)	(2,747,414)	(3,439,966)	(2,111,139)
Foreign withholding tax	436,193	20,017	-	-
Real property gain tax	-	176,091	-	-
Crystallisation of deferred tax resulting from revaluation reserve	(61,325)	(60,620)	-	-
Deferred tax assets not recognised during the financial year	47,222	18,794	-	-
Deferred tax assets not recognised in prior financial years	(1,244,419)	(205)	-	-
Under/(Over)provision of income tax in prior financial years	40,790	(300,957)	12,529	(163,470)
Utilisation of tax benefits not recognised previously	-	(162,903)	-	(21,272)
Share of results of associates	(505,969)	(1,005,249)	-	-
Others	-	76,692	-	-
	14,330,684	11,381,675	2,712,529	1,221,030

The unabsorbed tax losses and unutilised of capital allowances are available for offset against future taxable profits of the subsidiary and Company in which those items arose. These amounts are subject to agreement by the Inland Revenue Board.

### 34. BASIC AND DILUTED EARNINGS PER SHARE

	Group	
	2013	2012
Net earnings for the year (RM)	22,406,439	33,583,294
Weighted average number of ordinary shares	169,649,249	165,787,050
Basic earnings per share (sen)	13.21	20.26

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 34. BASIC AND DILUTED EARNINGS PER SHARE (cont'd)

Basic earnings per share are calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

There are no diluted earnings per share for the financial year 2013 and financial year 2012 as there is no dilutive potential ordinary shares in issue.

### 35. DIVIDENDS

	Company	
	2013 RM	2012 RM
Dividend paid/payable		
Financial year ended 31 March 2013		
- interim dividend of 3% less 25% tax	3,803,908	-
Financial year ended 31 March 2012		
- final dividend of 6% less 25% tax	7,633,800	-
Financial year ended 31 March 2011		
- final dividend of 5% less 25% tax	-	4,967,955
	<u>11,437,708</u>	<u>4,967,955</u>

A first and final dividend of 5% less 25% tax amounting to RM4,967,955 in respect of the financial year ended 31 March 2011 has been paid on 9 December 2011.

A first and final dividend of 6% less 25% tax amounting to RM7,633,800 in respect of the financial year ended 31 March 2012 has been paid on 7 December 2012.

A first and interim dividend of 3% less 25% tax amounting to RM3,803,908 in respect of the financial year ended 31 March 2013 has been paid on 3 May 2013.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 36. CONTINGENT LIABILITIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Secured:				
Guarantees given to financial institutions for bank guarantee facilities granted to the Company and subsidiaries in favour of third parties	1,691,000	1,138,000	1,691,000	1,138,000
Guarantees given to financial institutions on borrowings and credit facilities granted to subsidiaries	-	-	116,077,085	81,782,676
Unsecured:				
Guarantees given to financial institutions for bank guarantee facilities granted to a subsidiary in favour of third parties	1,896,705	371,784	1,896,705	371,784
Guarantees given to financial institutions on borrowings and credit facilities granted to subsidiaries	-	-	-	7,995,264

### 37. MATERIAL LITIGATIONS

- (i) A purported claim of RM787,882 together with interest and cost has been made by Syarikat Bina Setia Jasa ("SBSJ"), a sub-contractor, against Brem Maju Sdn. Bhd. ("BMSB"), a subsidiary company of the Company in respect of claim on contract works performed. BMSB is contesting the claim and has taken up counsel on the matter with the solicitors. SBSJ's application for summary judgement was dismissed with cost on 12 October 1995. An application to strike out the claim has been made by BMSB and on 9 February 2006, the Court had granted an order in terms of BMSB's application with costs. SBSJ filed an appeal to Judge In Chambers and the appeal was dismissed with costs on 22 June 2006. On 21 July 2006, SBSJ has filed an appeal to the Court of Appeal. The Court has allowed costs of RM84,364 inclusive of interest of 8% per annum from 23 June 2009 till full date of full realisation and the Allocatur fee of RM6,755 to be paid by SBSJ to BMSB. The Order and the Allocatur has been filed on 26 July 2010 and the same is pending extraction from the Court. The decision of the Judgement Debtors' application to set aside the bankruptcy Notice was filed on 18 July 2012. The matter was fixed for hearing on 26 July 2012 and it was dismissed with costs to be paid by the Judgement Debtors to BMSB. On 3 August 2012, the Creditor's Petition was filed and an Adjudication and Receiving Order was recorded against SBSJ for failure to satisfy the judgement sum and interest to BMSB. On 15 October 2012, the Proof Debt Form and General Proxy have been filed with the Official Assignee's office. The Official Assignee is yet to fix the date of first creditor's meeting.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 37. MATERIAL LITIGATIONS (cont'd)

