

PLB ENGINEERING BERHAD

PLB 國雲集團有限公司

(418224-X)

annual report 2016



• Phoenix Residences Sdn Bhd • PLB-KH Bina Sdn Bhd • PLB Land Sdn Bhd • PLB Terang Sdn Bhd • PLB Green Construction Sdn Bhd • Era Pujuan Sdn Bhd • Sebad! Corporation Sdn Bhd • Excelgrand Properties Sdn Bhd • Hektar Pujuan Sdn Bhd • PLB Cemerlang Sdn Bhd • PLB Wonder Bay Development Sdn Bhd • Gaintrend Sdn Bhd • PLB Ventures Sdn Bhd • PLB Eco Solutions Sdn Bhd • Indah Mulia Development Sdn Bhd • Pelangi Sehati Development Sdn Bhd • Diligent Success Sdn Bhd • PLB Steel Engineering Sdn Bhd • PLB Resource Management Sdn Bhd • PLB Bio Green Sdn Bhd • Landsdale Development Sdn Bhd • Fattigold Sdn Bhd

www.plb.com.my

www.plbhomes.com.my

Vision & Mission

CORPORATE VISION

To be a progressive and technology-driven global conglomerate by capitalizing on our core business, while seeking new opportunities to constantly enhance the economic value for our stakeholders.

CORPORATE MISSION



Focusing on customer needs which meet their requirements and drive their success.



Applying Information Technology to enhance our business efficiency and Supply Chain Management.



Monitor continued improvement and upgrade our operation technologies, facilities and Human Resource capabilities.



Inculcate a passion for excellence and commitment while contributing towards nation building and welfare of society.



Supporting our enterprising employees through "Intrapreneurship" schemes.



Identifying new ventures for growth.

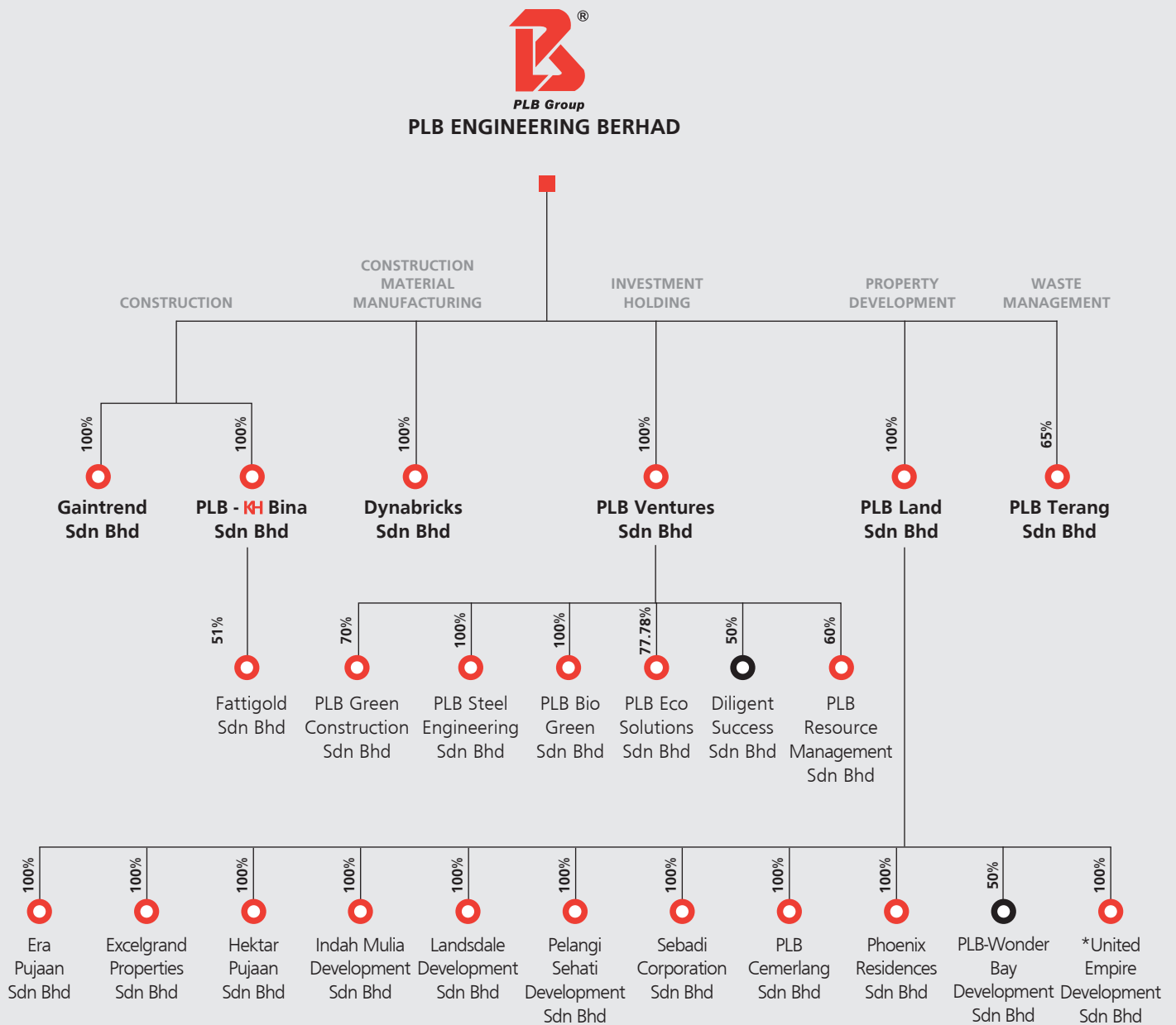
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Corporate Information

Board of Directors	Dato' Seri Ong Choo Hoon (<i>Group Executive Chairman</i>) Dato' Dr. Ong Seng Soon (<i>Group Managing Director</i>) Encik Mardzukhi Bin Abu Bakar (<i>Executive Director</i>) Dato' Ong Guat Beng (<i>Executive Director</i>) Mr. Ong Seng Chye (<i>Executive Director</i>) Mr. Saw Chin Eng (<i>Independent Non-Executive Director</i>) Dato' Noordin Bin Md. Noor (<i>Independent Non-Executive Director</i>) Madam Teoh Siew Tin (<i>Independent Non-Executive Director</i>)
Company Secretaries	Mr. Chee Wai Hong (BC/C/1470) Ms Foo Li Ling (MAICSA 7019557)
Registered Office	51-13-A Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel. : 04-2289700 Fax : 04-2279800 E-mail : enquiry@fastrack.com.my
Auditors	Messrs Grant Thornton 51-8-A Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel : 04-2287828 Fax : 04-2279828
Share Registrar	Agriteum Share Registration Services Sdn. Bhd. 2 nd Floor Wisma Penang Garden 42 Jalan Sultan Ahmad Shah 10050 Penang Tel : 04-2282321 Fax : 04-2272391
Audit Committee	<u>Chairman</u> Mr. Saw Chin Eng (<i>Independent Non-Executive Director</i>) <u>Members</u> Dato' Noordin Bin Md. Noor (<i>Independent Non-Executive Director</i>) Madam Teoh Siew Tin (<i>Independent Non-Executive Director</i>)
Bankers	Malayan Banking Berhad Affin Bank Berhad RHB Bank Berhad Amlslamic Bank Berhad Hong Leong Bank Berhad CIMB Bank Berhad AmBank (M) Berhad Bank Islam Malaysia Berhad OCBC Bank (Malaysia) Berhad Alliance Bank Malaysia Berhad
Solicitors	Messrs Azman Davidson & Co. Messrs B.C. Teh & Yeoh Messrs Ghazi & Lim Messrs Presgrave & Matthews Messrs Salina, Lim Kim Chuan & Co.
Stock Exchange Listing	Main Market of Bursa Malaysia Securities Berhad Stock Short Name : PLB Stock Code : 7055

Corporate Structure



 Subsidiary
  Associate Company

* Struck-off during the financial year

Directors' Profile

Dato' Seri Ong Choo Hoon

Group Executive Chairman

Member of the Remuneration Committee

Dato' Seri Ong Choo Hoon (male), a Malaysian aged 77, was appointed to the Board of the Company on 11 October 1997 as the Group Executive Chairman. Dato' Seri Ong is the founder of the PLB Group with more than 50 years of experience in machinery, engineering and construction industry. After having been actively involved in machinery engineering contracts and provision of maintenance services from 1962 to 1975, Dato' Seri Ong subsequently ventured into the construction business in 1976 and was the primary moving force behind a number of the Group's successful property development projects over the years. He is responsible for the overall management and strategic planning of the PLB Group.

Dato' Seri Ong is also a member of The People's Volunteer Corps (RELA), holding the position of Major (Honorary).

Dato' Seri Ong represents PLB-KH Bina Sdn Bhd ("PKH"), a wholly owned subsidiary of the Company, as the patron of the Penang State Foundry and Engineering Industries Association.

Dato' Seri Ong does not hold any other directorships in other public companies.

Dato' Seri Ong is the father of Dato' Dr. Ong Seng Soon, Dato' Ong Guat Beng and Mr. Ong Seng Chye who are also Executive Directors of the Company. He is a director and major shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Dato' Dr. Ong Seng Soon

Group Managing Director

Chairman of the Corporate Governance Committee

Dato' Dr. Ong Seng Soon (male), a Malaysian aged 51, was appointed as the Group Managing Director of the Company on 11 October 1997. He holds a degree of Doctorate of Philosophy in Construction Management from Clayton University, United States of America. He joined PKH as a Site Engineer in 1989 and was responsible for the site and construction management of all major construction projects undertaken by PKH. Since his appointment to the Board of PKH and the Company, his in-depth knowledge of the construction industry has contributed significantly to the growth and the expansion of PLB Group. Dato' Dr. Ong oversees the operations management, corporate development and business development of PLB Group.

Dato' Dr. Ong is the Chairman of the Corporate Governance Committee and various working committees in the Group. He is a Major (Associate Officer) of the Department of Civil Defence Malaysia (Ministry of Internal Security), a member of the Board of Engineers of Malaysia, a graduate member of The Institution of Engineers, Malaysia, General Committee Member of Penang Chinese Chamber of Commerce, represents PKH as an Alternate Committee Member of Penang Master Builders & Building Materials Dealers Association, Director of Penang Han Chiang Associated Chinese Schools Association and Honorary Director of S.M.J.K Heng Ee.

Dato' Dr. Ong does not hold any other directorships in other public companies.

Dato' Dr. Ong is the son of Dato' Seri Ong Choo Hoon and the brother of Dato' Ong Guat Beng and Mr. Ong Seng Chye. He is a director and major shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five years other than traffic offences, if any.

Directors' Profile (Cont'd)

Encik Mardzukhi Bin Abu Bakar

Executive Director

Member of the Corporate Governance Committee

Encik Mardzukhi Bin Abu Bakar (male), a Malaysian aged 60, was appointed as the Executive Director of the Company on 11 October 1997 and oversees the business development of the Group. Currently, he also oversees the Safety and Security Department. He obtained a Certificate in Building Structural Draughtsmanship from MARA Institute in 1979 and subsequently received his Diploma in Business Administration from the Institute of Business Administration and Management. He has also attended Safety and Health Officer course by National Institute of Occupational Safety and Health (NIOSH). He was admitted as a fellow of The International Management Association, London i.e. F.I.M.A (UK) in April 2008. He has more than 28 years of invaluable experience through his involvement in construction industry. He was appointed as a Councilor to Majlis Perbandaran Seberang Perai from 1989 to 1990. He was a Project Manager of Gurun Corporation Sdn. Bhd. from 1990 to 1992. He had attended several intensive courses and seminars on construction and safety management to keep abreast with the latest developments in the industry.

Encik Mardzukhi does not hold any other directorships in other public companies.

Encik Mardzukhi is not related to any other Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past five years other than traffic offences, if any.

Dato' Ong Guat Beng

Executive Director

Member of the Corporate Governance Committee

Dato' Ong Guat Beng (female), a Malaysian aged 58, was appointed as an Executive Director of the Company on 11 October 1997. After completing high school in 1976, Dato' Ong joined PKH to assist Dato' Seri Ong Choo Hoon to oversee the overall operation of PKH. She has almost 40 years of working experience in purchasing, accounting and office administration. She oversaw the Finance, Human Resources and Administration departments before taking up the Procurement department of the Company. Dato' Ong also assists the Group Executive Chairman and Group Managing Director in the overall operations and management of the Company on site management, financial management and human resources management.

On 9 July 2016, Dato' Ong Guat Beng was conferred Darjah Setia Pangkuan Negeri by the Penang State Government which carries the honorific title Dato'.

Dato' Ong does not hold any other directorships in other public companies.

Dato' Ong is the daughter of Dato' Seri Ong Choo Hoon and the sister of Dato' Dr. Ong Seng Soon and Mr. Ong Seng Chye. She is a director and shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. She has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Directors' Profile (Cont'd)

Mr. Ong Seng Chye

Executive Director

Member of the Corporate Governance Committee

Mr. Ong Seng Chye (male), a Malaysian aged 49, was appointed as an Executive Director of the Company on 11 October 1997. He completed his high school education in 1985 and joined PKH in 1987 to assume various responsibilities for plant and machinery scheduling, security maintenance, site management, logistics and manufacturing. Currently, he oversees the Property Development operations of the PLB Group and represents the PLB Group by being actively involved in the public and social responsibilities of PLB Group. He is a Director of SJK (C) Kwang Hwa Butterworth, a member of the Board of Directors and Chartered Treasurer as well as Past Secretary and Past President of the Lions Club of Perai. He is also the Committee Member of Infrastructure & Public Facilities Committee and Young Entrepreneur Section Sports Bureau Advisor of the Penang Chinese Chamber of Commerce as well as the Past Treasurer of the Penang Chinese Chamber of Commerce Young Entrepreneur Section. He represents PKH as a Committee Member and Past President of Penang Master Builders & Building Materials Dealers Association. Mr. Ong has attended numerous seminars to supplement his on-the-job experience.

Mr. Ong does not hold any other directorships in other public companies.

Mr. Ong is the son of Dato' Seri Ong Choo Hoon and the brother of Dato' Dr Ong Seng Soon and Dato' Ong Guat Beng. He is a director and shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Mr. Saw Chin Eng

Independent Non-Executive Director

Chairman of the Audit Committee

Chairman of the Remuneration Committee

Member of the Nominating Committee

Mr. Saw Chin Eng (male), a Malaysian aged 59, was appointed as an Independent Non-Executive Director of the Company on 30 May 2001. He obtained his Bachelor of Commerce degree from University of Otago, New Zealand in 1981. He started his career as an Audit Assistant in an accounting firm. He was later promoted to a position of an Audit Manager in charge of a wide portfolio of clients. Currently, he is practicing under Messrs. Saw & Co., a member firm of the Malaysian Institute of Accountants. A Chartered Accountant by profession, Mr. Saw is a member of Chartered Accountants Australia and New Zealand and also a Chartered Accountant with the Malaysian Institute of Accountants as well as a Chartered Tax Practitioner (CTP) and a member of the Chartered Tax Institute of Malaysia and a qualified Certified Financial Planner (CFP) and registered Financial Planner (RFP). In July 2008, Mr. Saw was admitted as Fellow Certified Practising Accountant (FCPA) of CPA Australia.

Mr. Saw does not hold any other directorships in other public companies.

Mr. Saw is the spouse of Madam Teoh Siew Tin. He has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Directors' Profile (Cont'd)

Dato' Noordin Bin Md. Noor

Independent Non-Executive Director

Chairman of the Nominating Committee

Member of the Audit Committee

Member Remuneration Committee

Dato' Noordin Bin Md. Noor (male), a Malaysian aged 59, was appointed as an Independent Non-Executive Director of the Company on 11 October 1997. He obtained his Diploma in Business Studies from Universiti Teknologi MARA (UiTM) in 1976. He has 27 years of experience in business, construction, service, IT, manufacturing (rubber based products, food and fisheries) and transport industry.

Dato' Noordin has been actively involved in the nation's political scene since 1976. He has held various positions in UMNO Malaysia at the Division, State and National level such as Exco Pemuda UMNO Malaysia (1993 – 2002), Timbalan Pengerusi Biro Pendidikan Pemuda UMNO Malaysia (1993 – 1996), Pengerusi Majlis Pembangunan Usahawan Pemuda UMNO Malaysia (1996 – 1998), Pengerusi Majlis Ekonomi dan Pembangunan Usahawan Pemuda UMNO Malaysia (1998 – 2002) and Ahli Jawatankuasa Pengurusan dan Pentadbiran Pergerakan Pemuda UMNO Malaysia.

Dato' Noordin is an Independent Non-Executive Director of TH Plantations Berhad.

Dato' Noordin is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past five years other than traffic offences, if any.

Madam Teoh Siew Tin

Independent Non-Executive Director

Chairperson of the Risk Management Committee

Member of the Audit Committee

Member of the Nominating Committee

Madam Teoh Siew Tin (female), a Malaysian aged 59, was appointed as an Independent Non-Executive Director of the Company on 30 October 2008. She received her upper secondary and tertiary education in Australia graduating with Bachelor of Economics (Accounting) degree from Monash University, Clayton Campus, Melbourne, Australia in 1979.

She began her career with international accounting firms and stayed in the industry for 4 years. Her work covers areas of audit, tax and company secretarial. Subsequently, she spent the next 18 years in a Main Board listed company in the steel industry. She started as an Accountant and moved up to General Manager level to hold the position of Group Financial Controller in the Group of Companies. Her work experience covers accounting, finance, corporate tax planning, licensing, administrative and corporate services including human resources management, corporate communications, information technology, credit control and debt recover, equity call and fund raising, mergers and takeovers and feasibilities study of projects.

She is a Fellow member of the CPA Australia, Chartered Accountant with the Malaysian Institute of Accountants and a member of the Chartered Tax Institute of Malaysia. She is involved in her own consultancy business.

Madam Teoh does not hold any other directorships in other public companies.

Madam Teoh is the spouse of Mr. Saw Chin Eng. She has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Corporate Key Management Profile

Ms Phee Poh Suan

Senior Finance Manager

Ms. Phee Poh Suan (female), a Malaysian aged 48, was appointed as the Senior Accountant of the Group on 23 June 2003 before being promoted to Finance Manager shortly after. Her areas of responsibility include corporate finance, mergers and acquisitions, financial management, compliance and reporting and overall finance operations of the Group.

She started her career in the construction and development industry. Ms Phee is an associate member of Chartered Institute of Management Accountant (CIMA), England. In 2007, she was promoted as the Group's Senior Finance Manager due to her excellent achievement and contribution to the organization.

Ms Thenmathy Ramasamy

Senior Legal Manager

Ms. Thenmathy (female), a Malaysian aged 43, joined the Group as a Legal Manager in 4 December 2001. She graduated with a Bachelor of Laws and Master of Laws from University of Malaya in 1997 and 2000 respectively.

She began her career in the legal practice for about 4 years before joining the Group. She oversees the corporate, legal and secretarial functions of the Group. She is also a Licensed Secretary and a Graduate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). Ms. Thenmathy was promoted as the Group's Senior Legal Manager in 2007.

Notes:-

1. Family Relationship with Director and Major Shareholder

None of the Key Senior Management has any family relationship with any director and/or major shareholder of PLB.

2. Conflict of Interest

None of the Key Senior Management has any conflict of interest with PLB.

3. Conviction of Offences

None of the Key Senior Management has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanction or penalties imposed by the relevant regulatory bodies during the financial year ended 31 August 2016.

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors of **PLB ENGINEERING BERHAD** ("PLB" or "the Company"), it is my pleasure to present the Annual Report and Audited Financial Statements of the Company for the financial year ended 31 August 2016.

From its initial start in the construction industry starting from 1973, the Group slowly took a natural course and ventured into development activities in 1998 and in 2012, diversified its activities in solid waste management activities when one of its subsidiaries secured the contract as the sole concessioner of solid waste management for the State of Penang. At this juncture, revenue contributed by the construction, property development and waste management arms to the Group is 45%, 45% and 10% respectively.

Financial Performance

For the financial year ended 31 August 2016, the Group recorded revenue of RM175.55 million and profit before tax of RM1.96 million compared to revenue of RM131.32 million and profit before tax of RM6.93 million respectively in the preceding year.

The Group recorded higher revenue for the current year to date compared to last year mainly derived from property development projects, Prestige III at Balik Pulau and 98 Nibong Residences at Sungai Nibong.

The Group will continue to focus on and develop its major business segments which are property development and construction.

The property development segment of the Group targets to continue with the development of the final Phase of Balik Pulau and the newly launched Greenwish Garden at Batu Maung, Penang.

Needless to say, new launches have slowed down due to the recent high loan rejection rates amid cautious sentiment in the property market. The Group is currently focusing on development planning of quality, affordable houses and condominiums on its existing development land bank at Paya Terubong and the Zoo Road located in the Penang Island.

The net tangible assets of the Group decreased from RM133.1 million to RM 124.6 million due to the lower profit before tax as goodwill on consolidation written off of RM8.30 million arising from acquisition of a new subsidiary, Phoenix Residences Sdn Bhd.

Dividend

The Board of Directors has recommended a first and final single tier dividend of 1 sen for financial year ended 31 August 2016 for shareholders' approval at the forthcoming Annual General Meeting.

Industry Trend & Development

The year 2016 continued to be a challenging year and is expected to influence the prospects of Malaysian economy. Overall, the Malaysian economy is expected to grow by 4 – 4.5% in 2016.

The weaker consumer sentiments due to the uncertain conditions in financial markets and the weak Ringgit exchange rate in addition to the lingering effects of the Goods and Services Tax implementation.

Growth momentum in the construction sector is projected to remain modest with weak housing approvals and reduced property launches. The growth targets much depends on sustainability of private consumption and the pace of exports recovery. Public sector expenditure still remains supportive of overall growth.

Whereas, the property market remains soft and cautious with the continuing credit tightening measures by financial institutions. The gradual weakening of the Ringgit against most foreign currencies is expected to cause upward trend in the cost structure which shall effect the difficulties in strategizing business plans ranging from medium to long term basis.

Despite the above drawbacks, PLB is confident that the high demand of affordable properties, with better locations, attractive offers and reasonable pricing will boost the property development projects.

Chairman's Statement (Cont'd)

Review of Operations

Construction

PLB-KH Bina Sdn Bhd ("PKH"), Gaintrend Sdn Bhd ("GtSB") and PLB Green Construction Sdn Bhd ("PGC") shall continue to contribute to the construction sector.

PLB will continue focusing in securing contracts from existing established clients, new reputable customers and the public sector including abandoned schemes to enhance the profitability of the Group in the forthcoming financial year.

The current on-going external construction projects with a total unbilled sales of RM53 million located at Bukit Minyak-Prai and Penang Island is expected to contribute to the Group turnover over the next one year.

Property Development

The recent high loan rejection rates amid the cautious investor sentiment has caused some slowdown in the property market. As a precaution, the Group is currently focusing on the development planning of quality, affordable houses and condominium from its existing development land bank at Paya Terubong and Zoo Road both located at Penang Island with a total estimated gross development value of RM748 million, planned to be launched from financial year of 2017 onwards. The Group also continues to diligently plan the development of various projects in the pipeline scheduled in order to get the right products ready into the market on time for business sustainability and continuity.

Focusing in the development planning of quality affordable properties on its existing land bank, the Company has already initiated the layout plan submission of about 1,000 units Affordable Housing Scheme at Paya Terubong to cater to the revival of abandoned schemes of Phases 2B and 3A as well as provide more affordable housing in line with the Penang State policy. This 1st phase of 1000 units development is part of a bigger township of 10,000 units of affordable housing scheme.

Along with affordable units scheme, the Company is also almost ready to complete the revival works of the abandoned Phase 2A and deliver the completed units to the existing purchasers with Certificate of Completion and Compliance (CCC) by January 2017. To date, these revival schemes form part of the Corporate Social Responsibility of the Group.

In addition, the Company is looking forward to realize the next large scale mixed development project on a 200-acre land located at Jarak, Seberang Perai Utara, which is strategically located between the Penang Port, the Penang Bridge, the upcoming undersea tunnel and the proposed Kulim Airport. Also in the pipeline are high-rise development projects at the Paya Terubong and Zoo Road.

