

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.** If you have sold or transferred all your BKCB Shares, you should at once hand this Abridged Prospectus and the accompanying NPA and RSF to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd (Company No. 118401-V) at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the accompanying NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue was obtained at the EGM held on 13 April 2015. Approval from Bursa Securities has been obtained vide its letter dated 24 March 2015 for, amongst others, the admission of the Warrants to the Official List of the Main Market of Bursa Securities, the listing of and quotation for the Warrants on the Main Market of Bursa Securities and the listing of and quotation for the Rights Shares and the new BKCB Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities. The official listing of and quotation for all the new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them. Admission of the Warrants to the Official List of the Main Market of Bursa Securities and the listing of and quotation for all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus.

The Directors of BKCB have seen and approved all the documentation relating to the Rights Issue including this Abridged Prospectus and the accompanying NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in these documents false or misleading.

This Abridged Prospectus and the accompanying NPA and RSF are only despatched to our Entitled Shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 21 May 2015. This Abridged Prospectus and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue comply with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Neither BKCB, KAF nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the Rights Issue made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

KAF, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.**



**BINTAI KINDEN CORPORATION BERHAD**  
(Company No. 290870-P)  
(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 102,500,327 NEW ORDINARY SHARES OF RM0.20 EACH IN BINTAI KINDEN CORPORATION BERHAD ("BKCB") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE, TOGETHER WITH UP TO 102,500,327 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF NINE (9) RIGHTS SHARES TOGETHER WITH NINE (9) WARRANTS FOR EVERY TEN (10) EXISTING ORDINARY SHARES OF RM0.20 EACH HELD BY THE ENTITLED SHAREHOLDERS OF BKCB AS AT 5.00 P.M. ON 21 MAY 2015**

*Principal Adviser*



**INVESTMENT BANK BERHAD (20657-W)**

**IMPORTANT RELEVANT DATES AND TIME:-**

Entitlement Date : Thursday, 21 May 2015 at 5.00 p.m.

**Last date and time for:-**

Sale of provisional allotment of rights : Thursday, 28 May 2015 at 5.00 p.m.

Transfer of provisional allotment of rights : Tuesday, 2 June 2015 at 4.00 p.m.

Acceptance and payment : Friday, 5 June 2015 at 5.00 p.m.\*

Excess application and payment : Friday, 5 June 2015 at 5.00 p.m.\*

\* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time.

***ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.***

**THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS ISSUE. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

**YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

“Abridged Prospectus”	: This Abridged Prospectus dated 21 May 2015 in relation to the Rights Issue
“Act”	: The Companies Act, 1965 as amended from time to time and include any re-enactment thereof
“AED”	: Arab Emirates Dirham
“BKCB” or the “Company”	: Bintai Kinden Corporation Berhad (290870-P)
“BKCB Group” or “Group”	: BKCB and its subsidiaries, collectively
“BKCB Share(s)” or “Share(s)”	: Ordinary share(s) of RM0.20 each in BKCB
“Board”	: Board of Directors of BKCB
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“CDS Account(s)”	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
“CDS”	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“CMSA”	: Capital Markets and Services Act 2007
“Code”	: Malaysian Code on Take-Overs and Mergers, 2010
“Deed Poll”	: The deed poll executed by our Company on 5 May 2015 constituting the Warrants and governing the rights of the holders of the Warrants
“Director(s)”	: Has the meaning given in Section 2(1) of the CMSA
“EGM”	: Extraordinary General Meeting of BKCB in relation to the Rights Issue
“Entitled Shareholder(s)”	: Shareholder(s) of BKCB, whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date, who shall be entitled to participate in the Rights Issue
“Entitlement Date”	: 21 May 2015, at 5.00 p.m., being the date on which the names of the shareholders of BKCB must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue
“EPS”	: Earnings per share
“Excess Rights Shares with Warrants”	: Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s)/transferee(s) prior to the last date of the excess application and payment
“FPE”	: Financial period ended

**DEFINITIONS (CONT'D)**

“FYE”	:	Financial year ended/ending 31 March
“IDR”	:	Indonesian Rupiah
“KAF” or the “Adviser”	:	KAF Investment Bank Berhad (20657-W)
“KBK”	:	Kejuruteraan Bintai Kindenko Sdn Bhd (89776-P), a wholly-owned subsidiary of BKCB
“LAT”	:	Loss after taxation
“LBT”	:	Loss before taxation
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	30 April 2015, being the latest practicable date prior to the issuance of this Abridged Prospectus
“Market Day(s)”	:	Day(s) on which Bursa Securities is open for trading in securities
“Maximum Scenario”	:	(i) Assuming all the Treasury Shares are resold in the open market prior to the Entitlement Date; (ii) Assuming all the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue; and (iii) Assuming 102,500,327 Warrants to be issued pursuant to the Rights Issue are all exercised into 102,500,327 new BKCB Shares at the exercise price of RM0.20 each.
“Minimum Scenario”	:	(i) Assuming only the Undertaking Shareholder subscribes for its entitlement pursuant to the Rights Issue based on the Minimum Subscription Level; and (ii) Assuming 19,800,000 Warrants to be issued to the Undertaking Shareholder pursuant to the Rights Issue based on the Minimum Subscription Level are all exercised into 19,800,000 new BKCB Shares at the exercise price of RM0.20 each.
“Minimum Subscription Level”	:	Minimum subscription level of 19,800,000 Rights Shares pursuant to the Rights Issue as determined by the Board under the Minimum Scenario
“M&E”	:	Mechanical and electrical engineering
“MMK”	:	Burmese Kyat
“NA”	:	Net assets
“NPA”	:	Notice(s) of Provisional Allotment in relation to the Rights Issue
“Official List”	:	A list specifying all securities listed on the Main Market of Bursa Securities
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“Placement Shares”	:	10,000,000 new BKCB Shares issued pursuant to the Private Placement
“Private Placement”	:	Private placement of 10,000,000 Placement Shares representing approximately 9.8% of the issued and paid-up share capital of the Company (excluding Treasury Shares) which was completed on 24 April 2015

**DEFINITIONS (CONT'D)**

“Provisional Allotment”	: Rights Shares provisionally allotted to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) pursuant to the Rights Issue
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue”	: Renounceable rights issue of up to 102,500,327 Rights Shares together with up to 102,500,327 Warrants on the basis of nine (9) Rights Shares together with nine (9) Warrants for every ten (10) existing BKCB Shares held by the Entitled Shareholders on the Entitlement Date
“Rights Shares”	: Up to 102,500,327 new BKCB Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RSF(s)”	: Rights Subscription Form(s) in relation to the Rights Issue
“Rules of Bursa Depository”	: The rules of Bursa Depository as issued pursuant to the SICDA
“SC”	: Securities Commission Malaysia
“SGD”	: Singapore Dollar
“SICDA”	: Securities Industry (Central Depositories) Act, 1991 including the Securities Industry (Central Depositories) Amendment Act, 1998
“TERP”	: Theoretical ex-rights price of BKCB Shares
“Treasury Shares”	: 1,997,600 BKCB Shares held as treasury shares as at the LPD
“Undertaking Shareholder”	: Bintai Holdings (M) Sdn Bhd (262557-W), a substantial shareholder of BKCB
“Undertaking”	: Irrevocable written undertaking obtained from the Undertaking Shareholder to subscribe for its entitlement under the Rights Issue to achieve the Minimum Subscription Level
“USD”	: United States Dollar
“VWAMP”	: Volume weighted average market price
“Warrant(s)”	: 5-year free new detachable warrants in BKCB to be issued pursuant to the Rights Issue

All references to “our Company” or “BKCB” in this Abridged Prospectus are made to Bintai Kinden Corporation Berhad and references to “our Group” are made to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiaries. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders and/or where the context otherwise requires, their renounee(s) and/or transferee(s).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>	<b>Profession</b>
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff <i>(Independent Non-Executive Chairman)</i>	No. 82, Taman Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian	Director
Ong Puay Koon <i>(Executive Vice Chairman)</i>	166, Jalan Tun Tan Cheng Lock 75200 Melaka	Malaysian	Director
Ong Choon Lui <i>(Group Managing Director/Chief Executive Officer)</i>	166, Jalan Tun Tan Cheng Lock 75200 Melaka	Permanent Resident of Malaysia	Director
Yen Yew Wing @ Yen Yew Ming <i>(Executive Director)</i>	6, Jalan Athinahappan 4 Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian	Director
Sharifah Kadnariah Binti Syed Ahmad <i>(Executive Director)</i>	No. 5, Jalan SS19/4C 47500 Subang Jaya Selangor	Malaysian	Director
Dato' Zakri Afandi Bin Ismail <i>(Independent Non-Executive Director)</i>	No. 18, Jalan Pawang Bukit Keramat 64000 Kuala Lumpur	Malaysian	Director
Toru Tanimoto <i>(Non-Independent Non-Executive Director)</i>	1-6-38-313, Tachibanadai Aoba-Ku Yokohama 227-0046 Japan	Japanese	Director
Johari Bin Mohd Akhir <i>(Independent Non-Executive Director)</i>	No. 3, Jalan Perkasa Tiga Taman Maluri Cheras 55100 Kuala Lumpur	Malaysian	Director
Tokumoto Masashi <i>(Alternate Director to Mr Toru Tanimoto)</i>	150, Thomson Road #15-05 Singapore 307605	Japanese	Director



**CORPORATE DIRECTORY (CONT'D)****AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Dato' Zakri Afandi Bin Ismail	Chairman	Independent Non-Executive Director
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff	Member	Independent Non-Executive Director
Johari Bin Mohd Akhir	Member	Independent Non-Executive Director

**COMPANY SECRETARY**

: Ng Lai Yee (MAICSA 7031768)  
 No. 430, Jalan Sultan Azlan Shah  
 (formerly Jalan Ipoh)  
 51200 Kuala Lumpur  
 Wilayah Persekutuan

Tel: +603 4042 6233  
 Fax: +603 4042 1221

**REGISTERED OFFICE**

: No. 430, Jalan Sultan Azlan Shah  
 (formerly Jalan Ipoh)  
 51200 Kuala Lumpur  
 Wilayah Persekutuan

Tel: +603 4042 6233  
 Fax: +603 4042 1221

**HEAD OFFICE**

: No. 430, Jalan Sultan Azlan Shah  
 (formerly Jalan Ipoh)  
 51200 Kuala Lumpur  
 Wilayah Persekutuan

Tel: +603 4042 6233  
 Fax: +603 4042 1221  
 Website: [www.bintai.com.my](http://www.bintai.com.my)

**SHARE REGISTRAR**

: **Tricor Investor Services Sdn Bhd**  
 Level 17, The Gardens North Tower  
 Mid Valley City  
 Lingkaran Syed Putra  
 59200 Kuala Lumpur  
 Wilayah Persekutuan

Tel: +603 2264 3883  
 Fax: +603 2282 1886

**CORPORATE DIRECTORY (CONT'D)**

**AUDITORS AND REPORTING  
ACCOUNTANTS**

: **Ong Boon Bah & Co (AF 0320)**

Chartered Accountants  
B-10-1, Megan Avenue 1  
189, Jalan Tun Razak  
50400 Kuala Lumpur  
Wilayah Persekutuan

Tel: +603 2163 0292

Fax: +603 2163 0316

**PRINCIPAL BANKERS**

: **Bangkok Bank Berhad**

105 Jalan Tun H.S. Lee  
50000 Kuala Lumpur

Tel No: +603 2173 7200

Fax No: +603 2173 7300

**Bank Muamalat Malaysia Berhad**

28th Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur

Tel No: +603 2059 1208

Fax No: +603 2694 7131

**Malayan Banking Berhad**

Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur

Tel No: +603 2070 8833

Fax No: +603 2026 5267

**RHB Bank Berhad**

Corporate 8, Corporate Banking  
Level 7, Tower 3  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

Tel No: +603 9287 8888

Fax No: +603 9287 4249

**CORPORATE DIRECTORY (CONT'D)**

**PRINCIPAL BANKERS (CONT'D)**

**The Bank of East Asia, Limited**

Level 12, Tower 2  
Etika Twins  
No. 11 Jalan Pinang  
50450 Kuala Lumpur

Tel No: +603 2161 6210  
Fax No: +603 2715 8232

**United Overseas Bank Limited**

80 Raffles Place  
UOB Plaza  
Singapore 048624

Tel No: +65 65339898  
Fax No: +65 65342334

**DBS Bank Ltd.**

12 Marina Boulevard  
MBFC Tower 3  
#43-04  
Singapore 018982

Tel No: +65 68785140  
Fax No: +65 68782810

**DUE DILIGENCE SOLICITORS**

**Tay & Helen Wong**

Suite 703, Block F, Phileo Damansara 1  
No. 9, Jalan 16/11  
46350 Petaling Jaya  
Selangor Darul Ehsan

Tel No: +603 7960 1863  
Fax No: +603 7960 1873

**PRINCIPAL ADVISER**

**KAF Investment Bank Berhad**

14th Floor, Chulan Tower  
No. 3, Jalan Conlay  
50450 Kuala Lumpur

Tel No: +603 2171 0228  
Fax No: +603 2171 0313

**STOCK EXCHANGE LISTED AND LISTING SOUGHT**

: Main Market of Bursa Securities



**BINTAI KINDEN CORPORATION BERHAD**  
(Company No. 290870-P)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

No. 430, Jalan Sultan Azlan Shah  
(formerly Jalan Ipoh)  
51200 Kuala Lumpur  
Wilayah Persekutuan

**21 May 2015**

**BOARD OF DIRECTORS**

YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff (*Independent Non-Executive Chairman*)  
Ong Puay Koon (*Executive Vice Chairman*)  
Ong Choon Lui (*Group Managing Director/Chief Executive Officer*)  
Yen Yew Wing @ Yen Yew Ming (*Executive Director*)  
Sharifah Kadnariah Binti Syed Ahmad (*Executive Director*)  
Dato' Zakri Afandi Bin Ismail (*Independent Non-Executive Director*)  
Toru Tanimoto (*Non-Independent Non-Executive Director*)  
Johari Bin Mohd Akhir (*Independent Non-Executive Director*)  
Tokumoto Masashi (*Alternate Director to Mr Toru Tanimoto*)

**To: The Entitled Shareholders of BKCB**

Dear Sir/Madam,

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**RENOUNCEABLE RIGHTS ISSUE OF UP TO 102,500,327 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE, TOGETHER WITH UP TO 102,500,327 WARRANTS ON THE BASIS OF NINE (9) RIGHTS SHARES TOGETHER WITH NINE (9) WARRANTS FOR EVERY TEN (10) EXISTING BKCB SHARES HELD BY THE ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON 21 MAY 2015**

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**1.0 INTRODUCTION**

- 1.1 On 4 February 2015, KAF had, on behalf of our Board, announced that our Company proposed to undertake, amongst others, the Rights Issue.
- 1.2 On 25 March 2015, KAF had announced on behalf of our Board that Bursa Securities had, vide its letter dated 24 March 2015, granted its approval-in-principle for, amongst others, the following:-
- (i) the admission of the Warrants to the Official List of the Main Market of Bursa Securities; and
  - (ii) listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue, as well as the new BKCB Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

The approval of Bursa Securities for, amongst others, the Rights Issue is subject to the following conditions:-

	Conditions imposed	Status of compliance
a)	BKCB and KAF must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue	To be complied
b)	BKCB and KAF to inform Bursa Securities upon the completion of the Rights Issue	To be complied
c)	BKCB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue has been completed	To be complied
d)	BKCB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM for the Rights Issue	Complied
e)	If applicable, payment of additional listing fee based on the final issue price of the Rights Shares together with a copy of the details of the computation of the amount of listing fee payable	Not applicable
f)	Payment of additional listing fee pertaining to the exercise of the Warrants, if relevant. In this respect, BKCB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new BKCB Shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of the listing fee payable	To be complied

- 1.3 On 13 April 2015, the shareholders of BKCB had approved the Rights Issue at the EGM. A certified true extract of the resolution pertaining to the Rights Issue passed at the EGM is set out in Appendix I of this Abridged Prospectus.
- 1.4 The official listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s)/transferee(s) have been duly credited and notices of allotment have been despatched to them.
- 1.5 On 5 May 2015, KAF had, on behalf of our Board, announced that the Company had executed the Deed Poll constituting the Warrants.
- 1.6 On 7 May 2015, KAF had, on behalf of our Board, announced that the Entitlement Date for the Rights Issue has been fixed at 5.00 p.m. on 21 May 2015.
- 1.7 No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or KAF in connection with the Rights Issue.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2.0 DETAILS OF THE RIGHTS ISSUE**

### **2.1 Details of the Rights Issue**

The Rights Issue, to be undertaken on a renounceable basis, entails the issuance of up to 102,500,327 Rights Shares together with up to 102,500,327 Warrants on the basis of nine (9) Rights Shares together with nine (9) Warrants for every ten (10) existing BKCB Shares held by the Entitled Shareholders on the Entitlement Date.

The Rights Shares and Warrants will be offered to our Company's shareholders whose names appear in the Record of Depositors at the close of business on the Entitlement Date.

As at the LPD, the issued and paid-up share capital of BKCB is RM22,777,851 comprising 113,889,253 BKCB Shares.

Based on the above and assuming that all the Treasury Shares are resold in the open market prior to the Entitlement Date, a total of 102,500,327 Rights Shares together with 102,500,327 Warrants may be issued in the event all the Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue.

The actual number of Rights Shares and Warrants to be issued pursuant to the Rights Issue would depend on the issued and paid-up share capital of our Company on the Entitlement Date and the level of subscription by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements to the Rights Shares together with Warrants. Any unsubscribed Rights Shares together with Warrants shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s)/transferee(s). The Board intends to allocate the Excess Rights Shares with Warrants in a fair and equitable manner on a basis as set out in Section 3.8 of this Abridged Prospectus.

The Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders who subscribe for the Rights Shares. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion to the acceptance of their Rights Shares entitlements. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. Each Warrant will entitle its holder to subscribe for one (1) new BKCB Share at the exercise price of the Warrants.

The Warrants will be issued in registered form and constituted by the Deed Poll. The principal terms of the Warrants are set out in Section 2.6 of this Abridged Prospectus.

Any fractional entitlements under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deems fit, expedient and in the best interests of our Company.

As you are an Entitled Shareholder and our Company Shares are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus a NPA notifying you of the number of Rights Shares which you are entitled to subscribe for under the terms of the Rights Issue and a RSF to enable you to subscribe for the Provisional Allotment as well as to apply for Excess Rights Shares with Warrants if you so choose to.

Any dealings in our securities will be subject to, inter-alia, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares with Warrants will, upon subscription, be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices will be despatched to the successful applicants. A notice of allotment will be despatched to you within eight (8) Market Days from the last date for acceptance of and payment for the Rights Issue or such period as may be prescribed by Bursa Securities.

## **2.2 Basis and justifications of determining the issue price of the Rights Shares and the exercise price of the Warrants**

On 5 May 2015, KAF had, on behalf of our Board, announced that both the issue price of the Rights Shares and the exercise price of the Warrants have been fixed at RM0.20 each, being the par value of BKCB Shares. The issue price of the Rights Shares and the exercise price of the Warrants of RM0.20 each represents a discount of RM0.07 or approximately 25.9% to the TERP of BKCB Shares of approximately RM0.27, calculated based on the five (5)-day VWAMP of BKCB Shares up to and including 30 April 2015, being the last trading day immediately preceding the price-fixing date, of RM0.33.

Both the issue price of the Rights Shares and the exercise price of the Warrants have been arrived at after taking into consideration, amongst others, the following:-

- (i) par value of BKCB Shares of RM0.20 each;
- (ii) TERP of BKCB Shares based on the five (5)-day VWAMP of the BKCB Shares immediately preceding the price-fixing date;
- (iii) the prevailing market prices of BKCB Shares and market conditions; and
- (iv) the current and future prospects of our Group, including its funding requirements.

The Warrants attached to the Rights Shares will be issued at no cost to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who subscribe for the Rights Shares.

You should note that the market prices for BKCB Shares and Warrants are subject to various market forces and other uncertainties in addition to the risk factors as set out in Section 6.2 of this Abridged Prospectus, which may affect the market prices of BKCB Shares and Warrants. You should form your own view on the valuation of the Rights Shares and Warrants before deciding to subscribe for the Rights Shares.

## **2.3 Ranking of the Rights Shares and the new BKCB Shares arising from the exercise of the Warrants**

The Rights Shares and the new BKCB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing BKCB Shares, save and except that the Rights Shares and the new BKCB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution, the entitlement date of which is prior to the date of allotment of the Rights Shares and the new BKCB Shares to be issued arising from the exercise of the Warrants.

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## 2.4 Shareholder's undertaking and underwriting arrangement

Our Board has determined to undertake the Rights Issue based on the Minimum Subscription Level of 19,800,000 Rights Shares after taking into consideration the minimum level of funds that our Company wishes to raise from the Rights Issue for the purpose as stated in Section 5.0 of this Abridged Prospectus and the Undertaking procured from the Undertaking Shareholder to subscribe in full for its entitlement under the Rights Issue, as set out below:-

Name	BKCB Shares held as at the LPD	<sup>(1)</sup> %	Entitlement Undertaking			
			Rights Shares			Warrants
			No. of Rights Shares	<sup>(2)</sup> %	RM	No. of Warrants
Bintai Holdings (M) Sdn Bhd	22,000,000	19.66	19,800,000	19.32	3,960,000	19,800,000

Notes:-

- (1) Percentage shareholding is calculated based on number of issued and paid-up share capital which excludes the Treasury Shares held by the Company as at the LPD.
- (2) As a percentage of 102,500,327 Rights Shares, being the total number of Rights Shares to be issued pursuant to the Rights Issue under the Maximum Scenario.

The Undertaking Shareholder has provided its written confirmation that it has sufficient financial resources to subscribe in full for its entitlement under the Rights Issue to achieve the Minimum Subscription Level. As the Principal Adviser, KAF has verified the aforementioned confirmation.

In view that the Minimum Subscription Level can be achieved via the Undertaking, there will be no underwriting arrangement for the remaining portion of the Rights Shares for which no irrevocable undertaking to subscribe has been obtained.

## 2.5 Take-over implications

The above Undertaking will not give rise to any consequences of mandatory general offer obligation pursuant to the Code immediately after the Rights Issue. However, should the Undertaking Shareholder exercises its Warrants, such that its resulting aggregate shareholdings in BKCB increase above 33%, it will be obliged under Part III of the Code to undertake a mandatory general offer for all the remaining BKCB Shares not already held by it after the exercise of the Warrants. As it is not the intention of the Undertaking Shareholder to undertake such a mandatory general offer, it shall seek the relevant exemption under Paragraph 16.1 of Practice Note 9 of the Code from the aforementioned mandatory general offer obligation before it arises.

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## 2.6 Principal terms of the Warrants

Issuer	:	BKCB
Form and Denomination	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Number of Warrants	:	Up to 102,500,327 Warrants on the basis of one (1) free Warrant for every one (1) Rights Share subscribed for.
Issue Price	:	The Warrants are to be issued for free to the Entitled Shareholders and/or renounees/transferees who had successfully subscribed for the Rights Shares.
Exercise Price	:	The exercise price of the Warrants has been fixed at RM0.20 each. The Exercise Price and/or the number of Warrants in issue shall be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll during the Exercise Period.
Exercise Period / Expiry Date	:	<p>The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants and ended at 5.00 p.m. on the date preceding the fifth (5th) anniversary of the date of issuance, or if such date is not a market day, then it shall be the market day immediately preceding the said non-market day, but excluding the eight (8) clear market days prior to a book closure date or entitlement date announced by our Company and those days during that period on which the Record of Depositors of BKCB and/or warrants register is or are closed.</p> <p>The Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.</p>
Mode of Exercise	:	In order to exercise the Exercise Rights, a Warrant holder must complete and sign the exercise form, as set out in the Deed Poll, and deliver the same to share registrar together with remittance in RM (by way of banker's draft or cashier's order drawn on a bank in Malaysia or money order or postal order issued by a post office in Malaysia for the credit of an account) for the amount equal to the Exercise Price multiplied by the total number of BKCB Shares in respect of which the Exercise Rights are being exercised provided that any exercise of Warrants must comply with exchange control regulations and requirements imposed by Bank Negara Malaysia or other prevailing statutory requirements for the time being applicable.
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new BKCB Share at the Exercise Price at any time during the Exercise Period upon and subject to the provisions in the Deed Poll.

Board Lot	:	The Warrants are tradable upon listing and for purposes of trading on Bursa Securities, one (1) board lot of Warrant shall comprise 100 Warrants carrying rights to subscribe for 100 new BKCB Shares or such denomination as permitted by Bursa Securities.
Maximum number of new BKCB Shares to be issued arising from the full exercise of the Warrants	:	Up to 102,500,327 new BKCB Shares.
Status of new BKCB Shares to be issued arising from the exercise of the Warrants	:	All new BKCB Shares to be issued upon the exercise of the Warrants shall, on allotment and issue, rank pari passu in all respects with the then existing BKCB Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of such new BKCB Shares, and will be subject to all provisions of the Articles of Association of the Company.
Adjustment in the Exercise Price and/or the number of Warrants held by Warrant holders in the event of alteration to the share capital	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants held by each Warrant holder shall be adjusted by the Board in consultation with an approved adviser and certified by the auditors for the time being of BKCB in the event of alteration to the share capital of the Company in accordance with the provisions as set out in the Deed Poll.
Rights of Warrants	:	The Warrant Holders are not entitled to any voting rights in any general meeting of our Company or to participate in any distribution and/or offer of further securities in our Company unless such Warrant Holders exercise their Warrants for the new BKCB Shares.
Modification of rights of Warrant holder	:	<p>Our Company may, from time to time, without the consent or sanction of the Warrant Holders, (a) make any modification of the Deed Poll which is not materially prejudicial to the interests of the Warrant Holders or (b) make any modification of the Deed Poll which is to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia.</p> <p>Any modifications, amendments, deletions or additions to the Deed Poll must be effected only by a deed executed by our Company and expressed to be supplemental and complying with the relevant provisions of the Deed Poll.</p> <p>Save as provided under the Deed Poll, all or any of the rights for the time being attached to the Warrants may, with the concurrence of our Company, from time to time (whether or not our Company is being wound-up), be altered or abrogated with the consent or agreement of the Warrant Holders given by way of a Special Resolution passed at a meeting of the Warrant Holders.</p>

Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	<p>Where a resolution has been passed for a members' voluntary winding-up of our Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then:-</p> <p>(ii) For the purpose of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which BKCB is the continuing corporation) to which the Warrant holders or some persons designated by them for such purpose by special resolution, will be a party, the terms of such winding-up, compromise or arrangement will be binding on all the Warrant holders; and</p> <p>(iii) in any other cases, every Warrant holder shall be entitled upon and subject to the provisions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within six (6) weeks after the granting of the court order approving the winding-up, compromise or arrangement, by the irrevocable surrender of his Warrants, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights represented by his Warrants and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new BKCB Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.</p>
Governing Law	:	Laws and regulations of Malaysia.

### 3.0 INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

#### 3.1 General

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.**

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.**

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed together with this Abridged Prospectus, one (1) NPA notifying you of the crediting of such Provisional Allotment in respect of the Rights Shares (together with Warrants) into your CDS Account and one (1) RSF to enable you to subscribe for the Provisional Allotment in respect of the Rights Shares (together with Warrants) as well as to apply for Excess Rights Shares with Warrants if you choose to do so. This Abridged Prospectus and the RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

You and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares in relation to the Rights Issue will be given free Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for. The minimum number of Rights Share that can be subscribed for or accepted in relation to the Rights Issue is one (1) Rights Share. Fractions of a Rights Share and Warrants which may arise from the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interests of our Company.

### 3.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotment will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

### 3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotment is at **5.00 p.m. on 5 June 2015**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

### 3.4 Procedures for acceptance and payment

Acceptance and payment for the Provisional Allotment by you as an Entitled Shareholder must be made using the relevant RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

You and/or your renounee(s)/transferee(s) (if applicable) who are accepting the Provisional Allotment are required to fill and complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:-

**Tricor Investor Services Sdn Bhd**  
Level 17, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Tel: 03-2264 3883  
Fax: 03-2282 1886

so as to arrive **not later than 5.00 p.m. on 5 June 2015**, being the last date and time for acceptance and payment for the Provisional Allotment, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of the Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF must be used for the acceptance of the Provisional Allotment standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you or your renounee(s)/transferee(s) (if applicable) will be credited into the respective CDS Accounts where the Provisional Allotment is standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar for the Provisional Allotment, you are advised to use one (1) reply envelope for each completed RSF.

If acceptance and payment for the Provisional Allotment is not received by our Share Registrar by **5.00 p.m. on 5 June 2015**, being the last date and time for acceptance and payment for the Provisional Allotment, or any other extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated time and date at its discretion, you will be deemed to have declined the Provisional Allotment made to you and it will be cancelled. In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for Excess Rights Shares with Warrants in the manner as set out in Section 3.8 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right to accept any application in full or in part only without providing any reasons.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our registered office.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "BKCB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS TOGETHER WITH YOUR CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.**

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

### **3.5 Procedures for part acceptance**

You are entitled to accept part of your Provisional Allotment. The minimum number of securities that can be subscribed for or accepted in relation to the Rights Issue is one (1) Rights Share, the subscription or acceptance of which, will be entitled to one (1) Warrant.

You must complete Parts I(A) and II of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and deliver the completed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in Section 3.4 of this Abridged Prospectus.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

The portion of the Provisional Allotment not taken up shall be allotted to any other person allowed under any laws, regulations or rules to accept the transfer of the Provisional Allotment and the balance, if any, will be made available for excess applications.

### **3.6 Procedures for sale or transfer of Provisional Allotment**

As the Provisional Allotment are prescribed securities, you may sell or transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbroker in the period up to the last date and time for sale or transfer of such Provisional Allotment, without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose of all or part of your entitlement to the Provisional Allotment, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Allotment, you and/or your renounee(s)/transferee(s) (if applicable) need not deliver any document, including the RSF, to any stockbroker. However, you and/or your renounee(s)/transferee(s) (if applicable) must ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

If you have sold or transferred only part of your Provisional Allotment, you may still accept the balance of your Provisional Allotment by completing the RSF. Please refer to Section 3.4 of this Abridged Prospectus for the procedures for acceptance and payment.