- (ii) Intan Kemuncak Sdn. Bhd. ("IKSB"), a subsidiary company of Brem Holding Berhad, commenced an action against Koperasi Celcom Berhad ("KCB") on 23 April 2002 for RM5,643,021, being the damages resulting from the unlawful termination by KCB of a joint venture agreement dated 30 July 1999 entered into between IKSB and KCB ("JVA"), relating to a housing project development. KCB had on 25 June 2002 filed its defence and made a counter claim against IKSB for breaching the terms of the JVA, which allegedly led to the termination of the JVA and KCB suffering damages amounting to RM13,586,580. IKSB has on 5 July 2002 filed in its defence to KCB's counter claim. The application of summary judgment by IKSB was dismissed by the Senior Assistant Registrar and IKSB filed in an appeal to the Judge in Chambers against the decision of the Senior Assistant Registrar. The summary judgement was obtained against KCB on 9 April 2004. However, KCB has filed in an appeal against the decision of the High Court Judge. The Directors and solicitors are of the opinion that IKSB will not suffer any material loss in respect of the purported claim. There has been no development since 29 April 2004.
- (iii) On 11 February 2010, a purported claim of RM4,307,241 excluding costs and interest has been made by Foo Voon Sang ("FVS") and Tan Mui Loo ("TML"), against Titi Kaya Sdn. Bhd. ("TKSB"), a subsidiary company of the Company in respect of breach of Sale and Purchase agreements. TKSB is contesting the claim and has taken up counsel on the matter with solicitors. On 5 April 2010, TKSB had filed defence and counter claim against FVS and TML for damages which is to be assessed by the Court. The matter is fixed for mediation on 30 July 2013. Meanwhile, the Court has fixed the case management on 10 September 2013 and proper Trial on 17 September 2013 and 18 September 2013. The Directors and the solicitors are of the opinion that TKSB will not suffer any material loss in respect of the purported claim.
- (iv) On 23 July 2012, the Company has filed a winding up petition against Mega Legacy (M) Sdn Bhd ("MLSB") for a balance settlement sum of RM22,000,000 and late interest of RM12,500 plus subsequent interest chargeable thereon. The Company has entered into a tripartite settlement agreement dated 25 April 2011 (the "Settlement Agreement") with Mega Legacy and Pembinaan Kery Sdn Bhd ("PKSB") upon which the parties have mutually agreed that Mega Legacy shall pay the Company a settlement sum of RM25,910,000 (the "Settlement Sum") in the manner and times and upon the terms and conditions stated therein. The Settlement Sum was derived from the progress billings of work done in respect of a proposed development project (the "Development Project") located in Jinjang Utara, Mukim Batu, Negeri Wilayah Persekutuan, Kuala Lumpur where MLSB was the appointed developer. PKSB was the contractor of MLSB for the Development Project while the Company was the sub-contractor of PKSB. MLSB has paid the Company RM910,000 upon signing of the Settlement Agreement but has defaulted in making the subsequent instalment payment in accordance with the terms of the Settlement Agreement resulting in the Company serving a Statutory Notice of Demand (the "Notice") for the full amount of the balance of the Settlement Sum amounting to RM25,000,000 together with interest pursuant to the terms of the Settlement Agreement. MLSB has on 9 July 2012 paid the Company RM3,000,000 but not the full amount in the Notice. The winding up petition has been fixed for hearing on 10 September 2012.

On 29 October 2012, the Company has entered into a Supplemental Settlement Agreement with MLSB. Upon signing of the Supplemental Settlement Agreement, Mega Legacy has paid the Company a sum of RM1,000,000/-. The balance outstanding amount of RM21,000,000/- shall be fully repaid by MLSB pursuant to the terms in the Supplemental Settlement Agreement by three(3) instalments of RM6,000,000/-, RM7,000,000/- and RM8,000,000/- on 24 April 2013, 24 April 2014 and 24 December 2014 respectively. Subsequent to the Agreement, the court proceedings on the matter has been withdrawn on 1 November 2012.

On 24 April 2013, the Company received RM 6 million from MLSB as per the terms stated in the Supplementary Settlement Agreement.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 38. RELATED PARTIES TRANSACTIONS

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

Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as below:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Billing on contract work charge to subsidiaries				
- Harmony Property Sdn. Bhd.	-	-	33,636,235	29,278,019
- Naga Istimewa Sdn. Bhd.	-	-	214,729	535,949
- Eng Ann Realty Co (Klang) Sdn Bhd	-	-	12,336,058	-
Interest income received/receivable from subsidiaries				
- Harmony Property Sdn. Bhd.	-	-	1,394,148	974,058
-Naga Istimewa Sdn. Bhd.	-	-	-	1,317
-Cosmo-One Realty Sdn. Bhd.	-	-	76,354	187,677
-NPO Builders Sdn.Bhd.	-	-	1,048,513	962,845
Dividend income received from subsidiaries				
- Global Water Sdn. Bhd.	-	-	7,000,000	1,080,000
- Brem Maju Sdn. Bhd.	-	-	1,005,000	-
- Brem Aluminium & Glass Sdn Bhd	-	-	31,203	-
- Brem Construction Sdn Bhd	-	-	4,320,000	-
Management fee received/receivable from a subsidiary				
- PNG Water Limited	-	-	125,773	117,562
Dividend income received from an associate				
- Bertam Alliance Berhad	-	-	1,360,000	680,000
Rental of premises paid/payable to related party which certain Directors have interest in				
- Nikmat Maju Development Sdn. Bhd.	150,000	150,000	75,000	75,000
Comimission received from a subsidiary				
- Brem Maju Sdn. Bhd.	-	-	1,633,672	1,647,940
Bad debts written off for amount owing by a subsidiary				
- Intan Kemuncak Sdn.Bhd.	-	-	-	109,356

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 39. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses.