Solid Waste Management

Apart from the tipping fees collected from the existing landfills at Pulau Burung Sanitary Landfill site, currently the Group is expanding into recycling and waste management through its Waste Segregation Centre commencing from June 2015.

The management takes cognizance that the profitability of the Waste Segregation Scheme very much depends on proper manpower management as well as training with more to be gained from the recycling process of collected waste material into economically viable products. The Waste Generator Pay Scheme, on the other hand, hinges on the strength of enforcement by the State Government. In view of this, the Company continues to put forth all necessary steps to ensure the success of both projects and anticipates to recoup its heavy capital investment within the next 7 years. One of the foundations is the Eco park project designed to cater the secondary recycling process plant.

Quality System

During the financial year, PKH had successfully passed the re-certification for the MS ISO 9001:2008 in respect of Provision of Construction Services in Building and Civil Engineering Works and Design Coordination and Management of Turnkey Projects.

The other subsidiaries of the Group, GtSB and PGC had successfully passed the yearly surveillance audit for MS ISO 9001: 2008 certification.

With the commitment and dedication of our management and employees who are periodically briefed on the importance of Quality Policy and Objective to further strengthen and maintain the Quality Management System, PLB is confident of the continuity of the certification.

Chairman's Statement (Cont'd)

Prospects

The Group will continue to focus on and develop its major business segments, namely the construction and property development sector in addition to expanding its solid waste management activity.

Barring any unforeseen circumstances, the Group expects to remain profitable for the forthcoming financial year 2017.

Appreciation

I would like to express our sincere appreciation and thanks to the members of the Board of Directors, Management and Staff for their support and contributions to the Company. The Board appreciates that the Company's success depends on continuous service and commitment of key players and a sound management team. In this regards, the Company will persevere to enhance employees' skills and talent as well as build the future leaders for the Group.

On behalf of Board of Directors, I would also like to extend my appreciation to the Malaysian Government and all its ministries, agencies, departments, state government, local councils and last but not least to our valued stakeholders for their continued cooperation and support during the financial year 2016.

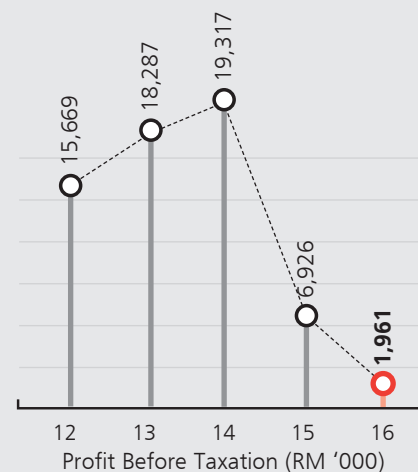
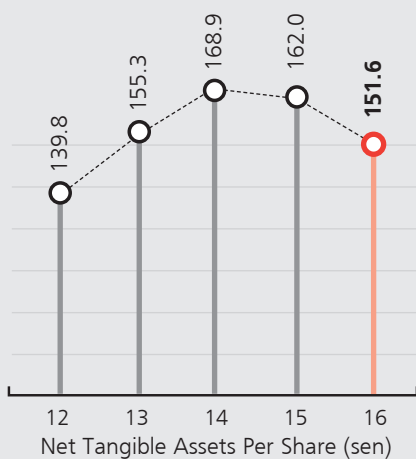
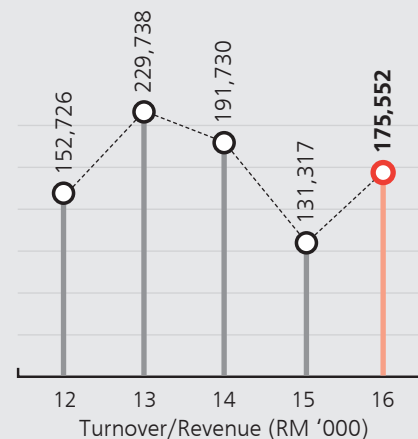
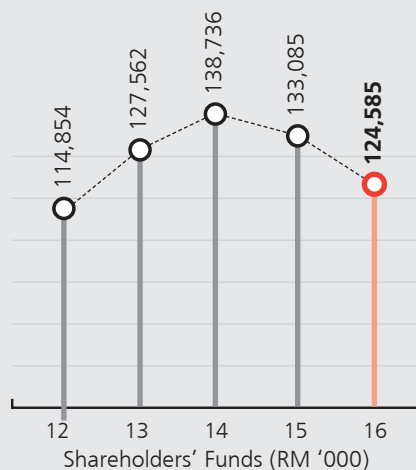
DATO' SERI ONG CHOO HOON

Chairman

Financial Highlights

	Audited (RM '000)				
	2012	2013	2014	2015	2016
Turnover/Revenue	152,726	229,738	191,730	131,317	175,552
Profit Before Taxation	15,669	18,287	19,317	6,926	1,961
Profit/(Loss) For The Year @	10,870	12,553	12,808	3,673	(535)
Paid Up Capital	91,282	91,282	91,282	91,282	91,282
Shareholders' Funds	114,854	127,562	138,736	133,085	124,585
Earnings/(Loss) Per Share (sen)	13.23	15.28	15.59	4.47	(0.65)
Net Tangible Assets Per Share (sen)	139.8	155.3	168.9	162.0	151.6
Total Assets	220,057	273,596	299,783	304,162	339,692
Gross Dividend (%)	3.00	5.00	10.00	5.00	1.00

@ Profit for the year represents profit after taxation and non-controlling interests.



Audit Committee Report

Objectives

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its duties and responsibilities in the area of corporate governance and internal audit with particular reference to the public accountability of the Company and its subsidiaries.

Membership

The present member of the Audit Committee consists of:

Chairman : Mr. Saw Chin Eng (Independent Non-Executive Director)
 Members : Dato' Noordin Bin Md. Noor (Independent Non-Executive Director)
 : Madam Teoh Siew Tin (Independent Non-Executive Director)

MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 31 AUGUST 2016

During the financial year, four meetings were held and the table of attendance of each committee member is as follows:-

<u>Director</u>	<u>No. of Meetings attended</u>
Mr. Saw Chin Eng	4
Dato' Noordin Bin Md. Noor	3
Madam Teoh Siew Tin	4

The Audit Committee met four times during the financial year under review i.e. on 28 October 2015, 19 January 2016, 27 April 2016 and 28 July 2016.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

During the financial year, the Audit Committee had carried out the following activities to meet their responsibilities as set out in the terms of reference of the Audit Committee:

Financial reporting

The Audit Committee reviewed the unaudited quarterly financial results of the Group during its meetings held on 28 October 2015, 19 January 2016, 27 April 2016 and 28 July 2016. On 27 October 2016, the Audit Committee reviewed the audited financial statements of the Group and Company for the financial year ended 31 August 2016. The Audit Committee's recommendations in respect of the quarterly results and audited financial statements were presented to the Board at the respective Board of Directors' meetings for the Board's approval before subsequent release to Bursa Malaysia Securities Berhad and the Securities Commission accordingly.

External Audit

On 28 July 2016, the Audit Committee reviewed and approved the external auditors' audit plan for the Group and the Company for the year ending 31 August 2016. The audit plan covered the major areas of focus and the audit approach for each area identified focusing on mainly the financial assertion risks and the audit approaches to be undertaken.

The Audit Committee was briefed on the revised Financial Reporting Standards, the amendments thereto and the IC Interpretation Updates as well as the legal updates applicable through the amendments to the Bursa Malaysia Main Market Listing Requirements namely the new auditors' report, changes to auditors and responsibilities regarding other information.

The Audit Committee reviewed the audit fees and the performance of the external auditors and was satisfied with the conduct of their professional work and the timeliness of completion of their work to meet the reporting deadline.

Audit Committee Report (Cont'd)

On 27 October 2016, the Audit Committee reviewed the status of the audit for the financial year ended 31 August 2016 with the external auditors. The external auditors briefed the Audit Committee on issues discussed with management and informed the Audit Committee:-

- that they had substantially completed their audit and had not identified any potential uncorrected misstatements during the audit.
- the external auditors have not identified any non-compliance of laws and regulations and fraud related matters.
- there were no significant changes to the scope or audit approach as compared to the audit plan.
- review of accounting matters and points on internal control.
- there were no material litigations or claims against the Group during the financial year under review other than those disclosed in the notes to the financial statements.

The Audit Committee reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, it was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. Based on the review carried out and the report from the external auditors, the Audit Committee recommended the audited financial statements for the financial year ended 31 August 2016 to the Board of Directors for approval.

Accordingly, the Audit Committee recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting.

Internal Audit and Risk Management

During the financial year under review the internal auditor had conducted the audit activities in accordance with the audit plan approved by the Audit Committee and presented their internal audit reports at the Audit Committee meetings held on 28 October 2015, 19 January 2016, 27 April 2016 and 28 July 2016.

Relevant management members including Executive Directors were invited to attend the Audit Committee meetings to provide insight and clarification on specific matters raised in the internal audit reports. The internal auditor also provided status updates to the Audit Committee in respect of implementation of management action plans or agreed course of action on the findings reported in previous audit cycles to ensure that issues have been resolved satisfactorily.

The Audit Committee discussed and evaluated the Group's risks during its meetings. In addition the internal auditor has tailored their audit based on the Group's risk profile. This ensures that the relevant controls are in place to properly manage the risks.

INTERNAL AUDIT FUNCTION

The Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities.

Summary of Activities of the Internal Audit Department ("IAD")

The Group has set up an in-house Internal Audit Department to support the Audit Committee in discharging its duties and responsibilities. Its role is to undertake independent, regular and systematic reviews of the systems of internal controls, so as to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures. The Internal Audit Department adopts a risk-based audit approach when preparing its annual audit plan which is approved by the Audit Committee.

During the financial year, the IAD conducted various audit assignments on the operations, management and financial systems of the Group as well as compliance audits in accordance with the approved annual audit plan. The results of the internal audit reviews and the recommendations for improvement are presented to the Audit Committee for deliberation. The Internal Audit Department also conducted follow-up audit reviews to monitor and ensure that audit recommendations for improvement have been effectively implemented by Management.

Audit Committee Report (Cont'd)

The internal audit reports on the reviews carried out, identifying weaknesses with suggested recommendations for improvements to management for further action, were presented to the Audit Committee at the Audit Committee meetings held on 28 October 2015, 19 January 2016, 27 April 2016 and 28 July 2016.

The internal audit costs incurred during the financial year were RM99,909.98.

STATEMENT ON SHARE ISSUANCE SCHEME

There was no Share Issuance Scheme in place during the financial year ended 31 August 2016.

Corporate Governance Statement

The Board is committed and will continue to endeavour to comply with the principles and recommendations as set out in the Malaysian Code of Corporate Governance 2012 ("MCCG 2012") in order to ensure that a good corporate governance is practised throughout the Group as a fundamental part of discharging its responsibilities in ensuring continuous and sustainable growth for the interests of all its stakeholders. The Board is pleased to provide the following statement which outlined how the Group had applied the principles and recommendations of the MCCG 2012 that were in place throughout the financial year.

PRINCIPLE 1 : ESTABLISH CLEAR ROLES & RESPONSIBILITIES

Board Balance

The Board comprises of eight (8) members of which five (5) are Executive Directors, while the remaining three (3) are Independent Non-Executive Directors. Each member brings with them a diversity in experience, expertise and perspective of the Group's business operations.

With Dato' Seri Ong Choo Hoon as the Group Executive Chairman and Dato' Dr. Ong Seng Soon as the Group Managing Director, there is clear division of responsibilities between these roles to ensure a balance of power and authority. The Board takes cognizance of the Chairman being in an executive position but is of the view that there are sufficient experiences and independent non-executive Directors on Board to provide assurance that there is adequate check and balance. Furthermore, the complementary role of non-executive directors ensure an effective Board with a mix of industry-specific knowledge, technical, and commercial experience. This balance enables the Board to provide a clear and effective leadership to the Company and to bring informed and independent judgment into various aspects of the Company's strategies and performance.

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing, approving and monitoring the overall strategies and direction of the Group, including sustainability of the Group's businesses;
- overseeing and evaluating the conduct and performance of the Group's businesses;
- identifying and managing principal risks facing the Group and ensuring the implementation of appropriate systems to manage these risks;
- reviewing the adequacy of the Group's internal control policy and safeguarding assets of the Company;
- ensuring appropriate corporate disclosure policy and procedures are in place for effective dissemination of information which is comprehensive, accurate and timely, and leverage on information technology, where applicable;
- reviewing and monitoring the systems of risk management and internal controls, continuous disclosure, legal and regulatory compliance and other significant corporate policies; and
- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing members of the Board.

Board Roles and Responsibilities

The Board is led and managed by experienced Board members with a wide range of expertise. It is collectively responsible for promoting the success of the Company and of the Group by directing and supervising its business and affairs. The Board's principal responsibilities are as prescribed under the best practices of the Code. These include: charting and reviewing the strategic direction for the Company and for the Group; overseeing its business operations thereof; evaluating whether these are being properly managed; and providing leadership to enable the achievement of the Group's business objectives.

The Board has a formal schedule of matters reserved to itself for decisions, including the overall Group strategy and direction, acquisition policy, approval of major capital expenditure projects and significant financial matters.

The Board practices a clear division of responsibilities between the Chairman, Managing Director, Executive Directors and Non-Executive Directors. The Chairman and the Executive Directors are primarily responsible for the orderly conduct and function of the Board, the day to day running of the Group's business, implementation of the Board's policies and the overall operational and management decisions.

On the other hand, the Non-Executive Directors ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long term interest of the stakeholders including contributing to the formulation of policy and other decision-making process through their expertise and experience. As they are independent of the Management, it is ensured that no single individual or group dominates the Board's decision-making process.

Corporate Governance Statement (Cont'd)

Directors' Code of Conduct/Ethics & Whistle Blowing Policy

On 28 October 2013, the Board has adopted a Code of Ethics & Conduct for its Directors ("Code") and a Whistle Blowing Policy ("Policy"). The Code and Policy were formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors as well as develop channels and procedures for reporting improper conduct involving the employees of the Group and the protection accorded to whistleblowers.

Details of both the Code and Policy can be found in the Company's corporate website <http://www.plb.com.my>.

Strategies Promoting Sustainability

The Board views the commitment to sustainability and environmental, social and governance performance as part of its broader responsibility to clients, shareholders and communities in which it operates. The Company's approach to sustainability for the financial year under review is set out in the Corporate Social Responsibility Statement on page 26 of this Annual Report.

Access to Information and advice

The Board has full and unimpeded access to information relating to the Group in discharge of their duties. Senior Management Officers are invited to attend the Board meetings to update the Directors on their respective functions and operations and also to clarify issues that may be raised by the Directors.

The Chairman of the Audit Committee would report to the Board at Board meetings on pertinent issues that have been raised at Audit Committee meetings, and he would highlight to the Directors the vital areas as may be expressed by the Audit Committee.

The agenda and Board meeting papers are circulated to the Directors for their perusal the business reports and appraise the issues to be deliberated at the Board meeting well before the date of the meeting.

Board reports and minutes of the every Board meeting are sent to the Directors prior to the meeting to allow them to fully digest the contents of the reports to be discussed. The Directors are provided with ample opportunities to make enquiries, obtain information and explanation on any issue at any time within the Group whether as a full Board or in their individual capacity in furtherance of their duties.

All Board members, whether as a full Board or in their individual capacity, also have access to the advice and services of the Company Secretary and Auditors and all information relating to the Group to assist them in the furtherance of their duties.

Company Secretary

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretaries and the management of requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in legislations and regulatory framework affecting the Group.

Where necessary, the Directors may, whether collectively as a Board or in their individual capacities, seek external and independent professional advice from experts on any matter in furtherance of their duties as they may deem necessary and appropriate at the Company's expense.

Workforce Diversity

The Group has no immediate plans to implement a diversity policy or target as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities regardless of gender, ethnicity and age. The Group will provide equal opportunity to candidates with merit.

Board Charter

On 28 October 2013, the Company's Board Charter sets out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance. The Board Charter will be periodically reviewed and published on the Company's corporate website <http://www.plb.com.my>.

Corporate Governance Statement (Cont'd)

PRINCIPLE 2 : STRENGTHEN COMPOSITION

During the financial year under review, the Board consisted of eight (8) members, comprising five (5) Executive Directors and three (3) Independent Non-Executive Directors. This composition fulfils the Listing Requirements, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 5 to 8 of this Annual Report. The Directors, with their diverse backgrounds and qualifications, collectively bring with them a wide range of experience and expertise on property development, engineering, entrepreneurship, accounting, audit and economics.

(i) The Nominating Committee

The Nominating Committee of the Company was established by the Board on 29 October 2002 comprising entirely Independent Directors to assist the Board in carrying out the following duties and the terms of reference of the Nominating Committee is available for viewing on the Company's corporate website <http://www.plb.com.my>.

- a. To review, from time to time, the Policy Framework on the nomination and recommendation of candidates to be members of the Board. In making its recommendations, the Nominating Committee shall take into consideration candidates proposed by the Group Managing Director and, within the bounds of practicability, by any other Director or shareholder. The Nominating Committee shall evaluate candidates on the aspect of their:
 - skills, knowledge, expertise and experiences;
 - professionalism;
 - integrity; and
 - for position of independent non-executive director, the candidates' abilities to discharge such responsibilities/functions independently as expected from the independent non-executive director;
- b. To review annually the Board's required mix of skills, experience and other qualities including the core competencies which Non-Executive Directors should bring to the Board;
- c. To assess annually the effectiveness of the Board as a whole and the Audit Committee;
- d. To identify suitable training programmes for the Directors for each financial year end.

In line with the Code, the Nominating Committee carries out annual evaluations on the effectiveness of the Board as a whole as well as the Audit Committee to review the effectiveness of the decision-making process of the Board and the Audit Committee. All assessments and evaluations carried out by the Nominating Committee are properly documented. The Nominating Committee, in assessing the performances of the Audit Committee and the Board as a whole on an annual basis, also considers the succession planning for Principal Officers of the Company.

A summary of the activities undertaken by the Nominating Committee in the discharge of its duty for the financial year ended 31 August 2016 is as follows:

- a. Re-election and retirement by rotation of Directors at the 20th AGM;
- b. Annual Board Assessment;
- c. Annual Audit Committee Self-Assessment; and
- d. Annual Independent Directors' Assessment.

In respect of the assessment for the financial year ended 31 August 2016, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills and experience was adequate. The Board acknowledges the recommendation of MCCG 2012 on the establishment of boardroom gender diversity policy and will take the necessary measures to comply with the recommendation. In the election for Board appointment, the Board believes in and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender, ethnicity and age. The current Board composition has two female board members.

The Nominating Committee met once during the financial year ended 31 August 2016.

Corporate Governance Statement (Cont'd)

(i) The Nominating Committee (cont'd)

Re-election of Directors

The Nominating Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming annual general meeting ("AGM") in accordance with the provisions of the Articles of Association of the Company and the relevant provisions of the Companies Act, 1965. The Company's Articles of Association provides that a Director appointed during the year is required to retire and seek election by shareholders at the following AGM immediately after their appointment. The Articles also requires that one-third of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself or re-election once every three years.

Pursuant to Section 129 (2) of the Companies Act, 1965, Directors who are over the age of 70 years shall retire at every Annual General Meeting and may offer themselves for re-appointment to hold office until the next Annual General Meeting.

The details of the Directors seeking re-election at the forthcoming AGM are disclosed in page 118 of this Annual Report.

(ii) The Remuneration Committee

The Remuneration Committee, established on 29 October 2002, comprises mainly non-executive directors and is responsible to recommend the remuneration packages for the Executive Directors of the Company to the Board on a yearly basis. The terms of reference of the Remuneration Committee is available for viewing on the Company's corporate website <http://www.plb.com.my>. The Board determines the remuneration of Non-Executive Directors who abstains from deliberations and decisions made in respect of their individual remuneration. Currently, the members include Dato' Seri Ong Choo Hoon, Mr. Saw Chin Eng and Dato' Noordin Bin Md. Noor.

Details of Directors' Remuneration

The details of the Directors' remuneration comprising of received and/or receivable for the financial year ended 31 August 2016 are as follows:-

Particulars	Executive Directors	Non-Executive Directors	Total
Fees (RM)	-	84,000.00	84,000.00
Salaries (RM)	2,784,000.00	-	2,784,000.00
Bonuses (RM)	792,750.00	-	792,750.00
Allowances (RM)	77,700.00	11,000.00	88,700.00
EPF (RM)	245,150.00	-	245,150.00
Benefit in kind (RM)	92,767.74	-	92,767.74
Total (RM)	3,992,367.74	95,000.00	4,087,367.74

The remuneration of the Directors summarised in bands of RM50,000 for the financial year ended 31 August 2016 are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	1	-
Above RM500,000	3	-

The Remuneration Committee met once during the financial year ended 31 August 2016.

Corporate Governance Statement (Cont'd)

PRINCIPLE 3 : REINFORCE INDEPENDENCE

Assessment of Independent director

There is a clear division of responsibilities between the Executive Chairman and the Group Managing Director/Chief Executive Officer to ensure a balance of power and authority. The Executive Chairman is responsible for the Board's effectiveness and standard of conduct whilst management of the Group's businesses, implementation of policies and the day-to-day running of the businesses are the responsibilities of the Group Managing Director/Chief Executive Officer.

With more than 50 years of experience in the construction and the property development industry and being the founder and major shareholder of the Company, the Executive Chairman's interest is aligned to that of the Company's shareholders and is well positioned to provide leadership to the Company's Board.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of minority shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

The Board is of the view that the significant composition of Independent Non-Executive Directors, which comprises one third of the current Board's size, coupled with the adoption of Board Charter which sets out the Board's reserved Matters as well as the designation of a Senior Independent Non-Executive Director, all provide for the relevant check and balance to ensure no one individual has unfettered powers in making Board's decision.

Tenure of Independent director

Following a review of the tenure of Independent Non-Executive Directors, Dato' Noordin Bin Md. Noor and Mr. Saw Chin Eng, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years each as at the end of the financial year under review Directors and Madam Teoh Siew Tin, who has served as an Independent Non-Executive Director of the Company and will reach the nine years limit on 29 October 2017, have been recommended by the Board to continue to act as Independent Non-Executive subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. Key justifications for their recommended continuance as Independent Non-Executive Directors are as follows:

- they fulfil the criteria under the definition on Independent Director as stated in the Listing Requirements and, therefore, are able to bring independent and objective judgment to the Board;
- their experience in the relevant industries enable them to provide the Board and the Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- they have been with the Company long enough to understand the Company's business operations which enable them to contribute actively during deliberations or discussions at the Audit Committee and Board Meeting.

Chairman and Managing Director to be held by different individuals

The positions of the Chairman and the Managing Director are held by two different individuals in line with the Code's recommendations. There is a clear division of responsibility between the Executive Chairman and the Managing Director to ensure that there is a balance of power and authority.

The Chairman is responsible for leading the Board and ensuring its effectiveness whilst the Managing Director is responsible for running the Group's business.

Chairman to be a Non-Executive Director

MCCG 2012 recommends that the Chairman of the Board to be a non-executive member of the Board and in the event, the Chairman is not an independent director, the Board must comprise a majority of independent directors. The Company's Chairman is an executive member of the Board and is not an independent director by virtue of his substantial interest in the Group.

The Board is mindful that this is not in compliance with best practice, but takes into consideration the fact that as Dato' Seri Ong Choo Hoon is also the single largest shareholder, there is the advantage of shareholder leadership and a natural alignment of interests.

In respect of potential conflicts of interest, the Board is comfortable that there is no undue risk involved as all related party transactions are disclosed and strictly dealt with in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

In addition, the presence of Independent Directors with distinguished records and credentials ensures that there is independence of judgement. As such, the Board believes that the Chairman is capable of acting in the best interest of the shareholders and hence does not see the necessity of nominating an independent non-executive chairman at this juncture.