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar as stated above. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

ENTITLED SHAREHOLDERS WHO SELL OF OR TRANSFER THEIR PROVISIONAL ALLOTMENT WILL AUTOMATICALLY BE SELLING OF OR TRANSFERRING THEIR ENTITLEMENTS TO THE RIGHTS SHARES AND WARRANTS IN THE PROPORTION OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT. THEY CANNOT RETAIN THE PROVISIONALLY ALLOTTED RIGHTS SHARES WHILE SELLING OF OR TRANSFERRING THE WARRANTS, OR VICE VERSA, NOR CAN THEY SELL OF OR TRANSFER THEIR ENTITLEMENTS IN ANY PROPORTION OTHER THAN THAT STATED ABOVE.

### 3.7 Procedures for acceptance by renouneece(s)/transferee(s)

Renouneece(s)/Transferee(s) who wish to accept the Provisional Allotment must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our registered office or from Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to the Entitled Shareholders as set out in Section 3.4 of this Abridged Prospectus also apply to renouneece(s)/transferee(s) who wish to accept the Provisional Allotment.

**RENOUNEE(S)/TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.**

### 3.8 Procedures for excess application

You and/or your renouneece(s)/transferee(s) (if applicable) may apply for Excess Rights Shares with Warrants in addition to the Provisional Allotment by completing Part I(B) of the RSF (in addition to Parts I(A) and II of the RSF) and forward it (together with a **separate remittance in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on 5 June 2015**, being the last date and time for excess application and payment, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

**PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED ABOVE, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "BKCB EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS TOGETHER WITH YOUR CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS APPLICATION AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.**

Our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I (B) of the RSF on a fair and equitable basis and in such manner as it deems fit, expedient and in the best interests of our Company. As such, it is the intention of our Board to allot the Excess Rights Shares with Warrants in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on priority as follows:-
  - (a) the shareholdings in BKCB of the applicants as per their CDS accounts on the Entitlement Date; and

- (b) the quantum of Excess Rights Shares with Warrants applied for; and
- (iii) thirdly, for allocation to transferee(s) and/or renounee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, based on the quantum of Excess Rights Shares with Warrants applied for.

In the event of any balance Rights Shares with Warrants after the above allocations, the balance will be allocated in the same process as set out in Sections 3.8 (ii) to (iii) above.

Subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Sections 3.8 (i) to (iii) above are achieved, our Board also reserves the right not to accept any application for the Excess Rights Shares with Warrants or to accept any such application in part only, without assigning any reason.

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR EXCESS APPLICATION AND PAYMENT OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR EXCESS APPLICATION AND PAYMENT BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.**

However, if you are successful, notices of allotment will be despatched by the Share Registrar to you by ordinary post to the address as shown in our Record of Depositors at your own risk within eight (8) Market Days from the last date for excess application and payment or such other period as may be prescribed by Bursa Securities.

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

### **3.9 Form of issuance**

Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Right Shares and Warrants are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares and Warrants.



Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificate shall be issued to you under the Rights Issue. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date and time for acceptance and payment of the Rights Issue.

#### **Subscription of Rights Shares with Warrants by Entitled Shareholders**

Where the Rights Shares with Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing BKCB Shares standing to the credit of your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Allotment shall mean that you consent to receive such Rights Shares and Warrants as prescribed or deposited securities credited directly into your CDS Account. Hence, the Rights Shares and the Warrants will be credited directly into your CDS Account where the Provisional Allotment is standing to the credit upon allotment and issuance.

#### **Subscription of Rights Shares with Warrants by a renounee/transferee**

Any person who has purchased the Provisional Allotment or to whom the Provisional Allotment has been transferred and intends to subscribe for the Rights Shares with Warrants must state his/her CDS Account number in the space provided in the relevant RSF. The Rights Shares and Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account where the Provisional Allotment is standing to the credit upon allotment and issuance.

#### **Application for the Excess Rights Shares with Warrants by an Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable)**

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for the Excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant where the Provisional Allotment is standing to the credit. The allocation of the Excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in Section 3.8 of this Abridged Prospectus.

### **3.10 Laws of foreign jurisdictions**

This Abridged Prospectus and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign country or jurisdiction.

The foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. KAF, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to. The foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. KAF, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

Accordingly, this Abridged Prospectus and the accompanying NPA and RSF will not be sent to the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or their renounee(s)/transferee(s) (if applicable) may collect this Abridged Prospectus, including the accompanying NPA and RSF, from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents relating to the Rights Issue.

The foreign Entitled Shareholders or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/or KAF in respect of their rights and entitlements under the Rights Issue. Such foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing any of the forms accompanying this Abridged Prospectus, the NPA and the RSF, the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) KAF, other experts, our Company and our Board and officers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or renounee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;
- (iii) the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the Rights Shares and the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have received a copy of this Abridged Prospectus, and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and the Warrants; and
- (vi) the foreign Entitled Shareholders and/or their renounee(s)/transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares and the Warrants from any such application by foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any foreign country or jurisdiction.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares and the Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

#### **4.0 RATIONALE FOR THE RIGHTS ISSUE**

The Rights Issue would enable our Company to raise immediate gross proceeds for our Group's working capital requirements and repayment of bank borrowings. After due consideration of various methods of fund raising, our Board is of the opinion that the Rights Issue is the most appropriate avenues of fund raising for the purpose stated in Section 5.0 of this Abridged Prospectus after taking into consideration, amongst others, the following reasons:

- (i) to strengthen its financial position with enhanced shareholders' funds which will be expected to support the continuing growth and expansion plans of the Group;
- (ii) the liquidity of market shares are also expected to improve with a larger capital base and hence would enable greater participation of both retail and institutional investors;
- (iii) the equity financing will strengthen the capital base to a level that commensurate with the value of its assets employed and will be utilised to further reduce the existing borrowings and gearing position of the Group;
- (iv) the issuance of free Warrants will mitigate the immediate substantial dilutive impact on the Company's EPS, which would otherwise arise from a full equity issue, as the Warrants are expected to be exercised over a period of time;
- (v) the issuance of free Warrants are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. The Warrants would also enable them to benefit from the future growth of the Company and any potential capital appreciation arising from the exercise and/or sale of the Warrants;
- (vi) the shareholders will be provided with the opportunity to participate in the equity of the Company at an attractive discount without diluting their shareholdings (assuming the shareholders subscribe fully for their respective entitlements); and
- (vii) enable the Company to raise necessary funds without incurring interest cost compared to external bank borrowings.

## 5.0 UTILISATION OF PROCEEDS

The Rights Issue is expected to raise gross proceeds of between RM3.96 million (based on Minimum Scenario) and RM20.50 million (based on Maximum Scenario), which are to be utilised as follows:-

Utilisation of proceeds	Expected time frame for utilisation from completion date of the Rights Issue	Minimum Scenario RM'000	Maximum Scenario RM'000
Working capital requirements for our Group <sup>(1)</sup>	Within 12 months	3,260	16,800
Repayment of bank borrowings <sup>(2)</sup>	Within 12 months	-	3,000
Estimated expenses in relation to the Rights Issue <sup>(3)</sup>	Within 1 month	700	700
<b>Total</b>		<b>3,960</b>	<b>20,500</b>

Notes:-

- (1) A total of up to RM16.8 million is to be utilised to finance the Group's working capital requirements for its following on-going projects over the next twelve (12) months. Such working capital may include purchase of materials, payment to contractors/sub-contractors/suppliers, staff related costs and other operating/administrative expenses.

Projects	Divisions/Nature of project	Minimum Scenario RM'000	Maximum Scenario RM'000
Rafflesia Condominium, Bandar Baru Sentul <sup>(a)</sup>	Property/construction and M&E	3,260	12,800
Nippon Electric Glass (NEG) Plant, Shah Alam <sup>(b)</sup>	M&E	-	2,000
AEON Shopping Mall, Shah Alam <sup>(c)</sup>	Electrical engineering	-	2,000
<b>Total</b>		<b>3,260</b>	<b>16,800</b>

- (a) The Rafflesia Condominium project, which is located in Bandar Baru Sentul, Kuala Lumpur, comprises 2 blocks of 28 storeys condominium with a total of 504 units. The estimated total development cost and total gross development value of the condominium, which will be developed over a period of three (3) years, are approximately RM198.9 million and RM209.5 million respectively. The development cost of the condominium is expected to be funded via a combination of internally generated funds (via the progress billings to be generated from this project), bank borrowings and proceeds from the Rights Issue. As at the LPD, the take-up rate for the condominium is about 90% and the construction work is approximately 40% completed with full completion expected by middle of 2016.

A total of up to RM12.8 million to be raised from the Rights Issue is earmarked to part finance the development expenditure of The Rafflesia Condominium particularly for the purchase of building and construction materials, payment to contractors, and marketing and administration expenses. It is typical that a substantial amount of funds is required especially at the initial stages of a property development including for the planning and design work, land clearing as well as construction related costs. As the progress billings would be received in stages over the construction period, BKCB would need to part fund

the development expenditure through its available banking facilities. As such, with the earmarked proceeds from the Rights Issue, the Company would be able to utilise the amount and minimise its reliance on external borrowings, for better cash flow management. Besides, it could also reduce its finance costs. The progress billings received subsequently would then be utilised by the Group to either reduce the outstanding bank borrowings and/or be channelled for working capital use for its other ongoing projects.

- (b) Involves extension and upgrading plans within the existing NEG plant in Shah Alam which include the construction of new glass furnaces as well replacement of the existing ones whereby KBK has been engaged to undertake the M&E related work. In addition, KBK is also expecting more M&E related work on further extension/upgrading plans from NEG (the details of which have yet to be made available). As such, the exact completion date cannot be determined with certainty at this juncture.

A total of up to RM2.0 million to be raised from the Rights Issue is intended to part finance the working capital requirement for the aforementioned project which include the purchase of related materials, labour and other overhead costs. The availability of proceeds from the Rights Issue would allow the Company to better manage its cash flow and have alternative source of funding apart from external borrowings and internal generated funds. In the event that there is any shortfall of amount to be raised from the Rights Issue, it shall be funded via a combination of external borrowings and/or internally generated funds.

- (c) Involves the construction of the AEON Shopping Mall in Shah Alam where KBK has been awarded a contract for electrical engineering work and since the construction of the main building has just started, the electrical engineering work has also just commenced recently. KBK's portion of work is expected to be completed by the end of 2015.

A total of up to RM2.0 million to be raised from the Rights Issue is intended to part finance the working capital requirement for the aforementioned project which include the purchase of related materials, labour and other overhead costs. The availability of proceeds from the Rights Issue would allow the Company to better manage its cash flow and have alternative source of funding apart from external borrowings and internal generated funds. In the event that there is any shortfall of amount to be raised from the Rights Issue, it shall be funded via a combination of external borrowings and/or internally generated funds.

- (2) The Group's outstanding bank borrowings as at the LPD stood at approximately RM221.0 million which comprise mainly term loans, bank overdrafts, bills payable, bridging loan and revolving credit. The Company intends to utilise up to RM3.0 million of the total gross proceeds to be raised under the Maximum Scenario to repay its revolving credit facilities (utilised for general use for its M&E related projects). The repayment of the outstanding bank borrowings is expected to result in annual interest savings to the Group of approximately RM0.2 million based on an average interest rate of about 6% per annum. Any proceeds not utilised by the Company to repay bank borrowings shall be utilised as working capital of the Group.
- (3) The estimated expenses consist of professional fees, fees payable to relevant authorities, printing costs of circular and abridged prospectus, EGM related costs, advertising costs and other miscellaneous expenses to be incurred in relation to the Rights Issue. Any variation in the actual amount of expenses will be adjusted to/from the amount allocated for working capital purposes.

The proceeds to be received by BKCB pursuant to the exercise of the Warrants, if any, are intended to be utilised for the working capital of the BKCB Group, the details of which shall be determined by the Board at a later date. The eventual quantum of such proceeds cannot be determined at this juncture as it would be dependent on the total number of Warrants exercised during the tenure and the exercise price of the Warrants.

## **6.0 RISK FACTORS**

You and/or your renounee(s)/transferee(s) (if applicable) should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this Abridged Prospectus, before subscribing for or investing in the Right Issue.

### **6.1 Risks relating to our Group**

#### **6.1.1 Business risks**

Our Group is principally involved in the provision of M&E services as well as in the property development/construction business. Hence, our Group is subject to certain risks inherent in those sectors in the countries we operate which include changes in general economic conditions such as, but not limited to, government regulations, inflation, taxation, interest rates and exchange rates of foreign currencies as well as changes in business conditions such as, but not limited to, deterioration in market conditions, increasing competition from industry players, constraints in labour supply, shortage of raw material, rising costs of labour and raw materials, difficulties in obtaining approvals or licences from the relevant authorities and adverse weather conditions.

Although we seek to limit these risks through, inter alia, practicing prudent management policies, continuous review of our operations, maintaining good relationships with our suppliers and customers, as well as adequate emphasis on personnel development, there is no assurance that any changes to these inherent risks will not adversely affect our Group's business operations and financial performance.

#### **6.1.2 Political, economic and regulatory considerations**

Like all business entities, adverse changes in political, economic and regulatory conditions in Malaysia as well as in other countries where our Group operates could materially and unfavourably affect the financial and business prospects of our Group. These risks include, among others, risks of war, changes in political leadership, changes in economic conditions, changes in interest rates and changes in government policies such as method of taxation, currency exchange rules and introduction of new regulations.

Whilst our Group may take effective measures to mitigate the aforementioned risks such as prudent financial management and diversification of our Group's range of products/services and markets, there is no assurance that adverse political, economic and regulatory conditions will not materially affect the business activities of our Group.

#### **6.1.3 Dependency on key personnel**

Our Group believes that its continued success depends to a large extent upon the abilities and continuing efforts of its Executive Directors and senior management. The loss of any of our Executive Directors or key members of the senior management without suitable and timely replacements could adversely affect our Group's continued ability to manage our operations effectively and competitively.

Our Group depends, to a certain extent, on skilled personnel with the requisite knowledge, skill and experience to provide M&E services and property development/construction business. Hence, our Group's ability to attract and retain such skilled personnel is imperative to our operations and performance. Although we have to our best endeavour provided a conducive working environment and continuously consider appropriate measures to attract and retain the skilled personnel, there can be no assurance that the loss of any skilled personnel can be avoided.

#### **6.1.4 Competition risks**

Our Group faces firm competition in the M&E services industry as more and more traditional construction companies have now started to establish their in-house divisions to undertake M&E services works for their principal thus reducing the opportunities of other players to obtain project via open tender. Albeit the above, we expect to continue to strive to remain highly competitive and to expand through our management team and technical expertise of our Group. In view of the

competitive market environment and conditions, our Group continuously develops measures to counter competition which include amongst others, our Group's ability to manage turnkey projects and by offering integrated specialist engineering services.

Our Group also faces competition in the property/construction industry where the industry is highly competitive in nature with a large number of players, which include listed and non-listed companies. Competitive pressures may affect, amongst others, the demand and pricing of the properties, and our ability to secure projects, which in turn may affect our financial performance. Our Group will continue to take measures to address the competition risk such as actively participating in competitive bidding and negotiation to secure projects, continuing our efforts in maintaining our competitive edge in terms of cost efficiency and service quality, conducting market intelligence or feasibility study to understand buyers' needs, monitoring and adjusting the properties' design and pricing as well as implementing marketing strategies in response to changing economic conditions and market demand.

Notwithstanding the above measures, there is no assurance that we will be able to compete successfully against our competitors in the future.

#### **6.1.5 Financing risk and loan covenants**

Our Group has external borrowings including term loan, bank overdrafts, bills payables/trust receipts, bridging loans, revolving credit and hire purchase. Interest charged on bank borrowings is dependent on prevailing interest rates, and is hence subject to future fluctuations of interest rates which could materially affect our Group's profitability.

In addition, the agreements for banking facilities contain covenants which may limit our Group's future operating and financing flexibility. Any breach of such covenants may give rise to a right by the financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to the particular credit facility.

We are also bound by loan covenants contained within the facility and loan agreements which we have executed with the financial institutions. These covenants that govern our loans consist of standard commercial terms, are common within such agreements and generally limit our operating and financial flexibilities. Any act or omission by us resulting in breaches to these covenants may result in the lenders exercising their rights to terminate the facilities and/or enforce granted securities. If this occurs, our future financial performance may be affected. We therefore continuously monitor our compliance with such covenants.

We actively review our debt portfolio and assess the amount and nature of our borrowings. We continuously seek measures to reduce our gearing level, and the partial repayment of our borrowings through the proceeds of the Rights Issue is one such measure. We believe that our prudent cash flow management will enable us to address the financing and interest rate risks. In addition, the proceeds from the Rights Issue would strengthen our balance sheet and improve our ability to obtain the necessary financing, if required.

#### **6.1.6 Projects risks**

The completion of our Group's projects are dependent on many external factors and subject to unforeseen circumstances, including, amongst others, acute shortage in labour and materials, adverse weather conditions and delays in obtaining the relevant regulatory approvals. Any failure or prolonged delay in completing the projects within the timeframe agreed upon with our customers may expose our Group to additional costs and potential claims which may impact our profitability as well as our reputation.

In addition, in the event our Group is unable to sell a significant portion of our properties offered in a particular development, our financial results may be affected. These unsold properties that we continue to hold for sale post-completion of the project may be relatively illiquid. Such concern may affect our ability to realise cash and also have an adverse effect on the prices of unsold units in the event we are required to sell the unsold properties urgently. As a result, our cash flow and financial performance may be affected.

Our Group closely monitors the progress of our projects and seeks to mitigate these risks through, amongst others, efficient project management and monitoring, strategic alliance with business partners, good working relationship with reliable sub-contractors and suppliers, conduct market survey/feasibility studies for the development project as well as effective human resource planning. Nonetheless, there can be no assurance that these measures will not prevent any delays in completion of our projects which may in turn have an adverse impact on the future financial performance of our Group.

#### **6.1.7 Exposure to Defects Liability Claims**

Some of our projects/contracts commonly stipulate a defects liability period for work done, which ranges from twelve (12) to twenty-four (24) months from the completion date depending on the nature of the project/contract. This makes the contractor liable for the work carried out and for any repair, reconstruction or rectification of any faults or defects which may surface or be identified during the defects liability period. Nevertheless, by working closely with our customers to ensure the works specifications are met, coupled with the experience and expertise of our Group, the defects of our work, if any, would be reduced to a minimal level.

However, there is no assurance that any repair, reconstruction and rectification works during the defects liability period will not have a material impact on our Group's financial performance.

#### **6.1.8 Costs overrun**

Our Group carries out internal costing and budgeting estimates of raw material, sub-contracting costs and overheads based on the indicative pricings given by our supplier and sub-contractors, as well as our own estimate of costs for our projects, tenders for construction projects and quotations for the supply of M&E related products/services.

However, in the event of incorrect estimations of costs during the budgeting or costing stage, unforeseen circumstances such as unfavourable weather conditions or unanticipated constraints at the worksite and/or fluctuations in prices of raw materials, labour and sub-contractors services, additional costs which are not previously factored into the costing may arise.

Our Group seeks to mitigate the risk of cost overruns by setting contingency provisions in our costing. While reasonable care is taken to address the possibility of costs overruns, there is no assurance that unforeseeable circumstances as mentioned above will not have material impact on our financial performance.

#### **6.1.9 Sustainability of order book**

Our Group's revenue is largely dependent on the sustainability of our accrued order book at any point in time and projects secured, which in turn is affected by the business environment and economic conditions of the countries in which we operate. Depending on the business and economic environment, customers may cancel or delay their projects. Project cancellations or delays will directly jeopardise our Group's revenues and profit margins.

Notwithstanding the above, our Group continues to maintain good business relationships with our customers and emphasises on providing top quality services and products to our customers. However, there can be no assurance that project delays and/or cancellations will not adversely affect our Group's financial and operational performance.

### **6.2 Risks relating to the Rights Issue**

#### **6.2.1 Investment risks**

The market price of BKCB Shares will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the industries in which our Group operates. The issue price of the Rights Shares and the exercise price of the Warrants were arrived at after taking into consideration, amongst others, the par value of BKCB Shares, the TERP of BKCB Shares based on the five (5)-day VWAMP of the BKCB Shares



immediately preceding the price-fixing date, the prevailing market price of BKCB Shares and market conditions, and the current and future prospects of our Group.

There can be no assurance that our shares will trade at or above the TERP of our Shares subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

The market price of the Warrants, like all listed securities traded on Bursa Securities and being new securities to be issued by our Company, are subject to, inter-alia, price discovery by investors, fluctuations in tandem with the overall outlook of the stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, potential payments of dividends and volatility of our Shares and the remaining exercise period of the Warrants. There is no assurance that the exercise price of the Warrants will be in-the-money during the tenure of the exercise period of the Warrants.

#### **6.2.2 Delay or failure in the completion of the Rights Issue**

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any force majeure events or events/circumstances, which are beyond the control of our Group, arising prior to the completion of the Rights Issue. Such events or circumstances include, amongst others, natural disasters, acts of government, acts of terrorism, acts of war, strikes, states of emergency and health epidemics.

In the event of failure in the completion of the Rights Issue, all application monies received pursuant to the Rights Issue will be refunded to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares with Warrants without interest within fourteen (14) days in accordance with Section 243(2) of the CMSA. In addition, monies not repaid within fourteen (14) days will be returned with interest at the rate of ten per centum (10%) per annum or at such other rate as may be prescribed by the SC.

Notwithstanding the above, our Company will exercise our best endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned events will not cause a delay in or failure of the Rights Issue.

#### **6.2.3 Factors affecting the Warrants**

There is no prior market for the Warrants, and as such there is no assurance that an active market for the Warrants will develop upon their listing and quotation on the Main Market of Bursa Securities, or if developed, that such a market may not be sustained or adequately liquid during the tenure of the Warrants.

Our Board believes that a variety of factors could cause the future market price performance of the Warrants to fluctuate, including but not limited to trades of substantial amount of the Warrants on Bursa Securities in the future, fluctuation in the market price of the underlying BKCB Shares, announcements of corporate developments relating to our Group's business and the future financial performance of our Group.

The future price performance of Warrants will also depend upon various external factors, such as the prospects of the industries in which our Group operates, the economic, monetary and political and industry conditions, outlook of interest rates, the performance of domestic and regional stock markets as well as the investors' sentiments and liquidity in the local stock market.

Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the market price performance of the BKCB Shares and the Warrants.

#### **6.3 Forward-looking statements**

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may affect the actual results, performance or achievements implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out

in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

## **7.0 INDUSTRY OVERVIEW AND FUTURE PROSPECTS**

### **7.1 Overview and outlook of the Malaysian economy**

The Malaysian economy recorded a stronger growth of 6.0% in 2014 (2013: 4.7%). Growth was driven by the continued strength in private domestic demand, and further lifted by the improvement in external trade performance. In particular, net exports turned around to contribute positively to growth in 2014 after seven consecutive years of negative contribution, as Malaysia's exports benefitted from the recovery in the advanced economies and continued demand from the region. This was reflected in a broad-based improvement in demand across markets and products, including the electrical and electronics (E&E) products. As the growth of real exports of goods and services outpaced the growth of imports, net exports recorded a strong growth of 19.7% in 2014 (2013: -12.6%) and contributed 1.4 percentage points to the overall GDP growth.

Domestic demand remained as the main anchor for growth, albeit at a more moderate pace of expansion, led by private sector activity. Private consumption was supported by favourable income growth and stable labour market conditions. The targeted Government transfers to the low- and middle-income groups provided additional support to private consumption despite the higher inflation during the year. Private investment continued to grow at a double-digit rate, driven by the manufacturing and services sectors. These sectors benefitted from the improvement in the external environment as well as the sustained domestic consumption. In line with the Government's commitment to fiscal consolidation, total public sector expenditure contributed only marginally to growth during the year. The cost-cutting initiatives by the Government to reduce discretionary spending that were announced at the end of 2013, particularly on travel, food and beverages as well as rentals, had partly led to the moderation in public consumption growth in 2014. Public investment, meanwhile, contracted following the lower capital spending by both the Federal Government and the public enterprises. The latter was due mainly to the completion and near-completion of some major projects during the year.

On the supply side, all economic sectors recorded higher growth in 2014. The services sector remained the largest contributor to growth, underpinned largely by sub-sectors catering to domestic demand. The stronger performance of the export-oriented industries and the expansion in domestic-oriented industries contributed to the strong growth in the manufacturing sector during the year. The construction sector continued to expand at a double-digit rate, owing mainly to stronger growth in both the residential and non-residential sub-sectors, with further support from the infrastructure projects under the civil-engineering sub-sector.

Overall, the Malaysian economy is projected to register a steady growth of 4.5 – 5.5% in 2015 (2014: 6.0%), supported mainly by a sustained expansion in domestic demand amid strong domestic fundamentals and a resilient export sector. Domestic demand will continue to anchor growth in 2015, driven by private sector spending. Private consumption is forecasted to record a more moderate growth during the year, after registering five consecutive years of above-average growth rates since the financial crisis in the advanced economies. While household spending is expected to be affected by the implementation of the Goods and Services Tax (GST) in April and lower earnings in the commodity-related sectors, its impact will, however, be partially offset by Government measures to assist targeted groups, the additional disposable incomes from lower fuel prices and the favourable labour market conditions. Similarly, after three consecutive years of double-digit growth, private investment is expected to moderate due mainly to lower investment in the mining sector following weak global crude oil prices. Nevertheless, private investment growth will be supported by on-going and new investments in the manufacturing and services sectors as firms benefit from the continued global recovery and lower cost of inputs. Public sector spending, in particular public investment, is expected to improve amidst higher spending on fixed assets, particularly by the public enterprises. In 2015, the contribution to growth from the Government is expected to remain modest.

*(Source: Bank Negara Malaysia, Annual Report 2014)*

## 7.2 Overview and outlook of the Malaysian property/construction sector

The construction sector is expected to continue to record high growth, albeit at a more moderate pace. Although activity in the residential sub-sector is expected to increase at a more moderate pace, growth in the non-residential sub-sector is projected to be sustained while new and existing multi-year civil engineering projects will continue to provide additional support to the sector.

The construction sector continued to expand at a double-digit rate, owing mainly to stronger growth in both the residential and non-residential sub-sectors, with further support from the infrastructure projects under the civil-engineering sub-sector.

The construction sector registered a higher growth of 11.6% during the year (2013: 10.9%), owing mainly to stronger growth in both the residential and non-residential sub-sectors. The robust growth in the residential sub-sector was attributed to continued progress in high-end housing projects in Johor, Klang Valley and Penang, while construction activities in the non-residential sub-sector were supported by commercial and industrial projects. The civil engineering sub-sector provided further support to the sector, underpinned by existing and new infrastructure projects.

The construction sector is expected to continue to record high growth, albeit at a more moderate pace in 2015. After several years of robust growth, activity in the residential sub-sector is expected to increase at a more moderate pace due to lower housing approvals and property launches. Nonetheless, growth in the non-residential sub-sector is projected to be sustained, amid higher construction activity for industrial and commercial buildings. New and existing multi-year civil engineering projects, particularly in the transport and utility segments, will continue to provide additional support to the sector.

*(Source: Bank Negara Malaysia, Annual Report 2014)*

The construction sector registered a steady growth of 8.7% during the fourth quarter of 2014 following the strong growth momentum of the non-residential and residential subsectors. The non-residential subsector rose 17.1% (Q3 2014: 7.9%), supported by the construction of factories for manufacturing, storage facilities and commercial buildings. The residential subsector increased 14.9% (Q3 2014: 18.6%), mainly due to higher housing construction amid favourable economic and business conditions as well as rising household income. However, the civil engineering subsector decreased 4.3% mainly due to the completion of major infrastructure projects. During the quarter, the total value of construction works expanded 9.7% to RM27.1 billion with 10,000 construction projects registered. The highest share was contributed by the non-residential building subsector with 34.6%, followed by the civil engineering subsector (30.6%), residential buildings (29.7%) and special trade (5.1%). The private sector continued to dominate construction activities with a share of 70% during the quarter.

*(Source: Malaysian Economy - Fourth Quarter 2014, Ministry of Finance)*

The Group's core business, M&E division, is considered a sub-sector within the property/construction sector. As such, the overview and outlook of the M&E sector would be dependent of, amongst others, the property/construction sector.

## 7.3 Prospects of our Group

As mentioned above, the Malaysian economy as well as the property/construction sector recorded reasonable growth in 2014 with residential and non-residential subsectors taking the lead and they are both expected to remain cautiously positive in 2015.

The Group's revenue and profitability are mainly contributed by its core business activities in M&E division and property/construction division across all major sectors. For the FYE 2014, M&E and property/construction divisions contributed approximately 94% and 6% to the Group's revenue respectively.

For the M&E division, the Group is currently working on several projects and will continue to be proactive in seeking new opportunities and bid for projects to build a healthy project pipeline. The

Group will also be working closely with its close associates and partners as well as its Japan-based partner, Kinden Corporation, in identifying new target markets/customers.

In addition, the Group will continuously source for new joint venture opportunities with landowners to expand its property/construction division especially in Malaysia. Being a relatively small player in the market, the Board and management will be responsive to challenging and changing market conditions and demands by employing appropriate marketing strategies that will suitably position the Group to fulfil the need of its target market.

The general property/construction sector in Malaysia is expected to be supported by various factors such as positive population growth cycle, rapid urbanisation, expected increase in domestic demand and catalytic developments such as the ongoing construction of mass rapid transit, light rail transit extension and the implementation of the Economic Transformation Programme projects. These factors and developments are expected to have positive impact on the property/construction sector (including likely spillover into the M&E sector) and will augur well for the Group's existing and prospective projects that could benefit from such positive spin off.

Hence, the Board and management of BKCB are fairly confident that the Group will perform satisfactorily with their current projects in hand for the FYE 2016 and the near future. As at the LPD, the Group's order book stood at approximately RM559.4 million and RM125.7 million for M&E related projects and property/construction projects respectively. Nonetheless, given the nature of the Group's business, it is vital for the Group to have sufficient funding/working capital in place for both its ongoing as well as prospective projects to ensure efficient and timely implementation of such projects.

With more than 40 years experience in the industry, the Board and management of BKCB endeavour to continue their efforts to strengthen and improve the future performance of the Group. To achieve this, the Board anticipates the Rights Issue to benefit the Group directly through the intended use of the proceeds to be raised therefrom. The Group will continue to practise prudent management in all its business activities.

Premised on the above which may have an adverse impact on the Group's business operations, the prospects of the Group are expected to be reasonably favourable and positive.