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

Business Segments of the Group is organised into four major segments which is civil engineering and construction, property development, property investments and investment holding, and water supply and services.

2013	Civil Engineering and Construction RM	Property Development RM	Property Investments and holding RM	Water supply and services RM	Elimination RM	Consolidated RM
<b>Revenue</b>						
External sales	16,870,561	75,074,040	13,532,922	29,127,490	-	134,605,013
Inter-segment sales	42,153,109	-	13,716,203	-	(55,869,312)	-
<b>Total revenue</b>	<b>59,023,670</b>	<b>75,074,040</b>	<b>27,249,125</b>	<b>29,127,490</b>	<b>(55,869,312)</b>	<b>134,605,013</b>
<b>Results</b>						
Segment results	11,783,053	21,245,721	22,252,349	21,936,716	(14,952,597)	62,265,242
Finance costs	(333,807)	(429,447)	(2,395,735)	(647,881)	76,354	(3,730,516)
Impairment of investment in associate	-	-	(12,580,000)	-	-	(12,580,000)
Share of results of associates	-	-	2,023,877	-	-	2,023,877
Taxation	-	-	-	-	-	(14,330,684)
Non-controlling interests	-	-	-	-	-	(11,241,480)
Profit attributable to owners of the Company						22,406,439
Interest income	180,838	164,202	2,676,728	19,943,182	(76,354)	22,888,596

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 39. SEGMENTAL INFORMATION (cont'd)

2013	Civil Engineering and Construction RM	Property Development RM	Property Investments and holding RM	Water supply and services RM	Elimination RM	Consolidated RM
<b>Assets and Liabilities</b>						
Segment assets	39,120,978	378,335,831	130,506,934	150,640,246	(14,647,101)	683,956,888
Associates						54,881,770
Unallocated corporate assets						33,257,325
Consolidated total assets						772,095,983
Segment liabilities	19,530,013	96,979,644	35,010,053	3,120,675	(5,027,368)	149,613,017
Unallocated corporate liabilities						16,959,853
Consolidated total liabilities						166,572,870
<b>Other information</b>						
Capital expenditure	1,083,661	38,585	231,909	-	-	1,354,155
Depreciation and amortisation	419,536	29,323	2,547,084	1,712	-	2,997,655
Non cash expenses other than depreciation and amortisation	226	732	-	-	-	958

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 39. SEGMENTAL INFORMATION (cont'd)

2012	Civil Engineering and Construction RM	Property Development RM	Property Investments and holding RM	Water supply and services RM	Elimination RM	Consolidated RM
<b>Revenue</b>						
External sales	44,460,215	65,804,394	12,651,785	23,984,918	-	146,901,312
Inter-segment sales	-	-	-	-	-	-
<b>Total revenue</b>	<b>44,460,215</b>	<b>65,804,394</b>	<b>12,651,785</b>	<b>23,984,918</b>	<b>-</b>	<b>146,901,312</b>
<b>Results</b>						
Segment results	4,731,640	23,802,978	1,017,511	21,483,923	(1,760,000)	49,276,052
Finance costs	(95,902)	(514,269)	(2,423,962)	(1,270,603)	-	(4,304,736)
Reversal of allowance for impairment of associate	-	-	6,460,000	-	-	6,460,000
Share of results of associates	-	-	5,851,793	-	-	5,851,793
Taxation	-	-	-	-	-	(13,212,472)
Non-controlling interests	-	-	-	-	-	(10,487,343)
Profit attributable to owners of the Company						33,583,294
Interest income	1,215,938	139,783	8,956	18,758,626	-	20,123,303

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 39. SEGMENTAL INFORMATION (cont'd)

2012	Civil Engineering and Construction RM	Property Development RM	Property Investments and holding RM	Water supply and services RM	Elimination RM	Consolidated RM
<b>Assets and Liabilities</b>						
Segment assets	42,749,147	345,762,348	143,558,355	166,565,936	(7,063,697)	691,572,089
Associates						66,797,894
Unallocated corporate assets						33,257,325
Consolidated total assets						791,627,308
Segment liabilities	23,483,933	113,270,322	34,038,451	13,510,906	-	184,303,612
Unallocated corporate liabilities						14,035,202
Consolidated total liabilities						198,338,814
<b>Other information</b>						
Capital expenditure	583,000	12,694	553,897	-	-	1,149,591
Depreciation and amortisation	352,827	27,889	2,561,095	1,920	-	2,943,731
Non cash expenses other than depreciation and amortisation	354	-	-	-	-	354

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 39. SEGMENTAL INFORMATION (cont'd)

#### Geographical Segments

Revenue, property, plant and equipment and investment properties information based on the geographical location of customers and asset respectively are as follows:

	Revenue		Property, plant and equipment and investment properties	
	2013 RM	2012 RM Restated	2013 RM	2012 RM Restated
Malaysia	105,477,523	122,916,394	114,928,084	121,548,079
The People's Republic of China	-	-	578,726	595,059
Papua New Guinea	29,127,490	23,984,918	420,896	441,371
	134,605,013	146,901,312	115,927,706	122,584,509

Revenue from a major customer amounting to RM29,127,490 (2012: RM23,984,918), arising from sales from the water supply and services segment.