Corporate Governance Statement (Cont'd)

PRINCIPLE 4 : FOSTER COMMITMENT

The Board meets at least four (4) times annually, with the meetings scheduled well in advance at the beginning of each financial year to facilitate the Directors in managing their meeting plans. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings. During the financial year under review, the number of Board of Directors' meeting attended by each Director is as follows:-

<u>Name of Director</u>	<u>No of meetings attended</u>
Dato' Seri Ong Choo Hoon	5
Dato' Dr. Ong Seng Soon	4
Dato' Ong Guat Beng	5
Mr. Ong Seng Chye	5
En. Mardzukhi Bin Abu Bakar	5
Mr. Saw Chin Eng	5
Dato' Noordin Bin Md. Noor	3
Madam Teoh Siew Tin	5

To ensure effective conduct of board meetings, a structured formal agenda and board meeting papers relating to the agenda are circulated to all Directors prior to each board meeting. Senior management are invited to attend board meetings to furnish details or clarifications on matters tabled for the Board's consideration.

The Board has also delegated certain responsibilities to the Audit Committee, which operates within a clear defined terms of reference.

Training and Development of Directors

All Directors appointed to the Board have attended relevant trainings and seminars organised by relevant regulatory and professional bodies to be apprised of latest developments and changes to regulatory requirements.

The Board identifies the training needs of each Director via the performance evaluation for the individual Directors. During the financial year, all Directors of the Company have attended relevant conferences, seminars and briefings in areas of leadership, corporate governance, finance and competitive strategies organised by the Regulatory Authorities and members of professional bodies, in order to broaden their knowledge and perspectives and to keep abreast with developments in the market place and with new statutory and regulatory requirements to better enable them to fulfill their responsibilities.

Director	Training	Date
Dato' Seri Ong Choo Hoon	Seminar on 'Lean Construction Introduction'	08 October 2015
Dato' Dr. Ong Seng Soon	SERC Research Debriefing & Engagement with Penang Chinese Chamber of Commerce (PCCC)	04 December 2015
	TPPA Roundtable Discussion - Challenges & Opportunities from TPPA Malaysian SMEs	19 May 2016
Saw Chin Eng	Half-day Seminar on Quality Control	04 September 2015
	Risk Management and Internal Control Workshop: Is Our Line of Defence Adequate and effective?	08 September 2015
	Year End Matters Updates: Annual returns, audit, Accounts and AGMs	23 September 2015
	Audit Series: Workshop 5-Going Concern Indicators and Managing Impairment of Assets and Restructuring Provisions	28, 29 September 2015
	A Guide On Closure Of A Company	28 October 2015
	Seminar Percukaian Kebangsaan 2015	03 November 2015
	The 2016 Budget Seminar	25 November 2016
	New Public Rulings – 2015 & 2016	18 January 2016
	The (Proposed) Companies Act 2015 – Changes & Developments	26 February 2016
	Managing Boardroom Dynamics In Turbulent Times	02 March 2016
	LHDNM – CTIM Tax Forum 2016	15 March 2016
	LHDNM – MEF Seminar 2016 "A Year Into Final Tax: Issues And Challenges"	24 March 2016
	Managing Tax Audits In Present Regime	19 April 2016
	GST Updates And Audits	20 April 2016
	National GST Conference 2016	31 May & 1 June 2016
	National Tax Conference 2016	9 & 10 August 2016
	Tax Implication and Practical Application of Intercompany Loan Transactions	18 August 2016

Corporate Governance Statement (Cont'd)

Training and Development of Directors (cont'd)

Director	Training	Date
Ong Seng Chye	Seminar On 'Lean Construction Introduction'	08 October 2015
	Taklimat Pencegahan Denggi Kepada Pemaju Tapak Binaan	21 October 2015
	SERC Research Debriefing & Engagement with Penang Chinese Chamber of Commerce (PCCC)	04 December 2015
	GST on Construction Industry	07 January 2016
	Briefing on AKTA 520 Lembaga Pembangunan Industri Pembinaan Malaysia (CIDB)	24 February 2016
	Staying Fit in A Challenging Landscape: What's Available to the Manufacturing Sector	26 February 2016
	Qlassic & Shassic Roadshow (QSR) 2016 – QLASSIC	31 March 2016
	Green Automated Mechanized Parking Systems	14 April 2016
	Seminar Pemantapan Kualiti Industri Pembinaan	04 May 2016
	Seminar Innovation - Technology : IBS Walls Systems	26 May 2016
	Business Opportunities Arising from Penang Transport Master Plan (PTMP) Seminar	31 May 2016
	New Products Presentation – Solahart	01 June 2016
	Seminar Building Information Modeling (BIM) 2016	02 June 2016
	PAM Northern Chapter's Half Day Seminar: Understanding ISO Standards & QLASSIC for tiles Adhesive	25 June 2016
	Lightweight IBS Wall Panel	20 July 2016
	Collaborative Project Management with Sub-Con at worksite using The Last Planner System Lean Construction	08 August 2016
Dato' Ong Guat Beng	Seminar on 'Lean Construction Introduction'	08 October 2015
	Pengikraran Penyata GST03 Yang Berkualiti	26 August 2016
	Seminar Directors & Shareholders Disclosures of Interest to Company, Bursa Securities & Securities Commission	22 September 2016
Teoh Siew Tin	Future of Auditor Reporting - The Game Changer for Boardroom	02 November 2015
	Managing Boardroom Dynamics in Turbulent Times	02 March 2016
	Risk Management and Internal Control Workshop: Is Our Line of Defence Adequate and effective?	08 September 2015
	Comparing Salient Features of PERS vs MPERS	28, 29 September 2015
Mardzukhi	Pengikraran Penyata GST03 Yang Berkualiti	02 March 2016
	Seminar on 'Lean Construction Introduction'	08 October 2015
	Ring The Bell for Gender Equality	11 March 2016
	The Last Planner System (PLS) Lean Construction	15 March 2016
	Incredible India Seminar New Policy Directions: Impact on Investment & Business	14 April 2016
	Seminar Innovation - Technology : IBS Walls Systems	26 May 2016
	Safety & Health at Your Work Place	28 July 2016

PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the Audit Committee for Board's approval are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards so as to present a true and fair view of the state of affairs of the Group.

Corporate Governance Statement (Cont'd)

Statement of directors' responsibility in respect of the Financial Statements

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of the reporting period and of their results and cash flows for the period ended. This is achieved by keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which will enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa, the annual financial statements of the Group and of the Company as well as the Report of the Board of Directors and the Managing Director's review of operations in the Annual Report, where relevant.

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Non-Executive Directors, with Mr. Saw Chin Eng as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 14 to 16 of this Annual Report.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 August 2016, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

Relationship with External Auditors

The Audit Committee also meets with external auditors without the presence of the Executive Directors and Management as this allows for transparent and honest exchange of views and opinions on matters related to the external auditors' audit and their findings. For this purpose, the Audit Committee met the external auditors three times, i.e. on 28 July 2016, 27 October 2016 and 7 November 2016 during the financial year under review.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee's Report on pages 14 to 16 of the Annual Report.

The Audit Committee had considered the provision of non-audit services by the external auditors during the financial year under review and concluded that the provision of these services did not compromise the external auditors' independence and objectivity.

The non-audit fees for the Group for the Financial Year ended 31 August 2016 is disclosed in the Additional Disclosure Statements on page 28.

The Audit Committee also had on 27 October 2016, reviewed the suitability and independence of the external auditors and recommended their re-appointment for the ensuing financial year.

The external auditors had provided a confirmation of their independence to the Audit Committee that they were and had been independent throughout the conduct of the audit engagement during the financial year ended 31 August 2016 in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws").

The engagement partner involved in the external audit of the Company for the financial year ended 31 August 2016 was rotated in accordance with the MIA By-Laws which requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years.

The Board, on the recommendation of the Audit Committee, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review would suffice to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the MIA By-Laws.

Corporate Governance Statement (Cont'd)

PRINCIPLE 6 : RECOGNISE AND MANAGE RISKS

The Risk Management Committee ("RMC") assists the Board to oversee the risk management matters relating to the activities of the Group. The RMC reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment/mitigation action plans for the management and control of the key risks. The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

In line with the MCGG 2012 and Listing Requirements, the Company has an internal audit function, which reports directly to the Audit Committee on the adequacy and effectiveness of the current system of internal controls from the perspectives of governance, risk and controls. All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors. The internal audit function of the Company whose scope of work covered during the financial year under review is provided in the Audit Committee Report as set out on pages 14 to 16 of this Annual Report.

PRINCIPLE 7 : ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders.

Accordingly, the Board will consider developing pertinent corporate disclosure policies to enhance its existing information disclosure practices adopted from the Listing Requirements.

The Company continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board endeavours to keep its shareholders and investors informed of its progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operation.

The Group also maintains a corporate website at www.plb.com.my whereby shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

PRINCIPLE 8 : STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company's Annual General Meeting ("AGM") remains the principal forum for Dialogue with shareholders. At each AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions.

The Company will provide information to the shareholders with regards to, amongst others, details of any shareholders' meetings, their entitlement to attend the said meeting, the right to appoint a proxy and also the qualifications of a proxy.

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements, all resolutions tabled at general meetings will be put to vote by way of a poll and the voting results will be announced at the meetings and through the Bursa.

COMPLIANCE WITH THE MCGG 2012

The Board is satisfied that, save as disclosed earlier, the Company has in all material aspects, complied with the principles and recommendations set out in MCGG 2012 that were in place during the financial year ended 31 August 2016.

This statement was made in accordance with a resolution of the Board of Directors dated 27 October 2016.

Corporate Social Responsibility ('CSR') Statement

The PLB Group is steadfast in its CSR activities as part of the Group's underlying effort to identify, initiate and achieve its goals to preserve environmental, ethical and social responsibility issues. We believe that integrating social and environmental responsibilities into our business strategies and practices will go a long way to support sustainable growth for the Group. Our CSR programmes cover the areas of the environment, workplace and community.

In our quest to do so, we endeavor to observe all applicable laws, regulations and rules including established best practices and standards while making business decisions.

PLB subscribes to the following principles of a socially responsible corporate citizenship:-

Human Capital Development

As part of the Group's initiatives, the workforce is kept up to date with continuous education and training including equipping them with the necessary tools and skills to effectively support the organization. This effort also is also extended to new graduates seeking work experience with the Group.

Safety and Health

Safety and health are of paramount importance to the Group. Apart from having appropriate plans to deal with emergencies, concerted effort is made to prevent accidents and injuries at the workplace. Trainings and awareness programmes were held to inculcate a conscientious attitude and increase awareness towards safety and health among the employees.

Work-Life Balance

To promote work-life balance and a healthy working environment among the employees, a leisure room was created for the employees to unwind during breaks and after work within the Company's premise.

Employee Welfare

The Group bears the cost of outpatient medical attention and fees of the employees as well as all trainees. Employees are insured under the Group's Hospitalisation and Surgical Scheme for hospitalisation and critical illnesses and are also covered by the Group's personal accident insurance scheme.

Industrial Trainings

The Group continues to take in students from various universities and polytechnics to undergo practical trainings with durations ranging from 3 to 9 months with the objective of equipping students with the necessary working skills and knowledge. Students who successfully completed the trainings are presented with certificates of completion. Last year, 63 students from various local educational institutions completed their respective trainings with the Group with a total RM78,319.31 given to them as allowance.

Sports

To promote healthy activities among the youths, PLB continued its support in sponsoring sports activities and building of sports amenities.

Community & Social Activities

During the financial year, the Group had made monetary donation amounting to RM247,318.20 to various organizations like charities, sports activities, schools, religious establishments as well as natural disaster relief funds.

The Group continues to express its gratitude to the society for supporting its projects by backing several community based projects. In the past year, one of its subsidiaries continued to take up the revival of the 18-year abandoned project called Phase 2A, Taman Terubong Indah located at Ayer Itam, Penang and is expected to hand over the completed project by January 2017.

Environmental Consciousness

The Group strongly believes and adopts environmentally-safe practices in its operations. A total amount of 1.248 tones recycle items were collected during the financial year and the revenue therefrom donated to charity.

Statement Of Directors' Responsibility In Relation To The Financial Statements

The Directors are required by the Companies Act, 1965 ("Act") to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results of the Group and of the Company for the financial year. The Directors have responsibility in ensuring that the financial statements have been prepared in accordance with Financial Reporting Standards and the Act in Malaysia.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Additional Disclosure Statements

Utilisation of Proceeds

Not applicable as none was proposed.

Audit Fees

During the financial year, the amount of audit fees paid to the external auditors by the Group and the Company was RM131,000.00.

Non-Audit Fees

During the financial year, the non-audit fees paid to the external auditors of the Group was RM5,000.00. The taxation fee totaling RM45,300.00 is payable to a company in which certain partners of the audit firm are shareholders and directors.

Material Contracts

There were no material contracts of the Company and of the Group involving Directors and major shareholders entered into since the end of the previous financial year or still subsisting at the end of the financial year ended 31 August 2016.

Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of transactions with Related Party undertaken by the Group during the financial year are disclosed in Note 32 of the Financial Statements.

Statement on Risk Management & Internal Control

The Board of PLB Engineering Berhad has, pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), submits the following Statement on Risk Management & Internal Control of the Group, which had been prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

The Board upholds the importance of maintaining a sound system of internal control and an effective risk management framework so as to safeguard shareholders' interests and the Group's assets. The Board affirms that it is ultimately responsible for the Group's system of internal controls that includes the assurance of its adequacy and integrity at all times, and its alignment with our business objectives.

This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

The system of risk management and internal control covers finance, operations, management information systems and compliance with relevant laws, regulations, policies and procedures. There is an ongoing process to identify, evaluate and manage significant risk faced or potentially to be encountered by the Group. The process is regularly reviewed by the Board.

Both the Audit Committee and Board of Directors review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis. The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

In tandem with this, the directors involved in the business are responsible for monitoring risks affecting the business and control activities. These are supplemented by comprehensive and independent reviews undertaken by the internal audit function on the controls in operation in each individual business. The internal auditor independently report to the Audit Committee on the outcome and findings from their reviews.

RISK MANAGEMENT

The Board regards risk management as an essential part of business operations. During the period under review, the Risk Management Committee is assisted by the senior management team from various subsidiaries and departments in an ongoing process, to identify, evaluate and manage significant risks faced by their respective areas of business and in formulating suitable internal controls to mitigate and control these risks throughout the financial year.

Each risk management unit within the Group is required to identify and document all possible risks that can affect their achievement by taking into consideration the effectiveness of controls that are capable of mitigating such risks.

Through this process, each business unit's identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of each business units have been presented to the Risk Management Committee for their deliberation and tabled bi-annually to the Board.

INTERNAL CONTROL

The Board has assigned the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group's internal control.

The Board summarizes below the processes applied in reviewing the adequacy and integrity of the system of internal control and risk management for the Group:

- (a) The Group has an Internal Audit Department which independently reviews the adequacy and integrity of the Group's systems of internal control in managing the key risks and report accordingly to the Audit Committee on a quarterly basis. Where any significant weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls, with follow-up audits by Internal Audit to assess the status of implementation thereof by Management. A risk-based approach towards planning and conduct of audits was used by the Internal Auditors in prioritizing their review of the various risk areas of the Group.
- (b) The Group's Risk Management Framework is outlined in the Risk Management Policy. The Group has a Risk Management Committee who reports to the Board on a quarterly basis on all major risk areas. The Risk Management Committee coordinates the overall risk management activities within the Group.
- (c) The framework of the Group's system of internal control and key procedures include the following:
 - There is an organization structure in place, which formally the operating structure defines lines of responsibility and delegation of authority. Committees such as the Audit Committee, the Corporate Governance Committee, the Risk Management Committee, the Nomination Committee and the Remuneration Committee have been established to assist the Board in discharging its duties.

Statement on Risk Management & Internal Control (Cont'd)

- Key functions such as finance, tax, treasury, corporate, legal matters and contract awarding are controlled centrally. Financial and operational reports of subsidiaries of a joint ventures nature are provided regularly to the Management of the Company.
- There is strategic planning, annual budgeting and target-setting process, which includes forecasts for each area of business with detailed reviews at all levels of operations. A 3-year budget is formulated by the finance department as a means to control measures and mitigate identified risks for the forthcoming years. These budgets are deliberated by the Audit Committee before being presented to the Boards for approval.
- Actual performance compared with budget is regularly reviewed. Quarterly review of financial results by the Board and Audit Committee with the senior management personnel updating the crucial highlights of the quarter.
- The Group Executive Chairman together with the senior management team manages the day-to-day operations of the Group and addresses significant matters through management, operations, and site meetings held on a regular basis. Senior management also receives and reviews such reports provided during the meetings.
- Duly documented internal policies, guidelines, procedures and manuals are updated from time to time to suit the changing risks and operational inadequacies as well as to guide employees in their day-to-day work. All policies and SOPs are reviewed by respective committees and approved by the director or head of department in charge. In case of non-compliance, recommendations for corrective actions are highlighted to the management and also to the Audit Committee and the Board through the internal audit reports.
- The Divisional Heads and Business Unit Heads are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.
- In addition, the Board meets on a quarterly basis to discuss matters brought to its attention, thus ensuring effective supervision over the operations of the Group. The Board is updated on the operations and activities of the Group which include the strategies and goals and an assessment of its current position and future prospects.
- Feasibility study, risk impact and assessment on new investments/projects is evaluated by the subsidiaries and/or heads of departments for the Board's deliberation.
- Existence of risk management team to enhance its risk management practice.
- Constant reviews on the system of internal controls by an independent internal audit function.
- Internal and external trainings and development programs are provided for the employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

However, due to limitation inherent in any system of internal controls, it should be noted that these controls are designed to manage rather than to eliminate the risks of failure to achieve business objectives. As such, the controls can only provide reasonable but not absolute assurance against material misstatement or loss.

Adequacy and Effectiveness of The Group's Risk Management and Internal Control System

Based on the internal auditors' report for the financial year ended 31 August 2016, there is a reasonable assurance that the Group's system of internal controls is generally adequate. The Board is committed towards operating and maintaining a sound system of internal control and recognizes that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control as well as continue to review, add on or update the controls in line with changes in the operating environment.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 31 August 2016. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Conclusion

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

The Board is of the opinion that the system of internal control and risk management is in place for the year under review, and up to the date of this Statement, is sound and sufficient to safeguard shareholders' investment and the Group's assets.

This statement was made in accordance with a Board of Directors' resolution dated 27 October 2016.

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Directors' Report

For The Financial Year Ended 31 August 2016

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 August 2016**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of the subsidiaries are shown in Note 6 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit after taxation for the financial year	(1,617,668)	9,222,094
Attributable to:		
Owners of the Company	(535,422)	9,222,094
Non-controlling interests	(1,082,246)	-
	(1,617,668)	9,222,094

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 August 2016** have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report other than the goodwill on consolidation written off amounting to RM8,311,193 recognised in the profit or loss of the Group.

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company had paid a first and final single tier dividend of 5% amounting to RM4,107,858 in respect of the financial year ended 31 August 2015.

The directors now recommend the payment of a first and final single tier dividend of 1% amounting to RM821,572 in respect of the financial year ended 31 August 2016 subject to the approval of shareholders at the forthcoming Annual General Meeting.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market.

Out of the total 91,281,667 issued and fully paid ordinary shares as at 31 August 2016, 9,124,500 are held as treasury shares by the Company. As at 31 August 2016, the number of outstanding ordinary shares in issue and fully paid is therefore 82,157,167 ordinary shares of RM1 each.

Further relevant details are disclosed in Note 19 to the financial statements.

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2016

HOLDING COMPANY

The holding company is Leading Builders Sdn. Bhd., a company incorporated in Malaysia, which the directors regard as the ultimate holding company.

DIRECTORS

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

Dato' Seri Ong Choo Hoon
Dato' Dr. Ong Seng Soon
Mardzukhi Bin Abu Bakar
Dato' Ong Guat Beng
Ong Seng Chye
Saw Chin Eng
Dato' Noordin Bin Md. Noor
Teoh Siew Tin

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the directors in office at the end of the financial year in shares and options over unissued shares in the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares of RM1 each			
	Balance at 1.9.15	Bought	Sold	Balance at 31.8.16
The Company				
Direct Interest:				
Dato' Seri Ong Choo Hoon	2,733,095	-	-	2,733,095
Dato' Dr. Ong Seng Soon	65,333	-	-	65,333
Mardzukhi Bin Abu Bakar	8,333	-	-	8,333
Dato' Ong Guat Beng	52,333	-	-	52,333
Ong Seng Chye	52,333	-	-	52,333
Dato' Noordin Bin Md. Noor	13,333	-	-	13,333
Indirect Interest:				
Dato' Seri Ong Choo Hoon	54,650,603 ^{*+@}	-	-	54,650,603 ^{*+@}
Dato' Dr. Ong Seng Soon	54,095,603 ^{*+Δ}	-	-	54,095,603 ^{*+Δ}
Dato' Ong Guat Beng	250,000 ^{**}	-	-	250,000 ^{**}
Holding Company - Leading Builders Sdn. Bhd.				
Direct Interest:				
Dato' Seri Ong Choo Hoon	1,703,337	33,399	-	1,736,736
Dato' Dr. Ong Seng Soon	634,575	66,797	-	701,372
Dato' Ong Guat Beng	333,988	33,399	-	367,387
Ong Seng Chye	333,988	66,797	-	400,785

By virtue of their interests in the holding company, **Dato' Seri Ong Choo Hoon** and **Dato' Dr. Ong Seng Soon** are deemed interested in the shares of the subsidiaries, to the extent that the holding company has interests.

Notes :-

* Indirect interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

** Indirect interest by virtue of the interest of her daughter in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

@ Indirect Interest by virtue of the interest of his children in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Δ Indirect interest by virtue of the interest of his spouse in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2016

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with a 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, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, and
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and
- (iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and
- (iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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, and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

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

SIGNIFICANT EVENT

The significant event are disclosed in the note 37 to the financial statements.

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2016

AUDITORS

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

Dato' Dr. Ong Seng Soon

Penang,

Dato' Ong Guat Beng

Date: 6 December 2016

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 39 to 104 are properly drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 August 2016** and of their financial performance and cash flows for the financial year then ended.

In the opinion of the directors, the supplementary information set out on page 105 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

Dato' Dr. Ong Seng Soon

Dato' Ong Guat Beng

Date: 6 December 2016

Statutory Declaration

I, **Dato' Ong Guat Beng**, the officer primarily responsible for the financial management of **PLB Engineering Berhad** do solemnly and sincerely declare that the financial statements set out on pages 39 to 104 and the supplementary information set out on page 105 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **6th**)
day of **December 2016**.)