## 8.0 EFFECTS OF THE RIGHTS ISSUE

For illustration purposes, the relevant effects of the the Rights Issue shall be based on the following two (2) scenarios:-

- |                         |   |  |
|-------------------------|---|--|
| <b>Minimum Scenario</b> | : | <ul style="list-style-type: none"> <li>(i) Assuming only the Undertaking Shareholder subscribes for its entitlement pursuant to the Rights Issue based on the Minimum Subscription Level; and</li> <li>(ii) Assuming 19,800,000 Warrants to be issued to the Undertaking Shareholder pursuant to the Rights Issue based on the Minimum Subscription Level are all exercised into 19,800,000 new BKCB Shares at the exercise price of RM0.20 each.</li> </ul>             |
| <b>Maximum Scenario</b> | : | <ul style="list-style-type: none"> <li>(i) Assuming all the Treasury Shares are resold in the open market prior to the Entitlement Date;</li> <li>(ii) Assuming all the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue; and</li> <li>(iii) Assuming 102,500,327 Warrants to be issued pursuant to the Rights Issue are all exercised into 102,500,327 new BKCB Shares at the exercise price of RM0.20 each.</li> </ul> |

**8.1 Issued and paid-up share capital**

The proforma effects of the Rights Issue on the issued and paid-up share capital of BKCB are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of BKCB Shares	RM	No. of BKCB Shares	RM
Issued and paid-up share capital as at LPD	113,889,253	22,777,851	113,889,253	22,777,851
Rights Shares to be issued pursuant to the Rights Issue	19,800,000	3,960,000	102,500,327	20,500,065
	133,689,253	26,737,851	216,389,580	43,277,916
New BKCB Shares to be issued pursuant to the exercise of the Warrants	19,800,000	3,960,000	102,500,327	20,500,065
<b>Enlarged issued and paid-up share capital</b>	<b>153,489,253</b>	<b>30,697,851</b>	<b>318,889,907</b>	<b>63,777,981</b>

**8.2 Earnings and EPS**

The Rights Issue will not have any effect on the consolidated earnings and EPS of BKCB for the FYE 2015 as it is expected to be completed by the second half of 2015.

The Board expects that the Rights Issue will contribute positively to the future earnings of our Group based on the intended utilisation of proceeds which is principally earmarked for its working capital requirements in particular for its M&E and property/construction related projects as well as to reduce its gearings.

However, upon the completion of the Rights Issue, the EPS of BKCB would be diluted as a result of the increase in the number of new BKCB Shares arising therefrom as well as the exercise of the Warrants into new BKCB Shares, if any. However, the actual extent of dilution to the EPS of BKCB is dependent on, amongst others, the actual number of BKCB Shares issued, the utilisation of proceeds, the actual number of Warrants exercised and the future earnings of our Group.

**8.3 Convertible securities**

As at LPD, the Company does not have any other existing convertible securities.

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**8.4 NA, NA per Share and gearing**

The Company had on 10 March 2014 announced to Bursa Securities a proposed reduction in its issued and paid-up share capital via the cancellation of RM0.80 of the then par value of each existing ordinary share of RM1.00 to RM0.20 each pursuant to Section 64 of the Act ("Par Value Reduction"). As a result, the issued and paid-up share capital of the Company has been reduced from RM103,889,253 comprising 103,889,253 ordinary shares of RM1.00 each to RM20,777,851 comprising 103,889,253 ordinary shares of RM0.20 each. The Par Value Reduction became effective and was completed on 26 June 2014.

The Company had on 4 February 2015 proposed to undertake a private placement of not more than 10% of the issued and paid-up share capital of the Company. A total of 10,000,000 Placement Shares have been issued at an issue price of RM0.32 each and were listed and quoted on the Main Market of Bursa Securities on 24 April 2015. Accordingly, the Private Placement has been completed on 24 April 2015.

Based on the latest audited consolidated financial statements of our Company for the FYE 31 March 2014, the proforma effects of the Rights Issue on the consolidated NA per Share and gearing of our Group are as follows:-

**Minimum Scenario**

	(I) Audited as at 31 March 2014 RM'000	(II) After (I) and the Private Placement RM'000	(III) After (II) and the Rights Issue RM'000	(IV) After (III) and assuming full exercise of Warrants RM'000
Share capital	103,889	20,778	26,738	30,698
Share premium	1,142	1,142	(1), 542	1, 542
Treasury Shares	(3,462)	(3,462)	(3,462)	(3,462)
Fair value reserve	(2,339)	(2,339)	(2,339)	(2,339)
Foreign exchange reserve	4,361	4,361	4,361	4,361
Capital reserves	-	37,436	(3)35,456	(4)37,436
Warrant reserves <sup>(3)</sup>	-	-	(5)1,980	-
Accumulated losses	(45,675)	-	-	-
<b>Shareholders' funds / NA</b>	<b>57,916</b>	<b>57,916</b>	<b>64, 276</b>	<b>68, 236</b>
No. of BKCB shares ('000) <sup>(2)</sup>	101,892	101,892	111,892	151,492
NA per BKCB share (RM)	0.57	0.57	0.55	0.45
Interest bearing borrowings (RM'000)	144,142	144,142	144,142	144,142
Gearing (times)	2.49	2.49	2.36	2.11

**Maximum Scenario**

	(I) Audited as at 31 March 2014 RM'000	(II) After the Par Value Reduction RM'000	(III) After (I) and the Private Placement RM'000	(III) After (I) and the Rights Issue RM'000	(IV) After (III) and assuming full exercise of Warrants RM'000
Share capital	103,889	20,778	22,778	43,278	63,778
Share premium	1,142	1,142	(1)2,242	(1)1,542	1,542
Treasury Shares	(3,462)	(3,462)	(3,462)	(6)-	-
Fair value reserve	(2,339)	(2,339)	(2,339)	(2,339)	(2,339)
Foreign exchange reserve	4,361	4,361	4,361	4,361	4,361
Capital reserves	-	37,436	37,436	(3)27,186	(4)37,436
Warrant reserves <sup>(3)</sup>	-	-	-	(5)10,250	-
Accumulated losses	(45,675)	-	-	-	-
<b>Shareholders' funds / NA</b>	<b>57,916</b>	<b>57,916</b>	<b>61,016</b>	<b>84,278</b>	<b>104,778</b>

No. of BKCB shares ('000)	(2)101,892	(2)111,892	216,390	318,890
NA per BKCB share (RM)	0.57	0.57	0.55	0.33
Interest bearing borrowings (RM'000)	144,142	144,142	144,142	(7)141,142
Gearing (times)	2.49	2.49	2.36	1.67

Notes:-

- (1) After deducting the estimated expenses amounting to approximately RM0.1 million and RM0.7 million in relation to the Private Placement and Rights Issue respectively.
- (2) Excluding the Treasury Shares held by the Company as at the LPD.
- (3) After adjusting for the fair value of the Warrants.
- (4) After the reversal of the warrants reserve upon full exercise of the Warrants.
- (5) The estimated fair value per Warrant of approximately RM0.10 each has been determined using the Black-Scholes option pricing model.
- (6) Assuming all Treasury Shares are resold in the open market prior to the Entitlement Date.
- (7) Assuming RM3.0 million of the gross proceeds is utilised to repay part of the Group's borrowings.

### 8.5 Substantial shareholders' shareholdings

For illustrative purposes, the proforma effects of the Rights Issue on the shareholdings of the substantial shareholders of our Company based on our Company's Record of Depositors as at LPD are as follows:-

#### Minimum Scenario

Substantial shareholders	(I) As at LPD		(II) After (I) and the Rights Issue		(III) After (II) and assuming full exercise of Warrants	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares (1) %	No. of Shares (1) %	No. of Shares (1) %	No. of Shares (1) %	No. of Shares (1) %	No. of Shares (1) %
Bintai Holdings (M) Sdn Bhd	22,000,000 19.66	-	41,800,000 31.74	-	61,600,000 40.66	-
Kinden Corporation	21,348,750 19.08	-	21,348,750 16.21	-	21,348,750 14.09	-
Kenyalang Property Development Sdn Bhd	7,000,000 6.26	-	7,000,000 5.32	-	7,000,000 4.62	-
Ong Puay Koon	445,000 0.40	(2)22,700,000 20.29	445,000 0.34	(2)42,500,000 32.27	445,000 0.29	(2)62,300,000 41.12
Ong Choon Lui	-	(3)23,145,000 20.69	-	(3)42,945,000 32.61	-	(3)62,745,000 41.42

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Notes:-

- (1) Percentage shareholdings is calculated based on number of issued and paid-up share capital which excludes the Treasury Shares held by the Company as at the LPD.
- (2) Deemed interested via his shareholdings in Bintai Holdings (M) Sdn Bhd and Bin Tai Holdings Pte Ltd pursuant to Section 6A of the Act.
- (3) Ong Choon Lui is deemed interested in the shares held by Ong Puay Koon by virtue of him being a person connected to him.

## 9.0 DETAILS OF OTHER CORPORATE EXERCISES

Save for the Rights Issue, there are no other corporate exercises which has been approved by the relevant regulatory authorities but yet to be implemented as at the LPD.

## 10.0 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 10.1 Working Capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from operations, current cash in hand, existing banking facilities available and the proceeds of the Rights Issue, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

### 10.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM221.0 million, all of which are interest-bearing. The details of the outstanding borrowings of our Group are as follows:-

	Foreign Currency '000	RM'000
<b>Long term secured borrowings:-</b>		
- in SGD	1,116	2,985
- in RM	-	645
		<u>3,630</u>
<b>Short term secured borrowings:-</b>		
- in USD	1,359	4,848
- in SGD	48,844	119,994
- in RM	-	92,542
		<u>217,384</u>
<b>Total borrowings</b>		<u><u>221,014</u></u>

To the best of our Board's knowledge and belief, after having made all reasonable enquiries, there has been no default on payments of either interest and/or principal sums in respect of any borrowings for the FYE 2014 and the subsequent financial period up to the LPD.

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**10.3 Contingent liabilities**

As at the LPD, save as disclosed below, our Board is not aware, after having made all reasonable enquiries, of any other contingent liabilities incurred or known to be incurred by our Group, which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of our Group:-

	<b>Group RM'000</b>	<b>Company RM'000</b>
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies	-	242,933
Bank guarantees by subsidiary companies in respect of projects and security bond	111,815	-
Corporate guarantee given to licensed bank for banking facilities granted to the Company	8,904	-
<b>Total</b>	<b>120,719</b>	<b>242,933</b>

**10.4 Material commitments**

As at the LPD, our Board is not aware, after having made all reasonable enquiries, of any other material commitments contracted or known to be contracted by our Group which, upon becoming enforceable, may have a substantial impact on the results or the financial results/position of our Group.

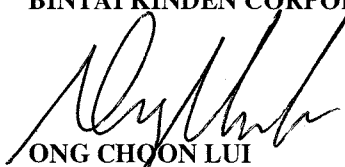
**11.0 TERMS AND CONDITIONS**

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and the RSF.

**12.0 FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of our Board  
**BINTAI KINDEN CORPORATION BERHAD**

  
**ONG CHOON LUI**  
Group Managing Director / Chief Executive Office

**CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE  
PASSED AT THE EGM HELD ON 13 APRIL 2015**



**BINTAI KINDEN CORPORATION BERHAD**

(290870-P)

("BKCB" or "Company")

(Incorporated in Malaysia)

**EXTRACT MINUTES** of the Extraordinary General Meeting of the Company held at No. 430, Jalan Sultan Azlan Shah (formerly Jalan Ipoh), 51200 Kuala Lumpur on Monday, 13 April 2015 at 10:00 a.m.

**PRESENT:**

**DIRECTORS**

: Tan Sri Dato' Kamaruzzaman Bin Shariff ("Chairman")  
Ong Puay Koon  
Ong Choon Lui  
Yen Yew Wing @ Yen Yew Ming  
Dato' Zakri Afandi Bin Ismail  
Sharifah Kadnariah Binti Syed Ahmad

Absent with apologies

Johari Bin Mohd Akhir  
Toru Tanimoto

**SHAREHOLDERS**

: As per Attendance Lists.

**IN ATTENDANCE**

: Ng Lai Yee - Company Secretary

**1. NOTICE OF MEETING**

The notice convening the meeting was taken as read.

**2. QUORUM**

The requisite quorum being present, the Chairman declared the meeting duly convened. The Chairman then introduced the Board members present to the shareholders.

**3. ORDINARY RESOLUTION**

The Ordinary Resolution in relation to the Proposed Rights Issue was put forth to the shareholders for consideration.

On the proposal of Mr Liew Won Zhang, a proxy for Kojiro Kawasaki, and duly seconded by Nurasyikin Binti Ali, a proxy for Abas Bin Mohd Yunus, the Chairman then put the following motion to the shareholders to vote by show of hands and was declared CARRIED.

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**CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT THE EGM HELD ON 13 APRIL 2015 (CONT'D)**

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*Bintai Kinden Corporation Berhad (290870 P)*

*Extract Minutes of Extraordinary General Meeting held on 13 April 2015 (cont'd)*

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 102,500,327 NEW ORDINARY SHARES OF RM0.20 EACH IN BKCB ("RIGHTS SHARES") TOGETHER WITH UP TO 102,500,327 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF NINE (9) RIGHTS SHARES TOGETHER WITH NINE (9) WARRANTS FOR EVERY TEN (10) EXISTING ORDINARY SHARES OF RM0.20 EACH HELD BY THE ENTITLED SHAREHOLDERS OF BKCB ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")**

**"THAT** subject to the approvals of all relevant authorities including the approval-in-principle granted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, the Warrants and the new BKCB Shares arising from the exercise of the Warrants pursuant to this Resolution, approval be and is hereby given for the Board of Directors of BKCB ("**Board**") to:-

- (i) provisionally allot and issue by way of renounceable rights issue of up to 102,500,327 Rights Shares together with up to 102,500,327 free Warrants on the basis of nine (9) Rights Shares together with nine (9) Warrants for every ten (10) existing BKCB Shares held by the entitled shareholders of the Company on an entitlement date to be determined later by the Board;
- (ii) deal with fractional entitlements under the Proposed Rights Issue arising from any reason whatsoever as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company;
- (iii) deal with the excess Rights Shares not subscribed for by the entitled shareholders of the Company in a fair and equitable manner on a basis to be determined later by the Board;
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue in the manner as detailed in Section 2.7 of the Circular and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject (where required) to the approval of the relevant authorities;
- (v) create and issue the Warrants based on the principal terms as set out in Appendix I of the Circular and the terms and conditions of a deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**");
- (vi) allot and issue such further Warrants as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll;
- (vii) allot and issue new BKCB Shares pursuant to the exercise of the Warrants (including further Warrants arising from any adjustments under the provisions of the Deed Poll); and
- (viii) enter into and execute the deed poll to be executed by the Company constituting the Warrants and to do all acts, deed and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

**THAT** the Rights Shares and the new BKCB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued ordinary shares of the Company save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Rights Shares or such new BKCB Shares;

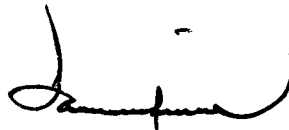
**CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE  
PASSED AT THE EGM HELD ON 13 APRIL 2015 (CONT'D)**

*Bintai Kinden Corporation Berhad (290870 P)*

*Extract Minutes of Extraordinary General Meeting held on 13 April 2015 (cont'd)*

**AND THAT** any one Director of BKCB be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue.”

CERTIFIED TRUE COPY



\_\_\_\_\_  
NG LAI YEE (MAICSA 7031768)  
Company Secretary

Dated : 13 April 2015

**INFORMATION ON BKCB****1. HISTORY AND PRINCIPAL ACTIVITIES**

BKCB was incorporated in Malaysia under the Companies Act 1965 on 28 February 1994 as a private company limited by shares under the name of AGW Holdings Sdn Bhd. On 18 November 1995, its name was changed to Bintai Corporation Sdn Bhd. It was converted to a public company limited by shares known as Bintai Corporation Berhad on 24 November 1995 and on 28 June 1996, it changed its name to its present name, Bintai Kinden Corporation Berhad. BKCB was listed on the Main Market (formerly known as the Main Board) of Bursa Securities on 23 January 1998.

The principal activities of our Company is investment holding. The principal activities of our subsidiaries are provisions of specialised M&E services, property development and construction, turnkey, infrastructure, civil and structural works, facilities management services, project management and consultancy services, energy performance contracting, trading in oleo-chemical products and property investment. Further details on the principal activities of our subsidiaries are set out in Section 5 of this Appendix II.

**2. SHARE CAPITAL**

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

Type	No. of Shares	Par value (RM)	Total (RM)
Authorised	2,500,000,000	0.20	500,000,000
Issued and paid-up	113,889,253	0.20	22,777,851

Details of the changes in the authorised share capital as well as issued and fully paid-up share capital of our Company for the past three (3) years prior the LPD are as follows:-

**Authorised share capital**

Date of creation	No. of shares created	Cumulative no. of authorised shares	Par value (RM)	Total created (RM)	Cumulative authorised share capital (RM)
b/f	-	500,000,000	1.00	-	500,000,000
19 June 2014 <sup>(1)</sup>	-	2,500,000,000	0.20	-	500,000,000

Note:-

- (1) BKCB had on 19 June 2014 sanctioned by the High Court of Malaya pursuant to Section 64 of the Act, to reduce its issued and paid-up share capital and unissued ordinary shares through the cancellation of RM0.80 of the par value of each existing ordinary share of RM1.00 each in BKCB to RM0.20 each in BKCB. The lodgement of the order with the Companies Commission of Malaysia was made on 26 June 2014.

**INFORMATION ON BKCB (CONT'D)****Issued and fully paid-up share capital**

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Par value (RM)</b>	<b>Type of issue/ Consideration</b>	<b>Cumulative issued and paid-up share capital (RM)</b>
b/f	-	1.00	-	103,889,253
19 June 2014	-	0.20	Par value reduction	20,777,851
23 April 2015	10,000,000	0.20	Private Placement	22,777,851

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## INFORMATION ON BKCB (CONT'D)

## 3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Record of Depositors of our Company, the shareholdings of our substantial shareholders as at the LPD and after the Rights Issue are set out below:-

Minimum Scenario	(I) Existing as at the LPD		(II) After (I) and the Rights Issue				
	No of Shares	(%)	Direct No of Shares	Indirect No of Shares	Direct No of Shares	Indirect No of Shares	(%)
Bintai Holdings (M) Sdn Bhd	22,000,000	19.66	-	-	41,800,000	-	31.74
Kinden Corporation	21,348,750	19.08	-	-	21,348,750	-	16.21
Kenyalang Property Development Sdn Bhd	7,000,000	6.26	-	-	7,000,000	-	5.32
Ong Puay Koon	445,000	0.40	(2)22,700,000	20.29	445,000	(2)42,500,000	0.34
Ong Choon Lui	-	-	(3)23,145,000	20.69	-	(3)42,945,000	32.61

Minimum Scenario	(III) After (II) and full exercise of the Warrants				
	No of Shares	(%)	Direct No of Shares	Indirect No of Shares	(%)
Bintai Holdings (M) Sdn Bhd	61,600,000	40.66	-	-	-
Kinden Corporation	21,348,750	14.09	-	-	-
Kenyalang Property Development Sdn Bhd	7,000,000	4.62	-	-	-
Ong Puay Koon	445,000	0.29	(2)62,300,000	41.12	41.12
Ong Choon Lui	-	-	(3)62,745,000	41.42	41.42

## INFORMATION ON BKCB (CONT'D)

Maximum Scenario	(I) Existing as at the LPD			(II) After (I) and the Treasury Shares are resold in the open market			
	No of Shares	(1)%	Indirect No of Shares	(1)%	Direct No of Shares	Indirect No of Shares	%
Bintai Holdings (M) Sdn Bhd	22,000,000	19.66	-	-	22,000,000	-	19.32
Kinden Corporation	21,348,750	19.08	-	-	21,348,750	-	18.75
Kenyalang Property Development Sdn Bhd	7,000,000	6.26	-	-	7,000,000	-	6.15
Ong Puay Koon	445,000	0.40	(2)22,700,000	20.29	445,000	(2)22,700,000	19.93
Ong Choon Lui	-	-	(3)23,145,000	20.69	-	(3)23,145,000	20.32

Maximum Scenario	(III) After (II) and the Rights Issue			(IV) After (III) and full exercise of the Warrants			
	No of Shares	%	Indirect No of Shares	%	Direct No of Shares	Indirect No of Shares	%
Bintai Holdings (M) Sdn Bhd	41,800,000	19.32	-	-	61,600,000	-	19.32
Kinden Corporation	40,562,625	18.75	-	-	59,776,500	-	18.75
Kenyalang Property Development Sdn Bhd	13,300,000	6.15	-	-	13,300,000	-	6.15
Ong Puay Koon	845,500	0.39	(2)43,130,000	19.93	1,246,000	(2)63,560,000	19.93
Ong Choon Lui	-	-	(3)43,975,500	20.32	-	(3)64,806,000	20.32

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**INFORMATION ON BKCB (CONT'D)**

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Notes:-

- (1) Percentage shareholdings is calculated based on number of issued and paid-up share capital which excludes the Treasury Shares held by the Company as at the LPD.
- (2) Deemed interested via his shareholdings in Bintai Holdings (M) Sdn Bhd and Bin Tai Holdings Pte Ltd pursuant to Section 6A of the Act.
- (3) Ong Choon Lui is deemed interested in the shares held by Ong Puay Koon by virtue of him being a person connected to him.

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**INFORMATION ON BKCB (CONT'D)**


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**4. DIRECTORS**

The particulars of our Directors as at the LPD are set out below:-

<b>Name</b>	<b>Address</b>	<b>Age</b>	<b>Nationality</b>	<b>Profession</b>	<b>Designation</b>
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff	No. 82, Taman Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur	73	Malaysian	Director	<i>Independent Non-Executive Chairman</i>
Ong Puay Koon	166, Jalan Tun Tan Cheng Lock 75200 Melaka	71	Malaysian	Director	<i>Executive Vice Chairman</i>
Ong Choon Lui	166, Jalan Tun Tan Cheng Lock 75200 Melaka	43	Permanent Resident of Malaysia	Director	<i>Group Managing Director/Chief Executive Officer</i>
Yen Yew Wing @ Yen Yew Ming	6, Jalan Athinahappan 4 Taman Tun Dr Ismail 60000 Kuala Lumpur	62	Malaysian	Director	<i>Executive Director</i>
Sharifah Kadnariah Binti Syed Ahmad	No. 5, Jalan SS19/4C 47500 Subang Jaya Selangor	43	Malaysian	Director	<i>Executive Director</i>
Dato' Zakri Afandi Bin Ismail	No. 18, Jalan Pawang Bukit Keramat 64000 Kuala Lumpur	48	Malaysian	Director	<i>Independent Non-Executive Director</i>
Toru Tanimoto	1-6-38-313, Tachibanadai Aoba-Ku Yokohama 227-0046 Japan	57	Japanese	Director	<i>Non- Independent Non-Executive Director</i>
Johari Bin Mohd Akhir	No. 3, Jalan Perkasa Tiga Taman Maluri Cheras 55100 Kuala Lumpur	64	Malaysian	Director	<i>Independent Non-Executive Director</i>
Tokumoto Masashi	150, Thomson Road #15-05 Singapore 307605	47	Japanese	Director	<i>Alternate Director to Toru Tanimoto</i>

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## INFORMATION ON BKCB (CONT'D)

The shareholdings of our Directors as at the LPD and after the Rights Issue are set out below:-

Minimum Scenario	(I) Existing as at the LPD		(II) After (I) and Rights Issue			
	Direct No of Shares	(I)% %	Direct No of Shares	(II)% %	Indirect No of Shares	(II)% %
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff	-	-	-	-	-	-
Ong Puay Koon	445,000	0.40	<sup>(2)</sup> 22,700,000	20.29	445,000	0.34
Ong Choon Lui	-	-	<sup>(3)</sup> 23,145,000	20.69	-	-
Yen Yew Wing @ Yen Yew Ming	525,000	0.52	-	-	525,000	0.40
Sharifah Kadariah Binti Syed Ahmad	59,000	0.06	-	-	59,000	0.04
Dato' Zakri Afandi Bin Ismail	-	-	-	-	-	-
Toru Tanimoto	-	-	-	-	-	-
Johari Bin Mohd Akhir	-	-	-	-	-	-
Tokumoto Masashi	-	-	-	-	-	-
					<sup>(2)</sup> 42,500,000	32.27
					<sup>(3)</sup> 42,945,000	32.61

Minimum Scenario	(III) After (II) and full exercise of the Warrants			
	Direct No of Shares	(III)% %	Indirect No of Shares	(III)% %
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff	-	-	-	-
Ong Puay Koon	445,000	0.29	<sup>(2)</sup> 62,300,000	41.13
Ong Choon Lui	-	-	<sup>(3)</sup> 62,745,000	41.42
Yen Yew Wing @ Yen Yew Ming	525,000	0.35	-	-
Sharifah Kadariah Binti Syed Ahmad	59,000	0.04	-	-
Dato' Zakri Afandi Bin Ismail	-	-	-	-
Toru Tanimoto	-	-	-	-
Johari Bin Mohd Akhir	-	-	-	-
Tokumoto Masashi	-	-	-	-

## INFORMATION ON BKCB (CONT'D)

Maximum Scenario	(I) Existing as at the LPD			(II) After (I) and the Treasury Shares are resold in the open market			
	Direct No of Shares	(1)%	Indirect No of Shares	(2)%	Direct No of Shares	Indirect No of Shares	(3)%
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff	-	-	-	-	-	-	-
Ong Puay Koon	445,000	0.40	(2)22,700,000	20.29	445,000	(2)22,700,000	19.93
Ong Choon Lui	-	-	(3)23,145,000	20.69	-	(3)23,145,000	20.32
Yen Yew Wing @ Yen Yew Ming	525,000	0.52	-	-	525,000	-	-
Sharifah Kadariah Binti Syed Ahmad	59,000	0.06	-	-	59,000	-	-
Dato' Zakri Afandi Bin Ismail	-	-	-	-	-	-	-
Toru Tanimoto	-	-	-	-	-	-	-
Johari Bin Mohd Akhir	-	-	-	-	-	-	-
Tokumoto Masashi	-	-	-	-	-	-	-

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## INFORMATION ON BKCB (CONT'D)

Maximum Scenario	(III) After (II) and the Rights Issue			(IV) After (III) and full exercise of the Warrants		
	No of Shares	Direct	Indirect	No of Shares	Direct	Indirect
YBhg Tan Sri Dato' Kamaruzzaman Bin Shariff	-	-	-	-	-	-
Ong Puay Koon	845,500	0.39	<sup>(2)</sup> 43,130,000	19.93	1,246,000	<sup>(2)</sup> 63,560,000
Ong Choon Lui	-	-	<sup>(3)</sup> 43,975,500	20.32	-	<sup>(3)</sup> 64,806,000
Yen Yew Wing @ Yen Yew Ming	997,500	0.46	-	-	1,470,000	0.46
Sharifah Kadnariah Binti Syed Ahmad	112,100	0.05	-	-	165,200	0.05
Dato' Zakri Afandi Bin Ismail	-	-	-	-	-	-
Toru Tanimoto	-	-	-	-	-	-
Johari Bin Mohd Akhir	-	-	-	-	-	-
Tokumoto Masashi	-	-	-	-	-	-

## Notes:-

- (1) Percentage shareholdings is calculated based on number of issued and paid-up share capital which excludes the Treasury Shares held by the Company as at the LPD.
- (2) Deemed interested via his shareholdings in Bintai Holdings (M) Sdn Bhd and Bin Tai Holdings Pte Ltd pursuant to Section 6A of the Act.
- (3) Ong Choon Lui is deemed interested in the shares held by Ong Puay Koon by virtue of him being a person connected to him.

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## INFORMATION ON BKCB (CONT'D)

## 5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, our subsidiaries are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activities
Kejuruteraan Bintai Kindenko Sdn Bhd	10 September 1982 Malaysia	RM12,000,000	100.00	Provision of specialised M&E services, construction, property investment and development and investment holding.
Bintai Trading Sdn Bhd	26 February 1994 Malaysia	RM7,383,608	100.00	Trading in oleo-chemical products.
Bintai Integrated Engineering & Construction Sdn Bhd	15 September 1998 Malaysia	RM750,000	100.00	Construction of power plants and transmission lines, provision of specialised M&E services, provision of civil and structural and undertaking of turnkey and infrastructure projects.
Bintai Asset Holdings Sdn Bhd	26 August 2005 Malaysia	RM100	100.00	Investment holding.
Bintai Facilities Management Sdn Bhd <sup>(1)</sup>	20 October 1998 Malaysia	RM2	100.00	Provision of property management and facilities management services.
Bintai Property Development Sdn Bhd <sup>(2)</sup>	14 March 1992 Malaysia	RM500,000	100.00	Property development.
Bintai Kindenko Pte Ltd	6 October 1973 Singapore	SGD8,500,000	69.82	M&E contractor.
Bintai Kindenko (Vietnam) Co. Ltd <sup>(3)</sup>	10 April 2008 Vietnam	USD500,000	69.82	Provision of technical services in the field of M&E services and project consultancy and management.
Bintai Kindenko Energy Pte Ltd <sup>(3)</sup>	1 September 2009 Singapore	SGD100	69.82	Provision of energy efficiency audit and design consultancy and energy performance contracting.
Bintai Kindenko Indonesia Holdings Pte Ltd <sup>(3)</sup>	17 May 2012 Singapore	SGD100	69.82	Investment holding.
Bintai Kindenko Property Pte Ltd <sup>(3)</sup>	6 March 2013 Singapore	SGD100	69.82	Investment holding.



## INFORMATION ON BKCB (CONT'D)

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activities
Bintai Kindenکو Engineering & Construction Pte. Ltd. <sup>(3)</sup>	8 May 2014 Singapore	SGD200,000	69.82	Electric works; and installation of industrial machinery and equipment; mechanical engineering works.
BK Singapore Trading Pte. Ltd. <sup>(3)</sup>	26 November 2014 Singapore	SGD100	69.82	General wholesale trading (including general importers and exporters).
PT BK Indonesia <sup>(3)</sup>	1 October 2012 Indonesia	IDR1,912,000,000	46.78	Provide technical services in the field of M&E and project consultancy and management.
Bintai Kindenکو Myanmar Company Limited <sup>(3)</sup>	30 May 2013 Myanmar	MMK59,908,000	69.81	M&E, installation, maintenance and renovation of electrical and electronic goods.
Bintai Kindenکو Property Investment Pte Ltd <sup>(4)</sup>	16 April 2013 Singapore	SGD100	69.82	Investment holdings.
Bintai Kindenکو (Cambodia) Pte. Ltd. <sup>(3)</sup>	28 October 2014 Cambodia	— <sup>(5)</sup>	69.82	Construction services, project designing, supervision of all construction related projects.