### 40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 21 March 2013, PNG Water Limited, a 51% owned subsidiary, has received a Notice of Termination of the Concession Agreement and its related agreements from NCD Water & Sewerage Limited ("NCD Water"). The board and management of the subsidiary have since entered into discussions with NCD Water and they have withdrawn the Notice of Termination on 16 May 2013. The concession has been reinstated and the subsidiary has returned to its normal operations.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 41. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

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

- (i) Loan and receivables (L&R);
- (ii) Other financial liabilities measured at amortised cost (OL).

	L&R/ (OL) RM	Carrying amount RM
<b>Group</b>		
<b>At 31 March 2013</b>		
<b>Financial Assets</b>		
Other investments	595,445	595,445
Trade receivables	37,901,789	37,901,789
Other receivables and deposits	4,168,644	4,168,644
Cash and cash equivalents	31,735,335	31,735,335
	<u>74,401,213</u>	<u>74,401,213</u>
<b>Financial Liabilities</b>		
Trade payables	(8,821,887)	(8,821,887)
Other payables, deposits and accruals	(15,904,487)	(15,904,487)
Amount due to Directors	(169,625)	(169,625)
Hire purchase payables	(1,071,717)	(1,071,717)
Borrowings	(121,064,500)	(121,064,500)
	<u>(147,032,216)</u>	<u>(147,032,216)</u>
<b>At 31 March 2012</b>		
<b>Financial Assets</b>		
Other investments	5,595,445	5,595,445
Trade receivables	39,054,632	39,054,632
Other receivables and deposits	12,539,872	12,539,872
Cash and cash equivalents	27,273,597	27,273,597
	<u>84,463,546</u>	<u>84,463,546</u>
<b>Financial Liabilities</b>		
Trade payables	(10,265,147)	(10,265,147)
Other payables, deposits and accruals	(56,848,243)	(56,848,243)
Amount due to Directors	(4,454,072)	(4,454,072)
Debentures	(8,145,900)	(8,145,900)
Hire purchase payables	(791,947)	(791,947)
Borrowings	(95,732,563)	(95,732,563)
	<u>(176,237,872)</u>	<u>(176,237,872)</u>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 41. FINANCIAL INSTRUMENTS (cont'd)

#### (a) Classification of financial instruments (cont'd)

	L&R/ (OL) RM	Carrying amount RM
<b>Company</b>		
<b>At 31 March 2013</b>		
<b>Financial Assets</b>		
Trade receivables	15,700,439	15,700,439
Other receivables and deposits	2,667,447	2,667,447
Amount due from subsidiaries	119,039,859	119,039,859
Cash and cash equivalents	4,414,471	4,414,471
	<u>141,822,216</u>	<u>141,822,216</u>
<b>Financial Liabilities</b>		
Trade payables	(3,697,441)	(3,697,441)
Other payables, deposits and accruals	(4,120,115)	(4,120,115)
Amount due to subsidiaries	(22,312,181)	(22,312,181)
Amount due to Directors	(70,736)	(70,736)
Hire purchase payables	(656,121)	(656,121)
Borrowings	(5,141,896)	(5,141,896)
	<u>(35,998,490)</u>	<u>(35,998,490)</u>
<b>At 31 March 2012</b>		
<b>Financial Assets</b>		
Other investments	5,000,000	5,000,000
Trade receivables	24,513,968	24,513,968
Other receivables and deposits	2,620,582	2,620,582
Amount due from subsidiaries	106,101,282	106,101,282
Cash and cash equivalents	38,417	38,417
	<u>138,274,249</u>	<u>138,274,249</u>
<b>Financial Liabilities</b>		
Trade payables	(4,243,077)	(4,243,077)
Other payables, deposits and accruals	(1,371,950)	(1,371,950)
Amount due to subsidiaries	(23,744,398)	(23,744,398)
Amount due to Directors	(1,697,376)	(1,697,376)
Hire purchase payables	(685,045)	(685,045)
Borrowings	(8,941,734)	(8,941,734)
	<u>(40,683,580)</u>	<u>(40,683,580)</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 41. FINANCIAL INSTRUMENTS (cont'd)

#### (b) Fair Value of Financial Instruments

The carrying amounts of the Group's financial assets and liabilities are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

#### (c) Fair Value Hierarchy

As the financial assets and liabilities of the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

### 42. FINANCIAL RISK MANAGEMENT POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, foreign currency risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing these risks. The Group's risk management approach seeks to minimise the potential material adverse impact of those exposures.

The following section provides details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Interest rate risk

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

The Group's interest risk arises primarily from interest-bearing financial assets and financial liabilities. The Group's interest-bearing financial assets include fixed deposits that are short term in nature and are held to earn a better yield than cash at banks. The fixed deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk. The Group's interest-bearing financial liabilities include hire purchase payables, term loans and revolving credit.