Dato' Ong Guat Beng

Before me,

Commissioner for Oaths

Independent Auditors' Report To The Members Of PLB Engineering Berhad Company No. 418224-X (Incorporated In Malaysia)

Report on the Financial Statements

We have audited the financial statements of **PLB Engineering Berhad**, which comprise the statements of financial position as at **31 August 2016** 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 39 to 104.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act,
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and
- (c) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 105 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Independent Auditors' Report To The Members Of PLB Engineering Berhad

Company No. 418224-X (Incorporated In Malaysia) (Cont'd)

Other Matters

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

Grant Thornton
No. AF: 0042
Chartered Accountants

Date: 6 December 2016

Penang

John Lau Tiang Hua, DJN
No. 1107/03/18 (J)
Chartered Accountant

Statements Of Financial Position

As At 31 August 2016

		GROUP		COMPANY	
		2016	2015	2016	2015
	NOTE	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	38,439,540	27,286,600	66,903	53,951
Investment properties	5	13,472,342	11,163,409	-	-
Investment in subsidiaries	6	-	-	87,636,862	83,636,862
Investment in an associate	7	243,838	368,293	-	-
Investment in a joint venture	8	772,350	1,246,150	-	-
Land held for development	9	52,794,041	52,753,393	-	-
Other investments	10	2,316	7,678,791	-	-
Deferred tax assets	11	108,911	-	-	-
		105,833,338	100,496,636	87,703,765	83,690,813
Current assets					
Inventories	12	11,065,339	4,527,780	-	-
Property development costs	13	169,834,333	135,763,636	-	-
Gross amount due from customers on contracts	14	590,507	2,347,141	-	-
Trade and other receivables	15	42,168,791	45,828,655	92,063,078	78,633,936
Tax recoverable		59,567	21,400	-	-
Fixed deposits with licensed banks	16	4,866,852	6,278,007	-	-
Cash and bank balances	17	5,272,797	8,899,241	31,739	9,953
		233,858,186	203,665,860	92,094,817	78,643,889
TOTAL ASSETS		339,691,524	304,162,496	179,798,582	162,334,702
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	91,281,667	91,281,667	91,281,667	91,281,667
Treasury shares	19	(10,508,115)	(10,508,115)	(10,508,115)	(10,508,115)
Reserves	20	43,811,342	52,311,732	59,166,097	54,051,861
		124,584,894	133,085,284	139,939,649	134,825,413
Non-controlling interests		(897,633)	85,686	-	-
Total equity		123,687,261	133,170,970	139,939,649	134,825,413
Non-current liabilities					
Borrowings	21	66,320,525	49,594,102	-	-
Deferred tax liabilities	11	-	706,042	-	-
		66,320,525	50,300,144	-	-
Current liabilities					
Gross amount due to customers on contracts	14	7,447,404	7,222,390	-	-
Trade and other payables	22	66,739,968	52,323,348	39,691,303	27,353,271
Borrowings	21	74,738,693	60,197,327	-	-
Provision for taxation		757,673	948,317	167,630	156,018
		149,683,738	120,691,382	39,858,933	27,509,289
Total liabilities		216,004,263	170,991,526	39,858,933	27,509,289
TOTAL EQUITY AND LIABILITIES		339,691,524	304,162,496	179,798,582	162,334,702

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Statements Of Comprehensive Income

For The Financial Year Ended 31 August 2016

	NOTE	GROUP		COMPANY	
		2016 RM	2015 RM	2016 RM	2015 RM
Revenue	23	175,552,206	131,316,715	14,081,878	14,642,688
Direct costs	24	(152,563,057)	(110,422,375)	-	-
Reversal of expected loss on development project		4,992,263	2,354,185	-	-
Gross profit		27,981,412	23,248,525	14,081,878	14,642,688
Other income		4,896,601	1,929,935	1,049	884
General and administrative expenses		(26,987,062)	(15,000,575)	(4,174,061)	(4,174,847)
Profit from operations		5,890,951	10,177,885	9,908,866	10,468,725
Finance costs		(3,732,051)	(3,152,339)	-	-
Share of results of an associate		(124,455)	(4,047)	-	-
Share of results of a joint venture		(73,800)	(95,157)	-	-
Profit before taxation	25	1,960,645	6,926,342	9,908,866	10,468,725
Taxation	26	(3,578,313)	(3,772,155)	(686,772)	(754,296)
(Loss)/Profit for the financial year		(1,617,668)	3,154,187	9,222,094	9,714,429
Other comprehensive loss, net of tax					
Item that may be reclassified subsequently to profit or loss					
Fair value adjustment on available-for-sale financial assets		(3,849,162)	(1,107,446)	-	-
Total comprehensive (loss)/income for the financial year		(5,466,830)	2,046,741	9,222,094	9,714,429

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Statements Of Comprehensive Income (Cont'd)

For The Financial Year Ended 31 August 2016

		GROUP		COMPANY	
	NOTE	2016 RM	2015 RM	2016 RM	2015 RM
(Loss)/Profit attributable to:					
Owners of the Company		(535,422)	3,672,556	9,222,094	9,714,429
Non-controlling interests		(1,082,246)	(518,369)	-	-
		<u>(1,617,668)</u>	<u>3,154,187</u>	<u>9,222,094</u>	<u>9,714,429</u>
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(4,384,584)	2,565,110	9,222,094	9,714,429
Non-controlling interests		(1,082,246)	(518,369)	-	-
		<u>(5,466,830)</u>	<u>2,046,741</u>	<u>9,222,094</u>	<u>9,714,429</u>
Basic (loss)/earnings per share attributable to owners of the Company (sen)					
	27	(0.65)	4.47		

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 August 2016

NOTE	Attributable to Owners of the Company							
	Non-distributable				Distributable			
	Share Capital RM	Treasury Shares RM	Share Premium RM	Fair Value Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2016								
Balance at beginning	91,281,667	(10,508,115)	15,951,063	3,843,491	32,517,178	133,085,284	85,686	133,170,970
Total comprehensive loss for the financial year	-	-	-	(3,849,162)	(535,422)	(4,384,584)	(1,082,246)	(5,466,830)
Transactions with owners:								
Dividend to non-controlling interests of a subsidiary	-	-	-	-	-	-	(300,000)	(300,000)
Changes in ownership interest in a subsidiary	-	-	-	-	(7,948)	(7,948)	7,978	30
Issuance of shares to non-controlling interests	-	-	-	-	-	-	400,000	400,000
Acquisition of investment in subsidiaries	-	-	-	-	-	-	(9,051)	(9,051)
Dividend	-	-	-	-	(4,107,858)	(4,107,858)	-	(4,107,858)
Total transactions with owners	-	-	-	-	(4,115,806)	(4,115,806)	98,927	(4,016,879)
Balance at end	91,281,667	(10,508,115)	15,951,063	(5,671)	27,865,950	124,584,894	(897,633)	123,687,261
2015								
Balance at beginning	91,281,667	(10,508,115)	15,951,063	4,950,937	37,060,339	138,735,891	904,055	139,639,946
Total comprehensive income for the financial year	-	-	-	(1,107,446)	3,672,556	2,565,110	(518,369)	2,046,741
Transactions with owners:								
Dividend to non-controlling interests of a subsidiary	-	-	-	-	-	-	(300,000)	(300,000)
Dividend	-	-	-	-	(8,215,717)	(8,215,717)	-	(8,215,717)
Total transactions with owners	-	-	-	-	(8,215,717)	(8,215,717)	(300,000)	(8,515,717)
Balance at end	91,281,667	(10,508,115)	15,951,063	3,843,491	32,517,178	133,085,284	85,686	133,170,970

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Statement Of Changes In Equity

For The Financial Year Ended 31 August 2016

NOTE	----- Non-distributable -----			Distributable	
	Share Capital RM	Treasury Shares RM	Share Premium RM	Retained Profits RM	Total Equity RM
2016					
Balance at beginning	91,281,667	(10,508,115)	15,951,063	38,100,798	134,825,413
Total comprehensive income for the financial year	-	-	-	9,222,094	9,222,094
Transactions with owners:					
Dividend	28	-	-	(4,107,858)	(4,107,858)
Balance at end	91,281,667	(10,508,115)	15,951,063	43,215,034	139,939,649
2015					
Balance at beginning	91,281,667	(10,508,115)	15,951,063	36,602,086	133,326,701
Total comprehensive income for the financial year	-	-	-	9,714,429	9,714,429
Transactions with owners:					
Dividend	28	-	-	(8,215,717)	(8,215,717)
Balance at end	91,281,667	(10,508,115)	15,951,063	38,100,798	134,825,413

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Statements Of Cash Flows

For The Financial Year Ended 31 August 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	1,960,645	6,926,342	9,908,866	10,468,725
Adjustments for:				
Bad debts	450	300	-	-
Depreciation	4,299,922	3,451,863	11,805	4,936
Dividend income	-	(240,042)	-	-
Gain on disposal of other investments	(4,409,250)	(472,330)	-	-
Goodwill on consolidation written off	8,311,193	-	-	-
Impairment loss of property, plant and equipment	229,658	-	-	-
Impairment loss on receivables	1,784,062	1,350	-	-
Impairment loss on receivables recovered	-	(710,653)	-	-
Interest expense	3,732,051	3,152,339	-	-
Interest income	(476,368)	(843,067)	-	-
Inventories written down	982,084	-	-	-
Inventories written off	340,736	-	-	-
Loss/(Gain) on disposal of property, plant and equipment	1,107	(13,030)	-	-
Property, plant and equipment written off	65,617	16,490	-	-
Reversal of expected loss on development project	(4,992,263)	(2,354,185)	-	-
Share of results of an associate	124,455	4,047	-	-
Share of results of a joint venture	73,800	95,157	-	-
Operating profit before working capital changes	12,027,899	9,014,581	9,920,671	10,473,661
(Increase)/Decrease in inventories	(7,860,379)	1,452,683	-	-
Increase in property development costs	(11,260,145)	(20,741,883)	-	-
Decrease in gross amount due from/to customers on contracts	2,768,998	77,669	-	-
Decrease/(Increase) in receivables	1,883,452	(3,496,868)	(851,376)	(128,490)
Increase in payables	14,390,892	5,798,935	25,893	91,820
Cash generated from/(used in) operations	11,950,717	(7,894,883)	9,095,188	10,436,991
Dividend received	400,000	-	-	-
Income tax paid	(4,622,202)	(4,781,117)	(675,160)	(803,278)
Income tax refunded	125	45,359	-	-
Interest paid	(7,107,670)	(6,011,585)	-	-
Interest received	349,323	719,920	-	-
Net cash from/(used in) operating activities	970,293	(17,922,306)	8,420,028	9,633,713
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash flow on acquisition of equity interests in subsidiaries (Note A)	(23,290,451)	-	-	-
Dividend received	-	240,042	-	-
Net change in subsidiaries' balances	-	-	(4,265,627)	(1,425,451)
(Increase)/Decrease in land held for development	(40,648)	14,518,638	-	-
Withdrawal/(Placement) of fixed deposits	1,544,768	(552,728)	-	-
Proceeds from disposal of other investments	8,236,563	996,097	-	-
Proceeds from disposal of property, plant and equipment	459	14,105	-	-
Proceeds from partial disposal of investment in an existing subsidiary	30	-	-	-
Purchase of investment properties	(2,641,510)	(325,152)	-	-
* Purchase of property, plant and equipment	(2,597,321)	(2,323,248)	(24,757)	(32,670)
Net cash (used in)/from investing activities	(18,788,110)	12,567,754	(4,290,384)	(1,458,121)

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Statements Of Cash Flows (Cont'd) **For The Financial Year Ended 31 August 2016**

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(4,107,858)	(8,215,717)	(4,107,858)	(8,215,717)
Dividend paid to non-controlling interests of a subsidiary	(300,000)	(300,000)	-	-
Net (repayment)/drawdown of invoice financing	(453,951)	597,128	-	-
Net drawdown/(repayment) of bankers acceptance	13,834,117	(80,203)	-	-
Payment of finance lease	(579,884)	(570,563)	-	-
Proceeds from issuance of shares to non-controlling interests of a subsidiary	400,000	-	-	-
Drawdown of term loan and Bai' Bithaman Ajil	25,180,000	6,769,917	-	-
Repayment of term loans and Bai' Bithaman Ajil	(21,950,938)	(21,102,252)	-	-
Net cash from/(used in) financing activities	<u>12,021,486</u>	<u>(22,901,690)</u>	<u>(4,107,858)</u>	<u>(8,215,717)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,796,331)	(28,256,242)	21,786	(40,125)
CASH AND CASH EQUIVALENTS AT BEGINNING	(7,983,234)	20,273,008	9,953	50,078
CASH AND CASH EQUIVALENTS AT END	<u>(13,779,565)</u>	<u>(7,983,234)</u>	<u>31,739</u>	<u>9,953</u>
Represented by:				
Fixed deposit with a licensed bank	225,015	218,447	-	-
Cash and bank balances	5,272,797	8,899,241	31,739	9,953
Bank overdrafts	(19,277,377)	(17,100,922)	-	-
	<u>(13,779,565)</u>	<u>(7,983,234)</u>	<u>31,739</u>	<u>9,953</u>
* Purchase of property, plant and equipment				
Total acquisition cost	15,659,311	5,872,808	24,757	32,670
Acquired under term loan	(13,061,990)	(3,465,560)	-	-
Acquired under finance lease liabilities	-	(84,000)	-	-
Total cash acquisition	<u>2,597,321</u>	<u>2,323,248</u>	<u>24,757</u>	<u>32,670</u>
Note A				
Cash flow on acquisition of equity interests in subsidiaries				
Receivables	8,100	-	-	-
Property development costs	14,987,835	-	-	-
Cash and bank balances	209,609	-	-	-
Payables	(25,728)	-	-	-
Non-controlling interests	9,051	-	-	-
Share of net assets acquired	15,188,867	-	-	-
Goodwill on consolidation	8,311,193	-	-	-
Total consideration paid	23,500,060	-	-	-
Less: Cash and bank balances	(209,609)	-	-	-
Net cash outflow on acquisition of equity interests in subsidiaries	<u>23,290,451</u>	<u>-</u>	<u>-</u>	<u>-</u>

The notes set out on pages 46 to 104 form an integral part of these financial statements.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2016

1. GENERAL INFORMATION

General

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 holding company is Leading Builders Sdn. Bhd., a company incorporated in Malaysia, which the directors regard as the ultimate holding company.

The registered office of the Company is located at 51-13-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 December 2016.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of the subsidiaries are shown in Note 6 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies under Note 3.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

2. BASIS OF PREPARATION (cont'd)

2.3 Functional and Presentation Currency

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

2.4 Standards Issued But Not Yet Effective

2.4.1 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities that are within the scope of *MFRS 141 Agriculture* and *IC Interpretation 15 Agreements for Construction of Real Estate*, including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Company and certain subsidiaries fall within the definition of Transitioning Entities and have opted to defer the adoption of MFRS Framework. However, for subsidiaries which financial statements are prepared in accordance with MFRS Framework, their financial statements were converted to FRS for the purpose of the preparation of the Group financial statements.

In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have not completed their quantification of the financial effects of the differences between FRS and accounting standards under the MFRS Framework and are in the process of assessing the financial effects of the differences. Accordingly, the financial performance and financial position as disclosed in these financial statements for the financial year ended 31 August 2016 could be different if prepared under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 August 2019.

2.4.2 FRS and Amendments to FRS Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but have not been adopted by the Group and by the Company:

Effective for financial periods beginning on or after 1 January 2016

FRS 14 Regulatory Deferral Accounts

Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception

Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 101 Disclosure Initiative

Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants

Amendments to FRS 127 Equity Method in Separate Financial Statements

Annual Improvements to FRS 2012-2014 Cycle

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

2. BASIS OF PREPARATION (cont'd)

2.4 Standards Issued But Not Yet Effective (cont'd)

2.4.2 FRS and Amendments to FRS Issued But Not Yet Effective (cont'd)

Effective for financial periods beginning on or after 1 January 2017

Amendments to FRS 107 Disclosures Initiative

Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

Effective for financial periods beginning on or after 1 January 2018

FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

Amendments to FRS 2 Clarification and Measurement of Share-based Payments Transactions

Amendments to FRS 7 Mandatory Date of FRS 9 and Transition Disclosures

Effective date yet to be confirmed

Amendments to FRS 10 and FRS 128 Sale or Contribution of Asset between an Investor and its Associate or Joint Venture

The new FRS and Amendments to FRS above are expected to have no significant impact on the financial statements of the Group and of the Company upon its initial application except for the changes in presentation and disclosures of financial information arising from the adoption of certain FRS and Amendments to FRS above.

The Group's and the Company's financial statements for annual period beginning on 1 September 2018 will be prepared in accordance with the MFRS Framework issued by MASB and International Financial Reporting Standards. As a result, the Group and the Company will not be adopting FRS, Interpretations and Amendments that are effective for annual periods beginning on or after 1 September 2018.

2.5 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

2.5.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

2.5.2 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:

(i) Useful lives of depreciable assets

The depreciable costs of plant and equipment are allocated on the straight line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 2 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets affecting future depreciation charges.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

2. BASIS OF PREPARATION (cont'd)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.2 Key sources of estimation uncertainty (cont'd)

(ii) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by survey of work performed.

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 the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of architects.

(iii) Construction contracts

The Group recognises construction contract revenue and expenses in the profit or loss using the stage of completion method. The stage of completion is measured by reference to the proportion of the survey of works performed to date bear to the estimated total contract sum.

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 projects. Total revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(iv) Impairment of loans and receivables

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor 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 of assets with similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) Subsidiaries

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

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

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

Upon disposal of investment in subsidiaries, the difference between the net disposal proceeds and their carrying amount is recognised in profit or loss.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of Consolidation (cont'd)

(ii) Business combination

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

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Associate

An associate is defined as one in which the Company has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting based on audited financial statements of the associate, where appropriate. Under the equity method of accounting, the Group's share of profits and losses of the associate during the year is included in the profit or loss. The Group's interest in associate is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associate.

The equity method of accounting is discontinued when the Group's share of losses of the associate exceeds the carrying amount of investment, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

In the Company's separate financial statements, investment in an associate is stated at cost less any accumulated impairment losses.

Upon the disposal of investment in an associate, the difference between the net disposal proceeds and its carrying amount is included in the profit or loss.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of Consolidation (cont'd)

(vi) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group account for its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

Investment in joint venture is stated at cost less impairment losses in the Company's statement of financial position, unless the investment is classified as held for sale or distribution.

(vii) 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 other comprehensive income for the year between non-controlling interests and owners of the Company.

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

(viii) Transactions eliminated on consolidation

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

Unrealised profits arising on transactions between the Group and its associate which are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interest in the associate. Unrealised losses on such transactions are also eliminated unless cost cannot be recovered.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Property, Plant and Equipment

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

Certain land and buildings are subsequently shown at valuation based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment losses.

Surpluses arising on revaluation are credited to asset revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the asset revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is recognised in profit or loss.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	2% - 10%
Plant and machinery	10% - 50%
Office equipment, furniture and fixtures	5% - 20%
Motor vehicles	10% - 20%

Freehold land is not depreciated as it has an infinite life.

Depreciation on capital work in progress commences when the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is included in the profit or loss and the attributable portion of the revaluation surplus is taken directly to retained profits.

3.3 Investment Properties

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

Buildings, freehold commercial lots, flats and apartments are depreciated on the straight line method to write off the cost to their residual value over their estimated useful lives at 2% per annum while the leasehold land is amortised over the remaining lease period of 30 to 98 years.

Freehold land is not depreciated as it has an infinite life.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of investment properties.

Upon the disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is included in the profit or loss.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance lease

A finance lease which includes hire purchase arrangement, is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Title may or may not eventually be transferred.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

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

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3.5 Land Held for Development and Property Development Costs

Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any impairment losses.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Where the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by survey of work performed.

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

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

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Land Held for Development and Property Development Costs (cont'd)

Property development costs (cont'd)

Property development costs not recognised as expenses are recognised as assets, which are measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings within trade payables.

3.6 Construction Contracts

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

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

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

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

3.7 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset 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.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments

3.8.1 Initial recognition and measurement

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

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

3.8.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

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

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

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

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.3 Financial guarantee contracts

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

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

3.8.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.8.5 Derecognition

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

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

3.9 Impairment of Financial Assets

All financial assets (except for investment in subsidiaries, associate and joint venture) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

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

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Impairment of Financial Assets (cont'd)

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

3.10 Inventories

Inventories of freehold land and completed development units

Inventories of freehold land and completed development units are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction, development costs and appropriate overheads. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories of bricks, raw materials, work-in-progress, trading goods and finished goods

Inventories of bricks, raw materials, work-in-progress, trading goods and finished goods are stated at the lower of cost and net realisable value. The cost of inventories is measured based on first in, first out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of bricks, finished goods and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is based on estimated selling price less all estimated costs to be incurred in selling and distribution.

3.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits 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, against which bank overdraft balances, if any, are deducted.

3.12 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event 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 the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. 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. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are recognised as expenses in the period in which they are incurred.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14 Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and when the revenue can be reliably measured on the following bases:

(i) **Construction contract revenue**

Revenue from construction contracts is accounted for by the stage of completion method as described in the accounting policy as set out in Note 3.6.

(ii) **Property development revenue**

Revenue from sale of properties is accounted for by the stage of completion method as described in the accounting policy as set out in Note 3.5.

(iii) **Sale of goods**

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

(iv) **Provision of waste management services**

Revenue from provision of waste management services, green waste management activity and wood shredding activity are recognised when the services are rendered.

(v) **Dividend income**

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

(vi) **Rental income**

These income are recognised on a straight-line basis over the lease term.

(vii) **Management fee income**

These income are recognised on an accrual basis when the services are rendered.

(viii) **Interest income**

Interest income is recognised on a time proportion basis using the applicable effective interest rate.

3.15 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

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

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Income Tax

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

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

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

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available to set off against the unutilised tax incentive.

3.17 Goods and Services Tax

Goods and Services Tax ("GST") is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input tax that a company pays on business purchases is offset against output tax.

Revenue, expenses and assets are recognised net of GST except:

- where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Share Capital, Share Issuance Expenses and Dividends

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.

Share capital represents the nominal value of shares that have been issued.

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of unappropriated profits and recognised as a liability in the period in which they are declared.

Share premium includes any premiums received upon issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

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

3.19 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) Has control or joint control over the Group;
 - (ii) Has significant influence over the Group; or
 - (iii) Is a member of the key management personnel of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) The entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the Group.
 - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group or to the parent of the Group.

3.20 Segment Reporting

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

3.21 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 events not wholly within the control of the Group and of the Company.

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

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

2016

	At valuation/cost			
	Balance at beginning RM	Additions RM	Disposals RM	Balance at end RM
At valuation:				
Freehold land	2,174,200	-	-	2,174,200
Buildings	4,825,800	-	-	4,825,800
At cost:				
Freehold land	179,154	-	-	179,154
Buildings	2,298,834	-	-	2,298,834
Plant and machinery	29,841,087	5,511,079	-	35,280,376
Office equipment, furniture and fixtures	2,815,374	307,357	(21,746)	3,050,638
Motor vehicles	7,072,872	-	-	7,072,872
Capital work in progress	-	9,840,875	-	9,840,875
	49,207,321	15,659,311	(21,746)	64,722,749
	Accumulated depreciation			
	Balance at beginning RM	Current charge RM	Disposals RM	Balance at end RM
At valuation:				
Freehold land	-	-	-	-
Buildings	1,739,965	96,516	-	1,836,481
At cost:				
Freehold land	-	-	-	-
Buildings	744,680	43,031	-	787,711
Plant and machinery	11,980,822	3,147,115	-	15,098,069
Office equipment, furniture and fixtures	1,868,860	267,277	(20,180)	2,089,305
Motor vehicles	5,586,394	655,591	-	6,241,985
	21,920,721	4,209,530	(20,180)	26,053,551
	Accumulated impairment losses			
	Balance at beginning RM	Current charge RM	Disposals RM	Balance at end RM
At cost:				
Plant and machinery	-	201,685	-	201,685
Office equipment, furniture and fixtures	-	27,973	-	27,973
	-	229,658	-	229,658
				Carrying amount at end RM
At valuation:				
Freehold land				2,174,200
Buildings				2,989,319
At cost:				
Freehold land				179,154
Buildings				1,511,123
Plant and machinery				19,980,622
Office equipment, furniture and fixtures				933,360
Motor vehicles				830,887
Capital work in progress				9,840,875
				38,439,540

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

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

2015

	At valuation/cost			
	Balance at beginning RM	Additions RM	Disposals RM	Balance at end RM
At valuation:				
Freehold land	2,174,200	-	-	2,174,200
Buildings	4,825,800	-	-	4,825,800
At cost:				
Freehold land	179,154	-	-	179,154
Buildings	2,298,834	-	-	2,298,834
Plant and machinery	24,585,263	5,330,502	(44,000)	29,841,087
Office equipment, furniture and fixtures	2,628,542	452,095	(24,746)	2,815,374
Motor vehicles	6,985,311	90,211	-	7,072,872
	<u>43,677,104</u>	<u>5,872,808</u>	<u>(68,746)</u>	<u>49,207,321</u>
	Accumulated depreciation			
	Balance at beginning RM	Current charge RM	Disposals RM	Balance at end RM
At valuation:				
Freehold land	-	-	-	-
Buildings	1,643,449	96,516	-	1,739,965
At cost:				
Freehold land	-	-	-	-
Buildings	701,649	43,031	-	744,680
Plant and machinery	9,749,622	2,305,041	(43,999)	11,980,822
Office equipment, furniture and fixtures	1,872,907	246,343	(23,672)	1,868,860
Motor vehicles	4,895,082	692,107	-	5,586,394
	<u>18,862,709</u>	<u>3,383,038</u>	<u>(67,671)</u>	<u>21,920,721</u>
				Carrying amount at end RM
At valuation:				
Freehold land				2,174,200
Buildings				3,085,835
At cost:				
Freehold land				179,154
Buildings				1,554,154
Plant and machinery				17,860,265
Office equipment, furniture and fixtures				946,514
Motor vehicles				<u>1,486,478</u>
				<u>27,286,600</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

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

COMPANY

	Furniture and fixtures	
	2016	2015
	RM	RM
At cost		
Balance at beginning	134,830	102,160
Additions	24,757	32,670
Balance at end	159,587	134,830
Accumulated depreciation		
Balance at beginning	80,879	75,943
Current charge	11,805	4,936
Balance at end	92,684	80,879
Carrying amount	66,903	53,951

GROUP

- (i) The properties at valuation were revalued on the open market value basis by the directors on 18 September 1997 based on a valuation exercise by an independent firm of professional valuers and as approved by the Securities Commission.