Notes:-

- (1) Held indirectly through Kejuruteraan Bintai Kindenکو Sdn Bhd.
- (2) Held indirectly through Bintai Trading Sdn Bhd.
- (3) Held indirectly through Bintai Kindenکو Pte Ltd.
- (4) Held indirectly through Bintai Kindenکو Property Pte Ltd.
- (5) Shares have yet to be subscribed as at LPD.

As at the LPD, our associates are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activities
KBK Dubai Contracting LLC	11 June 2005 United Arab Emirates	AED300,000	49.00	Civil engineering works, electrical fitting, contracting, electromechanical equipment installation, plumbing and sanitary services.
PT Bintai Kindenکو Engineering Indonesia	30 July 2012 Indonesia	IDR3.15 million	30.00	M&E services.

## INFORMATION ON BKCB (CONT'D)

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activities
Bintai Gemilang Petroleum Engineering Sdn Bhd (formerly known as Bintai Cotrade Petroleum Engineering Sdn Bhd)	20 January 2010 Malaysia	RM500,000	30.00	Provision of technical services in the field of M&E.

## 6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to FYE 2014 and unaudited consolidated financial statements for the 9-month FPE 31 December 2014:-

	<-----Audited----->			Unaudited	
	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	9-month FPE 31 December 2013 RM'000	9-month FPE 31 December 2014 RM'000
Revenue	367,759	344,796	398,802	318,589	314,981
Gross profit	57,177	30,155	31,352	21,361	22,872
Other income	20,036	23,906	33,846	33,657	4,689
EBITDA/(LBITDA)	12,212	12,181	10,864	6,791	(3,310)
Less: Depreciation & amortisation	(1,291)	(875)	(1,066)	(770)	(996)
Finance costs	(5,487)	(4,406)	(3,757)	(2,934)	(3,110)
PBT/(LBT)	5,434	6,900	6,041	3,087	(7,416)
Taxation	(5,333)	(3,595)	(3,271)	(1,097)	2,391
<b>PAT/(LAT)</b>	<b>101</b>	<b>3,305</b>	<b>2,770</b>	<b>1,990</b>	<b>(5,025)</b>
Share of results in associates	(183)	84	(301)	(215)	(448)
Share of results in jointly controlled entities	-	(10)	208	(10)	173
<b>PAT/(LAT) attributable to:</b>					
Equity holders of the Company	(9,486)	(819)	(1,506)	226	(3,749)
Minority interest	9,587	4,124	4,276	1,764	(1,276)
Gross profit margin (%)	15.55	8.75	7.86	6.70	7.26
PBT/(LBT) margin (%)	1.48	2.00	1.51	0.97	(2.35)
Weighted average number of Shares in issue ('000)	101,892	101,892	101,892	101,892	101,892
Basic EPS/(LPS) (sen)	(9.31)	(0.80)	(1.48)	0.22	(3.68)
Diluted EPS/(LPS) (sen)	-	-	-	-	-
Gross dividend per Share (sen)	-	-	-	-	-

**INFORMATION ON BKCB (CONT'D)****Commentaries on Past Financial Performance****(i) FYE 2012 as compared to FYE 2011**

The Group posted a revenue of RM367.76 million in FYE 2012, which was a slight decline by 3.24% as compared to the preceding financial year of RM380.09 million mainly due to lower billings recorded by a Malaysian subsidiary with a few projects that have reached tail-end during the financial year.

The Group registered a lower PBT of RM5.43 million for FYE 2012 as compared to PBT of RM23.33 million for FYE 2011. This was mainly due to substantial impairment loss on receivables amounted to RM38.9 million which pushed up the operating expenses, resulted in a drastic drop in the PBT for the financial year under review. However, the higher operating expenses were off-set by the higher other income recorded by the Group of about RM15.1 million, comprising the gain on disposal in investment of subsidiary, investment properties and property, plant and equipment.

**(ii) FYE 2013 as compared to FYE 2012**

During the FYE 2013, the Group achieved a revenue of RM344.80 million, which was slightly lower by 6.24% as compared to the preceding financial year of RM367.76 million. The decreased in the year-to-date revenue was due to the overall lesser revenue generated across the Group as a result of completion of several projects during the financial year and that some of the new projects have just commenced towards the end of that financial year.

Notwithstanding the lower revenue recorded for FYE 2013, PBT has increased to RM6.90 million as compared to the preceding financial year of RM5.43 million as a result of lower impairment loss on receivables of RM7.8 million against RM38.9 million recorded in the previous year.

**(iii) FYE 2014 as compared to FYE 2013**

The Group registered a revenue of RM398.80 million for the FYE 2014, an increase of 15.6% from RM344.80 million in the previous year. This was due to a substantial contribution from the specialised M&E projects which were initiated a year ago and were at their peak in the first (1<sup>st</sup>) half of the financial year. In addition, the commencement of contribution from the property segment also contributed to the higher revenue for the financial year.

Despite the higher revenue, the Group recorded a PBT of RM6.04 million for FYE 2014, a marginal decrease, as compared to PBT of RM6.90 million for FYE 2013. The higher other income mainly because of reversal of provision for claims from sub-contractors and warranty and defects as well as reversal of impairment loss on receivables amounted to RM26.6 million (FYE 2013: RM16.7 million) and RM8.2 million (FYE 2013: RM1.9 million) respectively has been offset by higher operating expenses, partly due to bad debts written-off on trade receivables and directors' remuneration amounted to RM7.7 million (FYE 2013: Nil) and RM28.7 million (FYE 2013: RM22.0 million), hence resulted in the lower PBT.

**(iv) FPE 31 December 2014 as compared to FPE 31 December 2013**

The Group's revenue for the FPE 31 December 2014 was RM314.98 million as compared to RM318.59 million for the FPE 31 December 2013, a slight decrease of approximately 1.1%. Whilst the M&E division recorded a decrease in revenue generated for the FPE 31 December 2014, the fall was cushioned by the revenue contribution from the property/construction division during the said period amounted to RM58.9 million (FPE 31 December 2013: Nil).

**INFORMATION ON BKCB (CONT'D)**

Nonetheless, a lower other income recorded by the Group mainly because there was a reversal of provision for claims from sub-contractors and reversal of impairment loss on receivables amounted to RM16.4 million (FPE 31 December 2014: Nil) and RM9.1 million (FPE 31 December 2014: RM2.9 million) respectively for the FPE 31 December 2013. This has resulted in a LBT of RM7.42 million incurred by the Group for the FPE 31 December 2014 against a PBT of RM3.09 million for the previous corresponding period.

**7. HISTORICAL SHARE PRICE**

The monthly highest and lowest prices of BKCB Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:-

	Highest (RM)	Lowest (RM)
<b>2014</b>		
May	0.355	0.320
June	0.475	0.325
July	0.465	0.360
August	0.435	0.360
September	0.380	0.360
October	0.360	0.320
November	0.360	0.330
December	0.335	0.270
<b>2015</b>		
January	0.370	0.275
February	0.370	0.290
March	0.330	0.290
April	0.390	0.300

The last transacted market price of BKCB Shares immediately prior to the announcement of the Rights Issue on 4 February 2015 was RM0.31.

The last transacted price of our Shares on 30 April 2015, being the LPD was RM0.32.

The last transacted market price of BKCB Shares on 18 May 2015, being the date prior to the ex-date for the Rights Issue was RM0.35.

*(Source: Bloomberg)*

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**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**

**ONG BOON BAH & CO**

CHARTERED ACCOUNTANTS

**REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014**

Date: 11 May 2015

The Board of Directors,  
Bintai Kinden Corporation Berhad (290870-P)  
No.430,  
Jalan Sultan Azlan Shah  
(formerly Jalan Ipoh),  
51200 Kuala Lumpur.

Dear Sirs,

**BINTAI KINDEN CORPORATION BERHAD ("BKCB" OR THE "COMPANY") AND ITS SUBSIDIARIES ("BKCB GROUP")**

**REPORT ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014**

We have completed our assurance engagement to report on the compilation of the Proforma Consolidated Statements of Financial Position of the BKCB Group as at 31 March 2014, together with the notes and assumptions thereto. The Proforma Consolidated Statements of Financial Position together with the accompanying notes as set out in Appendix A have been compiled and prepared by the Board of Directors of the Company for inclusion in the Abridged Prospectus of BKCB to be issued in connection to the Rights Issue (as defined below).

The Proforma Consolidated Statements of Financial Position of the BKCB Group as at 31 March 2014 have been compiled by the Board of Directors of BKCB, for illustrative purposes only, to show the effects of the following proposals undertaken by BKCB on the Consolidated Statements of Financial Position had the Proposals (as defined below) been effected on that date:

- (a) Private placement of 10,000,000 new ordinary shares of RM0.20 each in BKCB ("**Placement Shares**"), representing approximately 9.8% of the issued and paid-up share capital of the Company, at an issue price of RM0.32 each, based on a shareholders' mandate procured pursuant to Section 132D of the Companies Act, 1965 ("**Private Placement**"). The Private Placement has been completed on 24 April 2015 with the listing of and quotation for the 10,000,000 Placement Shares on the Main Market of Bursa Securities on that date; and
- (b) Renounceable rights issue of up to 102,500,327 new ordinary shares of RM0.20 each in BKCB ("**Rights Shares**") at an issue price of RM0.20 each together with up to 102,500,327 free Warrants ("**Warrants**") on the basis of nine (9) Rights Shares together with nine (9) Warrants for every ten (10) existing BKCB shares held by the entitled shareholders of BKCB on 21 May 2015 ("**Rights Issue**").

The Private Placement and Rights Issue are collectively referred to as the "**Proposals**".

As part of this process, information about the BKCB Group's consolidated financial position has been extracted by the Board of Directors from the audited consolidated statement of financial position of the Company as at 31 March 2014, on which an audit report has been published.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)****ONG BOON BAH & CO**

CHARTERED ACCOUNTANTS

*Directors' responsibility*

The Board of Directors of the BKCB is responsible for compiling the Proforma Consolidated Statements of Financial Position on the basis set out in the accompanying notes of Appendix A and in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia.

*Reporting Accountants' responsibilities*

Our responsibility is to express an opinion, about whether the Proforma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors of BKCB on the basis set out in accompanying notes of Appendix A.

We conducted our engagement in accordance with the International Standard on Assurance Engagements, ISAE 3420 Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus, issued by the International Auditing and Assurance Standards Board and adopted in Malaysia. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of BKCB has compiled, in all material aspects, the Proforma Consolidated Statements of Financial Position on the basis set out in accompanying notes of Appendix A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any financial information used in compiling the Proforma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Consolidated Statements of Financial Position.

The purpose of Proforma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the BKCB Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Proforma Consolidated Statements of Financial Position have been compiled, in all material aspects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors of BKCB in the compilation of Proforma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction and to obtain sufficient appropriate evidence about whether:

- The related Proforma adjustments give appropriate effect to those criteria; and
- The Proforma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the BKCB Group, the event or transaction in respect of which the Proforma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of Proforma Consolidated Statements of Financial Position.

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

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**ONG BOON BAH & CO**

CHARTERED ACCOUNTANTS

*Our opinion*

In our opinion:

- (a) The Proforma Consolidated Statements of Financial Position of the BKCB Group together with the accompanying notes, which are prepared for illustrative purposes only, have been properly prepared on the basis and assumptions as set out in accompanying notes, and such basis is consistent, in all aspects, with accounting policies adopted by the BKCB Group, unless otherwise stated;
- (b) The audited financial statements used in the preparation of the Proforma Consolidated Statements of Financial Position, have been prepared in accordance with Financial Reporting Standards in Malaysia and the Proforma Consolidated Statements of Financial Position have been properly prepared in a manner consistent with the format of the financial statements to be adopted by the BKCB Group; and
- (c) Each material adjustments made to the information used in the preparation of the Proforma Consolidated Statements of Financial Position is appropriate, in all material respects, for the purposes of preparing the Proforma Consolidated Statements of Financial Position.

*Other Matter*

This letter is issued for the sole purpose of the Proposals and for inclusion in the Abridged Prospectus. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,



**ONG BOON BAH & CO**  
AF: 0320  
Chartered Accountants



**WONG SUI THIAM**  
1315/12/16(J)  
Partner of the firm

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014**

The Proforma Consolidated Statements of Financial Position of the Group set out below are provided for illustrative purposes only to show the effects of the Proposals on the assumption that the Proposals was completed on 31 March 2014 and should be read in conjunction with the accompanying notes.

**MINIMUM SCENARIO**

	Audited As At 31.03.2014 RM'000	Balance After Adjusting For Par Value Reduction RM'000		Proforma I After Private Placement RM'000		Proforma II Rights Issue Adjustments RM'000		Proforma III After Assumed Full Exercise of Warrants RM'000	
		Adjustments RM'000	RM'000	Adjustments RM'000	RM'000	Adjustments RM'000	RM'000	Adjustments RM'000	RM'000
<b>ASSETS</b>									
<b>Non-Current Assets</b>									
Property, plant and equipment	6,628	-	6,628	-	6,628	-	6,628	-	6,628
Investment in associates	164	-	164	-	164	-	164	-	164
Investment in jointly control entities	5,406	-	5,406	-	5,406	-	5,406	-	5,406
Other investments	2,716	-	2,716	-	2,716	-	2,716	-	2,716
Deferred tax assets	419	-	419	-	419	-	419	-	419
	15,333	-	15,333	-	15,333	-	15,333	-	15,333
<b>Current Assets</b>									
Property development costs	16,471	-	16,471	-	16,471	-	16,471	-	16,471
Amounts due from contract customers	79,899	-	79,899	-	79,899	-	79,899	-	79,899
Inventories	971	-	971	-	971	-	971	-	971
Receivables	183,101	-	183,101	-	183,101	-	183,101	-	183,101
Tax recoverable	14	-	14	-	14	-	14	-	14
Deposits, bank and cash balances	37,689	-	37,689	3,100	40,789	3,260	44,049	3,960	48,009
	318,145	-	318,145	3,100	321,245	3,260	324,505	3,960	328,465
	333,478	-	333,478	3,100	336,578	3,260	339,838	3,960	343,798
<b>TOTAL ASSETS</b>									



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A**

**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 (cont'd)**

	Audited As At 31.03.2014 RM'000	Adjustments RM'000	Balance After Adjusting For Par Value Reduction RM'000	Proforma I			Proforma II		Proforma III	
				Adjustments RM'000	After Private Placement RM'000	Adjustments RM'000	After Rights Issue RM'000	Adjustments RM'000	After Full Assumed Exercise of Warrants RM'000	
<b>EQUITY AND LIABILITIES</b>										
Share capital	103,889	(83,111)	20,778	2,000	22,778	3,960	26,738	3,960	30,698	
Share premium	1,142	-	1,142	1,100	2,242	(700)	1,542	-	1,542	
Treasury shares	(3,462)	-	(3,462)	-	(3,462)	-	(3,462)	-	(3,462)	
Fair value reserve	(2,339)	-	(2,339)	-	(2,339)	-	(2,339)	-	(2,339)	
Foreign exchange reserve	4,361	-	4,361	-	4,361	-	4,361	-	4,361	
Capital reserve	-	37,436	37,436	-	37,436	(1,980)	35,456	1,980	37,436	
Warrant reserve	-	-	-	-	-	1,980	1,980	(1,980)	-	
Accumulated losses	(45,675)	45,675	-	-	-	-	-	-	-	
<b>Equity attributable to owners of the parent</b>	57,916	-	57,916	3,100	61,016	3,260	64,276	3,960	68,236	
Non-controlling interests	12,037	-	12,037	-	12,037	-	12,037	-	12,037	
<b>Total equity</b>	69,953	-	69,953	3,100	73,053	3,260	76,313	3,960	80,273	
<b>Non-Current Liabilities</b>										
Bank borrowings	2,814	-	2,814	-	2,814	-	2,814	-	2,814	
<b>Current liabilities</b>										
Amounts due to contract customers	27,460	-	27,460	-	27,460	-	27,460	-	27,460	
Payables	84,954	-	84,954	-	84,954	-	84,954	-	84,954	
Provisions	3,213	-	3,213	-	3,213	-	3,213	-	3,213	
Bank borrowings	141,328	-	141,328	-	141,328	-	141,328	-	141,328	
Tax liabilities	3,756	-	3,756	-	3,756	-	3,756	-	3,756	
	260,711	-	260,711	-	260,711	-	260,711	-	260,711	
	263,525	-	263,525	-	263,525	-	263,525	-	263,525	
<b>TOTAL EQUITY AND LIABILITIES</b>	333,478	-	333,478	3,100	336,578	3,260	339,838	3,960	343,798	
<b>Net assets per share (RM)</b>	0.57		0.57		0.55		0.49		0.45	

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 (cont'd)**

**MAXIMUM SCENARIO**

	Audited As At 31.03.2014 RM'000	Adjustments RM'000	Balance After Adjusting For		Proforma I		Proforma II		Proforma III	
			Par Value Reduction RM'000	Adjustments RM'000	After Private Placement RM'000	Adjustments RM'000	After Rights Issue RM'000	Adjustments RM'000	After Assumed Full Exercise of Warrants RM'000	
<b>ASSETS</b>										
<b>Non-Current Assets</b>										
Property, plant and equipment	6,628	-	6,628	-	6,628	-	6,628	-	6,628	6,628
Investment in associates	164	-	164	-	164	-	164	-	164	164
Investment in jointly control entities	5,406	-	5,406	-	5,406	-	5,406	-	5,406	5,406
Other investments	2,716	-	2,716	-	2,716	-	2,716	-	2,716	2,716
Deferred tax assets	419	-	419	-	419	-	419	-	419	419
	15,333	-	15,333	-	15,333	-	15,333	-	15,333	15,333
<b>Current Assets</b>										
Property development costs	16,471	-	16,471	-	16,471	-	16,471	-	16,471	16,471
Amounts due from contract customers	79,899	-	79,899	-	79,899	-	79,899	-	79,899	79,899
Inventories	971	-	971	-	971	-	971	-	971	971
Receivables	183,101	-	183,101	-	183,101	-	183,101	-	183,101	183,101
Tax recoverable	14	-	14	-	14	-	14	-	14	14
Deposits, bank and cash balances	37,689	-	37,689	3,100	40,789	20,262	61,051	20,500	81,551	81,551
	318,145	-	318,145	3,100	321,245	20,262	341,507	20,500	362,007	362,007
	333,478	-	333,478	3,100	336,578	20,262	356,840	20,500	377,340	377,340
<b>TOTAL ASSETS</b>										

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A**

**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 (cont'd)**

	Audited As At 31.03.2014 RM'000	Adjustments RM'000	Balance After Adjusting For Par Value Reduction RM'000	Proforma I		Proforma II		Proforma III	
				After Private Placement RM'000	Adjustments RM'000	After Rights Issue RM'000	Adjustments RM'000	After Assumed Full Exercise of Warrants RM'000	Adjustments RM'000
<b>EQUITY AND LIABILITIES</b>									
Share capital	103,889	(83,111)	20,778	2,000	22,778	20,500	20,500	63,778	20,500
Share premium	1,142	-	1,142	1,100	2,242	(700)	1,542	1,542	-
Treasury shares	(3,462)	-	(3,462)	-	(3,462)	3,462	-	-	-
Fair value reserve	(2,339)	-	(2,339)	-	(2,339)	-	(2,339)	(2,339)	-
Foreign exchange reserve	4,361	-	4,361	-	4,361	-	4,361	4,361	-
Capital reserve	-	37,436	37,436	-	37,436	(10,250)	10,250	37,436	(10,250)
Warrant reserve	-	-	-	-	-	10,250	(10,250)	-	-
Accumulated losses	(45,675)	45,675	-	-	-	-	-	-	-
<b>Equity attributable to owners of the parent</b>	57,916	-	57,916	3,100	61,016	23,262	84,278	104,778	20,500
Non-controlling interests	12,037	-	12,037	-	12,037	-	12,037	12,037	-
<b>Total equity</b>	69,953	-	69,953	3,100	73,053	23,262	96,315	116,815	20,500
<b>Non-Current Liabilities</b>									
Bank borrowings	2,814	-	2,814	-	2,814	-	2,814	2,814	-
<b>Current liabilities</b>									
Amounts due to contract customers	27,460	-	27,460	-	27,460	-	27,460	27,460	-
Payables	84,954	-	84,954	-	84,954	-	84,954	84,954	-
Provisions	3,213	-	3,213	-	3,213	-	3,213	3,213	-
Bank borrowings	141,328	-	141,328	-	141,328	(3,000)	138,328	138,328	-
Tax liabilities	3,756	-	3,756	-	3,756	-	3,756	3,756	-
	260,711	-	260,711	-	260,711	(3,000)	257,711	257,711	-
	263,525	-	263,525	-	263,525	(3,000)	260,525	260,525	-
<b>TOTAL EQUITY AND LIABILITIES</b>	333,478	-	333,478	3,100	336,578	20,262	356,840	377,340	20,500
<b>Net assets per share (RM)</b>	0.57	-	0.57	0.55	0.55	0.55	0.39	0.33	0.33

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)****APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)****NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION****MINIMUM SCENARIO****1. Basis of Preparation**

The Proforma Consolidated Statements of Financial Position have been prepared based on the latest audited consolidated financial statements of BKCB as at 31 March 2014 and after adjusting for the relevant effects of the reduction in its issued and paid-up share capital via the cancellation of RM0.80 of the then par value of each existing ordinary share of RM1.00 to RM0.20 each pursuant to Section 64 of the Companies Act, 1965 (“**Par Value Reduction**”). The Par Value Reduction became effective and was completed on 26 June 2014.

Under the Minimum Scenario, the Proforma Consolidated Statements of Financial Position have been prepared for illustrative purposes only, to show the effects of the Proposals on the assumption that they were effected on 31 March 2014.

**(a) Proforma I**

Proforma I incorporates the effects of the Private Placement where the proceeds have been earmarked for the Group’s working capital requirements.

The estimated corporate exercise expenses in relation to the Private Placement is RM100,000 and is charged against the share premium account. Any variation in actual amount of the expenses incurred will be adjusted to the allocation for working capital of the BKCB Group.

**(b) Proforma II**

Proforma II incorporates the effects of Proforma I and the Rights Issue which involves the issuance of 19,800,000 Rights Shares together with 19,800,000 Warrants and is undertaken based on the Minimum Subscription Level (as defined in the Abridged Prospectus).

The proceeds from the Rights Issue are proposed to be utilised for the working capital of the BKCB Group and the payment of estimated expenses for the Rights Issue.

The estimated corporate exercise expenses in relation to the Rights Issue is RM700,000 and is charged against the share premium account. Any variation in actual amount of the expenses incurred will be adjusted to the allocation for working capital of the BKCB Group.

**(c) Proforma III**

Proforma III incorporates the effect of Proforma II and assuming the full exercise of the 19,800,000 Warrants at an exercise price of RM0.20 each.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION (cont'd)**

**MINIMUM SCENARIO**

**2. Reserves**

The effects of the Proforma I, II and III on the share capital, share premium, capital reserve, and warrant reserve of the BKCB Group are summarised as follows:

	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Warrant reserve RM'000
<b>As at 31 March 2014</b>	103,889	1,142	-	-
- Par Value Reduction	(83,111)	-	37,436	-
<b>Balance prior to Private Placement</b>	20,778	1,142	37,436	-
- Private Placement	2,000	1,100	-	-
<b>As per Proforma I</b>	22,778	2,242	37,436	-
- Rights Issue	3,960	(700)	(1,980)	1,980
<b>As per Proforma II</b>	26,738	1,542	35,456	1,980
- Assumed full exercise of Warrants	3,960	-	1,980	(1,980)
<b>As per Proforma III</b>	30,698	1,542	37,436	-

Basis for calculation of warrant reserve:

Valuation mode	: Black Scholes option pricing model (Source: Bloomberg)
Tenure	: 5 years
Exercise price of the Warrants	: RM0.20
Volatility rate	: 10%
Risk free rate	: 3.89%
Fair value per Warrant	: RM0.10
Number of Warrants	: 19,800,000

The actual quantum of warrant reserve will only be determined upon issuance of the Warrants. As such, the actual quantum may differ from the amount computed above.

**3. Accumulated Losses**

<b>As at 31 March 2014</b>	<b>RM'000</b> (45,675)
- Par Value Reduction	45,675
<b>As per Proforma I, II and III</b>	<b>-</b>

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)**

**4. Cash and Bank Balances**

The movement of the cash and bank balances are as follows:

	<b>RM'000</b>
<b>As at 31 March 2014</b>	37,689
Arising from Private Placement	3,200
Estimated expenses in relation to the Private Placement	<u>(100)</u>
<b>As per Proforma I</b>	40,789
Arising from Rights Issue	3,960
Estimated expenses in relation to the Rights Issue	<u>(700)</u>
<b>As per Proforma II</b>	44,049
Arising from the assumed full exercise of Warrants	3,960
<b>As per Proforma III</b>	<u><u>48,009</u></u>

**MAXIMUM SCENARIO**

**1. Basis of Preparation**

The Proforma Consolidated Statements of Financial Position have been prepared based on the latest audited consolidated financial statements of BKCB as at 31 March 2014 and after adjusting for the relevant effects of the Par Value Reduction which became effective and was completed on 26 June 2014.

Under the Maximum Scenario, the Proforma Consolidated Statements of Financial Position have been prepared for illustrative purposes only, to show the effects of the Proposals on the assumption that they were effected on 31 March 2014.

**(a) Proforma I**

Proforma I incorporates the effects of the Private Placement where the proceeds have been earmarked for the Group's working capital requirements.

The estimated corporate exercise expenses in relation to the Private Placement of RM100,000 is charged against the share premium account. Any variation in actual amount of the expenses incurred will be adjusted to the allocation for working capital of the BKCB Group.

**(b) Proforma II**

Proforma II incorporates the effects of Proforma I and the Rights Issue which involves the issuance of up to 102,500,327 Rights Shares together with up to 102,500,327 Warrants and is undertaken based on a full subscription basis.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION (cont'd)**

**(b) Proforma II (cont'd)**

Assuming all the existing 1,997,600 treasury shares are sold in the open market prior to the implementation of the Rights Issue.

The proceeds from the Rights Issue are proposed to be utilised for the working capital of the BKCB Group, repayment of bank borrowings and the payment of estimated expenses for the Rights Issue.

The estimated corporate exercise expenses in relation to the Rights Issue is RM700,000 and is charged against the share premium account. Any variation in actual amount of the expenses incurred will be adjusted to the allocation for working capital of the BKCB Group.

**(c) Proforma III**

Proforma III incorporates the effect of Proforma II and assuming the full exercise of the 102,500,327 Warrants at an exercise price of RM0.20 each.

**2. Reserves**

The effect of the proforma I, II and III on the share capital, share premium, treasury shares, capital reserve and warrant reserve of the BKCB Group are summarised as follows:

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Capital reserve RM'000	Warrant reserve RM'000
<b>As at 31 March 2014</b>	103,889	1,142	3,462	-	-
- Par Value Reduction	(83,111)	-	-	37,436	-
<b>Balance prior to Private Placement</b>	20,778	1,142	3,462	37,436	-
- Private Placement	2,000	1,100	-	-	-
<b>Per Proforma I</b>	22,778	2,242	3,462	37,436	-
- Rights Issue	20,500	(700)	(3,462)	(10,250)	10,250
<b>Per Proforma II</b>	43,278	1,542	-	27,186	10,250
- Assumed full exercise of Warrants	20,500	-	-	10,250	(10,250)
<b>Per Proforma III</b>	63,778	1,542	-	37,436	-

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)**

**2. Reserves (cont'd)**

Basis for calculation of warrant reserve:

Valuation mode	:	Black Scholes option pricing model (Source: Bloomberg)
Tenure	:	5 years
Exercise price of the Warrants	:	RM0.20
Volatility rate	:	10%
Risk free rate	:	3.89%
Fair value per Warrant	:	RM0.10
Number of Warrants	:	102,500,327

The actual quantum of warrant reserve will only be determined upon issuance of the Warrants. As such, the actual quantum may differ from the amount computed above.

**3. Accumulated Losses**

	<b>RM'000</b>
<b>As at 31 March 2014</b>	(45,675)
- Par Value Reduction	45,675
<b>As per Proforma I, II and III</b>	<u><u>-</u></u>

**4. Cash and Bank Balances**

The movement of the cash and bank balances are as follows:

	<b>RM'000</b>
<b>As at 31 March 2014</b>	37,689
Arising from Private Placement	3,200
Estimated expenses in relation to the Private Placement	<u>(100)</u>
<b>As per Proforma I</b>	40,789
Arising from Rights Issue	20,500
Arising from sale of treasury shares	3,462
Repayment of bank borrowings	(3,000)
Estimated expenses in relation to the Rights Issue	<u>(700)</u>
<b>As per Proforma II</b>	61,051
Arising from the assumed full exercise of Warrants	20,500
<b>As per Proforma III</b>	<u><u>81,551</u></u>



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**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BKCB AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**


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**APPENDIX A  
BINTAI KINDEN CORPORATION BERHAD (290870-P)**
**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION (cont'd)**
**5. Bank Borrowings**

The movement in the bank borrowings are as follows:

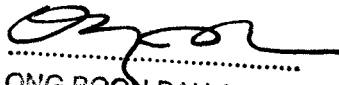
	<b>RM'000</b>
<b>As at 31 March 2014/ As per Proforma I</b>	141,328
Partial repayment of bank borrowings / Arising from Rights Issue	(3,000)
<b>As per Proforma II and III</b>	<u>138,328</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON**



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**BINTAI KINDEN CORPORATION BERHAD**  
(Company No. 290870-P)  
(Incorporated in Malaysia)

  
ONG BOON BAH & CO

**REPORTS AND FINANCIAL STATEMENTS**  
**31 MARCH 2014**

**Registered office and principal  
place of business:  
No.430, Jalan Ipoh  
51200 Kuala Lumpur**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****BINTAI KINDEN CORPORATION BERHAD**  
(Incorporated in Malaysia)**REPORTS AND FINANCIAL STATEMENTS****31 MARCH 2014****INDEX**

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**DIRECTORS' REPORT**

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

**Principal Activities**

The principal activity of the Company is investment holding. During the financial year, the Company ceased to provide management services to its subsidiaries. The core activities of the Group are provisions of specialised mechanical and electrical engineering services, facilities management services, turnkey works, project management and consultancy services, energy efficient audit and design consultancy, energy performance contracting, trading in oleo-chemical products, property investment and development and investment holding.