Borrowings at floating rates expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 42. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the contractual interest rates as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	Contractual Interest Rate %	Within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
<b>Group</b>						
<b>At 31 March 2013</b>						
<b>Fixed rate</b>						
<b>Financial assets</b>						
Deposits with licensed financial institutions	17	2.44	14,450,203	-	-	14,450,203
<b>Financial liabilities</b>						
Hire purchase payables	23	3.70	395,731	675,986	-	1,071,717
<b>Floating rate</b>						
<b>Financial liabilities</b>						
Term loans	24	7.65	3,000,000	110,522,572	-	113,522,572
Bank Overdraft	24	2.50	2,541,928	-	-	2,541,928
Revolving credit	24	2.00	5,000,000	-	-	5,000,000
			10,541,928	110,522,572	-	121,064,500
<b>At 31 March 2012</b>						
<b>Fixed rate</b>						
<b>Financial assets</b>						
Deposits with licensed financial institutions	17	2.44	13,856,913	-	-	13,856,913
<b>Financial liabilities</b>						
Hire purchase payables	23	3.70	238,762	553,185	-	791,947
<b>Floating rate</b>						
<b>Financial liabilities</b>						
Term loans	24	7.65	2,004,000	73,799,086	-	75,803,086
Bank Overdraft	24	2.50	14,929,477	-	-	14,929,477
Revolving credit	24	2.00	5,000,000	-	-	5,000,000
			21,933,477	73,799,086	-	95,732,563

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 42. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the contractual interest rates as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (cont'd)

	Note	Contractual Interest Rate %	Within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
<b>Company</b>						
<b>At 31 March 2013</b>						
<b>Fixed rate</b>						
<b>Financial assets</b>						
Deposits with licensed financial institutions	17	3.15	21,882	-	-	21,882
<b>Financial liabilities</b>						
Hire purchase payables	23	3.70	237,313	418,808	-	656,121
<b>Floating rate</b>						
<b>Financial liabilities</b>						
Bank Overdraft	24	2.50	141,896	-	-	141,896
Revolving credit	24	2.00	5,000,000	-	-	5,000,000
			5,141,896	-	-	5,141,896
<b>At 31 March 2012</b>						
<b>Fixed rate</b>						
<b>Financial assets</b>						
Deposits with licensed financial institutions	17	3.15	-	21,417	-	21,417
<b>Financial liabilities</b>						
Hire purchase payables	23	3.70	188,738	496,307	-	685,045
<b>Floating rate</b>						
<b>Financial liabilities</b>						
Bank Overdraft	24	2.50	3,941,734	-	-	3,941,734
Revolving credit	24	2.00	5,000,000	-	-	5,000,000
			8,941,734	-	-	8,941,734

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 42. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Interest rate risk (cont'd)

##### Sensitivity analysis for interest rate risk

An increase in market interest rate by 100 basis points on financial assets and liabilities of the Group and of the Company which have variable interest rates at the reporting date would decrease the Group's and the Company's profit before tax by RM1,210,645 and RM51,419 respectively (2012: RM957,326 and RM89,417). This analysis assumes that all other variables remain constant.

A decrease in market interest rates by 100 basis points on financial assets and liabilities of the Company which have variable interest rates at the reporting date would have had the equal by opposite effect on the profit before tax on the amount show above, on the basis that all other variables remain constant.

#### (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investment and cash and cash equivalents), the Group minimise credit risk by dealing exclusively with high credit rating counter parties.

The Company is also exposed to credit risk arising from corporate guarantee provided in respect of credit facilities granted to the subsidiary companies.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

##### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- (i) The carrying amount of each class of financial assets recognised in the statements of financial position.
- (ii) A nominal amount of RM116,077,085 (2012: RM81,782,676) relating to corporate guarantees to bank and other financial institutions for credit facilities granted to subsidiaries.

##### Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12. Deposits with banks and other financial institutions and quoted shares that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

##### Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Notes 12 and 15.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 42. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit risk (cont'd)

##### Credit risk concentration profile

As at the end of the reporting period, the Group has concentration of credit risk in the form of outstanding owing by 1 (2012: 1) customer represents 78% (2012: 79%) of total receivables respectively.

#### (c) Foreign currency risk

The Group is exposed to foreign currency risk arising from investments in foreign subsidiaries of which the assets and liabilities are denominated in Kina and Renminbi.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which these investments are located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