The directors have not adopted a policy of regular revaluation of such assets. As permitted under the transitional provision of *FRS116*²⁰⁰⁴: *Property, Plant and Equipment*, these assets continue to be stated at their 1997 valuation less accumulated depreciation.

The historical carrying amount of revalued properties is as follows:

	Freehold land RM	Buildings RM
2016		
At cost	600,000	133,863
Accumulated depreciation	-	(69,610)
Carrying amount	600,000	64,253

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

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

	Freehold land RM	Buildings RM
2015		
At cost	600,000	133,863
Accumulated depreciation	-	(66,932)
Carrying amount	600,000	66,931

- (ii) The freehold land and buildings are pledged to licensed banks as security for banking facilities granted to certain subsidiaries.
- (iii) The carrying amount of plant and machinery charged to a licensed bank as security for banking facility granted to a subsidiary is **RM18,434,313** (2015: RM16,382,151).
- (iv) The carrying amount of capital work in progress charged to a licensed bank as security for banking facility granted to a subsidiary is **RM9,840,875** (2015: RM Nil).
- (v) The carrying amount of motor vehicles and office equipment, furniture and fixtures acquired under finance lease are **RM820,211** (2015: RM1,464,815) and **RM4,915** (2015: RM Nil) respectively. The leased assets are pledged as security for the related finance lease liabilities (Note 21).
- (vi) The depreciation charge for the financial year is accounted for as follows:

	2016 RM	2015 RM
Recognised in profit or loss (Note 25)		
- General and administrative expenses	726,746	726,938
- Construction contract costs	43,517	10,444
- Cost of sales	3,197,082	2,401,822
	3,967,345	3,139,204
Capitalised in construction contract costs (Note 14)	242,185	243,834
	4,209,530	3,383,038

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

5. INVESTMENT PROPERTIES

GROUP

	Freehold land RM	Leasehold land RM	Buildings RM	Freehold commercial lots and apartments RM	Total RM
2016					
At cost:					
Balance at beginning	1,833,116	1,356,331	5,965,847	6,145,662	15,300,956
Additions	1,358,491	-	1,283,019	-	2,641,510
Balance at end	3,191,607	1,356,331	7,248,866	6,145,662	17,942,466
Accumulated depreciation:					
Balance at beginning	-	305,752	1,587,095	1,831,516	3,724,363
Current charge	-	34,467	175,196	122,914	332,577
Balance at end	-	340,219	1,762,291	1,954,430	4,056,940
Accumulated impairment losses:	65,038	-	113,245	234,901	413,184
Carrying amount	3,126,569	1,016,112	5,373,330	3,956,331	13,472,342
2015					
At cost:					
Balance at beginning	1,833,116	1,356,331	5,640,695	6,145,662	14,975,804
Additions	-	-	325,152	-	325,152
Balance at end	1,833,116	1,356,331	5,965,847	6,145,662	15,300,956
Accumulated depreciation:					
Balance at beginning	-	271,285	1,431,817	1,708,602	3,411,704
Current charge	-	34,467	155,278	122,914	312,659
Balance at end	-	305,752	1,587,095	1,831,516	3,724,363
Accumulated impairment losses:	65,038	-	113,245	234,901	413,184
Carrying amount	1,768,078	1,050,579	4,265,507	4,079,245	11,163,409

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

5. INVESTMENT PROPERTIES (cont'd)

GROUP

(i) Investment properties amounting to **RM9,561,127** (2015: RM7,124,950) are pledged to a licensed bank as security for banking facilities granted to certain subsidiaries.

(ii) The amounts recognised in the profit or loss is as follows:

	2016 RM	2015 RM
Rental income from investment properties	516,920	559,729
Direct operating expenses arising from investment properties that generated rental income during the financial year	385,249	361,209
Direct operating expenses arising from investment properties that did not generate rental income during the financial year	106,728	95,489

(iii) For fair value measurement of investment properties, refer Note 34 to the financial statements.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY 2016 RM	2015 RM
Unquoted shares, at cost	83,636,862	83,636,862
Redeemable non-cumulative preference shares, at cost	4,000,000	-
	87,636,862	83,636,862

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2016 %	2015 %	
Direct			
PLB-KH Bina Sdn. Bhd.	100	100	Contracting and construction of industrial, residential and commercial building works, renovation works, property development, investment and property holdings and manufacturing of bricks.
PLB Land Sdn. Bhd.	100	100	Property letting, investment holding and property development.
Dynabricks Sdn. Bhd.	100	100	Rental of machineries.
Gaintrend Sdn. Bhd.	100	100	Building construction and property development.
PLB Ventures Sdn. Bhd.	100	100	Investment holding.
PLB Terang Sdn. Bhd.	65	65	Provision of waste management services.
Indirect – held through PLB-KH Bina Sdn. Bhd.			
Fattigold Sdn. Bhd.	51	51	Property development. However, the subsidiary did not undertake any development project during the financial year.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Effective Equity Interest		Principal Activities
	2016 %	2015 %	
Indirect – held through PLB Land Sdn. Bhd.			
Era Pujaan Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year. Instead the subsidiary rented out a portion of the development properties earmarked for development.
Hektar Pujaan Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Excelgrand Properties Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Indah Mulia Development Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Pelangi Sehati Development Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Sebadi Corporation Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Landsdale Development Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
PLB Cemerlang Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Phoenix Residences Sdn. Bhd.	100	-	Property development.
Indirect – held through PLB Ventures Sdn. Bhd.			
PLB Steel Engineering Sdn. Bhd.	100	100	Steel and metal fabrication works and related construction activities.
PLB Green Construction Sdn. Bhd.	70	70	Contracting and construction of industrial, residential and commercial building works and renovation works.
PLB Bio Green Sdn. Bhd.	100	100	Provision of green waste management activity
PLB Eco Solutions Sdn. Bhd. (formerly known as PLB Bio Wood Sdn. Bhd.)	77.78	100	Provision of wood shredding activity, manufacturing and trading of waste recyclable materials.
PLB Resource Management Sdn. Bhd.	60	-	Provision of advisory services.

2016

- (i) On 7 October 2015, the Group through PLB Ventures Sdn. Bhd. had subscribed for an additional 98 new ordinary shares of RM1 each in PLB Eco Solutions Sdn. Bhd. ("PLB Eco") for a total cash consideration of RM98. Subsequently, on 2 November 2015, the Group had disposed of 30% equity interest in PLB Eco for a total cash consideration of RM30.

On 29 August 2016, the Group through PLB Ventures Sdn. Bhd. had subscribed for an additional 1,400,000 new ordinary share of RM1 each in PLB Eco. Consequently, the Group holds 77.78% of the total paid up capital of PLB Eco.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

6. INVESTMENT IN SUBSIDIARIES (cont'd)

2016 (cont'd)

- (ii) On 20 April 2016, the Group through PLB Eco had incorporated a 70% owned subsidiary by the name of PLB Resource Management Sdn. Bhd. ("PLB Resource") with an issued and paid-up capital of RM100 comprising 100 ordinary shares of RM1 each for a total cash consideration of RM70.

On 27 May 2016, PLB Eco had signed the form of transfer to dispose of 60% of the paid-up share capital of PLB Resource to PLB Ventures Sdn. Bhd. for a consideration of RM60 and 10% of the paid-up share capital of PLB Resource to a third party for a consideration of RM10.

- (iii) On 18 January 2016, the Group through PLB Land Sdn. Bhd. had acquired 300,000 ordinary share of RM1 each, representing 100% equity interest in Phoenix Residences Sdn. Bhd. for a total purchase consideration of RM23,500,000.

- (iv) On 29 August 2016, the Company has capitalised the amount due from a subsidiary, PLB Terang Sdn. Bhd., by way of accepting the allotment of 4,000 redeemable non-cumulative preference shares ("RNPS") of RM1 each, fully paid-up in the capital of the subsidiary, at an issue price of RM1,000 per RNPS.

The effect of the above mentioned acquisitions on the financial results of the Group for the financial year ended 31 August 2016 is as follows:

	RM
Revenue	208,670
Direct costs	(143,287)
Gross profit	65,383
Other income	1,304
Administrative expenses	(22,004)
Operating profit	44,683
Goodwill on consolidation written off	(8,311,193)
Decrease in Group's profit before taxation	(8,266,510)

The effects of the acquisition on the financial position of the Group as at the end of the financial year are disclosed in the consolidated statement of cash flows under Note A of page 45.

7. INVESTMENT IN AN ASSOCIATE

	GROUP	
	2016 RM	2015 RM
Unquoted shares, at cost	300,000	300,000
Share of post-acquisition reserves	(56,162)	68,293
	243,838	368,293

Details of the associate, which is incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2016	2015	
	%	%	
Indirect – held through PLB Ventures Sdn. Bhd.			
Diligent Success Sdn. Bhd.	50	50	Construction of buildings, repair and upgrading works, and the provision of marketing and consultancy services in relation to construction engineering and related works. However, the associate did not undertake such activities during the financial year.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

7. INVESTMENT IN AN ASSOCIATE (cont'd)

The following shows the summarised financial information of Diligent Success Sdn. Bhd. and a reconciliation of the summarised financial information to the carrying amount of the Group's interest in the associate, which is accounted for using the equity method.

	2016 RM	2015 RM
As at 31 August		
Assets and liabilities		
Current assets	490,381	813,407
Current liabilities	(2,700)	(76,817)
Equity	487,681	736,590
Group's carrying amount of the investment	243,838	368,293
Year ended 31 August		
Results		
Revenue	(889,039)	-
Cost of sales	648,510	-
Administrative expenses	(8,380)	(8,093)
Loss before taxation	(248,909)	(8,093)
Taxation	-	-
Loss for the financial year	(248,909)	(8,093)
Group's share of loss for the financial year	(124,455)	(4,047)

Contingent liabilities and capital commitments

The associate has no contingent liabilities or capital commitments as at the end of the reporting period.

8. INVESTMENT IN A JOINT VENTURE

	GROUP	
	2016 RM	2015 RM
Unquoted shares, at cost	500,000	500,000
Share of post-acquisition reserves	16,672,350	16,746,150
Balance carried forward	17,172,350	17,246,150

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

8. INVESTMENT IN A JOINT VENTURE (cont'd)

	GROUP	
	2016 RM	2015 RM
Balance brought forward	17,172,350	17,246,150
Less: Dividends received	(16,400,000)	(16,000,000)
	772,350	1,246,150

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activity
	2016 %	2015 %	
Indirect – held through PLB Land Sdn. Bhd.			
PLB-Wonder Bay Development Sdn. Bhd.	50	50	Property development.

The following shows the summarised financial information of PLB-Wonder Bay Development Sdn. Bhd. and a reconciliation of the summarised financial information to the carrying amount of the Group's interest in the joint venture, which is accounted for using the equity method.

	2016 RM	2015 RM
As at 31 August		
Assets and liabilities		
Current assets including cash and cash equivalents of RM1,652,040 (2015: RM2,715,898)	1,795,822	2,863,362
Current liabilities	(251,124)	(371,065)
Equity	1,544,698	2,492,297
Group's carrying amount of the investment	772,350	1,246,150
Year ended 31 August		
Results		
Revenue	15,000	-
Cost of sales	(1,107)	-
Other income including interest income of RM8,417 (2015: RM8,990)	12,540	14,790
Administrative expenses	(174,032)	(205,104)
Loss before taxation	(147,599)	(190,314)
Taxation	-	-
Loss for the financial year	(147,599)	(190,314)
Group's share of loss for the financial year	(73,800)	(95,157)

Contingent liabilities and capital commitments

The joint venture has no contingent liabilities or capital commitments as at the end of the reporting period.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

9. LAND HELD FOR DEVELOPMENT

	GROUP	
	2016	2015
	RM	RM
Freehold land, at valuation	4,402,580	4,402,580
Freehold land, at cost		
Balance at beginning	45,839,009	47,863,680
Additions	539	9,500,665
Disposal	-	(3,146,973)
Reclassified to property development costs	-	(8,378,363)
Balance at end	45,839,548	45,839,009
	50,242,128	50,241,589
Development costs		
Balance at beginning	2,511,804	4,859,877
Additions	40,109	189,846
Disposal	-	(770,388)
Reclassified to property development costs	-	(1,767,531)
Balance at end	2,551,913	2,511,804
	52,794,041	52,753,393
Represented by:		
Freehold land - at valuation	4,402,580	4,402,580
- at cost	45,839,548	45,839,009
Development costs	2,551,913	2,511,804
	52,794,041	52,753,393

The freehold land with carrying amount of **RM30,927,895** (2015: RM27,891,979) are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries.

Freehold land at valuation was revalued on the open market value basis by the directors of certain subsidiaries on 18 September 1997 based on a valuation exercise by an independent firm of professional valuers and as approved by the Securities Commission.

As permitted under the transitional provisions of *FRS 201: Property Development Activities*, the subsidiaries continue to retain the revalued amount of the land as its surrogate cost.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

10. OTHER INVESTMENTS

	GROUP	
	2016	2015
	RM	RM
Available-for-sale financial assets:		
Shares quoted in Malaysia		
Balance at beginning	7,678,791	9,310,004
Disposals	(3,827,313)	(523,767)
Fair value adjustment	(3,849,162)	(1,107,446)
Balance at end	2,316	7,678,791
Market value of shares quoted in Malaysia	2,316	7,678,791

11. DEFERRED TAX ASSETS/LIABILITIES

	GROUP	
	2016	2015
	RM	RM
Deferred tax assets/(liabilities)		
Revaluation surplus:		
Balance at beginning	(1,340,494)	(1,378,359)
Transfer to profit or loss	37,865	37,865
Balance at end	(1,302,629)	(1,340,494)
Others:		
Balance at beginning	634,452	157,475
Transfer to profit or loss	777,088	488,477
Over provision in prior year	-	(11,500)
Balance at end	1,411,540	634,452
	108,911	(706,042)

Revaluation surplus:

Deferred tax liabilities on revaluation surplus are in relation to the difference between the actual depreciation on the revalued properties and equivalent depreciation based on the cost of the properties.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

11. DEFERRED TAX ASSETS/LIABILITIES (cont'd)

Others:

Other deferred tax assets/(liabilities) are represented by temporary differences arising from:

	GROUP	
	2016	2015
	RM	RM
Property, plant and equipment	(103,000)	(98,000)
Profit recognition on construction contracts	4,000	-
Tax effect on unrealised profit on construction contracts and property development costs	1,510,540	732,452
	1,411,540	634,452

12. INVENTORIES

	GROUP	
	2016	2015
	RM	RM
Freehold land	55,255	4
Completed development units	6,406,119	3,620,330
Raw materials	2,417,925	80,551
Work-in-progress	1,190,000	-
Trading goods	-	340,736
Bricks	251,496	486,159
Finished goods	744,544	-
	11,065,339	4,527,780

Recognised in profit or loss:

	GROUP	
	2016	2015
	RM	RM
Inventories recognised as cost of sales	35,882,192	19,479,265
Inventories written down	982,084	-
Inventories written off	340,736	-

Completed development units amounting to RM3,087,202 were pledged to a licensed bank as security for banking facilities granted to a subsidiary.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

13. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2016 RM	2015 RM
At cost:		
Balance at beginning		
- Freehold land	95,178,380	90,038,273
- Leasehold land	-	2,874,777
- Development costs	99,417,043	69,778,853
	194,595,423	162,691,903
Acquisition of a subsidiary		
- Freehold land	13,473,507	-
- Development costs	1,264,156	-
	14,737,663	-
Costs incurred during the financial year		
Freehold land		
- Reclassified from land held for development	-	8,378,363
Development costs		
- Additions	90,341,009	46,603,629
- Reclassified from land held for development	-	1,767,531
	90,341,009	48,371,160
Transfer to inventories	(9,468,428)	-
Reversal of completed projects	(63,720,131)	(24,846,003)
	226,485,536	194,595,423
Expected loss		
Balance at beginning	(5,416,261)	(7,770,446)
Current year	(149,579)	-
Reversal	5,141,842	2,354,185
Balance at end	(423,998)	(5,416,261)
	226,061,538	189,179,162
Costs recognised in profit or loss		
Balance at beginning	(53,415,526)	(34,715,430)
Reversal of completed projects	63,720,131	24,846,003
Recognised during the financial year	(66,531,810)	(43,546,099)
Balance at end	(56,227,205)	(53,415,526)
Balance at end	169,834,333	135,763,636
Represented by:		
Freehold land	91,751,886	95,178,380
Development costs	134,733,650	99,417,043
Costs recognised in profit or loss	(56,227,205)	(53,415,526)
Expected loss	(423,998)	(5,416,261)
	169,834,333	135,763,636

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

13. PROPERTY DEVELOPMENT COSTS (cont'd)

Included in development costs incurred during the financial year are the following:

	2016	2015
	RM	RM
Interest expense	2,830,454	2,607,435
Rental of land and buildings	25,649	25,023

The freehold land and leasehold land with carrying amount of **RM49,450,786** (2015: RM71,800,000) are pledged to licensed banks as security for banking facilities granted to certain subsidiaries.

14. GROSS AMOUNT DUE FROM/TO CUSTOMERS ON CONTRACTS

	GROUP	
	2016	2015
	RM	RM
Due from:		
Construction contract costs incurred to date	29,333,349	17,948,454
Add: Attributable profits	601,576	156,791
	29,934,925	18,105,245
Less: Progress billings	(29,344,418)	(15,758,104)
	590,507	2,347,141
Due to:		
Construction contract costs incurred to date	140,794,033	127,148,468
Add: Attributable profits	10,039,545	6,593,986
	150,833,578	133,742,454
Less: Progress billings	(158,280,982)	(140,964,844)
	(7,447,404)	(7,222,390)

The costs incurred to date on construction contracts included the following charges made during the financial year:

	2016	2015
	RM	RM
Depreciation (Note 4)	242,185	243,834
Interest expense	545,165	251,811
Rental of land and buildings	41,200	38,860
Rental of machinery	1,149,957	1,058,153
Staff costs (Note 25)	3,351,413	2,686,493

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

15. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade receivables (Note 15.1)	34,164,745	37,145,146	-	-
Other receivables, deposits and prepayments (Note 15.2)	8,004,046	8,683,509	1,014,026	162,650
Amount due from subsidiaries (Note 15.3)	-	-	91,049,052	78,471,286
	42,168,791	45,828,655	92,063,078	78,633,936

15.1 Trade receivables

	GROUP	
	2016 RM	2015 RM
Trade receivables	36,037,707	37,237,496
Less: Allowance for impairment		
Balance at beginning	(92,350)	(1,388,350)
Current year	(1,781,962)	(1,350)
Recovered	-	710,653
Written off	1,350	586,697
Balance at end	(1,872,962)	(92,350)
	34,164,745	37,145,146

Included herein are the following:

- (i) Retention sum receivable of **RM6,869,569** (2015: RM5,638,132).
- (ii) Stakeholders' sum of **RM5,145,321** (2015: RM4,291,704) as stipulated in the sale and purchase agreements.
- (iii) Amount due from the following companies:

	GROUP	
	2016 RM	2015 RM
KH-Base Engineering Sdn. Bhd.	1,564,871	1,360,850
Infitech Machinery Sdn. Bhd.	44,719	-
Infitech Ecogistic Sdn. Bhd.	8,695	-
HLB Infitech Sdn. Bhd.	18,296	-
QM Machinery Sdn. Bhd.	36,328	-

Refer to Note 32 (i) for related party relationship.

The credit terms granted by the Group to its trade receivables range from **14 to 90 days** (2015: 14 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

15. TRADE AND OTHER RECEIVABLES (cont'd)

15.2 Other receivables, deposits and prepayments

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other receivables	1,345,081	7,085,890	100	100
Less: Allowance for impairment	(2,100)	-	-	-
	1,342,981	7,085,890	100	100
Deposits	3,744,558	1,006,862	2,000	2,000
Prepayments	1,949,275	490,245	1,011,926	160,550
GST receivables	967,232	100,512	-	-
	8,004,046	8,683,509	1,014,026	162,650

GROUP

Included in other receivables is an amount of **RM662,215** (2015: RM Nil) being advance payments made to suppliers. It is unsecured, interest free and is repayable on demand.

Included in deposits is an amount of **RM3,048,200** (2015: RM585,895) being deposits and incidental costs paid for the acquisition of development land by a subsidiary. The balance of the purchase considerations is disclosed as capital commitment in Note 30.

15.3 Amount due from subsidiaries

COMPANY

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and is repayable on demand.

16. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP	
	2016	2015
	RM	RM
Encumbered	4,641,837	6,059,560
Unencumbered	225,015	218,447
	4,866,852	6,278,007

The encumbered fixed deposits are pledged to licensed banks for banking facilities granted to certain subsidiaries.

The effective interest rates and maturity of fixed deposits as at the end of the reporting period range from **2.90% to 3.25%** (2015: 2.95% to 3.25%) per annum and **1 to 12 months** (2015: 1 to 12 months) respectively.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

17. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
HDA	668,991	309,424	-	-
Others	4,603,806	8,589,817	31,739	9,953
	5,272,797	8,899,241	31,739	9,953

HDA

The Housing Development Account (HDA) is maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966. This account which consists of monies received from purchasers, is for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Group upon the completion of the property development projects pursuant to this HDA and after all property development expenditure have been fully settled.

18. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2016	2015	2016	2015
			RM	RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid	91,281,667	91,281,667	91,281,667	91,281,667

19. TREASURY SHARES

This amount represents the acquisition cost of treasury shares.

Out of the total **91,281,667** (2015: 91,281,667) issued and fully paid ordinary shares as at 31 August 2016, **9,124,500** (2015: 9,124,500) are held as treasury shares by the Company. As at 31 August 2016, the number of outstanding ordinary shares in issue and fully paid is therefore **82,157,167** (2015: 82,157,167) ordinary shares of RM1 each.

Treasury shares have no rights to voting, dividends and participation in other distribution.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

20. RESERVES

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Non-distributable:				
Share premium	15,951,063	15,951,063	15,951,063	15,951,063
Fair value reserve (Note 20.1)	(5,671)	3,843,491	-	-
	15,945,392	19,794,554	15,951,063	15,951,063
Distributable:				
Retained profits (Note 20.2)	27,865,950	32,517,178	43,215,034	38,100,798
	43,811,342	52,311,732	59,166,097	54,051,861

20.1 Fair value reserve

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

20.2 Retained profits

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

21. BORROWINGS

	GROUP	
	2016	2015
	RM	RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Within one year	613,743	640,713
More than one year and less than two years	216,272	613,471
More than two years and less than five years	264,513	433,190
More than five years	-	47,595
Balance carried forward	1,094,528	1,734,969

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

21. BORROWINGS (cont'd)

	GROUP	
	2016	2015
	RM	RM
Balance brought forward	1,094,528	1,734,969
Finance charges	(62,869)	(123,426)
Carrying amount at end	1,031,659	1,611,543
Amount due within one year included under current liabilities	(579,903)	(580,247)
	451,756	1,031,296
Term loans		
Total amount repayable	78,662,632	59,368,457
Amount due within one year included under current liabilities	(17,368,439)	(18,560,953)
	61,294,193	40,807,504
Bai' Bithaman Ajil		
Total amount repayable	7,739,130	10,742,253
Amount due within one year included under current liabilities	(3,164,554)	(2,986,951)
	4,574,576	7,755,302
	66,320,525	49,594,102
Current liabilities		
Secured:		
Bank overdrafts	19,277,377	17,100,922
Bankers acceptance	28,451,543	14,617,426
Invoice financing	496,877	950,828
Finance lease liabilities	579,903	580,247
Term loans	17,368,439	18,560,953
Bai' Bithaman Ajil	3,164,554	2,986,951
Unsecured:		
Revolving credit	5,400,000	5,400,000
	74,738,693	60,197,327

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

21. BORROWINGS (cont'd)

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Average effective interest rate per annum (%)	Total RM'000	Within one year RM'000	More than one year and less than two years RM'000	More than two years and less than five years RM'000	More than five years RM'000
GROUP						
2016						
Secured:						
Bank overdrafts	7.10 to 8.40	19,277	19,277	-	-	-
Bankers acceptance	3.36 to 4.25	28,451	28,451	-	-	-
Invoice financing	6.64 to 6.77	497	497	-	-	-
Finance lease liabilities	2.30 to 3.99	1,032	580	200	252	-
Term loans	4.50 to 7.60	78,663	17,368	13,436	21,714	26,145
Bai' Bithaman Ajil	5.15	7,739	3,165	3,318	1,256	-
Unsecured:						
Revolving credit	7.53 to 8.01	5,400	5,400	-	-	-
2015						
Secured:						
Bank overdrafts	5.35 to 8.60	17,101	17,101	-	-	-
Bankers acceptance	3.71 to 4.10	14,617	14,617	-	-	-
Invoice financing	6.77	951	951	-	-	-
Finance lease liabilities	2.30 to 3.99	1,612	580	580	405	47
Term loans	4.75 to 6.33	59,368	18,561	11,288	14,942	14,577
Bai' Bithaman Ajil	5.35	10,742	2,987	3,151	4,604	-
Unsecured:						
Revolving credit	7.41 to 8.10	5,400	5,400	-	-	-

The finance lease liabilities are secured over the leased assets (Note 4 (v)).