The principal activities of the subsidiaries and associates are disclosed in Notes 5 and 6 to the financial statements respectively.

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

**Financial Results**

	Group RM'000	Company RM'000
Profit/(Loss) before taxation	6,041	(110)
Taxation	(3,271)	-
Net profit/(loss) for the financial year	<u>2,770</u>	<u>(110)</u>
Attributable to:		
Owners of the parent	(1,506)	(110)
Non-controlling interests	4,276	-
	<u>2,770</u>	<u>(110)</u>

**Dividend**

There was no dividend paid or declared by the Company since the end of the last financial year. The Board of Directors does not recommend any dividend in respect of the financial year.

**Reserves and Provisions**

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

**Issue of Shares and Debentures**

There were no issues of shares or debentures during the financial year.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****BINTAI KINDEN CORPORATION BERHAD**  
(Incorporated in Malaysia)**Options Granted Over Unissued Shares**

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

**Treasury Shares**

During the financial year, the Company did not repurchase any ordinary share from the open market. None of the shares has been cancelled or resold. The treasury shares held as at 31 March 2014 amounted to 1,997,600 (2013: 1,997,600) ordinary shares of RM1.00 each. Accordingly, the issued and paid-up share capital of the Company with voting rights as at 31 March 2014 was 101,891,653 (2013: 101,891,653) ordinary shares of RM1.00 each.

The Company will not seek shareholders' approval for a mandate for share buy back at the forthcoming Annual General Meeting.

**Directors**

The Directors in office since the date of the last report are:

Tan Sri Dato' Kamaruzzaman Bin Shariff  
Ong Puay Koon  
Ong Choon Lui  
Yen Yew Wing @ Yen Yew Ming  
Dato' Ang Liang Kim (Resigned on 12.05.2014)  
Toru Tanimoto  
Dato' Zakri Afandi Bin Ismail  
Johari Bin Mohd Akhir  
Sherman Lam Yuen Suen (Resigned on 04.10.2013)  
Sharifah Kadnariah Binti Syed Ahmad (Appointed on 04.10.2013)  
Tokumoto Masashi (Alternate Director to Toru Tanimoto)

In accordance with Article 97 of the Company's Articles of Association, Ong Choon Lui and Johari Bin Mohd Akhir retire from the board by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

In accordance with Article 102 of the Company's Articles of Association, Sharifah Kadnariah Binti Syed Ahmad retires from the board by casual vacancy at the forthcoming Annual General Meeting, and being eligible, offers herself for re-election.

Tan Sri Dato' Kamaruzzaman Bin Shariff, who has attained the age of seventy-two (72) years shall retire pursuant to Section 129(6) of the Companies Act, 1965 at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

Ong Puay Koon, who has attained the age of seventy-one (71) years shall retire pursuant to Section 129(6) of the Companies Act, 1965 at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)



**Directors' Interests**

Details of holdings and deemed interests in the share capital of the Company and of its related corporation by the Directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

	Number of ordinary shares of RM1.00 each			As at 31/3/2014
	As at 1/4/2013	Bought	Sold	
<b>Bintai Kinden Corporation Berhad</b>				
<b>Direct Interest:</b>				
Ong Puay Koon	1,645,000	-	1,200,000	445,000
Dato' Ang Liang Kim	128,125	-	-	128,125
Yen Yew Wing @ Yen Yew Ming	525,000	-	-	525,000
Sharifah Kadnariah Binti Syed Ahmad	-	59,000	-	59,000
<b>Indirect Interest:</b>				
Ong Puay Koon <sup>(a)</sup>	22,700,000	-	-	22,700,000
Ong Choon Lui <sup>(b)</sup>	24,345,000	-	1,200,000	23,145,000

(a) Held by companies in which the Director is deemed to have an interest.

(b) Ong Choon Lui is deemed interested in the shares held by Ong Puay Koon by virtue of him being a person connected to Ong Puay Koon.

By virtue of their interests in the shares in the Company, Ong Puay Koon and Ong Choon Lui are deemed interested in the shares of all subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares in the Company or its related corporation during the financial year.

**Directors' Benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as disclosed in Note 38 to the financial statements.

Neither during nor at the end of the financial year, was the Company or its subsidiaries a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of the shares in or debentures of the Company or any other body corporate.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**Significant events during the financial year**

The significant events during the financial year are disclosed in Note 40 to the financial statements.

**Significant events subsequent to the end of the reporting period**

The significant events subsequent to the end of the reporting period are disclosed in Note 41 to the financial statements.

**Other Statutory Information**

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that allowance for doubtful debts was required; and
  - (ii) to ensure that any current assets, which were unlikely to realise their book values as shown in the accounting records in the ordinary course of business have been written down to their estimated realisable value.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
  - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.


**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**  
(Incorporated in Malaysia)

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**Other Statutory Information (cont'd)**

  
ONG BOON BAH & CO


(f) In the opinion of the Directors:

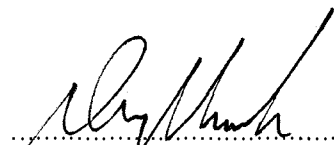
- (i) no contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year have not been affected by any item, transaction or event of a material and unusual nature; and
- (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**Auditors**

The Auditors, Messrs Ong Boon Bah & Co., have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 July 2014.

  
Tan Sri Dato' Kamaruzzaman Bin Shariff

  
Ong Choon Lui



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**  
(Incorporated in Malaysia)

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**STATEMENT BY DIRECTORS**

(Pursuant to Section 169(15) of the Companies Act, 1965) **ONG BOON BAH & CO**

We, Tan Sri Dato' Kamaruzzaman Bin Shariff and Ong Choon Lui, being two of the Directors of Bintai Kinden Corporation Berhad, do hereby state that in the opinion of the Directors, the financial statements set out on pages 10 to 100 are drawn up in accordance with Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 101 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 July 2014.

.....  
Tan Sri Dato' Kamaruzzaman Bin Shariff

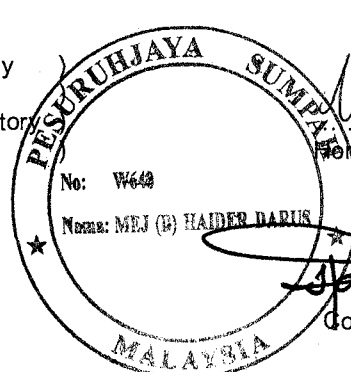
.....  
Ong Choon Lui

**STATUTORY DECLARATION**

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

I, Hon Leng Leng, being the officer primarily responsible for the financial management of Bintai Kinden Corporation Berhad, do solemnly and sincerely declare that the financial statements and supplementary information set out on pages 10 to 101 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  
Hon Leng Leng  
at Kuala Lumpur in the Federal Territory of  
on **16 JUL 2014**



.....  
Hon Leng Leng

Before me

Commissioner for Oaths

Alamat Tempat Perniagaan  
KEDAI 1, ARAS G  
KOMPLEKS KEMENTERIAN DALAM NEGERI  
KUALA LUMPUR  
JALAN SRI HARTAMAS 1  
50480 KUALA LUMPUR

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****ONG BOON BAH & CO**  
CHARTERED ACCOUNTANTS**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINTAI KINDEN CORPORATION BERHAD**  
(Company No. : 290870-P)  
(Incorporated in Malaysia)**Report on the Financial Statements**

We have audited the financial statements of Bintai Kinden Corporation Berhad, which comprise the statements of financial position as at 31 March 2014 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 10 to 100.

*Directors' Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**ONG BOON BAH & CO**  
CHARTERED ACCOUNTANTS



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINTAI KINDEN CORPORATION BERHAD (CONT'D)**

(Company No. : 290870-P)  
(Incorporated in Malaysia)

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, as disclosed in Note 5 to the financial statements.
- (c) 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.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**ONG BOON BAH & CO**  
CHARTERED ACCOUNTANTS



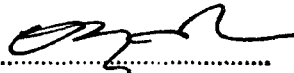
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINTAI KINDEN CORPORATION BERHAD (CONT'D)**

(Company No. : 290870-P)  
(Incorporated in Malaysia)

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**Other Reporting Responsibilities**

The supplementary information set out on page 101 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.

  
ONG BOON BAH & CO

**Other Matter(s)**

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.

  
ONG BOON BAH & CO  
Firm Number: AF 0320  
Chartered Accountants  
WONG SOOKHIAM  
Approved Number: 1315/12/14(J)  
Chartered Accountant

KUALA LUMPUR  
Dated: 16 July 2014

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	4	6,628	5,467	-	-
Investment in subsidiaries	5	-	-	52,329	62,931
Investment in associates	6	164	330	-	-
Investment in jointly controlled entities	7	5,406	4,482	-	-
Other investments	8	2,716	3,056	654	1,104
Long term receivables	9	-	1,206	-	1,206
Deferred tax assets	10	419	6,696	-	-
		<u>15,333</u>	<u>21,237</u>	<u>52,983</u>	<u>65,241</u>
<b>Current Assets</b>					
Property development costs	11	16,471	18,173	-	-
Amounts due from contract customers	12	79,899	59,587	-	-
Inventories	13	971	469	-	-
Receivables	14	183,101	226,795	53,265	52,877
Tax recoverable		14	18	-	-
Deposits, bank and cash balances	15	37,689	66,926	3,437	168
		<u>318,145</u>	<u>371,968</u>	<u>56,702</u>	<u>53,045</u>
<b>Non-current Assets Held For Sale</b>	16	-	6,656	-	6,500
		<u>318,145</u>	<u>378,624</u>	<u>56,702</u>	<u>59,545</u>
<b>Total Assets</b>		<u>333,478</u>	<u>399,861</u>	<u>109,685</u>	<u>124,786</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>EQUITY AND LIABILITIES</b>					
Share capital	17	103,889	103,889	103,889	103,889
Reserves	18	(45,973)	(41,874)	(56,317)	(52,041)
<b>Equity attributable to owners of the parent</b>		57,916	62,015	47,572	51,848
Non-controlling interests		12,037	12,061	-	-
<b>Total Equity</b>		<u>69,953</u>	<u>74,076</u>	<u>47,572</u>	<u>51,848</u>
<b>Non-current Liabilities</b>					
Bank borrowings	19	2,814	2,730	-	-
Deferred tax liabilities	23	-	-	-	-
		<u>2,814</u>	<u>2,730</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>					
Amounts due to contract customers	12	27,460	37,550	-	-
Payables	21	84,954	103,035	57,672	72,841
Provisions	22	3,213	39,103	-	-
Bank borrowings	19	141,328	135,175	4,441	-
Tax liabilities		3,756	8,192	-	97
		<u>260,711</u>	<u>323,055</u>	<u>62,113</u>	<u>72,938</u>
<b>Total Liabilities</b>		<u>263,525</u>	<u>325,785</u>	<u>62,113</u>	<u>72,938</u>
<b>Total Equity and Liabilities</b>		<u>333,478</u>	<u>399,861</u>	<u>109,685</u>	<u>124,786</u>

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	24	398,802	344,796	-	480
Cost of sales	24	(367,450)	(314,641)	-	-
<b>Gross profit</b>		<b>31,352</b>	<b>30,155</b>	<b>-</b>	<b>480</b>
Other income		33,846	23,906	15,322	17,672
Operating expenses		(55,307)	(42,829)	(15,321)	(38,518)
<b>Results from operating activities</b>		<b>9,891</b>	<b>11,232</b>	<b>1</b>	<b>(20,366)</b>
Finance income		225	190	47	48
Finance costs	28	(3,982)	(4,596)	(158)	-
<b>Net finance costs</b>		<b>(3,757)</b>	<b>(4,406)</b>	<b>(111)</b>	<b>48</b>
Share of results in jointly controlled entities		208	(10)	-	-
Share of results in associates		(301)	84	-	-
<b>Profit/(loss) before taxation</b>	25	<b>6,041</b>	<b>6,900</b>	<b>(110)</b>	<b>(20,318)</b>
Income tax expense	29	(3,271)	(3,595)	-	(469)
<b>Profit/(loss) for the financial year</b>		<b>2,770</b>	<b>3,305</b>	<b>(110)</b>	<b>(20,787)</b>
<b>Other comprehensive income</b>					
Fair value gain/(loss) on available-for-sale financial assets		(391)	225	(449)	177
Transfer to profit or loss upon disposal of non-current assets held for sale		(3,771)	-	(3,717)	-
Foreign currency translation differences for foreign operations		1,569	1,017	-	-
<b>Other comprehensive income for the financial year, net of tax</b>		<b>(2,593)</b>	<b>1,242</b>	<b>(4,166)</b>	<b>177</b>
<b>Total comprehensive income/(loss) for the financial year</b>		<b>177</b>	<b>4,547</b>	<b>(4,276)</b>	<b>(20,610)</b>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)



**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Profit/(loss) attributable to:</b>					
Owners of the parent		(1,506)	(819)	(110)	(20,787)
Non-controlling interests		4,276	4,124	-	-
<b>Profit/(loss) for the financial year</b>		<u>2,770</u>	<u>3,305</u>	<u>(110)</u>	<u>(20,787)</u>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		(4,099)	423	(4,276)	(20,610)
Non-controlling interests		4,276	4,124	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		<u>177</u>	<u>4,547</u>	<u>(4,276)</u>	<u>(20,610)</u>
<b>Basic loss per ordinary share (sen)</b>	30	<u>(1.48)</u>	<u>(0.80)</u>	N/A	N/A

*The accompanying notes form an integral part of the financial statements*



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

## BINTAI KINDEN CORPORATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Group	Attributable to owners of the parent							Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Foreign Exchange Reserve RM'000	Accumulated Losses RM'000	Total RM'000		Non- controlling interests RM'000
<b>At 1 April 2012</b>	103,889	1,142	(3,462)	1,598	1,775	(43,300)	61,642	15,569	77,211
<b>Transactions with owners:</b>									
Effects arising from changes in composition of the Group	-	-	-	-	-	(50)	(50)	50	-
Dividend paid (Note 31)	-	-	-	-	-	-	-	(7,682)	(7,682)
<b>Comprehensive income for the financial year</b>									
Net (loss)/profit for the financial year	-	-	-	-	-	(819)	(819)	4,124	3,305
<b>Other comprehensive income</b>									
Fair value gain on available-for-sale financial assets	-	-	-	225	-	-	225	-	225
Currency translation	-	-	-	-	1,017	-	1,017	-	1,017
<b>Total comprehensive income</b>									
<b>At 31 March 2013</b>	103,889	1,142	(3,462)	1,823	2,792	(44,169)	62,015	12,061	74,076

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

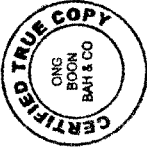
## BINTAI KINDEN CORPORATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

Group	Attributable to owners of the parent								Total Equity RM'000
	Non-distributable				Foreign Exchange Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000					
At 1 April 2013	103,889	1,142	(3,462)	1,823	2,792	(44,169)	62,015	12,061	74,076
Transactions with owners:	-	-	-	-	-	-	-	(4,300)	(4,300)
Dividend paid (Note 31)	-	-	-	-	-	-	-	-	-
<b>Comprehensive income for the financial year</b>	-	-	-	-	-	(1,506)	(1,506)	4,276	2,770
Net (loss)/profit for the financial year	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>	-	-	-	(391)	-	-	(391)	-	(391)
Fair value loss on available-for-sale financial assets	-	-	-	(3,771)	-	-	(3,771)	-	(3,771)
Transfer to profit or loss upon disposal of non-current assets held for sale	-	-	-	-	1,569	-	1,569	-	1,569
Currency translation	-	-	-	(4,162)	1,569	-	(2,593)	-	(2,593)
<b>Total comprehensive income</b>	-	-	-	(4,162)	1,569	(1,506)	(4,099)	4,276	177
At 31 March 2014	103,889	1,142	(3,462)	(2,339)	4,361	(45,675)	57,916	12,037	69,953

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**BINTAI KINDEN CORPORATION BERHAD**  
 (Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)**

Company	Share Capital RM'000	Share Premium RM'000	Non-distributable			Accumulated Losses RM'000	Total Equity RM'000
			Fair Value Reserve RM'000	Treasury Shares RM'000			
<b>At 1 April 2012</b>	103,889	1,142	1,994	(3,462)	(31,105)	72,458	
<b><u>Comprehensive income for the financial year</u></b>	-	-	-	-	(20,787)	(20,787)	
Net loss for the financial year							
<b><u>Other comprehensive income</u></b>	-	-	177	-	-	177	
Fair value gain on available-for-sale financial assets							
<b>At 31 March 2013</b>	103,889	1,142	2,171	(3,462)	(51,892)	51,848	
<b>At 1 April 2013</b>	103,889	1,142	2,171	(3,462)	(51,892)	51,848	
<b><u>Comprehensive income for the financial year</u></b>	-	-	-	-	(110)	(110)	
Net loss for the financial year							
<b><u>Other comprehensive income</u></b>	-	-	(449)	-	-	(449)	
Fair value loss on available-for-sale financial assets							
Transfer to profit or loss upon disposal of non-current assets held for sale			(3,717)	-	-	(3,717)	
<b>At 31 March 2014</b>	103,889	1,142	(1,995)	(3,462)	(52,002)	47,572	

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Cash Flow from Operating Activities:</b>				
Profit/(loss) before taxation	6,041	6,900	(110)	(20,318)
Adjustments for non-cash items, dividends and interests – (Note 32)	(16,498)	(9,034)	(3,849)	16,702
<b>Operating cash flow before changes in working capital</b>	<b>(10,457)</b>	<b>(2,134)</b>	<b>(3,959)</b>	<b>(3,616)</b>
Decrease/(Increase) in property development costs	2,118	(3,161)	-	-
Decrease in amount due to/from contract customers	(29,462)	(13,639)	-	-
Decrease in provisions	(10,538)	(9,097)	-	-
(Increase)/Decrease in inventories	(502)	354	-	-
Decrease/(Increase) in receivables	62,838	(26,261)	2,016	1,022
(Decrease)/Increase in payables	(41,049)	32,742	(15,355)	(14,660)
	<b>(16,595)</b>	<b>(19,062)</b>	<b>(13,339)</b>	<b>(13,638)</b>
<b>Cash used in operations</b>	<b>(27,052)</b>	<b>(21,196)</b>	<b>(17,298)</b>	<b>(17,254)</b>
Interest paid	(6,859)	(5,317)	(158)	-
Interest received	225	190	47	48
Income tax refund	2	13	-	-
Income tax paid	(1,507)	(8,968)	(97)	(372)
<b>Net cash used in operating activities</b>	<b>(35,191)</b>	<b>(35,278)</b>	<b>(17,506)</b>	<b>(17,578)</b>
<b>Cash Flow from Investing Activities:</b>				
Dividend income from subsidiary	-	-	9,651	17,520
Investment in associates	(257)	(396)	-	-
Investment in jointly controlled entities	(546)	(4,492)	-	-
Acquisition of shares from non-controlling interests	-	*	-	-
Proceeds from disposal of non-current assets held for sale	7,024	-	6,900	-
Proceeds from disposal of property, plant and equipment	374	52	-	-
Proceeds from disposal of other investments	34	103	-	103
Purchase of other investments	-	(802)	-	-
Purchase of property, plant and equipment (Note 4b)	(1,420)	(806)	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>5,209</b>	<b>(6,341)</b>	<b>16,551</b>	<b>17,623</b>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Cash Flow from Financing Activities:</b>				
Decrease/(Increase) in fixed deposits pledged with financial institutions	1,007	9,479	(654)	-
Dividend paid to non-controlling interests	(4,300)	(7,682)	-	-
Proceeds from bank borrowings	242,023	121,859	4,625	-
Repayments of bank borrowings	(227,026)	(92,565)	(184)	-
Repayments of hire purchase payables	(887)	(436)	-	-
<b>Net cash generated from financing activities</b>	<b>10,817</b>	<b>30,655</b>	<b>3,787</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(19,165)</b>	<b>(10,964)</b>	<b>2,832</b>	<b>45</b>
Effect of foreign exchange difference	1,572	1,158	(217)	1
Cash and cash equivalents at 1 April	36,697	46,503	168	122
<b>Cash and cash equivalents at 31 March</b>	<b>19,104</b>	<b>36,697</b>	<b>2,783</b>	<b>168</b>
<b>Represented by:</b>				
Deposits, bank and cash balances (Note 15)	37,689	66,926	3,437	168
Bank overdrafts (Note 19)	(16,264)	(27,018)	-	-
Less: Deposits pledged with financial institutions	(2,321)	(3,211)	(654)	-
	<b>19,104</b>	<b>36,697</b>	<b>2,783</b>	<b>168</b>

\* Represents value less than a thousand.

*The accompanying notes form an integral part of the financial statements.*

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)



**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014**

**1. CORPORATE INFORMATION**

The principal activity of the Company is investment holding. During the financial year, the Company ceased to provide management services to its subsidiaries. The core activities of the Group are provisions of specialised mechanical and electrical engineering services, facilities management services, turnkey works, project management and consultancy services, energy efficient audit and design consultancy, energy performance contracting, trading in oleo-chemical products, property investment and development and investment holding as disclosed in Note 5. There have been no significant changes in the nature of these activities during the financial year.

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

The registered office and principal place of business of the Company are located at No. 430, Jalan Ipoh, 51200 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000").

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared on the historical cost convention, except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2013, the Group and the Company adopted the following new and revised FRSs, Issues Committee ("IC") Interpretations and Amendments to FRSs mandatory for annual financial periods beginning on or after 1 January 2013.

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119 (2012)	Employee Benefits
FRS 127 (2012)	Separate Financial Statements
FRS 128 (2012)	Investments in Associates and Joint Ventures
FRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
FRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)



**2. BASIS OF PREPARATION (CONT'D)**

**(a) Statement of compliance (cont'd)**

Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to FRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to FRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

Adoption of the above FRSs, IC Interpretations and Amendments to FRSs did not have any significant effect on the financial statements of the Group and of the Company, except as discussed below:

**(i) FRS 10 Consolidated Financial Statements**

FRS 10 replaces all the guidance on control and consolidation in FRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

FRS 10 changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements.

The adoption of FRS 10 may lead to consolidation of entities that were previously not included in the Group.

**(ii) FRS 11 Joint Arrangements**

FRS 11 replaces FRS 131 Interest in Joint Venture. FRS 11 requires joint arrangements to be classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. Interest in the joint venture is accounted for using the equity method whilst interest in joint operation will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, income and expense items arising from the joint operations.

The adoption of FRS 11 has resulted in a change of accounting policy as the Group was previously applying proportionate method in the consolidation of its jointly controlled entity. This change in accounting policy has been applied retrospectively in view of the significant impact of the change to the comparative figures in the financial statements as disclosed in Note 42.

**(iii) FRS 12 Disclosure of Interests in Other Entities**

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**

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**2. BASIS OF PREPARATION (CONT'D)**

**(a) Statement of compliance (cont'd)**

**(iv) FRS 13 Fair Value Measurement**

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair value, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose values were determined.

**(v) FRS 127 Separate Financial Statements (as amended by IASB in May 2011)**

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, joint controlled entities and associates in separate financial statements. This standard affects disclosures only and has no impact on the Group's financial position and performance.

**(vi) FRS 128 Investments in Associates and Joint Ventures (as amended by IASB in May 2011)**

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates. This standard affects disclosures only and has no impact on the Group's financial position or performance.

**(vii) Amendments to FRS 101 : Presentation of Items of Other Comprehensive Income**

The amendments to FRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (e.g. net loss or gain on available-for sale financial assets) have to be presented separately from items that will not be reclassified (e.g. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

**(viii) Amendments to FRS 116 Property, Plant and Equipment**

The amendment, which is effective for annual periods beginning on or after 1 January 2013, requires the classification of certain items in inventory to be capitalized as part of property, plant and equipment if they meet the definition of property, plant and equipment.

The adoption of the amendments does not have material impact on the financial statements.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
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**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**2. BASIS OF PREPARATION (CONT'D)**
**(a) Statement of compliance (cont'd)**

The Group and the Company have not applied the following FRSs, IC Interpretations and Amendments to FRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

		<b>Effective date for financial periods beginning on or after</b>
Amendments to FRS 10	Consolidated Financial Statements	1 January 2014
Amendments to FRS 12	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 January 2014
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretations 21	Levies	1 January 2014
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)	1 July 2014
Amendments to FRS 3	Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)	1 July 2014
Amendments to FRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to FRS 13	Fair value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)	1 July 2014
Amendments to FRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to FRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to FRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to FRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)	1 July 2014
FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 (IFRS 9 (2013))	Financial Instruments Hedge accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**2. BASIS OF PREPARATION (CONT'D)****(a) Statement of compliance (cont'd)**

The Group and the Company intend to adopt the abovementioned pronouncements, if applicable, when they become effective.

The Directors expect that on the initial application of the abovementioned pronouncements, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior period's financial statements.

**Malaysian Financial Reporting Standards (MFRS Framework)**

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 periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (Herein called 'Transitioning Entities').

On 7 August 2013, the MASB announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities be deferred from 1 January 2013 to 1 January 2015. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2016. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2016.

**(b) Functional and presentation currency**

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**BINTAI KINDEN CORPORATION BERHAD**

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**2. BASIS OF PREPARATION (CONT'D)****(c) Use of estimates and judgements**

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

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

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

- Note 3(c)(iii) – depreciation of property, plant and equipment
- Note 3(k) – impairment of assets
- Note 3(m)(i) – provision for warranty and defects
- Note 3(m)(ii) – provision for claims
- Note 3(o)(ii) – construction contracts
- Note 3(o)(iii) – property development
- Note 3(q) – income taxes

**3. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and all its subsidiaries, its associates and jointly controlled entities through equity accounting, which have been prepared in accordance with the Group's accounting policies, and are all drawn up to the same accounting period.

**(i) Subsidiaries**

Subsidiaries are those entities (including structured entities) in which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of consolidation****(ii) Consolidation**

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains or losses on transactions between subsidiary companies in the Group are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiary companies are changed to ensure consistency with policies adopted by the Group.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the Group's share of net assets before and after the change, and any consideration paid or received is recognised directly in equity.

The acquisition method of accounting is used to account for the purchase of subsidiaries. The consideration transferred for acquisition of a subsidiary is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

(iii) Non-controlling interests

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Group. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance. Profit or loss attribution to non-controlling interests for prior years is not restated.

(iv) Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss in accordance with Note 3(k)(i).

Equity accounting involves recording investments in associates initially at cost, and recognising the Group's share of its associates' post-acquisition results and its share of post-acquisition net results and other changes to comprehensive income against the carrying amount of the investments. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retaining investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate reduces but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of consolidation (cont'd)****(iv) Associates (cont'd)**

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**(v) Joint ventures**

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activities of the entities with another party.

The Group's interest in joint ventures are accounted for using equity method. Under the equity method, the investments in joint ventures are carried in the consolidated statements of financial position at cost plus-acquisition changes in the Group's share in net assets of the joint venture. The share of results of the joint venture is recognised in profit or loss. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respects to the Group's net investment in the joint ventures.

The Group's share of results and reserves of joint ventures acquired or disposed of are included in the financial statements from the date of acquisition or up to the date of disposal or cessation of significant influence.

Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entities are eliminated to the extent of the interest in the joint ventures.

**(b) Foreign currency translation****(i) Foreign currency transactions and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group's entity using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of transaction.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Foreign currency translation (cont'd)****(i) Foreign currency transactions and balances (cont'd)**

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

The assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date. Income and expenses items are translated at the average rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rate at the dates of the transactions are used. Exchange differences arising on the translation are recognised in other comprehensive income.

On disposal of a foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in equity shall be reclassified to profit or loss when the gain or loss on disposal is recognised.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

**(i) Recognition and measurement**

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Property, plant and equipment (cont'd)**

(i) Recognition and measurement (cont'd)

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained profits.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statements of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised in the statements of comprehensive incomes on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life of the asset concerned.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Office renovation	10-33.3%
Motor vehicles	12.5-20%
Office equipment, furniture and fittings	5-40%

The residual values, useful lives and depreciation method are reviewed at each financial period end 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 property, plant and equipment.

**(d) 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.



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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Leases (cont'd)****(i) Finance lease**

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

Minimum lease payments made under finance leases are apportioned between 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.

**(ii) Operating lease**

Leases, where the Group or the Company do 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 in the statements 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.

**(e) Financial assets**

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

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

Embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(e) Financial assets (cont'd)**

The Group and the Company classify their financial assets depending on the purpose for which it was acquired at initial recognition, into the following categories:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

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

Investment 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 less impairment loss.

*Regular way purchase or sale of financial assets*

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Financial assets (cont'd)***Derecognition*

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

**(f) Financial liabilities**

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

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying value of these liabilities are recognised in the profit or loss.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

**(i) Other liabilities measured at amortised cost**

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables and borrowings. Other financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

Other liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Financial liabilities (cont'd)**

**(ii) Financial guarantee contracts**

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

Financial guarantee contracts are recognised initially at fair value and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. Subsequently, the carrying amount is measured at the higher of the best estimate of the obligation under the contract in accordance with FRS 137 at the reporting date and the initial amount recognised less accumulated amortisation. If the carrying amount of the financial guarantee contract is lower than the obligation, the carrying amount is adjusted to the obligation amount and accounted for as a provision.

*Derecognition*

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

*Offsetting of Financial Instruments*

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal 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.

**(g) Inventories**

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

**(i) Completed properties**

Cost of completed properties is determined on a specific identification basis and comprises the proportionate cost of land and related development costs.

**(ii) Finished goods**

Finished goods are determined on the weighted average basis and comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Construction work-in-progress**

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

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

**(i) 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. Costs consist of construction and other development costs including overheads and capitalised borrowings.

When the financial outcome of a development activity can be reliably estimated, development revenue and costs are recognised in the profit or loss by reference to the stage of development activity at the reporting date.

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

Any expected loss on a development project is recognised as an expense immediately.