#### (d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 42. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (d) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flows RM				Total RM
		Within 1 year RM	2 to 5 years RM	More than 5 years RM		
<b>At 31 March 2013</b>						
<b>Group</b>						
Trade payables	8,821,887	8,821,887	-	-	8,821,887	
Other payables	15,904,487	15,904,487	-	-	15,904,487	
Amount due to Directors	169,625	169,625	-	-	169,625	
Bank borrowings	121,064,500	128,654,279	112,922,386	-	128,654,279	
Hire purchase payables	1,071,717	1,150,593	708,309	-	1,150,593	
	147,032,216	154,700,871	113,630,695	-	154,700,871	
<b>Company</b>						
Trade payables	1,432,028	1,432,028	-	-	1,432,028	
Other payables	122,511	122,511	-	-	122,511	
Amount due to subsidiaries	22,312,181	22,312,181	-	-	22,312,181	
Amount due to Directors	70,736	70,736	-	-	70,736	
Bank borrowings	5,141,896	5,141,896	-	-	5,141,896	
Hire purchase payables	656,121	705,832	442,072	-	705,832	
	29,735,473	29,785,184	442,072	-	29,785,184	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 42. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (d) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year			2 to 5 years		More than 5 years		Total RM
			RM	RM	RM	RM	RM	RM		
<b>At 31 March 2012</b>										
<b>Group</b>										
Trade payables	10,265,147	10,265,147	8,135,499	2,129,648	-	-	-	-	10,265,147	
Other payables	49,773,384	49,773,384	49,773,384	-	-	-	-	-	49,773,384	
Amount due to Directors	4,454,072	4,454,072	4,454,072	-	-	-	-	-	4,454,072	
Bank borrowings	95,732,563	95,732,563	21,933,477	73,799,086	-	-	-	-	95,732,563	
Hire purchase payables	791,947	863,876	274,600	589,276	-	-	-	-	863,876	
	161,017,113	161,089,042	84,571,032	76,518,010	-	-	-	-	161,089,042	
<b>Company</b>										
Trade payables	2,400,050	4,243,077	2,400,050	1,843,027	-	-	-	-	4,243,077	
Other payables	112,036	112,036	112,036	-	-	-	-	-	112,036	
Amount due to subsidiaries	23,744,398	23,744,398	23,744,398	-	-	-	-	-	23,744,398	
Amount due to Directors	1,697,376	1,697,376	1,697,376	-	-	-	-	-	1,697,376	
Bank borrowings	8,941,734	8,941,734	8,941,734	-	-	-	-	-	8,941,734	
Hire purchase payables	685,045	748,642	218,796	529,846	-	-	-	-	748,642	
	37,580,639	39,487,263	37,114,390	2,372,873	-	-	-	-	39,487,263	



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### 43. 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 that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios as at 31 March 2013 and as at 31 March 2012 were as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables	11,402,688	18,330,887	9,549,147	10,710,286
Other payables, deposits and accruals	15,904,487	56,848,243	4,120,115	1,371,950
Amount due to subsidiaries	-	-	22,312,181	23,744,398
Amount due to Directors	169,625	4,454,072	70,736	1,697,376
Hire purchase payables	1,071,717	791,947	656,121	685,045
Bank borrowings	121,064,500	95,732,563	5,141,896	8,941,734
Debentures	-	8,145,900	-	-
Less: Cash and cash equivalents	(31,735,335)	(27,273,597)	(4,414,471)	(38,417)
Net Debt	117,877,682	157,030,015	37,435,725	47,112,372
Equity attributable to the shareholders of the Company	462,755,873	459,574,267	294,762,593	299,002,139
Capital and net debt	580,633,555	616,604,282	332,198,318	346,114,511
Gearing Ratio	20%	25%	11%	14%

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

### SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained profits or losses of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Securities dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealise Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at year end is analysed as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained earnings of the Company and its subsidiaries				
- Realised	356,245,206	338,961,457	126,559,715	128,981,304
- Unrealised	(13,293,782)	(7,806,890)	(73,317)	(67,100)
	342,951,424	331,154,567	126,486,398	128,914,204
Total share of retained earnings from associates				
- Realised	7,119,295	7,273,837	-	-
- Unrealised	(1,177,373)	(873,214)	-	-
	348,893,346	337,555,190	126,486,398	128,914,204
Less: Consolidated adjustments	(67,588,155)	(67,218,730)	-	-
	281,305,191	270,336,460	126,486,398	128,914,204

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 AUGUST, 2013

### SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000.00
Issued and fully paid-up capital	:	RM172,736,172
Class of shares	:	Ordinary shares of RM1 each
Voting rights	:	1 vote per share

### ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares held	%
1 to 99	128	3.13	5,627	0.00
100 to 1,000	140	3.42	75,515	0.04
1,001 to 10,000	2,854	69.80	0,686,314	6.34
10,001 to 100,000	861	21.06	22,815,692	13.54
100,001 to less than 5% of issued shares	103	2.52	55,981,497	33.22
5% and above of issued shares	3	0.07	78,975,696	46.86
<b>TOTAL</b>	<b>4,089</b>	<b>100.00</b>	<b>168,540,341</b>	<b>100.00</b>

### LIST OF THIRTY LARGEST SHAREHOLDERS

NO.	NAME	SHAREHOLDINGS	%
1	BREM PROPERTIES SDN BHD	39,913,350	23.68
2	KHOO CHAI KAA	24,374,410	14.46
3	WAWASAN EKUITI SDN BHD	14,687,936	8.71
4	LEMBAGA TABUNG HAJI	8,021,226	4.76
5	CLASSICAL GLORY SDN BHD	5,373,307	3.19
6	KHOO CHAI THIAM	3,035,222	1.80
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LOW YEW HWA	2,530,863	1.50
8	TAN SRI DATO' YAP SUAN CHEE	2,527,110	1.50
9	WAWASAN EKUITI SDN BHD	2,218,155	1.32
10	BOND RESOURCES SDN. BERHAD	2,139,825	1.27