The borrowings (except for finance lease liabilities) are secured by way of:

- (i) Legal charges over certain properties of the subsidiaries;
- (ii) Debenture incorporating a fixed and floating charge over all present and future assets of certain subsidiaries;
- (iii) Pledge of fixed deposits of certain subsidiaries;
- (iv) Facility agreement;
- (v) Assignment of contract payment;
- (vi) Power of attorney in the event of default;
- (vii) Corporate guarantee of the Company and certain subsidiaries; and
- (viii) Joint and several guarantee by certain directors of the Company.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

22. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Trade payables (Note 22.1)	20,196,718	13,131,987	-	-
Other payables and accruals (Note 22.2)	46,543,250	37,191,361	388,373	362,480
Amount due to subsidiaries (Note 22.3)	-	-	39,302,930	26,990,791
Amount due to holding company (Note 22.4)	-	2,000,000	-	-
	66,739,968	52,323,348	39,691,303	27,353,271

22.1 Trade payables

Included herein are the amount due to the following companies:

	GROUP	
	2016	2015
	RM	RM
KH-Base Engineering Sdn. Bhd.	2,113,290	661,949
QM Machinery Sdn. Bhd.	593,264	-
Infitech Ecogistic Sdn. Bhd.	43,500	-
Infitech Machinery Sdn. Bhd.	723,764	-
Infitech Structure Sdn. Bhd.	35,519	-
Northern Guide Properties Sdn. Bhd.	7,266	-

Refer to Note 32 (i) for related party relationship.

The trade payables are non-interest bearing and are normally settled within **14 to 90 days** (2015: 14 to 90 days) credit terms.

22.2 Other payables and accruals

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other payables	3,859,168	3,458,169	1	1
Accruals	42,418,029	33,214,637	323,243	320,833
GST payables	266,053	518,555	65,129	41,646
	46,543,250	37,191,361	388,373	362,480

22.3 Amount due to subsidiaries

COMPANY

The amount due to subsidiaries is non-trade related, unsecured, non-interest bearing and is repayable on demand.

22.4 Amount due to holding company

GROUP

The amount due to holding company was unsecured, non-interest bearing and was repayable on demand.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

23. REVENUE

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Construction contract revenue	75,823,059	51,264,733	-	-
Property development revenue	76,084,721	57,842,332	-	-
Trading sales	5,979,619	4,667,927	-	-
Gross rental income	553,767	597,217	-	-
Management fee income	596	31,898	3,867,878	3,942,688
Gross dividend income	-	219,564	10,214,000	10,700,000
Interest income	166,636	322,896	-	-
Waste management services income	15,874,128	15,610,035	-	-
Manufacturing income	1,069,680	760,113	-	-
	175,552,206	131,316,715	14,081,878	14,642,688

24. DIRECT COSTS

	GROUP	
	2016	2015
	RM	RM
Construction contract costs	62,536,848	40,400,095
Property development costs	65,117,975	48,408,592
Trading costs	5,491,365	4,181,256
Rental expenses	416,359	397,351
Management expenses	-	24,242
Waste management expenses	18,306,659	16,247,307
Cost of goods manufactured	693,851	763,532
	152,563,057	110,422,375

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

25. PROFIT BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
After charging:				
Audit fee				
- statutory audit	131,000	119,000	18,000	18,000
- other services	5,000	5,000	3,000	3,000
Bad debts	450	300	-	-
Depreciation				
- property, plant and equipment (Note 4)	3,967,345	3,139,204	11,805	4,936
- investment properties (Note 5)	332,577	312,659	-	-
Directors' remuneration for non-executive directors				
- emoluments	11,000	10,000	11,000	10,000
- fees	84,000	84,000	84,000	84,000
Goodwill on consolidation written off	8,311,193	-	-	-
Impairment loss on property, plant and equipment	229,658	-	-	-
Impairment loss on receivables	1,784,062	1,350	-	-
Interest expense on:				
- bank commitment	48,974	64,233	-	-
- bank overdrafts	612,469	306,388	-	-
- bankers acceptance	890,754	651,732	-	-
- finance lease	60,564	86,399	-	-
- invoice financing	66,147	32,485	-	-
- late payment	131,754	-	-	-
- revolving credit	434,433	407,880	-	-
- term loans	1,486,956	1,603,222	-	-
Inventories written down	982,084	-	-	-
Inventories written off	340,736	-	-	-
Loss on disposal of property, plant and equipment	1,527	469	-	-
Property, plant and equipment written off	65,617	16,490	-	-
Rental of land and buildings	61,570	54,420	233,520	233,520
Rental of machinery	4,709,242	4,493,318	-	-
Rental of motor vehicles	101,356	70,800	-	-
* Staff costs	12,548,625	12,902,864	2,714,618	2,581,379

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

25. PROFIT BEFORE TAXATION (cont'd)

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
And crediting:				
Gain on disposal of property, plant and equipment	420	13,499	-	-
Gain on disposal of other investments	4,409,250	472,330	-	-
Gross dividend income from subsidiaries	-	-	10,214,000	10,700,000
Gross dividend income from investment quoted in Malaysia	-	240,042	-	-
Impairment loss on receivables recovered	-	710,653	-	-
Interest income	476,368	843,067	-	-
Rental income	721,599	730,949	-	-
Reversal of expected loss on development project	4,992,263	2,354,185	-	-
* Staff costs				
- Salaries, wages, allowance and bonus	14,152,573	13,962,013	2,374,929	2,238,855
- EPF	1,413,199	1,304,585	261,991	246,932
- SOCSO	93,147	85,295	17,642	15,862
- Other staff related expenses	241,119	237,464	60,056	79,730
	15,900,038	15,589,357	2,714,618	2,581,379
Less: Capitalised into construction contract costs (Note 14)	(3,351,413)	(2,686,493)	-	-
	12,548,625	12,902,864	2,714,618	2,581,379

Directors' remuneration

Included in the staff costs of the Group and of the Company is the aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries as shown below:

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Executive directors of the Company:				
Emoluments				
- Salaries, allowance and bonus	3,654,450	3,438,450	459,940	459,940
- EPF	245,150	247,310	42,718	42,718
	3,899,600	3,685,760	502,658	502,658
Benefits-in-kind	92,768	98,140	16,560	65,246
	3,992,368	3,783,900	519,218	567,904

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

25. PROFIT BEFORE TAXATION (cont'd)

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Executive directors of subsidiaries:				
Emoluments				
- Salaries, allowance and bonus	1,827,350	1,479,600	-	-
- EPF	219,282	178,282	-	-
	2,046,632	1,657,882	-	-
Benefits-in-kind	42,977	48,304	-	-
	2,089,609	1,706,186	-	-
Total executive directors' remuneration	6,081,977	5,490,086	519,218	567,904

26. TAXATION

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(4,495,936)	(3,488,000)	(692,000)	(752,000)
- Deferred tax relating to the origination and reversal of temporary differences	814,953	526,342	-	-
	(3,680,983)	(2,961,658)	(692,000)	(752,000)
Over/(Under) provision in prior year				
- Current tax	102,670	(798,997)	5,228	(2,296)
- Deferred tax	-	(11,500)	-	-
	102,670	(810,497)	5,228	(2,296)
	(3,578,313)	(3,772,155)	(686,772)	(754,296)

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

26. TAXATION (cont'd)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before taxation	1,960,645	6,926,342	9,908,866	10,468,725
Add: Share of results of an associate	124,455	4,047	-	-
Share of results of a joint venture	73,800	95,157	-	-
	2,158,900	7,025,546	9,908,866	10,468,725
Statutory tax rate of 24% (2015: 25%)	(518,136)	(1,756,387)	(2,378,128)	(2,617,181)
Income not subject to tax	54,422	63,701	2,451,360	2,675,000
Double deduction of expenses	18,369	21,914	-	-
Expenses not deductible for tax purposes	(4,155,241)	(1,454,691)	(765,232)	(809,819)
Utilisation of unabsorbed tax losses and capital allowances	1,017,012	553,010	-	-
Net deferred tax movement not recognised	(135,274)	(427,070)	-	-
Annual crystallisation of deferred tax on revaluation surplus	37,865	37,865	-	-
	(3,680,983)	(2,961,658)	(692,000)	(752,000)
Over/(Under) provision in prior year	102,670	(810,497)	5,228	(2,296)
	(3,578,313)	(3,772,155)	(686,772)	(754,296)

As at the end of the reporting period, the Group has not recognized the following deferred tax (assets)/liabilities:

	2016 RM	2015 RM
Property, plant and equipment	3,376,583	2,629,478
Recognition on construction contracts	(3,520,089)	(3,520,287)
Recognition on property development	(325,835)	(1,505,470)
Unabsorbed tax losses	(6,576,613)	(6,610,778)
Unabsorbed capital allowances	(4,812,001)	(3,732,636)
Unabsorbed reinvestment allowance	(365,480)	(365,480)
	(12,223,435)	(13,105,173)

The potential deferred tax assets are not recognised in the financial statements as it is anticipated that the tax effects of such deferral will not reverse in the foreseeable future.

The amount and future availability of unabsorbed tax losses and unabsorbed capital allowances for which the related tax effects have not been accounted for at the end of the reporting period is follows:

	2016 RM	2015 RM
Unabsorbed tax losses	27,402,555	27,544,904
Unabsorbed capital allowances	20,050,008	15,552,653

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

27. (LOSS)/EARNINGS PER SHARE (SEN)

GROUP

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as below:

	2016	2015
(Loss)/Profit attributable to owners of the Company (RM)	<u>(535,422)</u>	<u>3,672,556</u>
Weighted average number of ordinary shares of RM1 each in issue excluding treasury shares	<u>82,157,167</u>	<u>82,157,167</u>
Basic (loss)/earnings per share (sen)	<u>(0.65)</u>	<u>4.47</u>

(b) Diluted (loss)/earnings per share

There is no diluted (loss)/earnings per share as the Company does not have any convertible financial instruments as at end of the reporting period.

28. DIVIDEND

	2016 RM	2015 RM
In respect of financial year ended 31 August 2015		
- First and final single tier dividend of 5%	<u>4,107,858</u>	-
In respect of financial year ended 31 August 2014		
- First and final single tier dividend of 10%	<u>-</u>	<u>8,215,717</u>
	<u>4,107,858</u>	<u>8,215,717</u>

At the forthcoming Annual General Meeting, a first and final single tier dividend of 1% amounting to RM821,572 in respect of the financial year ended 31 August 2016 will be proposed for shareholders' approval. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 August 2016.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

29. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segment. No geographical segment information has been presented as the Group's activities and customers are all based in Malaysia.

Inter-segment pricing is determined based on negotiated terms.

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, revenue and expenses.

Business Segments

The Group comprises the following main business segments:

- | | |
|--------------------------|--|
| (1) Construction | Construction of industrial, residential and commercial building and renovation works. |
| (2) Property development | Housing and property development. |
| (3) Trading | Trading of construction materials. |
| (4) Property letting | Property letting. |
| (5) Waste management | Provision of waste management services, green waste management activity and wood shredding activity. |
| (6) Investment holding | Investment holding. |
| (7) Others | Manufacturing and services. |

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

29. SEGMENTAL INFORMATION (cont'd)

	Construc- tion RM'000	Property development RM'000	Trading RM'000	Property letting RM'000	Waste management RM'000	Invest- ment holding RM'000	Others RM'000	Elimination RM'000	Note	Total RM'000
2016										
Revenue from										
External customers	75,990	76,085	5,979	553	15,874	1	1,070	-		175,552
Inter-segment	64,105	15,173	17,163	542	3,883	16,995	737	(118,598)	A	-
Total revenue	140,095	91,258	23,142	1,095	19,757	16,996	1,807	(118,598)		175,552
Result										
Segment results	4,100	12,197	509	409	(4,707)	(302)	463	(3,364)		9,305
Unallocated income										4,897
Unallocated expenses										-
Profit from operations										14,202
Goodwill on consolidation written off										(8,311)
Interest expense										(3,732)
Share of results of an associate										(124)
Share of results of a joint venture										(74)
Profit before taxation										1,961
Taxation										(3,578)
Profit for the financial year										(1,617)
Assets										
Segment assets	36,515	237,670	2,258	12,965	37,538	1,081	340			328,367
Investment in an associate	-	-	-	-	-	244	-			244
Investment in a joint venture	-	772	-	-	-	-	-			772
Tax recoverable	19	41	-	-	-	-	-			60
Fixed deposits with licensed banks	4,104	763	-	-	-	-	-			4,867
Cash and bank balances	1,155	1,773	-	5	2,305	33	2			5,273
Deferred tax assets/ (liabilities)	(506)	615	-	-	-	-	-			109
Total assets	41,287	241,634	2,258	12,970	39,843	1,358	342			339,692
Liabilities										
Segment liabilities	60,355	6,653	4,038	158	2,583	391	9			74,187
Borrowings	41,597	82,847	2,114	-	14,501	-	-			141,059
Provision for taxation	104	334	-	5	147	168	-			758
Total liabilities	102,056	89,834	6,152	163	17,231	559	9			216,004
Other information										
Capital expenditure	3,236	16	-	-	15,024	25	-		B	18,301
Depreciation	1,224	224	-	-	3,079	12	3			4,542
Non-cash expenses/(income) other than depreciation	1,912	183	-	(227)	630	-	14		C	2,512

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

29. SEGMENTAL INFORMATION (cont'd)

	Construc- tion RM'000	Property development RM'000	Trading RM'000	Property letting RM'000	Waste management RM'000	Invest- ment holding RM'000	Others RM'000	Elimination RM'000	Note	Total RM'000
2015										
Revenue from										
External customers	51,588	57,842	4,668	597	15,610	252	760	-		131,317
Inter-segment	36,746	-	11,082	542	-	25,702	390	(74,462)	A	-
Total revenue	88,334	57,842	15,750	1,139	15,610	25,954	1,150	(74,462)		131,317
Result										
Segment results	3,707	8,306	503	460	(3,134)	227	94	(1,916)		8,247
Unallocated income										1,930
Unallocated expenses										-
Profit from operations										10,177
Interest expense										(3,152)
Share of results of an associate										(4)
Share of results of a joint venture										(95)
Profit before taxation										6,926
Taxation										(3,772)
Profit for the financial year										3,154
Assets										
Segment assets	32,704	212,759	1,780	11,246	20,865	7,326	670			287,350
Investment in an associate	-	-	-	-	-	368	-			368
Investment in a joint venture	-	1,246	-	-	-	-	-			1,246
Tax recoverable	5	16	-	-	-	-	-			21
Fixed deposits with licensed banks	3,977	2,301	-	-	-	-	-			6,278
Cash and bank balances	4,072	2,665	-	5	2,146	11	-			8,899
Total assets	40,758	218,987	1,780	11,251	23,011	7,705	670			304,162
Liabilities										
Segment liabilities	46,580	5,737	4,207	149	2,509	365	-			59,547
Borrowings	23,635	76,745	3,295	-	6,116	-	-			109,791
Provision for taxation	349	438	-	5	-	156	-			948
Deferred tax liabilities	516	190	-	-	-	-	-			706
Total liabilities	71,080	83,110	7,502	154	8,625	521	-			170,992
Other information										
Capital expenditure	753	88	-	-	33	5,324	-		B	6,198
Depreciation	1,037	221	-	146	5	2,277	10			3,696
Non-cash expenses/(income) other than depreciation	18	(3,205)	-	(248)	-	2	-		C	(3,433)

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

29. SEGMENTAL INFORMATION (cont'd)

Notes to segment information:

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consists of:

	2016 RM'000	2015 RM'000
Property, plant and equipment	15,659	5,873
Investment properties	2,642	325
	18,301	6,198

C Other material non-cash expenses/(income) consist of the following items:

	2016 RM'000	2015 RM'000
Gain on disposal of other investments	(4,409)	(472)
Goodwill on consolidation written off	8,311	-
Impairment loss on property, plant and equipment	230	-
Impairment loss on receivables	1,784	1
Impairment loss on receivables recovered	-	(710)
Inventories written down	982	-
Inventories written off	341	-
Loss/(Gain) on disposal of property, plant and equipment	1	(13)
Property, plant and equipment written off	66	16
Reversal of expected loss on development project	(4,992)	(2,354)
Share of results of an associate	124	4
Share of results of a joint venture	74	95
	2,512	(3,433)

30. CAPITAL COMMITMENTS

	GROUP	
	2016 RM	2015 RM
Property, plant and equipment		
- Approved but not contracted	39,777,011	12,885,001
Development land		
- Approved but not contracted	240,175	2,542,460
Investment in an associate		
- Contracted and not provided for	3,470,130	-
	43,487,316	15,427,461

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

31. CONTINGENT LIABILITIES

(i) Corporate guarantees

	COMPANY	
	2016 RM	2015 RM
Unsecured:		
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	214,056,000	234,476,000
- Utilised as at the end of the reporting period	140,027,558	117,529,015
Corporate guarantees issued to financial institutions for bank guarantee facilities granted to certain subsidiaries for contract bond in favour of third parties	7,987,813	9,605,121

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the banks requiring guarantee as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities and contract bond amount received by the subsidiaries. Further there was no consideration received by the Company for the issuance of the corporate guarantees and therefore there is no fair value on the corporate guarantees to be recognised.

(ii) Performance guarantees

The Company has provided unsecured performance guarantees to unrelated parties amounting to **RM181,390** (2015: RM1,762,310) for the performance of contracts for works by certain subsidiaries. No liability is expected to arise.

32. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related party	Relationship
Hoon Teik Enterprise Sdn. Bhd.	: A company in which certain directors of the Company, have substantial financial interests.
KH-Base Engineering Sdn. Bhd.	: A company in which persons connected to certain directors of the Company, have substantial financial interests.
Infitech Machinery Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial financial interest.
Infitech Structure Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial financial interest.
Infitech Ecogistic Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial indirect financial interest.
Infitech LG (Malaysia) Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial indirect financial interest.
HLB Infitech Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial financial interest.
QM Machinery Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial financial interest.
Northern Guide Properties Sdn. Bhd.	: A company in which a director of a subsidiary, has substantial financial interest.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

32. RELATED PARTY DISCLOSURES (cont'd)

(ii) Related party transactions

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Administrative expenses to subsidiaries	-	-	181,993	230,831
Dividend income from subsidiaries	-	-	10,214,000	10,700,000
Management fee income from subsidiaries	-	-	3,867,878	3,942,688
Rental expenses to subsidiaries	-	-	213,600	213,600
Administrative expenses from a related party				
- QM Machinery Sdn. Bhd.	3	-	-	-
Sale of construction materials to related parties				
- KH-Base Engineering Sdn. Bhd.	4,233,781	1,523,013	-	-
- QM Machinery Sdn. Bhd.	88,159	-	-	-
Sale of waste related products to related parties				
- HLB Infitech Sdn. Bhd.	407,193	-	-	-
- Infitech Ecogistic Sdn. Bhd.	82,972	-	-	-
- Infitech Machinery Sdn. Bhd.	11,686	-	-	-
Purchases of construction materials and bricks from related parties				
- Hoon Teik Enterprise Sdn. Bhd.	280,789	701,244	-	-
- QM Machinery Sdn. Bhd.	194,009	-	-	-
Purchases of waste materials from related parties				
- Infitech LG (Malaysia) Sdn. Bhd.	196,412	-	-	-
- Infitech Machinery Sdn. Bhd.	3,690,034	-	-	-
- QM Machinery Sdn. Bhd.	4,550	-	-	-
Progress billings from a related party				
- KH-Base Engineering Sdn. Bhd.	14,015,004	6,774,141	-	-
Rental of equipment paid to a related party				
- QM Machinery Sdn. Bhd.	297,005	-	-	-
Rental of hostel paid to related parties				
- Infitech Machinery Sdn. Bhd.	4,000	-	-	-
- Infitech Structure Sdn. Bhd.	16,200	-	-	-
Utilities charges paid to a related party				
- Infitech Machinery Sdn. Bhd.	13,541	-	-	-

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

32. RELATED PARTY DISCLOSURES (cont'd)

(ii) Related party transactions (cont'd)

	GROUP 2016 RM	2015 RM	COMPANY 2016 RM	2015 RM
Rental of machinery paid to a related party				
- Infitech Machinery Sdn. Bhd.	3,408,619	-	-	-
Rental of vehicles paid to related parties				
- Infitech Machinery Sdn. Bhd.	18,156	-	-	-
- QM Machinery Sdn. Bhd.	9,050	-	-	-
Purchase of property, plant and equipment from related parties				
- Infitech Machinery Sdn. Bhd.	4,705,000	-	-	-
- QM Machinery Sdn. Bhd.	344,139	-	-	-
Consultancy fee paid to related parties				
- Infitech Machinery Sdn. Bhd.	97,386	-	-	-
- Infitech Structure Sdn. Bhd.	32,280	-	-	-
Diesel and hydraulic oil paid to related parties				
- Infitech Machinery Sdn. Bhd.	27,565	-	-	-
- QM Machinery Sdn. Bhd.	12,515	-	-	-
General wages paid to related parties				
- Infitech Machinery Sdn. Bhd.	196,478	-	-	-
- Infitech Structure Sdn. Bhd.	1,046,501	-	-	-
- Northern Guide Properties Sdn. Bhd.	7,067	-	-	-
Transportation and travelling charges paid to related parties				
- Infitech Ecogistic Sdn. Bhd.	463,020	-	-	-
- Infitech Machinery Sdn. Bhd.	38,743	-	-	-
- QM Machinery Sdn. Bhd.	56,943	-	-	-
Upkeep and maintenance fee paid to related parties				
- Infitech Machinery Sdn. Bhd.	265,444	-	-	-
- Infitech Structure Sdn. Bhd.	224	-	-	-
- QM Machinery Sdn. Bhd.	496,142	-	-	-
Brokerage fees paid to a related party				
- Northern Guide Properties Sdn. Bhd.	145,226	-	-	-
Reimbursement costs charged by related parties				
- Infitech Machinery Sdn. Bhd.	61,427	-	-	-
- Infitech Structure Sdn. Bhd.	61,436	-	-	-
- Northern Guide Properties Sdn. Bhd.	188	-	-	-
- QM Machinery Sdn. Bhd.	80,889	-	-	-
Sales of property to holding company	2,867,000	-	-	-
Sales of property to a director of the Company	415,350	-	-	-

(iii) Compensation of key management personnel

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 25.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as loans and receivables ("L&R"), available-for-sale financial assets ("AFS") and financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	AFS RM	FL RM
GROUP				
2016				
Financial assets				
Other investments	2,316	-	2,316	-
Gross amount due from customers on contracts	590,507	590,507	-	-
Receivables and refundable deposits	36,509,101	36,509,101	-	-
Fixed deposits with licensed banks	4,866,852	4,866,852	-	-
Cash and bank balances	5,272,797	5,272,797	-	-
	47,241,573	47,239,257	2,316	-
Financial liabilities				
Gross amount due to customers on contracts	7,447,404	-	-	7,447,404
Borrowings	141,059,218	-	-	141,059,218
Payables and accruals	66,739,968	-	-	66,739,968
	215,246,590	-	-	215,246,590
2015				
Financial assets				
Other investments	7,678,791	-	7,678,791	-
Gross amount due from customers on contracts	2,347,141	2,347,141	-	-
Receivables and refundable deposits	44,752,515	44,752,515	-	-
Fixed deposits with licensed banks	6,278,007	6,278,007	-	-
Cash and bank balances	8,899,241	8,899,241	-	-
	69,955,695	62,276,904	7,678,791	-
Financial liabilities				
Gross amount due to customers on contracts	7,222,390	-	-	7,222,390
Borrowings	109,791,429	-	-	109,791,429
Payables and accruals	52,323,348	-	-	52,323,348
	169,337,167	-	-	169,337,167

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Categories of financial instruments (cont'd)

	Carrying amount RM	L&R RM	AFS RM	FL RM
COMPANY				
2016				
Financial assets				
Receivables and refundable deposits	91,051,152	91,051,152	-	-
Cash and bank balances	31,739	31,739	-	-
	91,082,891	91,082,891	-	-
Financial liabilities				
Payables and accruals	39,691,303	-	-	39,691,303
2015				
Financial assets				
Receivables and refundable deposits	78,473,386	78,473,386	-	-
Cash and bank balances	9,953	9,953	-	-
	78,483,339	78,483,339	-	-
Financial liabilities				
Payables and accruals	27,353,271	-	-	27,353,271

33.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from its operations. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transaction.