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

Accrued billings as current assets represent the excess of revenue recognised in the profit or loss over billings to purchasers. Progress billings as current liabilities represent the excess of billings to purchasers over revenue recognised in the profit or loss.

**(j) Cash and cash equivalents**

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

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Impairment of assets****(i) Non-financial assets**

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives, these are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

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

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. Impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**Impairment of goodwill**

Goodwill is tested for impairment annually as at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill is not reversed.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Impairment of assets (cont'd)****(ii) Financial assets**

All financial assets, other than those at fair value through profit or loss, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Impairment of assets (cont'd)

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

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline of fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss is reclassified from equity to profit or loss.

Impairment losses on available-for-sale equity investment that is carried at cost are not reversed in profit or loss in the subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss, if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

#### (l) Share capital

##### (i) Ordinary shares

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

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

##### (ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.



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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(m) Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

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

**(i) Provision for warranty and defects**

The Group recognised provision for warranty and defects associated with expected costs to be incurred for defects rectification on completed projects. In determining the amount of the provision for warranty and defects, assumptions and estimations are made in relation to expected cost incurred to repair or rectify defects still under warranty at the end of the reporting period. The Group made the provision based on past historical experience of the level of repair and replacements.

**(ii) Provision for claims**

The Group recognised provision for claims associated with contract works claimed by subcontractors on completed projects at the end of the reporting period. In determining the amount of the provision for claims, assumptions and estimations are made in relation to expected costs claimed by subcontractors. The Group estimated the cost claimed by subcontractors based on latest available information at the end of the reporting period.

**(n) Employee benefits****(i) Short term employee 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. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(n) Employee benefits (cont'd)****(ii) Defined contribution plans**

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

**(o) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably subject to the following specific recognition criteria:

**(i) Sale of goods and services rendered**

Revenue from sales of goods and services rendered are measured at the fair value of consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer, if any, or upon performance of services, net of sales taxes and discounts.

**(ii) Construction contracts**

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

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

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

**(iii) Property development**

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

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(o) Revenue recognition (cont'd)****(iii) Property development (cont'd)**

Where the financial outcome of a property 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 the developed units sold are recognised as an expense in the period in which they are incurred.

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

**(iv) Dividend Income**

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

**(v) Rental Income**

Rental income is recognised as it accrues unless ability to collect is in doubt.

**(vi) Interest income**

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

**(vii) Management fee**

Management fee is recognised on accrual basis when services are rendered.

**(p) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(q) Income tax**

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets and liabilities in a transaction which 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, 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.

**(r) Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**(s) Contingent liabilities**

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

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(t) Non-current assets held for sale**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

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

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

When non-current assets (or disposal group) are classified as held for sale, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

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**4. PROPERTY, PLANT AND EQUIPMENT**

<b>GROUP</b>	<b>Motor vehicles RM'000</b>	<b>Office equipment, furniture and fittings RM'000</b>	<b>Office renovation RM'000</b>	<b>Total RM'000</b>
<b>2014</b>				
<b>Cost:</b>				
At 1 April 2013				
-as previously reported	8,020	3,321	328	11,669
-reclassification	(388)	(204)	(94)	(686)
-restated	7,632	3,117	234	10,983
Addition	1,719	404	257	2,380
Disposal	(705)	(54)	-	(759)
Foreign exchange difference	208	(6)	1	203
At 31 March 2014	<u>8,854</u>	<u>3,461</u>	<u>492</u>	<u>12,807</u>
<b>Accumulated depreciation:</b>				
At 1 April 2013				
-as previously reported	2,649	2,983	7	5,639
-reclassification	(71)	(52)	-	(123)
-restated	2,578	2,931	7	5,516
Depreciation charge for the year	891	128	47	1,066
Disposal	(414)	(38)	-	(452)
Foreign exchange difference	58	(10)	1	49
At 31 March 2014	<u>3,113</u>	<u>3,011</u>	<u>55</u>	<u>6,179</u>
<b>Carrying amount</b>	<u>5,741</u>	<u>450</u>	<u>437</u>	<u>6,628</u>

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**4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

GROUP	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Office renovation RM'000	Total RM'000
<b>2013</b>				
<b>Cost:</b>				
At 1 April 2012	5,942	3,151	4,892	13,985
Addition				
-as previously reported	2,191	233	328	2,752
-reclassification	(388)	(204)	(94)	(686)
-restated	1,803	29	234	2,066
Disposal	(253)	(52)	-	(305)
Written off	-	-	(4,885)	(4,885)
Foreign exchange difference	140	(11)	(7)	122
At 31 March 2013	7,632	3,117	234	10,983
<b>Accumulated depreciation:</b>				
At 1 April 2012	1,989	2,876	3,498	8,363
Depreciation charge for the year				
-as previously reported	819	173	7	999
-reclassification	(73)	(51)	-	(124)
-restated	746	122	7	875
Disposal	(231)	(52)	-	(283)
Written off	-	-	(3,491)	(3,491)
Foreign exchange difference	74	(15)	(7)	52
At 31 March 2013	2,578	2,931	7	5,516
<b>Carrying amount</b>	<b>5,054</b>	<b>186</b>	<b>227</b>	<b>5,467</b>

(a) Included in the property, plant and equipment of the Group are motor vehicles under hire purchase financing with carrying amount of RM5,354,838 (2013: RM4,785,870).

(b) The aggregate additional costs for the property, plant and equipment of the Group during the financial year under hire purchase financing and cash payment are as follows:

	Group	
	2014 RM'000	2013 RM'000
Aggregate cost	2,380	2,066
Less: Hire purchase financing	(960)	(1,260)
Cash payment	1,420	806

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**5. INVESTMENT IN SUBSIDIARIES**
**(a) Investment in subsidiaries**

	Company	
	2014 RM'000	2013 RM'000
<b>Unquoted shares, at cost</b>		
In Malaysia	73,645	73,645
Less: Accumulated impairment loss	(39,047)	(28,445)
	34,598	45,200
Outside Malaysia	17,731	17,731
	52,329	62,931

Details of the subsidiaries are as follows:

<u>Name of Company</u>	<u>Effective Equity Interest</u>		<u>Principal Activities</u>
	2014	2013	
	%	%	
<b>Direct holding</b>			
<b>Incorporated in Malaysia</b>			
Kejuruteraan Bintai Kindenko Sdn Bhd	100	100	Provision of specialised mechanical and electrical engineering services, construction, property investment and development and investment holding
Bintai Trading Sdn Bhd	100	100	Trading in oleo-chemical projects
Bintai Integrated Engineering & Construction Sdn Bhd	100	100	Construction of power plants and transmission lines, provision of specialised electrical and mechanical engineering services, provision of civil and structural and undertaking of turnkey and infrastructure projects
Bintai Asset Holdings Sdn Bhd	100	100	Investment holding
<b>Incorporated in Singapore</b>			
Bintai Kindenko Pte Ltd +	69.82	69.82	Mechanical and electrical engineering contractor
<b>Indirect holding</b>			
<b>Subsidiary of Kejuruteraan Bintai Kindenko Sdn Bhd</b>			
<b>Incorporated in Malaysia</b>			
Bintai Facilities Management Sdn Bhd	100	100	Provision of property management and facilities management services



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**5. INVESTMENT IN SUBSIDIARIES (CONT'D)**
**(a) Investment in subsidiaries (cont'd)**

<u>Name of Company</u>	<u>Effective</u> <u>Equity Interest</u>		<u>Principal Activities</u>
	<u>2014</u>	<u>2013</u>	
	%	%	
<b>Indirect holding</b>			
<b>Subsidiary of Bintai Trading Sdn Bhd</b>			
<b>Incorporated in Malaysia</b>			
Bintai Property Development Sdn Bhd	100	100	Property development
<b>Indirect holding</b>			
<b>Subsidiary of Bintai Asset Holdings Sdn Bhd</b>			
<b>Incorporated in Malaysia</b>			
Bintai Cotrade Petroleum Engineering Sdn Bhd	100	100	Provision of technical services in the field of mechanical and electrical engineering
<b>Indirect holding</b>			
<b>Subsidiaries of Bintai Kindenko Pte Ltd</b>			
<b>Incorporated in Vietnam</b>			
Bintai Kindenko (Vietnam) Co. Ltd +	69.82	69.82	Provision of technical services in the field of mechanical and electrical engineering services and project consultancy and management
<b>Incorporated in Singapore</b>			
Bintai Kindenko Energy Pte Ltd +	69.82	69.82	Provision of energy efficiency audit and design consultancy and energy performance contracting
Bintai Kindenko Indonesia Holdings Pte Ltd +	69.82	69.82	Investment holding
Bintai Kindenko Property Pte Ltd +	69.82	69.82	Investment holding
<b>Incorporated in Indonesia</b>			
PT BK Indonesia +	46.78	-	Provide technical services in the field of mechanical and electrical engineering and project consultancy and management
<b>Incorporated in Myanmar</b>			
Bintai Kindenko Myanmar Company Limited +	69.81	-	Mechanical and electrical engineering, installation, maintenance and renovation of electrical and electronic goods

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**5. INVESTMENT IN SUBSIDIARIES (CONT'D)**
**(a) Investment in subsidiaries (cont'd)**

<u>Name of Company</u>	<u>Effective</u> <u>Equity Interest</u>		<u>Principal Activities</u>
	<u>2014</u>	<u>2013</u>	
	%	%	
<b>Indirect holding</b> <b>Subsidiary of Bintai Kindenko</b> <b>Property Pte Ltd</b>			
<b>Incorporated in Singapore</b>			
Bintai Kindenko Property Investment Pte Ltd +	69.82	-	Investment holdings

+ subsidiary not audited by Ong Boon Bah &amp; Co

**(b) Incorporation of new sub-subsidiaries**

On 16 April 2013, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company, incorporated a new wholly-owned subsidiary limited by shares in Singapore known as Bintai Kindenko Property Investment Pte Ltd ("BKPI") with an issued and paid-up share capital of SGD100 (Singapore Dollar One Hundred). The intended principal activity of BKPI is that of property investment. Upon incorporation, BKPI become a sub-subsidiary of the Company.

On 25 October 2013, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company, completed the subscription of 134,000 ordinary shares or equivalent to 67% of the total paid-up share capital of PT BK Indonesia for USD 134,000. Upon the aforesaid subscription, PT BK Indonesia become a sub-subsidiary of the Company.

On 7 November 2013, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company, completed the subscription of an amount of Myanmar Kyat 29,010,000.00 in Bintai Kindenko Myanmar Company Ltd ("BKMCL"), representing 60% of the intended initial paid-up share capital of Myanmar Kyat 48,350,000 in BKMCL. Upon the aforesaid subscription, BKMCL become a sub-subsidiary of the Company.

**(c) Acquisition of a subsidiary**

On 6 April 2012, Bintai Asset Holdings Sdn Bhd ("BAH"), a wholly owned subsidiary of the Company acquired two (2) ordinary shares of RM1 each, representing the entire issued and paid up share capital of Bintai Cotrade Petroleum Engineering Sdn Bhd ("BCPE") for a total cash consideration of RM2.

The assets and liabilities arising from the acquisition were as follows :

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	-	*
Current liabilities	-	(12)

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**5. INVESTMENT IN SUBSIDIARIES (CONT'D)**
**(c) Acquisition of a subsidiary (cont'd)**

Net cash outflow arising from the acquisition

	Group	
	2014	2013
	RM'000	RM'000
Purchase consideration settled in cash	-	*
Cash and cash equivalents acquired	-	*
	<u>-</u>	<u>*</u>

Note (\*): Representing value less than a thousand.

**(d) Acquisition of non-controlling interests**

On 20 July 2012, Bintai Kindenko Pte Ltd acquired the remaining 28% shareholdings in Bintai Kindenko Energy Pte Ltd (formerly known as Bintai Consider Energy Pte Ltd) ("BKEPL") comprising 28 ordinary shares of SGD1 each from Consider Group Asia Pte Ltd for a total consideration of SGD28. BKEPL thus become a wholly-owned sub-sub-subsidiary of the Company.

The following summarises the effect of changes in the equity interest in BKEPL that is attributable to owners of the Company:

	Group	
	2014	2013
	RM	RM
Equity interest at 1 April 2013/20 July 2012	-	(49,719)
Effect of increase in Company's ownership interest	-	140
Equity interest at 31 March	<u>-</u>	<u>(49,579)</u>

Effect of changes in ownership interest without loss of control:

	Group	
	2014	2013
	RM	RM
Carrying amount of non-controlling interest acquired	-	(49,579)
Less: Consideration paid to non-controlling interest, net of transaction costs	-	(70)
Difference recognised in retained profits	<u>-</u>	<u>(49,649)</u>

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**6. INVESTMENT IN ASSOCIATES**

	Group	
	2014 RM'000	2013 RM'000
Unquoted equity shares, at cost		
At 1 April	546	546
Addition during the financial year	257	-
Foreign exchange difference	(122)	-
At 31 March	681	546
Share of post acquisition results	(367)	(66)
	<u>314</u>	<u>480</u>
Less: Accumulated impairment on investment cost		
At 1 April	(150)	-
Impairment for the financial year	-	(150)
At 31 March	(150)	(150)
	<u>164</u>	<u>330</u>
Represented by:		
Share of net tangible assets	<u>114</u>	<u>220</u>

The associates are as follow:

<u>Name of Company</u>	<u>Effective</u>		<u>Principal Activities</u>
	<u>2014</u>	<u>2013</u>	
	%	%	
KBK Dubai Contracting LLC *+	49	49	Civil engineering works, electrical fitting, contracting, electromechanical equipment installation, plumbing and sanitary contracting
PT Bintai Kindenko Engineering Indonesia**+	20.94	20.94	Mechanical and electrical engineering services

\* Incorporated in the United Arab Emirates.

\*\* Incorporated in Indonesia.

+ Not audited by Ong Boon Bah & Co

The audited financial statements for KBK Dubai Contracting LLC for the financial year ended 31 March 2014 were not available and accordingly, the unaudited management financial information of this entity was used for the preparation of the consolidated financial statements of the Group.

During the financial year, the Group subscribed for new registered capital in PT Bintai Kindenko Engineering Indonesia by cash contribution of RM256,690 (INR900,000,000). There is no change in the equity interest held by the Group after the additional capital contribution.

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**6. INVESTMENT IN ASSOCIATES (CONT'D)**

The summarised financial information of the associates, not adjusted for the percentage ownership held by the Group are as follow:

	Group	
	2014 RM'000	2013 RM'000
<b>Assets and liabilities</b>		
Non-current assets	-	217
Current assets	24,935	24,074
Total assets	<u>24,935</u>	<u>24,291</u>
Current liabilities	(25,952)	(24,416)
Total net liabilities	<u>(1,017)</u>	<u>(125)</u>
<b>Results</b>		
Revenue	960	756
Expenses	(843)	(1,227)
Net loss for the financial year	<u>(1,272)</u>	<u>(471)</u>

The unrecognised share of losses of the associates are as follow:

	Group	
	2014 RM'000	2013 RM'000
At 1 April	569	445
Addition during the financial year	131	124
At 31 March	<u>700</u>	<u>569</u>

**7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES**

	Group	
	2014 RM'000	2013 RM'000
Unquoted equity shares, at cost		
At 1 April	4,492	615
Addition during the financial year	546	4,492
Foreign exchange difference	170	-
At 31 March	5,208	5,107
Reversal of impairment loss	-	620
Share of post acquisition results	198	(10)
Reclassified to other receivables	-	(1,235)
	<u>5,406</u>	<u>4,482</u>

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**7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D)**

The jointly controlled entities of the Group are as follow:

<u>Name of Entity</u>	<u>Effective</u>		<u>Principal Activity</u>
	<u>Equity Interest</u>		
	<u>2014</u>	<u>2013</u>	
	%	%	
Samsung-Bintai Kindenko Joint Venture*	27.93	27.93	Mechanical and electrical engineering services
Kejuruteraan Bintai Kindeko Sdn Bhd-Kinden Corporation Joint Venture**	70.00	-	Mechanical and electrical engineering services
Lucky City Group Company Limited***	-	34.91	Dormant

\* Registered in Singapore

\*\* Registered in Malaysia

\*\*\* A private limited company incorporated in Hong Kong.

The summarised financial information of the jointly controlled entities, not adjusted for the percentage ownership held by the Group are as follows:

	<u>Group</u>	
	<u>2014</u>	<u>2013</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>Assets and liabilities</b>		
Non-current assets	1,674	1,502
Current assets	28,365	33,344
Total assets	<u>30,039</u>	<u>34,846</u>
Non-current liabilities	(72)	(26)
Current liabilities	(17,271)	(27,374)
Total net assets	<u>12,696</u>	<u>7,446</u>
<b>Results</b>		
Revenue	20,882	13,164
Cost of sales	(20,284)	(12,855)
Expenses	(313)	(339)
Net profit/(loss) for the financial year	<u>285</u>	<u>(30)</u>

The unrecognised share of losses of the jointly controlled entities are as follows:

	<u>Group</u>	
	<u>2014</u>	<u>2013</u>
	<u>RM'000</u>	<u>RM'000</u>
At 1 April	421	419
Addition	-	2
Disposal	(421)	-
At 31 March	<u>-</u>	<u>421</u>

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**7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D)**

In the previous financial year, the Group invested in a 40% share in a Joint Venture partnership registered in Singapore, in Samsung-Bintai Kindenko Joint Venture for a consideration of RM4,492,440. The results of this Joint Venture were included in the Group's financial statements in the previous year using proportionate consolidation. Since the Group adopted FRS 11 Joint Arrangements, the necessary reclassifications were made as disclosed in Note 42. This Joint Venture is audited by another firm of auditors.

During the financial year, the Group entered into a Joint Venture partnership with Kinden Corporation, Japan, to undertake mechanical and electrical engineering projects on a basis of 70% profit sharing. This Joint Venture is audited by Ong Boon Bah & Co.

In the previous financial year, the Group entered into a sale and purchase agreement to dispose its 50% equity shareholding in Lucky City Group Company Limited for a cash consideration of RM1,234,575 (equivalent to SGD494,800). The sale was completed during the financial year. Consideration due to the Group had been reclassified to other receivables, of which the Group received RM501,793 (equivalent to SGD193,720) during the financial year.

**8. OTHER INVESTMENTS**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Available-for-sale financial assets</b>				
Unquoted shares of corporation in Malaysia, at cost	205	205	-	-
Less : Accumulated impairment loss	(205)	(205)	-	-
	-	-	-	-
Quoted shares of corporation in Malaysia, at cost	687	687	-	-
Less : Fair value adjustment	(343)	(402)	-	-
	344	285	-	-
Quoted shares of corporation outside Malaysia, at cost	6,536	6,536	6,536	6,536
Less: Accumulated impairment loss	(3,887)	(3,887)	(3,887)	(3,887)
Fair value adjustment	(1,995)	(1,545)	(1,995)	(1,545)
	654	1,104	654	1,104
Transferable club membership, at cost	1,693	1,693	-	-
Foreign exchange difference	67	15	-	-
Less: Accumulated impairment loss	(42)	(41)	-	-
	1,718	1,667	-	-
<b>Total investments</b>	<b>2,716</b>	<b>3,056</b>	<b>654</b>	<b>1,104</b>
Market value of quoted shares	998	1,389	654	1,104

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**9. LONG TERM RECEIVABLES**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Other receivable</b>					
- third party	(a)	20,620	21,332	20,620	21,332
Less: Allowance for impairment loss		(20,620)	(20,126)	(20,620)	(20,126)
		<u>-</u>	<u>1,206</u>	<u>-</u>	<u>1,206</u>

Movement in impairment during the financial year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 April	20,126	20,126	20,126	20,126
Impairment for the financial year	494	-	494	-
At 31 March	<u>20,620</u>	<u>20,126</u>	<u>20,620</u>	<u>20,126</u>

- (a) Included in the other receivable of the Group and of the Company is an amount due from Desa Konsep Sdn Bhd ("DKSB") amounting to RM21.332 million (2013: RM22.582 million), of which a total impairment loss amounting to RM20.620 million (2013: RM20.126 million) has been recognised.

Based on the schedule of repayment entered between the Company and DKSB, a payment of RM1.250 million was received during the financial year. RM0.712 million of the amount still outstanding has been reclassified as short term receivable.

In year 2007, the Company assigned to DKSB an outstanding amount of SGD11.700 million which had been due from Lereno Bio-Chem Limited Group in consideration for DKSB's agreement to pay the Company a sum of RM27.577 million within a period of one (1) year. In year 2011, the Group and the Company received a revised repayment schedule that specified repayment from 1 January 2012 to 1 October 2016 that amount to RM7.0 million, where the remaining balance of RM18.8 million will be reviewed later. The Company had in previous financial year signed a Mortgage over Securities with DKSB whereby DKSB mortgaged its interest in 68,700,000 ordinary shares in the share capital of Lereno Bio-Chem Limited ("LBC"), a public limited company listed on the Catalist Board of Singapore Exchange Securities Trading Limited. As at 31 March 2014, the market value of the securities stood approximately at RM0.712 million (2013: RM 1.20 million).

**10. DEFERRED TAX ASSETS**

	Group	
	2014 RM'000	2013 RM'000
At 1 April	6,696	-
(De-recognition)/recognition to profit or loss	(6,440)	6,696
Foreign exchange difference	163	-
At 31 March	<u>419</u>	<u>6,696</u>

The deferred tax assets arose from the difference in tax base and accounting base of provisions (Note 22).



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**11. PROPERTY DEVELOPMENT COSTS**

	Group	
	2014 RM'000	2013 RM'000
<b>Cumulative property development costs</b>		
At 1 April	19,424	16,243
Development expenditure incurred during the financial year	15,569	3,181
At 31 March	<u>34,993</u>	<u>19,424</u>
<b>Less: Cumulative costs recognised in the statements of comprehensive income</b>		
Recognised during the financial year	17,271	-
At 31 March	<u>17,271</u>	<u>-</u>
<b>Less: Accumulated impairment</b>		
At 1 April/31 March	1,251	1,251
	<u>16,471</u>	<u>18,173</u>

Included in property development costs incurred during the financial year is finance cost amounting to RM416,215 (2013: RM 20,053).

A subsidiary company entered into an agreement with a third party (the landowner) to develop its land, solely at the cost of the subsidiary and based on the agreement, the landowner is entitled to a certain percentage of the development profit.

**12. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS**

	Group	
	2014 RM'000	2013 RM'000
Construction contract costs incurred to date	919,784	749,837
Add: Attributable profits	63,558	59,363
	<u>983,342</u>	<u>809,200</u>
Less: Progress billings	(930,903)	(787,163)
	<u>52,439</u>	<u>22,037</u>
Represented by:		
Amounts due from contract customers	79,899	59,587
Amounts due to contract customers	(27,460)	(37,550)
	<u>52,439</u>	<u>22,037</u>
Retention sum included in trade receivables	<u>61,565</u>	<u>48,369</u>

Included in construction contract costs incurred during the financial year are the following items:

	Note	Group	
		2014 RM'000	2013 RM'000
Staff costs	27	58,825	62,574
Finance costs	28	412	505
		<u>58,825</u>	<u>62,574</u>
		<u>412</u>	<u>505</u>

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**13. INVENTORIES**

	Group	
	2014 RM'000	2013 RM'000
<b>At cost:</b>		
Completed properties	441	441
Finished goods	530	28
	971	469

**14. RECEIVABLES**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Trade:</b>				
- third parties	(b) 48,373	119,619	-	-
- related parties	(c) 51,399	51,646	-	-
	99,772	171,265	-	-
<b>Retention sum:</b>				
- third parties	61,565	48,369	-	-
	161,337	219,634	-	-
Less: Allowance for impairment loss	(e) (28,688)	(29,727)	-	-
	132,649	189,907	-	-
<b>Non-trade:</b>				
Other receivables:				
- third parties	39,794	25,170	1,595	1,995
- related party	-	-	51,395	51,395
	39,794	25,170	52,990	53,390
Less: Allowance for impairment loss	(e) (7,257)	(7,773)	(22,139)	(22,139)
	32,537	17,397	30,851	31,251
Amounts due from subsidiaries	(f) -	-	10,265	11,175
Less : Allowance for impairment loss	(e) -	-	(2,320)	(3,230)
	-	-	7,945	7,945
Amount due from associate	(g) 26,205	26,205	26,205	26,205
Less : Allowance for impairment loss	(e) (11,802)	(12,584)	(11,802)	(12,584)
	14,403	13,621	14,403	13,621
Amounts due from jointly controlled entities	(h) 1,327	1,235	-	-
	48,267	32,253	53,199	52,817
Deposits	1,945	4,475	-	-
Prepayments	240	160	66	60
	2,185	4,635	66	60
	183,101	226,795	53,265	52,877

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**14. RECEIVABLES (CONT'D)**

(a) The foreign currency exposure profile of the receivables are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Singapore Dollar	92,289	116,985	-	-
United States Dollar	3,184	6,434	-	-
Vietnamese Dong	7,901	6,523	-	-
	<u>103,374</u>	<u>129,942</u>	<u>-</u>	<u>-</u>

(b) Third parties

- (i) The Group's normal trade credit terms range from 14 to 90 days (2013: 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group has significant credit risk concentration of trade receivables at reporting date that may arise from exposure to a single debtor.
- (ii) An amount of RM18,078,756 (2013: RM57,054,297) of the Group's trade receivables is pledged to secure banking facilities as disclosed in Note 19.

(c) Related parties

Included in the trade receivables of the Group and other receivables of the Company is an amount of RM51.395 million (2013: RM51.395 million) owing by a related party, Lereno Sdn Bhd ("LSB"), outstanding since year 2005. This debt was assigned from a subsidiary, Kejuruteraan Bintai Kindenko Sdn Bhd ("KBK") to the Company in the financial year ended 31 March 2012. Total impairment by the Group is RM21.395 million (2013: RM21.395 million).

In year 2005, KBK entered into a turnkey construction contract with LSB for the construction of a proposed bio-diesel plant at Lumut Port Industrial Park. On 11 December 2006, KBK secured from the promoters of LSB a first fixed legal charge over shares equivalent to 62% of LSB's total number of shares as security for the repayment of amount owing by LSB. The shares were subsequently charged to a financial institution as disclosed in Note 19. As the amount owing to the particular financial institution has been fully settled, steps have been taken to discharge the charge. As at the date of this report, the process of discharge is not completed yet.

Based on an independent valuation report dated 12 May 2014 (2013: 28 June 2013) by an independent valuer, the valuation amount of LSB was RM96.42 million (2013: RM105 million). 62% of this value, which amounts to RM59.78 million (2013: RM65.1 million) is sufficient to repay the outstanding debts in the event the shares pledged as security is realised.

Since the previous financial year ended, the Company proposed to LSB to restructure its outstanding debts ("the Proposal") and the management is confident that LSB will accept the Proposal.

The details of Proposal will be announced upon finalisation of the terms and conditions by both parties.

The net impact of the Proposal to the Group and to the Company resulted in further impairment during the financial year of RM Nil and RM Nil (2013: RM5.9 million and RM5.9 million) respectively.

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**14. RECEIVABLES (CONT'D)**

## (c) Related parties (cont'd)

Based on the above, the Directors are of view that the carrying amount owing by LSB are recoverable and therefore no further impairment is required.

## (d) Analysis of the trade receivables ageing are as follows:

	Group	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	58,579	74,897
Past due less than 30 days not impaired	11,222	33,627
Past due for 31-60 days not impaired	9,874	5,296
Past due for 61-90 days not impaired	815	23
Past due for 90 days not impaired	52,159	76,064
	74,070	115,010
Impaired	28,688	29,727
	<u>161,337</u>	<u>219,634</u>

## (i) Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

## (ii) Receivables that are past due but not impaired

The receivables that are past due but not impaired are unsecured in nature. However, the Directors are of the opinion that these debts should be realised in full.

**2013**

Included in the trade receivables of the Group in this financial year ended which are past due but not impaired are:

- (i) An amount by a debtor linked to a Malaysian government agency of approximately RM5.707 million in respect of projects for specialised mechanical and electrical services completed more than a year ago but pending finalisation of final contract sum.
- (ii) An amount by a debtor of approximately RM51.395 million in respect of a project completed more than a year ago. 62% of the shares of this debtor company are pledged to the Group by its shareholders and subsequently charged to the bank. The Group would be able to dispose the shareholdings in order to recover the debt. As a measure of good corporate governance and financial prudence, the Directors had up to the financial year ended 31 March 2013 made a total impairment loss of RM21.395.
- (iii) An amount of RM78.820 million due from a consortium of debtors of which RM72.964 million were reported received at the date of report for the financial year ended 31 March 2013.

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**14. RECEIVABLES (CONT'D)**

- (d) Analysis of the trade receivables ageing are as follows (cont'd):

**2014**

The status of the recoverability of the above trade receivables are as follows:

- (i) During the financial year ended, the Group managed to agree and received an amount of RM1.159 million from this debtor linked to a Malaysian government agency. The Group is still in the process of finalising the remaining final contract sum of approximately RM4.548 million in respect of projects for specialised mechanical and electrical services completed more than a year ago. However, for financial prudence, the Directors made an impairment loss of RM2.274 million during the financial year ended.
- (ii) Pursuant to a proposed corporate exercise involving this debtor company, the balance of the RM30 million not impaired might be converted into equity.
- (iii) The Group received the final balance of RM5.856 million during the financial year.

The Directors, having considered all available information relating to the above receivables, were confident that the debts will be recovered in full. Accordingly, the directors were of the opinion that no further allowance for impairment loss is required.

- (e) Movement in impairment during the financial year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade				
At 1 April	29,727	23,161	-	-
Impairment for the financial year	7,204	7,790	-	-
Reversal for the financial year	(8,243)	(1,224)	-	-
At 31 March	<u>28,688</u>	<u>29,727</u>	<u>-</u>	<u>-</u>
Non-Trade				
At 1 April	20,357	21,061	37,953	32,124
Impairment for the financial year	68	11	-	5,976
Reversal for the financial year	(782)	(715)	(1,692)	(147)
Foreign exchange difference	(584)	-	-	-
At 31 March	<u>19,059</u>	<u>20,357</u>	<u>36,261</u>	<u>37,953</u>

- (f) Amounts due from subsidiaries

These represent unsecured, interest free advances and repayable on demand.

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**14. RECEIVABLES (CONT'D)**

(g) Amount due from associate

This represents unsecured, interest free advances and repayable on demand.