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 AUGUST, 2013 (CONT'D)

NO.	NAME	SHAREHOLDINGS	%
11	MKW JAYA SDN. BHD.	1,949,800	1.16
12	KOPERASI JAYADIRI MALAYSIA BERHAD	1,290,000	0.77
13	HDM NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR CLASSICAL GLORY SDN. BHD.	1,040,300	0.62
14	YEOH KEAN HUA	1,032,000	0.61
15	TRADEMA HOLDINGS SDN.BHD.	1,030,581	0.61
16	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LEE TECK YUEN	941,442	0.56
17	KINGSLEY LIM FUNG WANG	913,800	0.54
18	HDM NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR YAU KIM HIAN	886,660	0.53
19	MEPRO HOLDINGS BERHAD	780,837	0.46
20	HUANG, CHUNG-KO ALSO KNOWN AS GREG HUANG	661,125	0.39
21	HLIB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TENG SIEW KEAN	613,395	0.36
22	KEK LIN SIANG	607,977	0.36
23	GEOFFREY LIM FUNG KEONG	550,000	0.33
24	ENG BAK SING	473,301	0.28
25	LIM JIT HAI	470,000	0.28
26	TAN JIN TUAN	468,000	0.28
27	CHAI FOOI HEONG	463,100	0.27
28	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SIN HUAN KWANG	432,150	0.26
29	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SU MING MING	412,800	0.24
30	LOW YIEW FOOK	404,286	0.24
		<b>120,242,958</b>	<b>71.34</b>

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 AUGUST, 2013 (CONT'D)

### SUBSTANTIAL SHAREHOLDERS

(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares of RM1 each			
	Direct	%	Indirect	%
1. Khoo Chai Kaa	24,374,410	14.46	39,913,350	23.68
2. Lee Lei Choo	-	-	64,287,760	38.14
3. Wawasan Ekuiti Sdn. Bhd.	16,906,091	10.03	-	-
4. Musa Bin Abas	129,000	0.08	16,906,091	10.03
5. Brem Properties Sdn. Bhd.	39,913,350	23.68	-	-
6. Norhayati Binti Ali Polah	-	-	16,906,091	10.03

### STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares of RM1 each			
	Direct	%	Indirect	%
<b>The Company</b>				
Khoo Chai Kaa	24,374,410	14.46	39,913,350	23.68
Khoo Chai Thiam	3,428,672	2.03	-	-
Low Yew Hwa	2,530,863	1.50	-	-
Wong Miow Song	-	-	-	-
Dato' Hj. Abu Sujak Bin Hj. Mahmud	-	-	-	-
Khoo Hui Keam	-	-	-	-
Khoo Hui Giok	-	-	-	-

By virtue of his interest in shares in the Company, Mr. Khoo Chai Kaa is also deemed to be interested in the shares in all subsidiaries to the extent that the Company has an interest.

Directors' Name	No. of Ordinary Shares of HK\$1 each			
	Direct	%	Indirect	%

#### Subsidiary Companies:-

##### Brem Oversea Investments Pte. Limited

Low Yew Hwa	600,000	5.00	-	-
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	No. of Ordinary Shares of K1 each			
	Direct	%	Indirect	%

##### Brem Maju (PNG) Limited

Khoo Chai Kaa	1	0.0004	-	-
Low Yew Hwa	1	0.0004	-	-

# PROPERTIES HELD BY THE BREM GROUP OF COMPANIES

Location	Description/ Existing use	Date of acquisition	Area	Tenure/Age of building	Net book value as at 31 March 2013 RM '000
<b>BREM HOLDING BERHAD</b>					
PT 19658-19697, 19869-19870, 19873, 19927-20035, 20045-20052, 23824 Mukim of Sungai Pasir, District of Kuala Muda, Kedah Darul Aman.	Development land - vacant	07/01/1994	24.17 acres	Freehold	34,525
PT 4657-4660, 4663, 4667, 4669, 4672-4674, 4678-4684, 4688-4700, 4704-4706, 4724, Mukim of Pinang Tunggal, District of Kuala Muda, Kedah Darul Aman.	Development land - vacant	07/01/1994	84.07 acres	Freehold	13,378
<b>COSMO-ONE REALTY SDN BHD</b>					
Lot 7, Jalan 222, Petaling Jaya, Selangor Darul Ehsan.	Factory building for rental	04/09/1996	1.21 acres	Leasehold Expiring on 20/07/2065	8,572
<b>NAGA ISTIMEWA SDN BHD</b>					
PT 14218, 14221 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Investment property for rental - retail cum office complex	26/10/1995	2.74 acres	Leasehold Expiring on 01/08/2095 Age: 5 years	114,812
<b>HARMONY PROPERTY SDN BHD</b>					
PT 25794 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Property under development	15/12/2003 31/03/2005	5.68 acres	Freehold	55,383
Lot No. 2865, 2867 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005	5.06 acres	Freehold	10,514
Lot No. 2868 - 2870, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005	5.94 acres	Freehold	9,939