33.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to the subsidiaries.

33.3.1 Trade receivables

The Group and the Company do not have any significant exposure to any individual customer. The maximum exposure to credit risk of trade receivables is represented by their carrying amounts disclosed in Note 15 to the financial statements.

Credit risk in the property development activity is negligible as sales are normally to purchasers who have obtained financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as stipulated in the sale and purchase agreements. For those sales on a cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered upon full payments. This is the normal industry practice.

As for the Group's other business segments, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness in deciding whether credit shall be extended. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

33. FINANCIAL INSTRUMENTS (cont'd)

33.3 Credit risk (cont'd)

33.3.1 Trade receivables (cont'd)

The ageing of trade receivables and allowance for impairment of the Group is as follows:

	Gross RM	Allowance for impairment RM	Net RM
2016			
Not past due	25,972,067	-	25,972,067
1 to 30 days past due	3,031,006	-	3,031,006
31 to 60 days past due	1,767,261	-	1,767,261
61 to 90 days past due	639,305	-	639,305
Past due more than 91 days	4,628,068	(1,872,962)	2,755,106
	10,065,640	(1,872,962)	8,192,678
	36,037,707	(1,872,962)	34,164,745
2015			
Not past due	29,419,122	-	29,419,122
1 to 30 days past due	2,105,885	-	2,105,885
31 to 60 days past due	655,390	-	655,390
61 to 90 days past due	868,229	-	868,229
Past due more than 91 days	4,188,870	(92,350)	4,096,520
	7,818,374	(92,350)	7,726,024
	37,237,496	(92,350)	37,145,146

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group.

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

Included in the past due amount of **RM8,192,678** (2015: RM7,726,024) are the following:

- An amount of **RM Nil** (2015: RM1,634,461) of which a subsidiary of the Company has instituted legal proceedings to recover this amount. Refer Note 36.
- The management is of the view that the remaining past due amount of **RM8,192,678** (2015: RM6,091,563) will be collected in due course.

As at the end of the reporting period, the Group has no significant concentration of credit risks.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

33. FINANCIAL INSTRUMENTS (cont'd)

33.3 Credit risk (cont'd)

33.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the performance of the subsidiaries regularly.

The maximum exposure to credit risk is represented by its carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

33.3.3 Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and unsecured performance guarantees to unrelated parties for performance of contracts by certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment and/or could not perform the contracts for works in accordance with the contacts' terms.

33.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

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

	Carrying amount	Contractual cash flows	Within one year	More than one year and less than two years	More than two years and less than five years	More than five years
	RM	RM	RM	RM	RM	RM
GROUP						
2016						
Interest bearing borrowings	141,059,218	153,975,449	75,910,668	17,714,234	28,707,298	31,643,249
Payables and accruals	66,739,968	66,739,968	66,739,968	-	-	-
	207,799,186	220,715,417	142,650,636	17,714,234	28,707,298	31,643,249
2015						
Interest bearing borrowings	109,791,429	121,551,378	61,143,652	15,569,399	24,972,715	19,865,612
Payables and accruals	52,323,348	52,323,348	52,323,348	-	-	-
	162,114,777	173,874,726	113,467,000	15,569,399	24,972,715	19,865,612

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

33. FINANCIAL INSTRUMENTS (cont'd)

33.4 Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
COMPANY						
2016						
Payables and accruals	39,691,303	39,691,303	39,691,303	-	-	-
2015						
Payables and accruals	27,353,271	27,353,271	27,353,271	-	-	-

33.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair values due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	2016 RM	2015 RM
Fixed rate instruments		
Financial assets	4,866,852	6,278,007
Financial liabilities	1,031,659	1,611,543
Floating rate instruments		
Financial liabilities	140,027,559	108,179,886

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased profit before taxation by **RM138,355** (2015: RM129,643) and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

34. FAIR VALUE MEASUREMENT

34.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement.

The following table provides an analyses of financial instruments that are measured subsequent to initial recognition at fair value which fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable (refer to Note 2.2 to the financial statements for definition of Level 1 to 3 fair value hierarchy).

	Fair value of financial instruments			Total RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
GROUP					
2016					
Financial assets					
Quoted shares	2,316	-	-	2,316	2,316
2015					
Financial assets					
Quoted shares	7,678,791	-	-	7,678,791	7,678,791

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial year.

34.2 Fair value measurement of non-financial instruments

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM
2016			
Investment properties			
- Freehold land	-	3,618,486	-
- Leasehold land	-	2,110,553	-
- Buildings	-	8,529,432	-
- Freehold commercial lots and apartments	-	7,282,804	-
2015			
Investment properties			
- Freehold land	-	2,181,790	-
- Leasehold land	-	2,110,553	-
- Buildings	-	7,191,128	-
- Freehold commercial lots and apartments	-	7,282,804	-

Level 2 fair value

Derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

As at the end of the reporting period, the Group has not breached any of the debt covenants imposed by its lenders.

36. MATERIAL LITIGATIONS

The Company and its subsidiaries are involved in the following litigations:

A. Hunza Properties (Gurney) Sdn. Bhd. and Hunza Properties (Penang) Sdn. Bhd. ("Hunza") vs PLB-KH Bina Sdn. Bhd. ("PLB-KH")

- (i) Hunza, a customer of PLB-KH, a subsidiary of the Company, had on 3 September 2009 served an interim injunction granted by the Penang High Court to PLB-KH, details of which are as follows:
 - (a) An interim injunction restraining PLB-KH, from entering and/or remaining and/or trespassing on the site situated at Lots 39, 296, 1237, 1238, 2347, 2348, 2349 & 2350, Section 1, Persiaran Gurney, Bandar Georgetown, D.T.L Pulau Pinang pending the final disposal of the Originating Summons filed.
 - (b) An interim injunction restraining the PLB-KH, from preventing and/or obstructing the Hunza from progressing with the works for the Project known as the Proposed Mixed Development on Lots 39, 296, 1237, 1238, 2347, 2348, 2349 & 2350, Section 1, Persiaran Gurney, Bandar Georgetown, D.T.L Pulau Pinang for Plaintiffs, including the completion of the remaining basement construction works, and developing the site situated at Lots 39, 296, 1237, 1238, 2347, 2348, 2349 & 2350, Section 1, Persiaran Gurney, Bandar Georgetown, D.T.L Pulau Pinang pending the final disposal of the Originating Summons filed.

By consent order, on 4 May 2010, the matter at the high court had been stayed for arbitration proceedings.

The dispute has been referred to the Pertubuhan Arkitek Malaysia and Ar. Koh Beng Tock has been appointed as arbitrator for this case. On 10 March 2010, a preliminary meeting was held between the parties before the arbitrator. The arbitration was heard during the scheduled dates between 16 to 18 May 2012, 30 to 31 May 2012, 26 to 27 November 2012, 25 February to 1 March 2013, 18 to 22 March 2013, 8 to 12 April 2013, 6 to 10 May 2013, 5 to 7 August 2013, 10 to 13 September 2013, 3 to 6 March 2014, 24 March 2014, 14 to 18 April 2014, 5 to 9 May 2014, 26 to 30 May 2014, 16 to 20 June 2014, 7 to 11 July 2014, 29 September to 3 October 2014, 3 to 7 November 2014, 17 to 21 November 2014, 2 to 5 March 2015, 7 to 8 April 2015, 27 to 28 April 2015, 11 May 2015, 13 to 14 May 2015, 8 to 10 July 2015, 28 July 2015, 10 to 13 August 2015, 24 to 27 August 2015, 7 to 10 September 2015, 21 to 22 September 2015, 5 October 2015, 19 October 2015, 21 October 2015, 4 to 7 January 2016, 18 to 21 January 2016, 11 to 14 April 2016, 25 July 2016 and 21 to 23 November 2016.

The continued hearing of the arbitration is now fixed from 9 to 12 January 2017, 7 to 10 August 2017, 5 to 8 September 2017, 2 to 5 October 2017, 9 to 12 October 2017, 23 to 26 October 2017, 6 to 9 November 2017 and 20 to 23 November 2017.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

36. MATERIAL LITIGATIONS (cont'd)

B. Hunza Properties (Gurney) Sdn. Bhd. and Hunza Properties (Penang) Sdn. Bhd. ("Hunza") vs PLB Engineering Berhad ("PLB/Company")

- (i) On 6 January 2010, Hunza had through their solicitors served on the Company an Amended Writ of Summons and Amended Statement of Claim filed at the Penang High Court claiming the sum of RM1,520,400 together with interests and costs pursuant to a Corporate Guarantee provided by the Company to Hunza for the due performance and fulfilment by the wholly-owned subsidiary of the Company, PLB-KH of a Contract to execute and complete the Basement Construction Works under a Letter of Award and Acceptance issued by Hunza to PLB-KH. The Company had in its defence contended that Hunza's claim is bad in law as the said Corporate Guarantee had expired at the time of demand by Hunza among other things.
- (ii) Hunza had taken out an application for summary judgment against the Company in respect of the said sum of RM1,520,400 and the Court had on 21 September 2010 allowed Hunza's application ("the Order"). On 22 September 2010, the Company filed a notice of appeal to the Court of Appeal against the Order ("the Appeal").

On 29 March 2012, the Appeal was dismissed by the Court of Appeal.

The Company's application for leave to appeal to the Federal Court has been fixed for hearing on 19 February 2013.

However, the parties have agreed to the Company withdrawing the application for leave to appeal to the Federal Court as the parties have agreed that the principal issues in the Corporate Guarantee be determined in the arbitration. The Company had applied to amend its' Statement of Defence and Counter Claim in the arbitration proceedings to include an additional counter claim for the refund of all monies wrongly demanded by Hunza under the Corporate Guarantee totalling RM1,844,993.77 together with interest.

The Company has to date paid the total judgment sum of RM1,844,993.77 made up of principal sum of RM1,520,400 and interest at 8% per annum and costs awarded by the Court.

C. Hunza Trading Sdn. Bhd. ("Hunza Trading") vs PLB-KH Bina Sdn. Bhd. ("PLB-KH")

On 7 January 2013, Hunza Trading filed a claim against PLB-KH for the sum of RM328,493 as at 11 April 2012 and late payment interest at the rate of 1.5% per month until full payment and cost. The claim is in respect of the purchase of building materials.

PLB-KH applied for a stay of the claim under Section 10 of the Arbitration Act 2005 on the basis that the claim had been referred to an ongoing arbitration with Hunza Properties (Gurney) Sdn. Bhd. and Hunza (Penang) Sdn. Bhd.

It is PLB-KH's contention that Hunza Trading is an agent/nominee of Hunza under the principal contract. Therefore Hunza Trading does not possess an independent cause of action against PLB-KH.

On 17 July 2013, the High Court of Penang dismissed PLB-KH's application for stay of proceedings. Subsequently, PLB-KH has filed an appeal against the decision to the Court of Appeal. The appeal was fixed for hearing on 22 November 2013. However, on 28 August 2013, the High Court granted PLB-KH for a stay of all proceedings in the Action pending disposal of the Appeal. This effectively stayed Hunza Trading's application for summary judgment.

On 23 January 2014, the Court of Appeal dismissed the Appeal and on 20 February 2014, PLB-KH filed an appeal to the Federal Court ("FC Leave Application"). The Federal Court on 8 October 2014 allowed PLB-KH application for interim stay of all proceedings at the High Court pending the determination of the FC Leave Application.

The Federal Court has on 1 August 2016 dismissed the FC Leave Application and the matter has now been returned to the Penang High Court to hear Hunza Trading's application for summary judgment on 24 October 2016.

The Penang High Court heard the oral submissions of both counsels and had on 29 November 2016 decided in favour of Hunza Trading i.e. that the PLB-KH is to pay the claim amount together with all judgment interest.

The PLB-KH had decided to appeal this decision as the learned judge of the High Court had failed to address the issues on the setting off notices that were given to PLB-KH.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2016

37. SIGNIFICANT EVENT

On 20 July 2016, PLB Land Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a Share Sale and Purchase Agreement ("SPA") with a third party for the acquisition of 4,000 ordinary shares of RM1 each, representing 40% equity interest in Desanova Development Sdn. Bhd. for a total consideration of RM3,855,700. Pursuant to the SPA Agreement, PLB Land Sdn. Bhd. has paid 10% of the consideration and the balance of RM3,470,130 is disclosed as capital commitment in Note 30.

Supplementary Information

For The Financial Year Ended 31 August 2016

DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of retained profits of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and 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 are as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained profits of the Company and its subsidiaries:				
- Realised	75,867,949	67,202,369	43,215,034	38,100,798
- Unrealised	(1,401,629)	(1,438,494)	-	-
	74,466,320	65,763,875	43,215,034	38,100,798
Less: Consolidation adjustments	(46,600,370)	(33,246,697)	-	-
Total retained profits as per statements of financial position	27,865,950	32,517,178	43,215,034	38,100,798

Group List Of Properties

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
1) <u>PLB-KH BINA SDN BHD</u>							
No.3A-07-01, Wisma Sri Weld, Pengkalan Weld, 10300 Penang	Office Lot/Rented	1/7/1996	Freehold	2,106 sq.ft.	349,515.85	30.5	19.5
No.3A-07-04, Wisma Sri Weld, Pengkalan Weld, 10300 Penang	Office Lot/Rented	1/7/1996	Freehold	1,673 sq.ft.	270,635.29	30.5	19.5
Flat unit known as Parcel No.5, 4th Floor erected on part of the land known as Grant No.33173, Lot 4640, Mukim 1, Province Wellesley, Central Penang. (4-05, Jalan Kurau, Taman Chai Leng 13700 Perai, Penang)	Flat/Vacant	1/7/1996	Freehold	678 sq.ft.	54,653.17	30.5	19.5
Parcel unit No.12, 1st Floor, Jalan Sempilai, Wisma Sempilai Jaya, 13700 Perai, Penang.	Office/Rented	26/10/1995	Freehold	1,778 sq.ft.	132,516.00	31	19
Grant (First Grade) No. Lot No. 1044, Section 4, Town of Butterworth, Province Wellesley, North Penang. (No.2, Jalan Telekom, 12000 Butterworth, Penang)	5-Storey Building/ Partially Rented	1/7/1996	Freehold	4,199 sq.ft./ 16,558 sq.ft.	2,418,955.00	30.5	19.5
H.S. (D) No.84 P.T. No PTB/A/076 Section 4, Town of Butterworth, Province Wellesley, North Penang (No.35 Tingkat Limbungan 1, Off Jalan Chain Ferry, 12100 Butterworth, Penang)	2-Storey Building/ Rented	1/7/1996	Freehold	1,690 sq.ft./ 3,000 sq.ft.	267,676.80	30.5	19.5
Suite No.1102, Tower No. Block B, Wisma Pantai, Plaza Pantai, Kuala Lumpur. (Suite B-11-1, Wisma Pantai, No.5, Jalan 4/83A Off Jalan Pantai Bahru 59200 Kuala Lumpur)	Office Lot/Rented	7/5/1996	Freehold	1,470 sq.ft.	357,029.86	33	17
H.S. (M) 211/1982, Plot No.30, Mukim of Sungai Pasir, District of Kuala Muda, Kedah.	Industrial land/ Partially Rented	16/4/2001	Leasehold land for 60 years expiry on 30.07.2043	174,246 sq. ft.	788,108.06	27	33
64, Jalan Seroja 1/2, Persiaran Amanjaya 2, 08000 Amanjaya, Kedah.	Shop office/Vacant	24/11/1998	Freehold	1,400 sq. ft/ 2,800 sq. ft	138,861.81	34	16
6-02, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	54,400.00	34	16
9-03, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	56,440.00	34	16

Group List Of Properties (Cont'd)

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
9-04, Block C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	56,440.00	34	16
A-G-03, Blk A, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600, Lot 950 & 380, Mukim 6, S.P.T, Penang	Shoplot/Rented	21/6/2002	Freehold	473 sq. ft	76,500.00	35	15
A-G-04, Blk A, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600, Lot 950 & 380, Mukim 6, S.P.T, Penang	Shoplot/Rented	21/6/2002	Freehold	473 sq. ft	76,500.00	35	15
Parcel 12, GF, Low Cost Shoplot (Katsura), Geran 35138, Lot 2205, Mukim 5, SPU, Penang. (Address : G-12-A, Jalan Sintuk 1, Taman Permatang Sintuk, 13100 Penaga, Penang.)	Shoplot/Vacant	21/6/2005	Freehold	1,162.08 sq ft	150,000.00	38	12
Parcel 13, GF, Low Cost Shoplot (Katsura), Geran 35138, Lot 2205, Mukim 5, SPU, Penang. (Address : G-12A-A, Jalan Sintuk 1, Taman Permatang Sintuk, 13100 Penaga, Penang.)	Shoplot/Vacant	21/6/2005	Freehold	1,162.08 sq ft	150,000.00	38	12
No. Shop 5, LG-Block A, GM550, Lot No. 18 in Mukim 13, North East District, Penang. (Add: No 9A-G-5, Taman Sri Idaman, Lorong Semarak Api 3, 11500 Pulau Pinang)	Shoplot/Rented	2/7/2004	Freehold	45.56 sq. meter	107,500.00	37	13
No. Shop 6, LG-Block A, GM550, Lot No. 18 in Mukim 13, North East District, Penang. (Add: No 9A-G-6, Taman Sri Idaman, Lorong Semarak Api 3, 11500 Pulau Pinang)	Shoplot/Rented	2/7/2004	Freehold	45.56 sq. meter	116,100.00	37	13
Geran Mukim No. Hakmilik 2789 Lot No. 10486, Mukim 13, Tempat Pantai Jerjak, . Daerah Timur Laut, Negeri Pulau Pinang. (Address: No. 36, Lintang Pantai Jerejak 3, Taman Jerejak Indah, 11700 Gelugor, Penang.)	Double Storey Semi-Detached House/Vacant	7/10/2008	Freehold	208 sq. meter/ 175 sq. meter	807,384.30	42	8
Lot PT666, Taman Sungai Kob, Mukim Karangan, Daerah Kulim, Negeri Kedah under H.S.(M) 231/1993	Vacant Land (For Bungalow Lot)	1/7/2009	Freehold	318 sq. meter	10.00	-	8
GM 13921 Lot 3176 Seksyen 39, Bandar Kulim, District of Kulim, Kedah.	Agricultural Land	26/10/2009	Freehold	5.963 hectares	3,035,915.96	-	7

Group List Of Properties (Cont'd)

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Lot 252, 253, 1962 and 2029, GM Nos. 188, 614, 784 and 1108 Respectively, Mukim 16, District of Seberang Perai Tengah and State of Penang	Vacant Land	29/12/2009	Freehold	45,928.7345 sq. meter	3,908,760.16	-	7
1782, Lot 253, Mukim 16, Bukit Teh, Bukit Mertajam, Seberang Perai Tengah	Single Storey House/Store	4/8/2011	Freehold	1,100 sq. ft/ 660 sq. ft	190,421.69	44	6
Lot 723, Mukim 1, Daerah SPT (No 1321 Jalan Baru, Taman Chai Leng, 13700 Prai)	5-storey building	19/3/2016	Freehold	3,681 sq ft/ 17,028 sq ft	2,628,679.24	49	1
Lot10427, No 12A Lorong Prestij 4, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	3,158 sq.ft 2,156 sq.ft	845,800.00	49	1
Lot10434, No 1 Lorong Prestij 7, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	5,073 sq.ft 2,156 sq.ft	1,090,200.00	49	1
Lot10441, No 15 Lorong Prestij 7, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	5,073 sq.ft 2,156 sq.ft	1,090,200.00	49	1
Lot10442, No 16 Lorong Prestij 7, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	4,087 sq.ft 2,024 sq.ft	934,800.00	49	1
2) <u>DYNABRICKS SDN BHD</u>							
Lot No. 1283 Mukim 3, Province Wellesley, North Penang.	Agricultural Land/ Sand Mining	1/7/1996	Leasehold land for 74 years expiring on 31.12.2039	2.19 acres	61,908.37	23	51
3) <u>PLB LAND SDN BHD</u>							
H.S. (D) No.169 P.T. No PTBM/C.005 Mukim 1, Province Wellesley, Central Penang (No. 1320, Jalan Baru, Chai Leng Park, 13700 Prai, Penang.)	5-storey building/ PLB's Corporate Office	1/7/1996	Freehold	7,541 sq.ft./ 33,378 sq.ft.	2,174,200.00 4,187,370.16	31	19
Lot No.1594, Section 2, Town of Tanjung Tokong, North East District, Penang. No.12372 P2-02-27 (98-1-27, Prima Tanjung, Jalan Fettes, Bandar Tanjung Tokong 11200 Penang)	2nd levels of a 4-storey building/ Rented	7/1/2000	Freehold	1,283 sq.ft.	297,513.35	34	16

Group List Of Properties (Cont'd)

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Lot No.1594, Section 2, Town of Tanjung Tokong, North East District, Penang. No.12372 P2-01-15,P2-02-15,P2-03-15,P2-04-15 & P2-05-15 (98-G-15, 98-1-15, 98-2-15, 98-3-15, 98-3A-15 Prima Tanjung, Jalan Fettes, Bandar Tanjung Tokong 11200 Penang)	Entire 5-storey office building/ Rented	25/5/2000	Freehold	9,561 sq. ft.	1,950,590.67	34	16
Lot 4702, Taman Mengkudu Juru, 14000 Bukit Mertajam	Development Stock/Vacant Land	31/8/2006	Freehold	19,867.264 sq ft	1.00	-	11
Lot 4703, Taman Mengkudu Juru, 14000 Bukit Mertajam	Development Stock/Vacant Land	31/8/2006	Freehold	142,522.656 sq ft	1.00	-	11
Geran 60143, Lot 465, Mukim D, Daerah Barat Daya, Pulau Pinang.	Development Land	31/3/2010	Freehold	49.08 acres	36,135,760.75	-	7
GRN58466 Lot9818, GRN58468 Lot9820, GRN58469 Lot9821, GRN58470 Lot9822, GRN58473 Lot9825, Lot GRN58474 Lot9826 in the Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	14/9/2011	Freehold	59,446 sq meter	24,160,027.64	-	5
Lot 908 GM 579 and Lot 1178 GM447, MK.9, Teluk Kumbar, Daerah Barat Daya, Penang	Development Land	6/9/2011	Freehold	23,598 sq meter	1,300,911.17	-	5
Lot6435 GM1680 and Lot6436 GM1681, MK, 13, N.E.D. Penang	Development Land	9/12/2011	Freehold	9,471 sq meter	11,199,735.95	-	5
GRN58461 Lot9813, GRN58462 Lot9814, GRN58463 Lot9815, GRN58464 Lot9816, GRN58465 Lot9817, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	18/2/2013	Freehold	170,361 sq meter	40,655,252.63	-	4
Phase 2A GRN58459 Lot9811, Phase 2B GRN58460 Lot9812, Phase 3C GRN58467 Lot9819, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	18/2/2013	Freehold	64,893 sq meter	21,593,129.50	-	4
Lot 2174, Lot 2175, Lot 2193, Lot 2194, Lot 2195, Seksyen 12, Bandar Georgetown, Daerah Timur Laut, Pulau Pinang	Development Land	10/4/2013	Freehold	611 sq meter	6,964,746.96	-	4
Geran 107852 Lot 1814 and Geran 107853 Lot 1815 at Mukim 13, Seberang Perai Utara, Penang	Development Land	7/10/2013	Freehold	195.463 acres	27,052,267.88	-	3
GRN 23058, Lot 2589, Mukim 8, Seberang Perai Utara, Penang	Development Land	23/3/2014	Freehold	18,265.543 sq meter	1,968,803.08	-	3