Include in the amount owing by associate of the Group and the Company is an amount of RM26.21 million and RM26.21 million (2013: RM26.21 million and RM26.21 million) respectively, which represent payment on behalf for performance bond of RM13.63 million (2013: RM13.63 million) and advances to the associate of RM12.58 million (2013: RM12.58 million).

This debt was assigned from a subsidiary, Kejuruteraan Bintai Kinden Sdn Bhd ("KBK") to the Company in the previous financial year.

The associate, KBK Dubai Contracting LLC ("KBK Dubai") entered into an unincorporated joint venture agreement with two other UAE registered limited liability companies to form a Consortium ("Subcontractor" or collectively known as "the Consortium"), for a proposed development in Dubai. The Main Contractor which is also an unincorporated Joint Venture comprising two other entities ("Main Contractor") had made a call upon the subcontract Performance Bond amounting to AED40 million (equivalent to RM33.4 million) that had been provided to Main Contractor. However, the Main Court in Dubai ordered that the Consortium's subcontract Performance Bond to Main Contractor was to be treated as cancelled and therefore could not be called upon.

The decision by Main Court in Dubai was subsequently upheld by the Dubai Appeal Court. Even though the Main Contractor has made an application to Cassation Court in Dubai to reconsider the decision of the Dubai Appeal Court on technical ground, the solicitors acting for the Consortium is of the opinion that the Dubai Cassation Court will reject the appeal by the Main Contractor.

Based on the solicitors' opinion letter dated 30 May 2013 (2013: 30 May 2013), the bond is no longer capable of being called. The reason is that during the course of the Dubai Court proceedings, the Court declared the bond as cancelled, and after a decision in the Court of Appeal the matter become subject to a Final Order and therefore it become closed. Essentially, therefore, the bond no longer exists to be utilised by its recipient beneficiaries.

The Cassation Court in Dubai has ruled in April 2013 that the bond in question was indeed a performance bond not an advance payment guarantee as it had been characterised by the Dubai Court of Appeal.

The Cassation Court has referred the matter back to the Dubai Court of Appeal but the Court of Appeal has yet to set any date for any further hearing in the matter. So far, the issue to be dealt with by the Court of Appeal will revolve around the parties' respective loss claims.

As such, the Directors based on the legal opinion believe that the payment made on behalf for the Performance Bond of RM14.41 million (2013: RM13.63 million) is recoverable, therefore no impairment is required.

In addition, the Consortium has since initiated arbitration claims against the Customer, in relation to the payment of outstanding amount of work and material for the infrastructure works. However, the arbitration is still on going and the outcome of the arbitration claim is unable to be determined. As a result the Group and the Company recognised impairment loss of RM11.80 million (2013: RM12.58 million), being the advances to the associate.

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**14. RECEIVABLES (CONT'D)**

(h) Amounts due from jointly controlled entities

These represent unsecured, interest free advances and repayable on demand.

**15. DEPOSITS, BANK AND CASH BALANCES**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed deposits/short term deposits with licensed banks	10,871	14,168	723	65
Cash held under Housing Development Accounts	6,416	489	-	-
Cash and bank balances	<u>20,402</u>	<u>52,269</u>	<u>2,714</u>	<u>103</u>
	<u>37,689</u>	<u>66,926</u>	<u>3,437</u>	<u>168</u>

At end of the reporting period:

The weighted range of effective interest rates per annum for fixed deposits/short- term deposits with licensed banks (%)	<u>0.06-2.95</u>	<u>0.01-2.95</u>	<u>0.05- 0.325</u>	<u>0.05</u>
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The weighted range of maturities on fixed  
deposits/short-term deposits with licensed  
banks (days)

	<u>30-180</u>	<u>30-180</u>	<u>30-180</u>	<u>30</u>
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- (i) Cash held under Housing Development Accounts are maintained in designated Housing Development Accounts pursuant to the Housing Development (Control and Licensing) Act, 1966 and Housing Development (Housing Development Account) Regulations, 1991 and is restricted from general use.
- (ii) Included in fixed deposits/short term deposits with licensed banks of the Group is a total amount of RM2,320,513 (2013: RM3,210,754) pledged to licensed banks to secure banking facilities as disclosed in Note 19.

Foreign currency profile of cash and bank balances:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Singapore Dollar	8,910	45,961	68	65
Vietnamese Dong	1,704	967	-	-
Japanese Yen	209	216	-	-
United States Dollar	9,861	12,482	655	-
	<u>20,684</u>	<u>59,626</u>	<u>723</u>	<u>65</u>

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**16. NON-CURRENT ASSETS HELD FOR SALE**

Investment properties that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Freehold land and building</b>				
At 1 April	6,500	6,500	6,500	6,500
Disposal	(6,500)	-	(6,500)	-
At 31 March	(a) -	6,500	-	6,500
<b>Leasehold land and building</b>				
At 1 April	156	156	-	-
Disposal	(156)	-	-	-
At 31 March	(b) -	156	-	-
	-	6,656	-	6,500

(a) As disclosed in Note 40(d), the Group and the Company completed the disposal of the freehold land and building during the financial year.

(b) The Group entered into a settlement agreement with a creditor to dispose of the leasehold land and buildings subsequent to the end of the last reporting period and the disposal is completed during the financial year.

**17. SHARE CAPITAL**

	Group and Company			
	2014		2013	
	Number of shares 000	Nominal value RM'000	Number of shares 000	Nominal value RM'000
<b>Authorised:</b>				
Ordinary shares of RM1.00 each	500,000	500,000	500,000	500,000
<b>Issued and fully paid:</b>				
Ordinary shares of RM1.00 each	103,889	103,889	103,889	103,889

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.



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**18. RESERVES**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Non-distributable reserves:</b>					
Share premium	(a)	1,142	1,142	1,142	1,142
Treasury shares	(b)	(3,462)	(3,462)	(3,462)	(3,462)
Fair value reserve	(c)	(2,339)	1,823	(1,995)	2,171
Foreign exchange reserve	(d)	4,361	2,792	-	-
		(298)	2,295	(4,315)	(149)
Accumulated losses		(45,675)	(44,169)	(52,002)	(51,892)
		(45,973)	(41,874)	(56,317)	(52,041)

The nature and purpose of each category of reserve are as follows:

**(a) Share premium**

The share premium account may be applied in paying up unissued shares as fully paid bonus shares.

**(b) Treasury shares**

During the financial year, the Company did not repurchase any ordinary share from the open market. None of the shares has been cancelled or resold. The treasury shares held as at 31 March 2014 amounted to 1,997,600 (2013: 1,997,600) ordinary shares of RM1.00 each. Accordingly, the issued and paid-up share capital of the Company with voting rights as at 31 March 2014 was 101,891,653 (2013: 101,891,653) ordinary shares of RM1.00 each.

The Company will not seek shareholders' approval for a mandate for share buy back at the forthcoming Annual General Meeting.

The number of treasury shares held as at the statements of financial position date was as follow:

	Number of ordinary shares 000	Amount RM'000
2013/2014		
At 1 April/31 March	1,997	3,462

There were no sales, cancellations or distributions of treasury shares during the financial year.

The number of issued and fully paid-up share capital with voting rights as at the end of the reporting period after deducting treasury shares repurchased was 101,891,653 (2013: 101,891,653) ordinary shares of RM1.00 each.

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**18. RESERVES (CONT'D)**
**(c) Fair value reserve**

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

**(d) Foreign exchange reserve**

The foreign exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the exchange differences arising from translation of monetary items which form part of the Group's net investment in foreign operations.

**19. BANK BORROWINGS**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Secured</b>				
Bank overdrafts	16,264	27,018	-	-
Bills payable	18,583	14,824	-	-
Invoice financing	28,866	44,019	-	-
Revolving credit	42,041	39,220	4,441	-
Bridging loan	10,187	-	-	-
Term loan	24,608	9,417	-	-
Hire purchase payables (Note 20)	3,593	3,407	-	-
<b>Total borrowings</b>	<b>144,142</b>	<b>137,905</b>	<b>4,441</b>	<b>-</b>
Analysed as:				
<b>Repayable within twelve months</b>				
Bank overdrafts	16,264	27,018	-	-
Bills payable	18,583	14,824	-	-
Invoice financing	28,866	44,019	-	-
Revolving credit	42,041	39,220	4,441	-
Bridging loan	10,187	-	-	-
Term loan	24,608	9,417	-	-
Hire purchase payables (Note 20)	779	677	-	-
	<b>141,328</b>	<b>135,175</b>	<b>4,441</b>	<b>-</b>
<b>Repayable after twelve months</b>				
Hire purchase payables (Note 20)	2,814	2,730	-	-
	<b>2,814</b>	<b>2,730</b>	<b>-</b>	<b>-</b>
<b>Total borrowings</b>	<b>144,142</b>	<b>137,905</b>	<b>4,441</b>	<b>-</b>

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**19. BANK BORROWINGS (CONT'D)**

The banking facilities of the Company and the Group are secured on the following:

- (i) Corporate guarantees by the Company for banking facilities granted to the subsidiaries;
- (ii) Corporate guarantee by a subsidiary for banking facility granted to the Company;
- (iii) Assignment of contract proceeds by a subsidiary as disclosed in Note 14(b)(ii);
- (iv) Fixed deposits pledged amounting to RM2,320,513 (2013: RM3,210,754);
- (v) Freehold land and building of the Company as disclosed in Note 16; and
- (vi) First fixed legal charge over third party unquoted shares as disclosed in Note 14(c).

The maturity of bank borrowings are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Within one year	141,328	135,175	4,441	-
Between one and two years	800	630	-	-
Between two and three years	645	634	-	-
Between three and four years	545	445	-	-
Between four and five years	428	229	-	-
After five years	396	792	-	-
	<u>144,142</u>	<u>137,905</u>	<u>4,441</u>	<u>-</u>

The weighted average effective interest rates per annum at the end of the reporting period are as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Bank overdrafts	5 - 8.56	8.48	-	-
Bills payable	5.18	5.35	-	-
Invoice financing	2.85 - 3	2.85 - 3	-	-
Revolving credit	4 - 5.38	5.31	4	-
Term loan	3 - 5.93	3 - 5.94	-	-
Bridging loan	6.35	-	-	-

The foreign currency exposure profile are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
United States Dollar	4,441	-	4,441	-
Singapore Dollar	60,965	50,715	-	-
	<u>65,406</u>	<u>50,715</u>	<u>4,441</u>	<u>-</u>

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**20. HIRE PURCHASE PAYABLES**

	Group	
	2014 RM'000	2013 RM'000
Minimum hire purchase payments:		
Within one year	907	796
Between one and five years	2,642	2,175
After five years	412	822
	3,961	3,793
Less: Future finance charges	(368)	(386)
	3,593	3,407
Representing hire purchase payables:		
Within one year	779	677
Between one and five years	2,418	1,938
After five years	396	792
	3,593	3,407

The maturity structure of the hire purchase payables are as follows:

	Group	
	2014 RM'000	2013 RM'000
Within one year	779	677
Between one and two years	800	630
Between two and three years	645	634
Between three and four years	545	445
Between four and five years	428	229
After five years	396	792
	3,593	3,407

Hire purchase facilities incurred weighted average effective interest rate of 3.35% (2013: 3.20%) per annum for Malaysia and 4.38% (2013: 4.48%) per annum for Singapore.

The carrying amount of the hire purchase obligations approximate their fair values which are determined using discounted cash flows analysis based on average incremental market lending rates.

The Group's obligations under hire purchase are secured by the lessors' title to the leased assets.

Included in the hire purchase obligations is an amount of RM2,298,670 (2013: RM2,226,451) being hire purchase registered in the names of directors and key personnel for motor vehicles acquired in their names held in trust for the Group.

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**21. PAYABLES**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Trade:</b>				
- third parties	50,508	69,697	-	-
- related party	5	-	-	-
<b>Retention sum:</b>				
- third parties	670	6,602	-	-
	<u>51,183</u>	<u>76,299</u>	<u>-</u>	<u>-</u>
<b>Non-trade:</b>				
Other payables:				
- third parties	5,231	8,495	2,270	2,260
- related parties	8,158	10,742	-	-
	<u>13,389</u>	<u>19,237</u>	<u>2,270</u>	<u>2,260</u>
Amounts due to subsidiaries (b)	-	-	54,822	69,926
Deposit received	1,251	74	-	65
Accruals	19,131	7,425	580	590
	<u>33,771</u>	<u>26,736</u>	<u>57,672</u>	<u>72,841</u>
	<u>84,954</u>	<u>103,035</u>	<u>57,672</u>	<u>72,841</u>

(a) Foreign currency exposure profile of payables are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Singapore Dollar	57,299	76,706	-	-
Japanese Yen	6,689	7,294	-	-
Vietnamese Dong	3,267	3,770	-	-
United States Dollar	447	1,289	-	-
	<u>67,702</u>	<u>89,059</u>	<u>-</u>	<u>-</u>

The normal trade credit term granted to the Group and to the Company ranges from 30 to 180 days (2013: 30 to 180 days). Other credit terms are assessed and approved on a case by case basis.

Non-trade related parties represent unsecured advance, interest free and repayable on demand.

(b) Amounts due to subsidiaries

These represent unsecured advance, interest free and repayable on demand.

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**22. PROVISIONS**

	Provision for claims RM'000	Provision for warranty and defects RM'000	Total RM'000
<b>Group</b>			
At 1 April 2012	48,651	13,853	62,504
Recognised to profit or loss	-	295	295
Reversal	(15,126)	(1,583)	(16,709)
Utilised	(2,731)	(7,087)	(9,818)
Foreign exchange difference	1,148	1,683	2,831
At 31 March 2013	31,942	7,161	39,103
Recognised to profit or loss	535	394	929
Reversal	(23,305)	(3,339)	(26,644)
Utilised	(8,428)	(2,810)	(11,238)
Foreign exchange difference	837	226	1,063
At 31 March 2014	1,581	1,632	3,213

The provision for warranty and defects is the Group's estimated liability, determined on an aggregate portfolio basis, to make good defective works for the duration of the warranty/defect liability period in relation to the short term contracts on provision of maintenance and other specialised mechanical and electrical services. The provision represents the estimated total warranty claims calculated based on the historical levels of such warranty claims.

The provision for claims is specific provision for the contract works claimed by sub-contractors on projects already closed, using information available at the date of the financial statements.

**23. DEFERRED TAX LIABILITIES**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 April	-	48	-	-
Derecognised to profit or loss	-	(46)	-	-
Foreign exchange difference	-	(2)	-	-
At 31 March	-	-	-	-

The components and movements of deferred tax liabilities of the Group are as follows:

	Accelerated capital allowances Group	
	2014 RM'000	2013 RM'000
At 1 April	-	48
Derecognised to profit or loss	-	(48)
At 31 March	-	-

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**23. DEFERRED TAX LIABILITIES (CONT'D)**

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unutilised tax losses	17,301	12,664	6,332	6,332
Unabsorbed capital allowances	261	62	-	-
	<u>17,562</u>	<u>12,726</u>	<u>6,332</u>	<u>6,332</u>

The unutilised tax losses and unabsorbed capital allowance are available indefinitely for offset against future taxable profits of the companies in which those items arose.

**24. REVENUE AND COST OF SALES**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Revenue</b>				
Attributable contract revenue	373,599	334,801	-	-
Property development	17,665	-	-	-
Sale of goods	832	5,059	-	-
Services rendered	6,706	4,936	-	-
Management fees	-	-	-	480
	<u>398,802</u>	<u>344,796</u>	<u>-</u>	<u>480</u>

	Group	
	2014 RM'000	2013 RM'000
<b>Cost of sales</b>		
Attributable contract costs	344,172	305,468
Property development	17,271	-
Cost of completed properties	-	252
Sale of goods	705	4,639
Services rendered	5,302	4,231
Others	-	51
	<u>367,450</u>	<u>314,641</u>

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**25. PROFIT/(LOSS) BEFORE TAXATION**

Profit/(loss) before taxation is arrived at after charging/(crediting):

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Auditors' remuneration:				
statutory audit - current year	261	343	65	65
- under provision in prior year	5	66	-	65
other services	122	-	45	-
Bad debts recovered on trade receivables	-	(1,248)	-	-
Bad debts written off on trade receivables	7,736	-	-	-
Deposit written off (trade)	26	-	-	-
Depreciation of property, plant and Equipment	1,066	875	-	-
Directors' remuneration:				
-Company's Directors (Note 26)	13,863	11,211	1,005	1,030
-other Directors (Note 26)	14,873	10,769	-	-
Dividend income from subsidiary	-	-	(9,651)	(17,520)
Gain on foreign exchange:				
-realised	(162)	(167)	-	-
-unrealised	(680)	(1,493)	(49)	(1)
Gain on disposal of:				
-non-current assets held for sale	(3,953)	-	(3,930)	-
-other investments	(34)	(3)	-	(3)
-property, plant and equipment	(70)	(30)	-	-
Impairment loss on:				
-receivables	7,766	7,801	494	5,976
-investment in associate	-	150	-	-
-investment in subsidiaries	-	-	10,602	28,445
-other investments	1	-	-	-
Interest income on:				
- fixed deposits and short term deposits	(46)	(175)	(2)	(48)
- Housing Development Accounts	(42)	(15)	-	-
- others	(137)	-	(45)	-
Loss on foreign exchange:				
-realised	301	92	-	-
-unrealised	438	763	266	-
Property, plant and equipment written off	-	1,394	-	-
Provision for:				
-claims	535	-	-	-
-warranty and defects	394	295	-	-
Rental income	(76)	(57)	-	-



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**25. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Rental of:				
-office premises	1,875	1,875	-	-
-office equipment	58	57	-	-
-motor vehicle	13	4	-	-
Reversal of provision for:				
-claims	(23,305)	(15,126)	-	-
-warranty and defects	(3,339)	(1,583)	-	-
Reversal of over-accrued costs in prior years	-	(3,865)	-	-
Reversal of impairment loss on:				
-amount owing by subsidiary	-	-	(910)	(87)
-amount owing by associate	(782)	(60)	(782)	(60)
-receivables	(8,243)	(1,879)	-	-
Waiver of debts	(148)	(295)	-	-

**26. DIRECTORS' REMUNERATION**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Company's Directors:</b>				
Executive:				
-Salaries and bonus	12,641	9,752	420	420
-Ex-gratia	103	103	35	35
-Benefits-in-kind	53	47	-	-
-Fees	18	295	18	95
-Statutory Employees Provident Fund	183	210	50	50
	<u>12,998</u>	<u>10,407</u>	<u>523</u>	<u>600</u>
Non-Executive:				
-Fees	865	804	482	430
Total	<u>13,863</u>	<u>11,211</u>	<u>1,005</u>	<u>1,030</u>
<b>Other Directors:</b>				
-Salaries and bonus	14,606	10,493	-	-
-Ex-gratia	34	30	-	-
-Benefits-in-kind	106	110	-	-
-Statutory Employees Provident Fund	127	136	-	-
	<u>14,873</u>	<u>10,769</u>	<u>-</u>	<u>-</u>

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**26. DIRECTORS' REMUNERATION (CONT'D)**

The number of Directors of the Company whose remuneration is analysed into bands of RM50,000 are as follow:

	Number of Directors	
	2014	2013
Executive Directors		
RM400,001 - RM450,000	1	-
RM500,001 - RM550,000	-	1
RM2,600,001 - RM2,650,000	-	1
RM4,300,001 - RM4,350,000	1	-
RM7,200,001 - RM7,250,000	-	1
RM8,250,001 - RM8,300,000	1	-
Non-Executive Directors		
RM0 - RM50,000	4	2
RM50,001 - RM100,000	1	3
RM100,001 - RM150,000	1	-
RM450,001 - RM500,000	-	1
RM550,001 - RM600,000	1	-

For security and confidentiality reasons, the details of Directors' remuneration are not disclosed with reference to individual Director.

**27. STAFF COSTS**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total staff costs for the financial year (excluding Directors)	65,504	69,024	964	901
Less: Staff costs included in construction contract costs	<u>(58,825)</u>	<u>(62,574)</u>	<u>-</u>	<u>-</u>
	<u>6,679</u>	<u>6,450</u>	<u>964</u>	<u>901</u>

Included in the total staff costs above are contributions made to various Statutory Employees Provident Fund under various defined contribution plan in which the Group has operations amounting to RM3,974,914 (2013: RM3,779,320).

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**28. FINANCE COSTS**

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest on:				
Bank overdrafts	1,354	1,982	-	-
Hire purchase	141	114	-	-
Revolving credit	158	-	158	-
Term loan	347	159	-	-
Bridging loan	165	-	-	-
Trade financing	4,694	3,062	-	-
	<u>6,859</u>	<u>5,317</u>	<u>158</u>	<u>-</u>
Less:				
Interests charged to cost of sales	(2,049)	(196)	-	-
Interests capitalised in contract and property development costs	<u>(828)</u>	<u>(525)</u>	<u>-</u>	<u>-</u>
	<u>3,982</u>	<u>4,596</u>	<u>158</u>	<u>-</u>

**29. INCOME TAX EXPENSE**

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>Income tax</b>				
- current year				
- Malaysian income tax	2	114	-	97
- Foreign income tax	1,774	9,572	-	-
- prior years				
- Malaysian income tax	-	350	-	372
- Foreign income tax	<u>(4,945)</u>	<u>301</u>	<u>-</u>	<u>-</u>
	<u>(3,169)</u>	<u>10,337</u>	<u>-</u>	<u>469</u>
<b>Deferred taxation</b>				
- Relating to origination and reversal of temporary differences	<u>6,440</u>	<u>(6,742)</u>	<u>-</u>	<u>-</u>
	<u>3,271</u>	<u>3,595</u>	<u>-</u>	<u>469</u>

Malaysian income tax is calculated at a rate of 25% (2013: 25%) on the chargeable income of the estimated assessable profit/(loss) for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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**29. INCOME TAX EXPENSE (CONT'D)**

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) before taxation	6,041	6,900	(110)	(20,318)
Taxation at Malaysian statutory tax rate	1,510	1,725	(27)	(5,080)
Tax effects in respect of:				
Expenses not deductible for tax purposes	3,906	3,136	3,869	9,606
Income not subject to tax	(2,553)	(536)	(3,842)	(4,430)
Effect on different tax rates in foreign jurisdiction	(1,396)	(1,336)	-	-
Over recognition of deferred tax assets in prior years	5,550	-	-	-
Deferred tax assets not recognised during the financial year	1,199	51	-	-
Foreign tax relief and others	-	(96)	-	-
Under/(over) provision of taxation in prior years	(4,945)	651	-	373
	<u>3,271</u>	<u>3,595</u>	<u>-</u>	<u>469</u>

The unutilised tax losses and unabsorbed capital allowances available for utilisation against future taxable profits are approximately to be as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unutilised tax losses	17,301	12,664	6,332	6,332
Unabsorbed capital allowances	261	62	-	-
	<u>17,562</u>	<u>12,726</u>	<u>6,332</u>	<u>6,332</u>

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**30. EARNINGS PER SHARE**
**(a) Basic loss per share**

The basic loss per share is calculated by dividing the Group's loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2014	2013
Loss attributable to owners of the parent (RM'000)	(1,506)	(819)
Weighted average number of ordinary shares in issue ('000)	101,892	101,892
Basic loss per ordinary share (sen)	(1.48)	(0.80)

**(b) Diluted loss per share**

The calculation of diluted loss per ordinary share of the Group is consistent with the calculation of basic loss per share while giving effect to all dilutive potential ordinary shares that were outstanding during the financial year.

For the years ended 31 March 2014 and 2013, there was no dilutive effect and no adjustment is required to the basic loss per share shown above.

**31. DIVIDEND**

	Group	
	2014	2013
	RM'000	RM'000
Interim tax exempt (single-tier) on the basis of RM1.6526 (2013: RM2.9941) for each of the ordinary shares of 8,500,000 (2013: 8,500,000) in respect of the financial year ended 31 March 2014 (2013: 31 March 2013)	4,300	7,682

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**32. STATEMENTS OF CASH FLOWS**

Adjustment for non-cash items, dividends and interests

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Bad debts written off on trade receivables	7,736	-	-	-
Deposit written off (trade)	26	-	-	-
Depreciation of property, plant and Equipment	1,066	875	-	-
Dividend income from subsidiary	-	-	(9,651)	(17,520)
Gain on disposal of:				
-non-current assets held for sale	(3,953)	-	(3,930)	-
-other investments	(34)	(3)	-	(3)
-property, plant and equipment	(70)	(30)	-	-
Impairment loss on:				
- investment in subsidiaries	-	-	10,602	28,445
-investment in associate	-	150	-	-
-other investments	1	-	-	-
-receivables	7,766	7,801	494	5,976
Interest expense	6,031	4,792	158	-
Interest income	(225)	(190)	(47)	(48)
(Gain)/Loss on unrealised foreign exchange	(47)	(1,236)	217	(1)
Property, plant and equipment written off	-	1,394	-	-
Provisions for:				
-claims	535	-	-	-
-warranty and defects	394	295	-	-
Reversal of impairment loss on:				
-receivables	(8,243)	(1,879)	-	-
-amount owing by subsidiary	-	-	(910)	(87)
-amount owing by associate	(782)	(60)	(782)	(60)
Reversal of provision on:				
-claims	(23,305)	(15,126)	-	-
-warranty and defects	(3,339)	(1,583)	-	-
Reversal of over-accrued costs in prior years	-	(3,865)	-	-
Share of results in associates	301	(84)	-	-
Share of results in jointly controlled entities	(208)	10	-	-
Waiver of debts	(148)	(295)	-	-
	<u>(16,498)</u>	<u>(9,034)</u>	<u>(3,849)</u>	<u>16,702</u>

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**33. FINANCIAL INSTRUMENTS**
**(a) Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Available- for-sale RM'000	Loans and receivables RM'000	Financial liabilities at amortised costs RM'000	Total RM'000
<b>2014</b>				
<b>Assets</b>				
Other investments	2,716	-	-	2,716
Receivables	-	183,101	-	183,101
Deposits, bank and cash balances	-	37,689	-	37,689
<b>Total financial assets</b>	<u>2,716</u>	<u>220,790</u>	<u>-</u>	<u>223,506</u>
<b>Liabilities</b>				
Payables	-	-	84,954	84,954
Bank borrowings	-	-	144,142	144,142
<b>Total financial liabilities</b>	<u>-</u>	<u>-</u>	<u>229,096</u>	<u>229,096</u>
<b>2013</b>				
<b>Assets</b>				
Other investments	3,056	-	-	3,056
Receivables	-	226,795	-	226,795
Deposits, bank and cash balances	-	66,926	-	66,926
<b>Total financial assets</b>	<u>3,056</u>	<u>293,721</u>	<u>-</u>	<u>296,777</u>
<b>Liabilities</b>				
Payables	-	-	103,035	103,035
Bank borrowings	-	-	137,905	137,905
<b>Total financial liabilities</b>	<u>-</u>	<u>-</u>	<u>240,940</u>	<u>240,940</u>

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**33. FINANCIAL INSTRUMENTS**
**(a) Classification of financial instruments (cont'd)**

	Available- for-sale RM'000	Loans and receivables RM'000	Financial liabilities at amortised costs RM'000	Total RM'000
<b>Company</b>				
<b>2014</b>				
<b>Assets</b>				
Other investments	654	-	-	654
Receivables	-	53,265	-	53,265
Deposits, bank and cash balances	-	3,437	-	3,437
<b>Total financial assets</b>	<b>654</b>	<b>56,702</b>	<b>-</b>	<b>57,356</b>
<b>Liabilities</b>				
Payables	-	-	57,672	57,672
Bank borrowings	-	-	4,441	4,441
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>62,113</b>	<b>62,113</b>
<b>2013</b>				
<b>Assets</b>				
Other investments	1,104	-	-	1,104
Receivables	-	54,083	-	54,083
Deposits, bank and cash balances	-	168	-	168
<b>Total financial assets</b>	<b>1,104</b>	<b>54,251</b>	<b>-</b>	<b>55,355</b>
<b>Liability</b>				
Payables	-	-	72,841	72,841
<b>Total financial liability</b>	<b>-</b>	<b>-</b>	<b>72,841</b>	<b>72,841</b>

**(b) Net gains and losses arising from financial instruments**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net gains/(losses) on:				
Available-for-sale financial assets :				
- recognised in other comprehensive income	(391)	225	(449)	177
	<b>(391)</b>	<b>225</b>	<b>(449)</b>	<b>177</b>



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**33. FINANCIAL INSTRUMENTS (CONT'D)****(c) Financial risk management objectives and policies**

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and cash flows risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

**(i) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and the Company's exposure to credit risk arises primarily from loans and advances to subsidiaries and financial guarantees given. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's association to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. The Group has significant concentration of credit risk that may arise from exposure to single debtor as disclosed in Note 14(b). As at the end of the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their recoverable amounts. Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14. Certain portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Deposits with banks that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

The Company provides unsecured financial guarantees to banks in respect of banking facilities to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made to the financial institutions by the subsidiaries. As at end of the reporting date, there was no indication that any subsidiary would default on repayment.

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly. As at the end of the reporting date, the maximum exposure to credit risk is represented by its carrying amounts in the statements of financial position.

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**BINTAI KINDEN CORPORATION BERHAD**

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**33. FINANCIAL INSTRUMENTS (CONT'D)****(c) Financial risk management objectives and policies (cont'd)****(ii) Liquidity risk**

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor their cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	Carrying amount RM'000	On demand or within				Total contractual cash flows RM'000
		1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	After 5 years RM'000	
<b>2014</b>						
Payables	84,954	84,954	-	-	-	84,954
Bank borrowings	144,142	141,456	874	1,768	412	144,510
	<b>229,096</b>	<b>226,410</b>	<b>874</b>	<b>1,768</b>	<b>412</b>	<b>229,464</b>
<b>2013</b>						
Payables	103,035	103,035	-	-	-	103,035
Bank borrowings	137,905	135,293	729	1,446	823	138,291
	<b>240,940</b>	<b>238,328</b>	<b>729</b>	<b>1,446</b>	<b>823</b>	<b>241,326</b>

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**BINTAI KINDEN CORPORATION BERHAD**

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**33. FINANCIAL INSTRUMENTS (CONT'D)****(c) Financial risk management objectives and policies (cont'd)****(ii) Liquidity risk (cont'd)**

Company	Carrying amount RM'000	On demand or within			After 5 years RM'000	Total contractual cash flows RM'000
		1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000		
<b>2014</b>						
Payables	57,672	57,672	-	-	-	57,672
Corporate guarantees provided to banks on subsidiaries' facilities	342,658	342,658	-	-	-	342,658
Bank borrowings	4,441	4,441	-	-	-	4,441
	404,771	404,771	-	-	-	404,771
<b>2013</b>						
Payables	72,841	72,841	-	-	-	72,841
Corporate guarantees provided to banks on subsidiaries' facilities	309,531	309,531	-	-	-	309,531
	382,372	382,372	-	-	-	382,372

**(iii) Market risk****(a) Foreign currency exchange risk**

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar (USD), Japanese Yen (Yen), Vietnamese Dong (VND) and Singapore Dollar (SGD). The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant.