# PROPERTIES HELD BY THE BREM GROUP OF COMPANIES (CONT'D)

Location	Description/ Existing use	Date of acquisition	Area	Tenure/Age of building	Net book value as at 31 March 2013 RM '000
<b>HARMONY PROPERTY SDN BHD (cont'd)</b>					
PT 25799 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005	0.82 acres	Freehold	719
Lot No. 2520-2522 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005 17/11/1995	5.94 acres	Freehold	7,025
Lot No. 2494 - 2496, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005 10/10/1995	5.91 acres	Freehold	4,241
Lot No. 2519, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005	2.03 acres	Freehold	2,303
Lot 1919, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land -vacant	08/04/2011	3.0 acres	Freehold	20,026
Lot 2 & Lot 9, District of Petaling, Selangor Darul Ehsan.	Development land -vacant	15/03/2011	7.59 acres	Leasehold Expiring on 16/05/2065	54,374
Lot 5114 & PT 1157, Mukim of Ulu Kelang, District of Kuala Lumpur, Wilayah Persekutuan.	Development land -vacant	19/11/2010	33.28 acres	Leasehold Expiring on 05/04/2083	77,905
<b>BREM MAJU SDN BHD</b>					
Lot 4649, WC/S - 5, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan. (WC 23, Antah Tower, Off Jalan Kuching, 51200 Kuala Lumpur)	Single bedroom apartment for rental	03/11/1986	58.71 sq m.	Freehold Age: 26½ years	78

# PROPERTIES HELD BY THE BREM GROUP OF COMPANIES (CONT'D)

Location	Description/ Existing use	Date of acquisition	Area	Tenure/Age of building	Net book value as at 31 March 2013 RM '000
<b>BREM MAJU (PNG) LIMITED</b>					
Allotment 2, Section 516, Waigani Drive, Hohola, NCD, Papua New Guinea.	3-storey residential house	15/03/2003	0.06 acre	Leasehold Expiring on 28/05/2095 Age: 10 years	370
<b>TITI KAYA SDN BHD</b>					
PT 27609-PT 27611, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	21/10/1995	12.30 acres	Freehold	2,847
PT 27612 & PT 41705 (Formerly as Grant 30380, Lot 84), Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	30/12/1996 09/05/1997	161.57 acres	Freehold	25,739
<b>ENG ANN REALTY CO. (KLANG) SDN BHD</b>					
Lot No. 3328-3330, 2900 & PT 252 (Formerly 3325), Mukim of Bukit Raja, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/06/1994	4.70 acres	Freehold	3
Lot 6469 & 1674, Mukim of Bukit Raja, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/01/1994	0.1 acre	Freehold	6
Lot 15375 & 15377, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Property under development and vacant land	10/01/1994	12.23 acres	Freehold	6,704
PT 27612 & PT 41705 (Formerly as Grant 30380, Lot 84), Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/06/1994	109.71 acres	Freehold	204
<b>NPO BUILDERS SDN BHD</b>					
PT 21018 (HSD 248199) & PT 21019 (HSD 248200), Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan.	Development land - vacant	27/12/2004	46.21 acres	Freehold	25,953



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**Proxy Form**

**32<sup>nd</sup> Annual General Meeting**

I/We \_\_\_\_\_, (NRIC No./ Company No.) \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of BREM HOLDING BERHAD hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Thirty-Second Annual General Meeting of the Company, to be held at Crown Hall, 1<sup>st</sup> Floor, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 September 2013, at 10.30 a.m. and at any adjournment thereof.

*\*(strike out whichever is not desired)*

*(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. Unless otherwise instructed, the Proxy may vote or abstain from voting at his discretion)*

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements		
2.	To declare a final dividend in respect of the year ended 31 March 2013		
3.	To approve Directors' fees		
4.	Re-election of Mr. Khoo Chai Kaa as Director		
5.	Re-election of Mr. Wong Miow Song as Director		
6.	Re-appointment of Dato' Hj. Abu Sujak Bin Mahmud as Director		
7.	To re-appoint Messrs. Styl Associates as Auditors of the Company		
8.	Resolution pursuant to Section 132D of the Companies Act, 1965		
9.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions		
10.	Proposed Renewal of Authority For Share Buy-Back		
11.	Continuing in office for Mr. Wong Miow Song As Independent Non-Executive Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

No. of Shares Held	
CDS Account No.	
Tel No. (during office hours)	

\_\_\_\_\_  
Signature

**NOTES:**

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- Where a member is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the company's Common Seal or under the hand of the officer or attorney duly authorised.
- The Form of Proxy must be deposited at the Company's Registered Office at 3rd Floor, BREM House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor not less than 48 hours before the time set for the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 September 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.

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Affix  
Stamp  
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The Company Secretary  
**BREM HOLDING BERHAD** (66756-P)  
3rd Floor, BREM House  
Crystal Crown Hotel  
No. 12, Lorong Utara A  
Off Jalan Utara  
46200 Petaling Jaya  
Selangor Darul Ehsan

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**BREM HOLDING BERHAD**  
(66756-P)  
3rd Floor, BREM House,  
Crystal Crown Hotel, No. 12,  
Lorong Utara A, Off Jalan Utara,  
46200 Petaling Jaya,  
Selangor Darul Ehsan

[www.bremholding.com](http://www.bremholding.com)