Group List Of Properties (Cont'd)

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
GM51 Lots 1173, GM357 Lots 796 & GM363 Lots 816 at Mukim 13, Seberang Perai Utara, Penang	Development Land	9/4/2014	Freehold	16,147.863 sq meter	590,477.10	-	3
GRN 58471 Lot 9823, GRN 58472 Lot 9824, GRN 58475 Lot 9827, GRN 58476 Lot 9828, GRN 58475 Lot 9830, GRN 58479 Lot 9831, GRN 58480 Lot 9832, GRN 58481 Lot 9834, GRN 58482 Lot 9835, GRN 58536 Lot 9836, GRN 58537 Lot 9837, GRN 58538 Lot 9838, GRN 58540 Lot 9841, Mk 13, Daerah Timur Laut, Pulau Pinang	Development Land	27/8/2014	Freehold	75,589 sq meter	3,421,218.91	-	3
BLK 98-07-08, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	587.6 sq ft	307,765.88	49	1
BLK 98-08-07, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	473 sq ft	191,659.80	49	1
BLK 98-09-07, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	473 sq ft	191,659.80	49	1
BLK 98-09-08, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	587.6 sq ft	308,421.02	49	1
BLK 98-10-07, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	473 sq ft	191,659.80	49	1
BLK 98-10-08, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	587.6 sq ft	308,748.59	49	1
BLK 98-12-08, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	587.6 sq ft	309,403.74	49	1
BLK 98-12A-07, Persiaran Pantai Jerjak 1, 11900 Pulau Pinang	Development Stock	22/1/2016	Freehold	473 sq ft	253,832.89	49	1
BLK 1-G-05, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-G-15, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-G-20, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-1-03, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1

Group List Of Properties (Cont'd)

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
BLK 1-2-02, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-2-10, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-2-17, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3-3A, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3-07, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3-10, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3A-06, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3A-08, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3A-11, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3A-20, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 1-3A-21, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-G-02, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-G-18, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-G-26, Lorong Prestij 10,Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1

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REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
BLK 3-2-16, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-2-19, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-2-28, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3-06, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-01, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-05, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-06, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-08, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-09, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-21, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-23, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-25, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1
BLK 3-3A-26, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Development Stock	29/1/2016	Freehold	650 sq ft	42,000.00	49	1

Group List Of Properties (Cont'd)

At 31 August 2016

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
4) <u>EXCELGRAND PROPERTIES SDN BHD</u>							
Grant No. 104192 Lot No. 6195, Mukim 11, Province Wellesley, South Penang.	Agricultural Land/ Partially Rented	1/7/1996	Freehold	4.73 acres	345,545.05	-	23
5) <u>ERA PUJAAAN SDN BHD</u>							
Grant (First Grade) No. 26109, 26128 & 26140, Lot No. 11, 49 & 84, Section 5, Town of Bukit Mertajam, Province Wellesley, Central Penang.	Development Land/ Partially Rented	1/7/1996	Freehold	1.282 acres	2,791,979.18	-	22
6) <u>HEKTAR PUJAAAN SDN BHD</u>							
S.P. 26165 & 26166, Lot Nos. 495 & 496, Mukim of Junjong District of Kulim, Kedah.	Agricultural Land/ Vacant	1/7/1996	Freehold	15.20 acres	859,760.33	-	25
Grant No. 42087, Lot 347, Mukim of Serdang, District of Bandar Bahru, Kedah.	Agricultural Land/ Vacant	17/12/1996	Freehold	5.67 acres	406,726.85	-	21
7) <u>GAINTREND SDN BHD</u>							
No. HS (D) 1239, Lot No. 3149, Mukim 13, Daerah S.P.T., Negeri Pulau Pinang. (No. 2, Jalan Industri Beringin, Taman Perindustrian Beringin, 14100 Juru, Penang.)	Double Storey Light Industry Factory/Office, Store and Engineering Works	8/2/1995	Freehold	14,208 sq.ft./ 6,000 sq.ft.	301,802.67	31	19
Pajakan Negeri No. Pendaftaran 1643, No. Lot 002785, Bandar BW, Seksyen 3, Daerah S.P.U. Penang. (No. 40, Lorong Mak Mandin 5/1, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.)	1 1/2 Storey Light Industry Rented	30/10/1998	99 years leasehold land expiry on 05.03.2069	2,250 sq.ft. / 3,150 sq ft	241,983.65	53	46
Pajakan Negeri No. Pendaftaran 1701, No. Lot 002843, Bandar BW, Seksyen 3, Daerah S.P.U. Penang. (No. 48, Lorong Mak Mandin 5/3, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.)	1 1/2 Storey Light Industry Rented	30/6/1999	99 years leasehold land expiry on 05.03.2069	2,400 sq.ft. / 3,300 sq ft	258,115.98	53	46
No. Lot 10487, Pantai Jerjak, Mukim 13, Daerah Timur Laut, Pulau Pinang (No. 38, Lintang Pantai Jerjak 3, 11700 Gelugor, Penang)	Double Storey Semi-Detached House/Land	22/11/2005	Freehold	2,239 sq.ft./ 1,886 sq.ft.	737,129.84	39	11
No. Lot 10488, Pantai Jerjak, Mukim 13, Daerah Timur Laut, Pulau Pinang (No. 38-A, Lintang Pantai Jerjak 3, 11700 Gelugor, Penang)	Double Storey Semi-Detached House/ Land	28/8/2006	Freehold	2,378 sq.ft./ 1,886 sq.ft.	867,263.80	39	11

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REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2016 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
No. Lot 156, Studio L, Storey Cluster Link (No. 8, Lorong Cassia Tengah 38, Bandar Cassia, 14100 Simpang Empat, Pulau Pinang.)	Double Storey Terrace Cluster House/Land	30/6/2008	99 years leasehold land expiry on 06.07.2104	1,657 sq. ft/ 1,217 sq. ft	142,552.94	88	11
No. Lot 190, Studio L, Storey Cluster Link No. 20, Lorong Cassia Tengah 36, Bandar Cassia, 14100 Simpang Empat, Pulau Pinang.	Double Storey Terrace Cluster House/Land	30/6/2008	99 years leasehold land expiry on 06.07.2104	1,151 sq. ft/ 1,217 sq. ft	119,878.81	88	11
H.S.D 21688, Lot No. 4031, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang.	Development Stock/ Land	31/8/2010	Freehold	1,173 sq.ft	55,251.01	43	7
H.S.D 21690, Lot No. 4032, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 22, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,173 sq.ft/ 1,600 sq.ft	229,047.95	43	7
8) <u>FATTIGOLD SDN BHD</u>							
H.S. (M) 17/1993 P.T. No. 452, No. 14, Lorong Desa Kob 1, Taman Sungai Kob, 09700 Karangan.	Single Storey Shophouse/ Own Office	31/8/1998	Freehold	1,340 sq.ft.	37,498.00	31	19
9) <u>PLB CEMERLANG SDN BHD</u>							
Geran 644 Lots 1121, Geran 288 Lots 1709, Geran 289 Lots 1711 at Mukim 1, Seberang Perai Utara, Penang	Development Land	31/12/2013	Freehold	389,981.59 sq. ft.	2,532,701.74	-	3
Geran 569 Lot 781, Geran 807 Lot 780, Geran 568 Lot 779, Geran 35 Lot 773, Geran 34 Lot 772, Geran 286 Lot 1704, Geran 285 Lot 1703, Geran 284 Lot 1702, MK1, Geran 36 Lot 774, MK1, Seberang Perai Utara, PP	Development Land	8/7/2015	Freehold	502,264.90 sq.ft	8,000,191.99	-	2
10) <u>INDAH MULIA DEVELOPMENT SDN BHD</u>							
Lot 70690, Mukim 12, Daerah Barat, Pulau Pinang	Development Stock	22/5/2013	Freehold	65 Sq. meter	1.00	-	4
Lot 70699, Mukim 12, Daerah Barat, Pulau Pinang	Development Stock	22/5/2013	Freehold	430 Sq. meter	1.00	-	4
11) <u>PHOENIX RESIDENCES SDN BHD</u>							
Lot 463, Mukim 12, Daerah Barat Daya, Bayan Lepas, Pulau Pinang.	Development Land	23/5/2016	Freehold	1962.6054 Sq. meter	18,840,704.92	-	1

Shareholdings Statistics

As At 30 November 2016

SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders as at 30 November 2016, the substantial shareholders and their respective shareholdings are as follows:-

Name of Substantial Shareholder	No. of shares beneficially held		% of Shareholding	
	Direct	Indirect	Direct	Indirect
Leading Builders Sdn. Bhd.	53,949,936*	-	65.67*	-
Dato' Seri Ong Choo Hoon	2,733,095	54,650,603 ^{#+@}	3.33	66.52 ^{#+@}
Dato' Dr. Ong Seng Soon	79,333	54,095,603 ^{#+Δ}	0.10	65.84 ^{#+Δ}

Notes:-

* 8,200,000 shares are held through EB Nominees (Tempatan) Sdn. Bhd.

Indirect interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

@ Indirect Interest by virtue of the interest of his children in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Δ Indirect interest by virtue of the interest of his spouse in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

DIRECTORS' INTEREST

Based on the Register of Directors' Shareholdings, the Directors and their respective shareholdings as at 30 November 2016 are as follows :-

Name of Directors	No. of shares beneficially held		% of Shareholding	
	Direct	Indirect	Direct	Indirect
Dato' Seri Ong Choo Hoon	2,733,095	54,650,603 ^{*+@}	3.33	66.52 ^{*+@}
Dato' Dr. Ong Seng Soon	79,333	54,095,603 ^{*+Δ}	0.10	65.84 ^{*+Δ}
Dato' Ong Guat Beng	52,333	250,000 ^{**}	0.06	0.30 ^{**}
Ong Seng Chye	66,333	-	0.08	-
Mardzukhi bin Abu Bakar	8,333	-	0.01	-
Dato' Noordin bin Md. Noor	13,333	-	0.02	-
Saw Chin Eng	-	-	-	-
Teoh Siew Tin	-	-	-	-

Notes :-

* Indirect interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

** Indirect interest by virtue of the interest of her daughter in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

@ Indirect Interest by virtue of the interest of his children in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Δ Indirect interest by virtue of the interest of his spouse in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Shareholdings Statistics (Cont'd)

As At 30 November 2016

Authorised Capital	:	RM500,000,000.00
Issued and Fully Paid	:	RM82,157,167.00 (excluding 9,124,500 treasury shares)
Class of Shares	:	Ordinary Shares of RM1.00 each fully paid
No. of Shareholders	:	1,329
Voting Rights	:	On show of hand - One vote per person On a poll - One vote for one ordinary share

Analysis of Shareholdings as at 30 November 2016

Size of Shareholdings	No. of holders	%	No. of shares	%
1 – 99	139	10.46	5,601	0.01
100 – 1,000	294	22.12	251,330	0.31
1,001 – 10,000	698	52.52	2,651,328	3.23
10,001 – 100,000	168	12.64	4,909,723	5.98
100,001 – 4,107,857*	28	2.11	20,389,249	24.81
4,107,858 and above**	2	0.15	53,949,936	65.66
Total	1,329	100.00	82,157,167	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

Top 30 Shareholders as at 30 November 2016

No.	Name of Shareholders	No. of shares	%
1	LEADING BUILDERS SDN. BHD.	33,289,536	40.52
2	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR LEADING BUILDERS SENDIRIAN BERHAD (JLG)	8,200,000	9.98
3	LEADING BUILDERS SDN. BHD.	8,049,000	9.80
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BUN HUI	3,911,300	4.76
5	TAN YEE HUI	3,326,600	4.05
6	LEADING BUILDERS SDN. BHD.	2,078,300	2.53
7	LEADING BUILDERS SDN. BHD.	1,933,100	2.35
8	ONG CHOO HOON	1,878,095	2.29
9	TAN BUN HUI	1,515,900	1.85
10	LEE SEE SEE	1,235,300	1.50
11	ONG SENG ENG	968,800	1.18
12	ONG CHOO HOON	845,000	1.03
13	TAN BUN CHOW	827,900	1.01
14	TAN BUN HUI	810,200	0.99
15	ZULKHARNAIN BIN ARIFFIN	726,333	0.88

Shareholdings Statistics (Cont'd)

As At 30 November 2016

Top 30 Shareholders as at 30 November 2016 (cont'd)

No.	Name of Shareholders	No. of shares	%
16	TIU JON HUI	715,100	0.87
17	LEADING BUILDERS SDN. BHD.	400,000	0.49
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SEE SEE (MG0000122)	314,400	0.38
19	YEAP CYNDY	250,000	0.30
20	ONG GUAT EONG	236,667	0.29
21	ONG SENG KIAT	227,334	0.28
22	LEE SEE SEE	226,900	0.28
23	TAN SIEW HUAT	225,020	0.27
24	ONG GUAT HUNG	221,666	0.27
25	CHUA SWEE SEANG	195,000	0.24
26	TAN SOCK CHIN	195,000	0.24
27	PETER SU HOLDINGS SDN BHD	191,000	0.23
28	SITHI YASMIN BINTI MOHAMED ANSARI	155,000	0.19
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH HIN HENG (E-BMM)	151,900	0.18
30	FUNG TENG HONG	145,667	0.18

Notice Of Twentieth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the Company will be held at PLB Engineering Berhad, 3rd Floor, Training Room, 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang on Thursday, 19 January 2017 at 3:00 p.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS :

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 August 2016 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Notes |
| 2. To approve the payment of a first and final single tier dividend of 1 sen per ordinary share of RM1.00 each for the financial year ended 31 August 2016. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' fees of RM84,000.00 for the financial year ended 31 August 2016. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who retire in accordance with Article 81 of the Company's Articles of Association:- | |
| (i) Mr. Saw Chin Eng | Ordinary Resolution 3 |
| (ii) Mr. Ong Seng Chye | Ordinary Resolution 4 |
| 5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129 of the Companies Act, 1965:- | |
| "THAT Dato' Seri Ong Choo Hoon, who retires in accordance with Section 129(2) of the Companies Act, 1965, be hereby re-appointed as Director of the Company in accordance with Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting." | Ordinary Resolution 5 |
| 6. To re-appoint Messrs Grant Thornton as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As special business :

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

7. AUTHORITY TO ISSUE SHARES

"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 7

Notice Of Twentieth Annual General Meeting (Cont'd)

8. PROPOSED RENEWAL OF AND NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or subsidiary companies to enter into all arrangements and/or transactions as detailed in Section 2.2 of the Circular to Shareholders of the Company dated 22 December 2016, involving the interests of directors, major shareholders or persons connected with such directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.2 of Circular to Shareholders of the Company dated 22 December 2016, provided that such arrangements and/or transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Company.

(the "Proposed Mandate").

THAT the Proposed Mandate shall take effect from this resolution and shall only continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the listed issuer following the general meeting at which such Proposed Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 [but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965]; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is earlier.

And THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Mandate."

Ordinary Resolution 8

9. RETAINING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS:-

- (i) "THAT approval be and is hereby given to Dato' Noordin Bin Md. Noor who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."

Ordinary Resolution 9

- (ii) "THAT subject to the passing of Ordinary Resolution 3, approval be and is hereby given to Mr. Saw Chin Eng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."

Ordinary Resolution 10

- (iii) "THAT approval be and is hereby given to Madam Teoh Siew Tin to continue to act as an Independent Non-Executive Director of the Company after the cumulative term of nine (9) years, in compliance with the recommendation of Malaysian Code on Corporate Governance 2012."

Ordinary Resolution 11

- 10. To transact any other business of which due notices shall have been given.

By Order of the Board,

Chee Wai Hong (BC/C/1470)
Foo Li Ling (MAICSA 7019557)
 Company Secretaries

Penang

Date: 22 December 2016

Notice Of Twentieth Annual General Meeting (Cont'd)

Notes :

1. A proxy may but need not be a member of the Company and the proxy need not be an advocate or an approved company auditor or a person approved by the Registrar of Companies and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy (subject to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account its holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.
3. To be valid, the proxy form duly completed must be deposited at the registered office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
4. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
5. All resolutions as set out in this notice of Annual General Meeting are to be voted by poll.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 57 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 30 December 2016 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

Explanatory Notes on Ordinary Business:

Agenda 1

The Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company and hence, Agenda 1 is not put forward for voting.

Ordinary Resolution 5

The Proposed Ordinary Resolution 5 is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a resolution be passed to re-appoint Dato' Seri Ong Choo Hoon who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next AGM of the Company. This resolution shall be effect if be passed by a majority of not less than three-fourth of such shareholders of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the AGM of the Company.

Explanatory Notes on Special Business:

Ordinary Resolution 7

Subject to exceptions provided in the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purpose as they consider would be in the interest of the Company.

The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general authority which was approved at the Nineteenth AGM held on 19 January 2016 and which will lapse at the conclusion of the Twentieth AGM to be held on 19 January 2017. A renewal of this authority is being sought at the Twentieth AGM under proposed Resolution 7.

The renewal mandate if granted will provide flexibility to the Company for the allotment of shares for the purpose of fund raising activities including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/ or settlement of banking facility(ies).

Ordinary Resolution 8

The proposed resolution in relation to Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature which is to be reviewed annually will eliminate the requirement for the Company to make regular announcements and convene separate general meetings from time to time in respect of the aforesaid Related Party Transactions.

Notice Of Twentieth Annual General Meeting (Cont'd)

Ordinary Resolutions 9 and 10

The Board has via the Nominating Committee, assessed the independence of the following Directors, who have served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

Ordinary Resolution 9: Dato' Noordin Bin Md. Noor

- i He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and brings an element of objectivity to the Board.
- ii He performs his duty diligently and in the best interest of the Company without being subject to influence of management.
- iii He devotes sufficient time and attention to his professional obligations for an informed and balance decision making.
- iv. He has vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgement.
- v. He consistently challenged management in an effective and constructive manner and actively participated in board discussion.
- vi. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Ordinary Resolution 10: Mr. Saw Chin Eng

- i He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and brings an element of objectivity to the Board.
- ii His vast experience in the accounting and audit industry enable him to provide the Board with a diverse set of experience, expertise and independent judgement.
- iii He understands the Company's industry well and is able to contribute to the effective management of the Company's business activities.
- iv. He consistently challenged management in an effective and constructive manner and provide an independent voice on the board.
- v. He keeps a distance from management in overseeing and monitoring execution of strategy without being subject to influence of management.

Ordinary Resolutions 11

The Board has via the Nominating Committee, assessed the independence of Madam Teoh Siew Tin, who has served as an Independent Non-Executive Director of the Company since 30 October 2008 and will reach the nine years term limit on 29 October 2017, and recommended her to continue to act as Independent Non-Executive Directors of the Company after the said nine years term based on the following justifications:-

Ordinary Resolution 11: Madam Teoh Siew Tin

- i She fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, she would be able to function as check and balance, and brings an element of objectivity to the Board.
- ii She vast experience in the accounting, finance, corporate tax planning, licensing, administrative and corporate services including human resources management, corporate communications, information technology, credit control and debt recover, equity call and fund raising, mergers and takeovers and feasibilities study of projects enable her to provide the Board with a diverse set of experience, expertise and independent judgement.
- iii She understands the Company's industry well and is able to contribute to the effective management of the Company's business activities.
- iv. She consistently challenged management in an effective and constructive manner and provide an independent voice on the board.
- v. She keeps a distance from management in overseeing and monitoring execution of strategy without being subject to influence of management.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ANNUAL REPORT 2016

The Annual Report 2016 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholder upon request within four (4) market days from the date of receipt of the written request. A copy of the Annual Report can also be downloaded at www.plb.com.my.

Shareholders who wish to receive the printed Annual Report, kindly contact Ms. Thenmathy at telephone 04-3905737 ext.: 851 or e-mail your request to info@plbgroup.com.my.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant To Paragraph 8.27(2) Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad)

- A. The profiles of the Directors who are standing for re-election as per Agenda 4 of the Notice of 20th AGM are stated on pages 7 of this Annual Report.
- B. The details of the Directors' interests in the securities of the Company and its subsidiaries (if any) held by the said Directors are stated on pages 33 and 115 of this Annual Report.
- C. The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Rule 6.04(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed resolution 7 as stated in the Notice of Annual General Meeting of the company for the details.

Notice Of Dividend Entitlement

NOTICE IS HEREBY GIVEN that a First and Final single tier Dividend of 1 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 August 2016, if approved, will be paid on 21 March 2017 to depositors registered in the Record of Depositors at the close of business on 27 February 2017.

A depositor shall qualify for entitlement to the Dividend only in respect of:

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 27 February 2017 in respect of transfers.
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board,

Chee Wai Hong (BC/C/1470)
Foo Li Ling (MAICSA 7019557)
Company Secretaries

Penang

Date: 22 December 2016

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Proxy Form

CDS Account No.													
				-					-				

* I / We.....
(FULL NAME OF SHAREHOLDERS AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC/Passport /Company No.)) of

(ADDRESS)

being a * member / members of the abovenamed Company, hereby appoint

(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

(NRIC/Passport /Company No.)) of

(ADDRESS)

or failing him,

(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

(NRIC/Passport /Company No.)) of

(ADDRESS)

as * my / our proxy to vote for * me / us on * my / our behalf at the Twentieth Annual General Meeting of the Company to be held at PLB Engineering Berhad, 3rd Floor, Training Room, 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang on Thursday, 19 January 2017 at 3.00 p.m. and any adjournment thereof.

AGENDA

No	Ordinary Resolutions	For	Against
1.	To approve the payment of a first and final single tier dividend of 1 sen for the financial year ended 31 August 2016.		
2.	To approve the payment of Directors' fees.		
3.	To re-elect Mr. Saw Chin Eng as Director.		
4.	To re-elect Mr. Ong Seng Chye as Director.		
5.	To re-appoint Dato' Seri Ong Choo Hoon, who retires in accordance with Section 129(2) of the Companies Act, 1965.		
6.	To re-appoint Messrs Grant Thornton as the company's Auditors.		
7.	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	To approve the Proposed Renewal of and New Shareholders' Mandate.		
9.	To retain Dato' Noordin Bin Md Noor as an Independent Non-Executive Director.		
10.	To retain Mr. Saw Chin Eng as an Independent Non-Executive Director.		
11.	To retain Madam Teoh Siew Tin as an Independent Non-Executive Director.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he thinks fit.

No. of shares held

Signed this day of , 2016/17

Signature of Member(s)

Notes :

- A proxy may but need not be a member of the Company and the proxy need not be an advocate or an approved company auditor or a person approved by the Registrar of Companies and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy (subject to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account its holds.
An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.
- To be valid this form duly completed must be deposited at the registered office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
- If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- All resolutions as set out in the notice of Annual General Meeting are to be voted by poll.
- For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 57 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 30 December 2016 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Affix
Postage
Stamp

The Company Secretaries
PLB Engineering Berhad (418224-X)
51-13-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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PLB ENGINEERING BERHAD (418224-X)

1320, Jalan Baru, Taman Chai Leng,
13700 Perai, Pulau Pinang, Malaysia.

Tel : + 604-390 5737
Fax : + 604-399 8323

Email : info@plbgroup.com.my
Website : www.plb.com.my
www.plbhomes.com.my



PLB-KH Bina Sdn. Bhd.
MS ISO 9001:2008
CERT NO: AR2341



Gaintrend Sdn. Bhd.
MS ISO 9001:2008
CERT NO: AR2730



PLB Green Construction Sdn. Bhd.
MS ISO 9001:2008