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**33. FINANCIAL INSTRUMENTS (CONT'D)****(c) Financial risk management objectives and policies (cont'd)****(iii) Market risk (cont'd)****(a) Foreign currency exchange risk (cont'd)**

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Foreign currency exposure profile

The foreign currency exposure profile of the financial instruments of the Group and of the Company are as follows:

Group	United States Dollar RM'000	Japanese Yen RM'000	Vietnamese Dong RM'000	Singapore Dollar RM'000	Total RM'000
<b>2014</b>					
<b>Financial assets</b>					
Receivables	3,184	-	7,901	92,289	103,374
Deposits, bank and cash balances	9,861	209	1,704	8,910	20,684
	<u>13,045</u>	<u>209</u>	<u>9,605</u>	<u>101,199</u>	<u>124,058</u>
<b>Financial liabilities</b>					
Payables	447	6,689	3,267	57,299	67,702
Bank borrowings	4,441	-	-	60,965	65,406
	<u>4,888</u>	<u>6,689</u>	<u>3,267</u>	<u>118,264</u>	<u>133,108</u>
<b>2013</b>					
<b>Financial assets</b>					
Receivables	6,434	-	6,523	116,985	129,942
Deposits, bank and cash balances	12,482	216	967	45,961	59,626
	<u>18,916</u>	<u>216</u>	<u>7,490</u>	<u>162,946</u>	<u>189,568</u>
<b>Financial liabilities</b>					
Payables	1,289	7,294	3,770	76,706	89,059
Bank borrowings	-	-	-	50,715	50,715
	<u>1,289</u>	<u>7,294</u>	<u>3,770</u>	<u>127,421</u>	<u>139,774</u>
	81				
	149				

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**33. FINANCIAL INSTRUMENTS (CONT'D)**

**(c) Financial risk management objectives and policies (cont'd)**

**(iii) Market risk (cont'd)**

**(a) Foreign currency exchange risk (cont'd)**

Foreign currency exposure profile (cont'd)

	USD RM'000	SGD RM'000	Total RM'000
<b>Company</b>			
<b>2014</b>			
<b>Financial assets</b>			
Deposits, bank and cash balances	655	68	723
<b>Financial liabilities</b>			
Bank borrowings	4,441	-	4,441
<b>2013</b>			
<b>Financial assets</b>			
Deposits, bank and cash balances	-	65	65

Foreign currency risk sensitivity

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period will increase/(decrease) the profit before tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	USD RM'000	YEN RM'000	VND RM'000	SGD RM'000
<b>Group</b>				
<b>2014</b>				
Profit before taxation	(816)	648	(634)	1,707
<b>2013</b>				
Profit before taxation	(1,763)	708	(372)	(3,553)
<b>Company</b>				
<b>2014</b>				
Profit before taxation	379	-	-	(7)
<b>2013</b>				
Profit before taxation	-	-	-	(7)

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**33. FINANCIAL INSTRUMENTS (CONT'D)**

**(c) Financial risk management objectives and policies (cont'd)**

**(iii) Market risk (cont'd)**

**(a) Foreign currency exchange risk (cont'd)**

Foreign currency risk sensitivity (cont'd)

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period will have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

**(b) Interest rate risk**

The Group and the Company obtain financing through other financial liabilities. The Group's and the Company's policy is to obtain financing with the most favourable interest rates in the market.

The Group and the Company constantly monitor their interest rate risk and do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2014 RM'000	2013 RM'000
<b>Group</b>		
<b>Financial Assets</b>		
Deposit with licensed banks	10,871	14,168
Cash Held under Housing Development Accounts	6,416	489
	<u>17,287</u>	<u>14,657</u>
<b>Financial Liabilities</b>		
Bank Borrowings	<u>144,142</u>	<u>137,905</u>
<b>Company</b>		
<b>Financial Assets</b>		
Deposits with licensed banks	<u>723</u>	<u>65</u>
<b>Financial Liabilities</b>		
Bank borrowings	<u>4,441</u>	<u>-</u>

The Group and the Company are exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group and the Company.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
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**33. FINANCIAL INSTRUMENTS (CONT'D)****(c) Financial risk management objectives and policies (cont'd)****(iii) Market risk (cont'd)****(b) Interest rate risk (cont'd)**Interest rate risk sensitivity

An increase in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the end of the reporting date will decrease the profit before tax by RM1.269 million (2013: RM1.232 million). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the end of the reporting period will have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

**(c) Market price risks**

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rate).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Main Board of Bursa Securities Malaysia Berhad and the quoted equity instruments outside Malaysia are listed on the Catalist Board of Singapore Exchange Securities Trading Limited. These instruments are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

**(d) Fair values of financial instruments****(i) Financial instruments at fair value**

The fair value measurement hierarchies used to measure financial instruments at fair value in the statements of financial position are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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**33. FINANCIAL INSTRUMENTS (CONT'D)**

**(d) Fair values of financial instruments (cont'd)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2014</b>				
<b>Financial assets</b>				
Available-for-sale				
- Investment in quoted shares	998	-	-	998
- Transferable club membership	-	1,718	-	1,718
	<u>998</u>	<u>1,718</u>	<u>-</u>	<u>2,716</u>
<b>2013</b>				
<b>Financial assets</b>				
Available-for-sale				
- Investment in quoted shares	1,389	-	-	1,389
- Transferable club membership	-	1,667	-	1,667
	<u>1,389</u>	<u>1,667</u>	<u>-</u>	<u>3,056</u>
<b>Company</b>				
<b>2014</b>				
<b>Financial asset</b>				
Available-for-sale				
- Investment in quoted shares	654	-	-	654
<b>2013</b>				
<b>Financial asset</b>				
Available-for-sale				
- Investment in quoted shares	1,104	-	-	1,104

There were no transfers between Level 1, Level 2 and Level 3 during the current and previous financial years.



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**33. FINANCIAL INSTRUMENTS (CONT'D)**
**(d) Fair values of financial instruments (cont'd)**
**(ii) Financial instruments other than those carried at fair value**

The carrying amounts of the financial assets and liabilities of the Group and the Company at the reporting date reasonably approximate their fair values except as follows:

	2014		2013	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Group</b>				
<b>Financial assets</b>				
Investment in associates	164	*	330	*
Investment in jointly controlled entities	5,406	*	4,482	*
Other investments - Unquoted	1,718	*	1,667	*
<b>Financial liability</b>				
Bank borrowings (non-current)				
- Hire purchase payables	2,814	2,789	2,730	2,706
<b>Company</b>				
Investment in subsidiaries	52,329	*	62,931	*

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table:

Investments in subsidiaries, associates and jointly controlled entities and other investments in unquoted equity

\* it was not practicable to estimate the fair value of investments in subsidiaries, associates and jointly controlled entities and other investments in unquoted equity due to lack of comparable market prices and the inability to estimate fair value without incurring excessive costs.

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**33. FINANCIAL INSTRUMENTS (CONT'D)**

**(d) Fair values of financial instruments (cont'd)**

**(ii) Financial instruments other than those carried at fair value (cont'd)**

Bank borrowings

The fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

**34. CONTINGENT LIABILITY**

During the financial year ended 31 March 2014, a subcontractor of one of the Company's subsidiaries made claims against the subsidiary concerned in relation to claims under a specific jurisdiction. The subcontract sum is approximately RM26.895 million and the subcontractor's claim in the sum of approximately RM29.673 million (consisting of over RM18 million for loss and expense) over and above RM20.439 million paid so far by the subsidiary. The subsidiary is disputing the whole amount of the subcontractor's claims and has counterclaimed against the subcontractor in the same proceeding. The claim against the subcontractor stems from damages in connection with delay and defects to the works it has carried out and will include but not limited to liquidated damages stipulated under the conditions of the subcontract and deductions from the subcontract price and defects. The total quantum of the claim is yet to be quantified. As at 31 March 2014, the resolution of dispute of claims is on-going and the Directors believe that the possibility of outflow in this settlement is remote.

**35. COMMITMENTS**

**(a) Privatisation agreement**

A wholly owned subsidiary of the Company, Kejuruteraan Bintai Kindenko Sdn Bhd entered into a privatisation agreement on 13 November 2001 with the Datuk Bandar Kuala Lumpur to carry out a development project at Sentul Perdana, Bandar Baru Sentul, Kuala Lumpur, whereby it has committed to complete the construction of 196 units of partially completed high cost apartment and the construction of 1,973 units of medium cost apartment, including a community hall and public amenities.

As at the end of the reporting period, the development project has been substantially completed except for 504 units of condominium and public amenities under an approved revised development plan. Development of the condominium commenced during the financial year.

**(b) Operating lease commitments – as lessee**

The Group has entered into commercial leases for the use of office space and office equipment. These leases have tenure of between 3 and 5 years with renewal option but no contingent rent provision was included in the contracts. Lease terms do not contain restriction on the Group's activities concerning dividends, additional debt or further leasing.

Operating lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2014 amounted to RM1,956,250 (2013: RM1,470,377).

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**35. COMMITMENTS (CONT'D)**
**(b) Operating lease commitments – as lessee**

Future minimum lease payments payable under the non-cancellable operating leases entered into by the Group as at 31 March are as follows:

	Group	
	2014 RM'000	2013 RM'000
Not later than one year	1,759	1,414
Later than one year and not later than five years	609	1,220
	2,368	2,634

**36. CAPITAL RISK MANAGEMENT**

The Group's primary objective in managing its capital is to maximise the Group's value by optimising its capital structure and enhancing capital efficiency while maintaining a sufficient level of liquidity. The Group targets a capital structure of an optimal mix of debt and equity in order to achieve an efficient cost of capital vis-à-vis maintaining financial flexibility for its business requirement and investing for future growth. The Group regularly reviews and manages its capital structure in accordance to the changes in economic conditions, its business plan and foreseeable future.

The Group uses the debt-to-equity ratio, which is total borrowings divided by total equity as the key measurement for its capital structure management. The debt-to-equity ratio as at 31 March 2014 and 2013 were as follows:

	Group	
	2014	2013
Total borrowings (Note 19) (RM'000)	144,142	137,905
Total equity (RM'000)	69,953	74,076
Debt-to-equity ratio	2.06	1.86

The Group did not breach any gearing requirements during the financial years ended 31 March 2014 and 31 March 2013.

No changes were made in the objectives, policies or processes in regards to the Group's management of its capital structure during the years ended 31 March 2014 and 31 March 2013.

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**37. SEGMENT INFORMATION****(a) Business segments**

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

- (i) Undertake specialised mechanical and electrical engineering services and environment and facilities management services;
- (ii) Undertake turnkey, infrastructure, civil and structural construction project;
- (iii) Trading in oleo-chemical products;
- (iv) Property investment and development of residential properties; and
- (v) Investment holding in quoted and unquoted shares, properties and other investment related activities.

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

**Segment assets**

Segments assets is measured based on all assets (including intangible assets) of a segment, are included in the internal managements reports that are reviewed by the Group's Chief Executive Officer for the measurement of the return of assets and financial position of each segment.

**Segment liabilities**

Segments liabilities is measured based on all liabilities of a segment, are included in the internal managements reports that are reviewed by the Group's Chief Executive Officer for the measurement of the return and financial position of each segment.

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**37. SEGMENT INFORMATION (CONT'D)****(a) Business segments (cont'd)**

2014	Investment holding and others RM'000	Property development RM'000	Turnkey, infrastructure & civil and structural RM'000	Specialised mechanical and electrical engineering services RM'000	Trading RM'000	Adjustment RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>								
External	-	17,665	16,313	377,132	832	-	-	411,942
Inter segment	-	-	13,140	-	-	-	(13,140)	(13,140)
Total revenue	-	17,665	29,453	377,132	832	-	(13,140)	398,802
<b>Results</b>								
Segments results	(4)	704	(142)	11,125	(1)	-	(725)	10,957
Interest income	47	-	-	178	-	-	-	225
Depreciation of property, plant and equipment	-	-	-	(1,066)	-	-	-	(1,066)
Finance cost	(158)	-	-	(3,821)	(3)	-	-	(3,982)
Share of results in associates	-	-	-	(301)	-	-	-	(301)
Share of results in jointly controlled entities	-	-	-	(10)	-	218	-	208
Profit/(loss) before taxation	(115)	704	(142)	6,105	(4)	218	(725)	6,041
Income tax expenses	-	-	-	(3,271)	-	-	-	(3,271)
Net profit/(loss) for the year	(115)	704	(142)	2,834	(4)	218	(725)	2,770
Non-controlling interests	-	-	-	-	-	(4,276)	-	(4,276)
Profit/(Loss) attributable to owners of the parent	(115)	704	(142)	2,834	(4)	(4,058)	(725)	(1,506)
<b>Assets</b>								
Segment assets	49,443	474	44	282,471	1,046	-	-	333,478
Addition to non-current assets	-	-	-	(2,380)	-	-	-	(2,380)
<b>Liabilities</b>								
Segment liabilities	7,295	14,506	789	240,926	9	-	-	263,525

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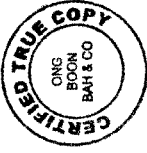
**37. SEGMENT INFORMATION (CONT'D)****(a) Business segments (cont'd)**

2014	Investment holding and others RM'000	Property development RM'000	Turnkey, infrastructure & civil and structural RM'000	Specialised mechanical and electrical engineering services RM'000	Trading RM'000	Adjustment RM'000	Elimination RM'000	Consolidation RM'000
<b>Other non-cash items</b>								
Bad debts written off on trade receivables	-	-	1,287	6,449	-	-	-	7,736
Depreciation of property, plant and equipment	-	-	-	1,066	-	-	-	1,066
Impairment loss on:	494	-	-	7,272	-	-	-	7,766
- receivables	-	-	-	1	-	-	-	1
- other investments	-	-	-	-	-	-	-	-
Reversal of impairment loss on:								
- receivables	-	-	(1,787)	(6,456)	-	-	-	(8,243)
- amount owing by associate	(782)	-	-	-	-	-	-	(782)
Gain on disposal of:								
- non-current assets held for sale	(3,930)	-	-	(23)	-	-	-	(3,953)
- property, plant and equipment	-	-	-	(70)	-	-	-	(70)
- other investments	-	-	-	(34)	-	-	-	(34)
(Gain)/loss on foreign exchange	(459)	-	-	217	-	-	-	(242)
Net reversal of provision on claims	-	-	-	(22,770)	-	-	-	(22,770)
Net reversal of provision on warranty and defects	-	-	-	(2,945)	-	-	-	(2,945)
Waiver of debts	-	-	(148)	-	-	-	-	(148)

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**37. SEGMENT INFORMATION (CONT'D)****(a) Business segments (cont'd)**

2013	Investment holding and others RM'000	Property development RM'000	Turnkey, infrastructure & civil and structural RM'000	Specialised mechanical and electrical engineering services RM'000	Trading RM'000	Adjustment RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>								
External	-	-	993	343,425	378	-	-	344,796
Inter segment	480	-	-	-	-	-	(480)	-
Total revenue	480	-	993	343,425	378	-	(480)	344,796
<b>Results</b>								
Segments results	(20,375)	(60)	(687)	22,403	(12)	-	10,838	12,107
Interest income	48	1	-	141	-	-	-	190
Depreciation of property, plant and equipment	(1)	(1)	(1)	(872)	-	-	-	(875)
Finance cost	-	-	-	(4,596)	-	-	-	(4,596)
Share of results in associates	-	-	-	(66)	-	150	-	84
Share of results in jointly controlled entities	-	-	-	(10)	-	-	-	(10)
Profit before taxation	(20,328)	(60)	(688)	17,000	(12)	150	10,838	6,900
Income tax expenses	(470)	-	-	(3,125)	-	-	-	(3,595)
Net profit/(loss) for the year	(20,798)	(60)	(688)	13,875	(12)	150	10,838	3,305
Non-controlling interests	-	-	-	-	-	(4,124)	-	(4,124)
Profit/(Loss) attributable to owners of the parent	(20,798)	(60)	(688)	13,575	(12)	(3,974)	10,838	(819)
<b>Assets</b>								
Segment assets	53,950	19,447	1,559	324,718	187	-	-	399,861
Addition to non-current assets	-	-	-	(2,868)	-	-	-	(2,868)
<b>Liabilities</b>								
Segment liabilities	3,016	11	527	322,226	5	-	-	325,785

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**37. SEGMENT INFORMATION (CONT'D)****(a) Business segments (cont'd)**

2013	Investment holding and others RM'000	Property development RM'000	Turnkey, infrastructure & civil and structural RM'000	Specialised mechanical and electrical engineering services RM'000	Trading RM'000	Adjustment RM'000	Elimination RM'000	Consolidation RM'000
<b>Other non-cash items</b>								
Depreciation of property, plant and equipment	1	1	1	872	-	-	-	875
Impairment loss on : - receivables	6,009	-	1,787	5	-	-	-	7,801
- investment in associates	-	-	-	150	-	-	-	150
Reversal of impairment loss on: - receivables	-	-	-	(1,879)	-	-	-	(1,879)
- amount owing by associate	(60)	-	-	-	-	-	-	(60)
Gain on disposal of: - property, plant and equipment	-	-	-	(30)	-	-	-	(30)
- other investments	(3)	-	-	-	-	-	-	(3)
Gain on foreign exchange	(1)	-	-	(729)	-	-	-	(730)
Net reversal of provision on claims	-	-	-	(15,126)	-	-	-	(15,126)
Net reversal of provision on warranty and defects	-	-	(328)	(960)	-	-	-	(1,288)
Property, plant and equipment written off	-	-	-	1,394	-	-	-	1,394
Reversal of over-accrued costs in prior years	-	-	-	(3,865)	-	-	-	(3,865)
Waiver of debts	-	-	(295)	-	-	-	-	(295)



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**37. SEGMENT INFORMATION (CONT'D)**
**(b) Geographical information**

The Group's business segments are managed in three main geographical areas:

- Malaysia - Mainly provision of specialised mechanical and electrical engineering services, construction, property investment and development and investment holding.
- Singapore - Provision of specialised mechanical and electrical engineering services.
- Vietnam - Provision of technical services in the field of mechanical and electrical engineering services and project consultancy and management.

	Revenue		Total assets		Capital expenditure	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	51,483	41,430	151,470	156,359	907	383
Singapore	339,606	290,418	172,591	232,555	1,473	1,683
Vietnam	7,713	12,948	9,417	10,947	-	-
	<u>398,802</u>	<u>344,796</u>	<u>333,478</u>	<u>399,861</u>	<u>2,380</u>	<u>2,066</u>

In determining the geographical segments of the Group, revenues are based on the countries in which the customers are located. There are no inter geographical revenue between the business segments. Total assets and capital expenditure are determined based on where the assets are located.

**38. SIGNIFICANT RELATED PARTY TRANSACTIONS**
**(i) Related party disclosure**

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

Related party also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group and the Company have related party relationship with its subsidiaries, associates and key management personnel.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**
**(i) Related party disclosure (cont'd)**

In addition to the related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

Related party	Abbreviation	Relationship
Kinden Corporation	KC	Substantial shareholder
KBK Dubai Contracting LLC	KBK LLC	Associate
Lereno Bio-Chem Ltd	LBC	LBC related to certain Directors and substantial shareholder of the Company. The Company has a 3.43% direct shareholding interest in LBC as at reporting date
Lereno Sdn Bhd	LSB	Company in which LBC holds a 38% shareholding interests

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(a) Management fees received/ receivable: -subsidiary	-	-	-	480
(b) Technical fee payable (KC)	342	-	-	-
(c) Purchase of oleo-chemical -LSB	5	-	-	-
(d) Sales of oleo-chemical -LSB	<u>222</u>	<u>378</u>	<u>-</u>	<u>-</u>

The outstanding year-end balances for related party transactions with the subsidiaries and associates are disclosed in the statements of financial position.

The outstanding year-end balances for related party transactions with related parties are as follows:

	Group	
	2014 RM'000	2013 RM'000
Receivables	30,004	30,000
Payables	<u>8,163</u>	<u>10,742</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**
**(ii) Compensation of key management personnel**

Key management personnel are defined as those having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all Executive Directors of the Group and certain member of senior management of the Group.

The remuneration of Company's Directors and other member of key management during the year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short term employee benefits	<u>31,121</u>	<u>21,389</u>	<u>758</u>	<u>814</u>
Included in the total compensation of key management personnel are:				
Executive Company's Directors Remuneration (Note 26)	<u>12,998</u>	<u>10,407</u>	<u>523</u>	<u>600</u>

**39. MATERIAL LITIGATIONS**

There have been no changes in material litigation since the last audited financial statements for the year ended 31 March 2013 except as follows:

- (a) An action brought against one of the Company's subsidiaries, Kejuruteraan Bintai Kindenko Sdn Bhd ("KBK") by Malayan Banking Berhad ("MBB") as the fourth defendant of a suit for an amount of RM15,770,710.18. The matter went on trial from 11 August to 12 August 2011 and on 5 September 2011, the Kuala Lumpur High Court delivered its decision and gave judgement in favour of "MBB" on its demand against "KBK" of the said sum together with cost and interest of 8% per annum accrued from April 2007 until full payment by "KBK". "KBK" filed an appeal on the judgement to the Court of Appeal.

The Court of Appeal had on 11 January 2012 heard the appeal and (i) allowed the decision granted on 5 September 2011 in favour of "MBB" be set aside; (ii) "KBK" has been ordered to pay a sum of RM595,000 with interest to "MBB". "KBK" has to-date paid the ordered sum. On 9 February 2012, "MBB" filed an application for leave to appeal in the Federal Court. Hearing of "MBB's" Notice of Motion for leave to appeal to the Federal Court was dismissed on 20 January 2014 and the case is now closed.

- (b) An action has been brought by one of the Company's subsidiaries, Kejuruteraan Bintai Kindenko Sdn Bhd against Serdang Baru Properties Sdn Bhd and 3 others in the Shah Alam High Court on the grounds of non-payment of construction cost and conspiracy to defraud amounting to an amount of RM30,427,302.21 plus 15% turnkey factor and interest. Case management has now been fixed on 17 July 2014. Hearing dates have been vacated to 12<sup>th</sup> to 14<sup>th</sup> November 2014.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**40. SIGNIFICANT EVENTS DURING THE YEAR****(a) Incorporation of a new sub-subsidiary, Bintai Kindenko Property Investment Pte Ltd**

On 16 April 2013, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company incorporated a new wholly-owned subsidiary limited by shares in Singapore known as Bintai Kindenko Property Investment Pte Ltd ("BKPI") with an issued and paid-up share capital of SGD100 (Singapore Dollar One Hundred). The intended principal activity is that of property investment. Upon incorporation, BKPI become a sub-subsidiary of the Company.

**(b) Subscription of shares in a new sub-subsidiary, PT BK Indonesia**

On 25 October 2013, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company, completed the subscription of 134,000 ordinary shares or equivalent to 67% of the total paid-up share capital of PT BK Indonesia for USD 134,000. Upon the aforesaid subscription, PT BK Indonesia become a sub-subsidiary of the Company.

**(c) Subscription of shares in a new sub-subsidiary, Bintai Kindenko Myanmar Company Limited**

On 7 November 2013, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company, completed the subscription of an amount of Myanmar Kyat 29,010,000 in Bintai Kindenko Myanmar Company Ltd ("BKMCL"), representing 60% of the intended initial paid-up share capital of Myanmar Kyat 48,350,000 in BKMCL. Upon the aforesaid subscription, BKMCL become a sub-subsidiary of the Company.

**(d) Completion of the disposal of a freehold land and building**

On 10 June 2013, the Company entered into a Sale and Purchase Agreement ("SPA") with the Purchasers, namely Tan Hooi Pheng, Tan Wee Kang and Vivien Sill Ming for the disposal of a piece of a freehold residential land described as Lot No. 273 held under No. Hakmilik 7614 and Lot No. 274 held under No. Hakmilik 7615 measuring 1317.6936 square meters and 1310.0758 square meters respectively, both located in Section 4, Bandar Georgetown, Daerah Timur Laut, Pulau Pinang together with a building erected thereon and bearing municipal address at No. 294 Jalan Macalister, 1045 Georgetown, Penang for a total cash consideration of RM6,900,000 on an "as is where is" basis subject to the terms and conditions of the SPA.

The abovementioned disposal was completed on 20 December 2013 with the receipt of the sales consideration.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)

**41. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD****(a) Incorporation of new sub-subsidiary, Bintai Kindenko Engineering & Construction Pte Ltd**

On 8 May 2014, Bintai Kindenko Pte Ltd, a 69.82% owned subsidiary of the Company incorporated a new wholly-owned subsidiary limited by shares in Singapore known as Bintai Kindenko Engineering & Construction Pte Ltd ("BKEC") with an issued and paid-up share capital of SGD100 (Singapore Dollar One Hundred). The intended principal activity is that of carrying out electrical and mechanical engineering works. Upon incorporation, BKEC became a sub-subsidiary of the Company.

**(b) Proposed Par Value Reduction on the paid-up share capital of the Company**

The Company had on 10 March 2014 announced to Bursa Malaysia Securities Berhad a proposed reduction in the existing issued and paid-up share capital of the Company by cancelling RM0.80 of the par value of each existing ordinary share of RM1.00 to RM0.20 each in the issued and paid-up share capital of the Company, pursuant to Section 64 of the Companies Act, 1965 ("Proposed Par Value Reduction").

The Proposed Par Value Reduction will result in the reduction of the existing issued and paid-up share capital of the Company from RM103,889,253 comprising 103,889,253 ordinary shares of RM1.00 each to RM20,777,851 comprising 103,889,253 ordinary shares of RM0.20 each in the Company.

The shareholders, during the Extraordinary General Meeting of the Company held on 12 May 2014, duly approved the Proposed Par Value Reduction. On 19 June 2014, the High Court of Malaya granted an order confirming the resolution approving the Proposed Par Value Reduction ("Court Order"). The sealed Court Order has been lodged with the Companies Commission of Malaysia on 26 June 2014, upon which the Proposed Par Value Reduction from RM1.00 to RM0.20 per share is deemed to have been completed.

Accordingly, the authorised share capital of the Company of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each will become RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**42. COMPARATIVE FIGURES**

- (a) The comparative figures of the Group and of the Company for the financial year ended 31 March 2013 which are presented for comparative purposes were examined and reported on by another firm of auditors.
- (b) Certain comparative figures of the Group have been restated to comply with the current year's presentation as follows:

	As previously reported RM'000	Reclassifica- tion RM'000	As restated RM'000
<i><u>Statements of financial position as at 31 March 2013</u></i>			
Property, plant and equipment (Note 4)	6,030	(563)	5,467
Investment in jointly controlled entities (Note 7)	-	4,482	4,482
Amounts due from contract customers (Note 12)	75,573	(15,986)	59,587
Trade receivables (Note 14)	172,123	17,784	189,907
Other receivables (Note 14)	25,322	6,931	32,253
Deposits (Note 14)	2,996	1,479	4,475
Prepayments (Note 14)	164	(4)	160
Deposits, bank and cash balances (Note 15)	76,316	(9,390)	66,926
Amounts due to contract customers (Note 12)	23,504	14,046	37,550
Trade payables (Note 21)	77,660	(1,361)	76,299
Other payables (Note 21)	25,951	(6,714)	19,237
Accruals (Note 21)	6,919	506	7,425
Provisions (Note 22)	40,847	(1,744)	39,103
<i><u>Statements of comprehensive income as at 31 March 2013</u></i>			
Revenue (Note 24)	355,339	(10,543)	344,796
Cost of sales (Note 24)	(325,111)	10,470	(314,641)
Operating expenses	(42,912)	83	(42,829)
Share of results in jointly controlled entities	-	(10)	(10)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)



**42. COMPARATIVE FIGURES (CONT'D)**

- (b) Certain comparative figures of the Group have been restated to comply with the current year's presentation as follows (cont'd):

	As previously reported RM'000	Reclassifica- tion RM'000	As restated RM'000
<i>Statements of cash flows as at 31 March 2013</i>			
Net cash used in operating activities	(29,582)	(5,696)	(35,278)
Net cash used in investing activities	(2,064)	(4,277)	(6,341)
Net cash generated from financing activities	29,742	913	30,655
Net decrease in cash and cash equivalents	(1,904)	(9,060)	(10,964)
Effect of foreign exchange difference	1,610	(452)	1,158
Cash and cash equivalents at beginning of financial year	46,503	-	46,503
Cash and cash equivalents at end of financial year end	46,209	(9,512)	36,697

**43. DATE OF AUTHORISATION FOR ISSUE**

The financial statements of the Group and of the Company for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 16 July 2014.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BKCB FOR THE FYE 2014  
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Incorporated in Malaysia)


**SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES**

On 25 March 2010, Bursa Malaysia Securities Berhad issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia Securities further issued guidance on the disclosure and the prescribed format of presentation.

The breakdown of the accumulated losses of the Group and of the Company as at 31 March 2014, into realised and unrealised accumulated losses, pursuant to the directive, is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total accumulated losses of the Group:				
- realised profit/(loss)	49,574	86,110	(52,002)	(51,892)
- unrealised loss	(3,213)	(39,103)	-	-
	<u>46,361</u>	<u>47,007</u>	<u>(52,002)</u>	<u>(51,892)</u>
Total share of results of associates and jointly controlled entities				
- unrealised loss	(169)	(76)	-	-
Add: consolidated adjustments	<u>(91,867)</u>	<u>(91,100)</u>	<u>-</u>	<u>-</u>
Total accumulated losses as per statements of financial position	<u>(45,675)</u>	<u>(44,169)</u>	<u>(52,002)</u>	<u>(51,892)</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.



**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014**
**CERTIFIED TRUE COPY**
**BINTAI KINDEN CORPORATION BERHAD**  
 (Company No:290870P)

**Unaudited Condensed Consolidated Statement Of Comprehensive Income**  
**For The Quarter And Nine Months Ended 31 December 2014**
  
 NG LAI YEE  
 MAICSA 7031768  
 Company Secretary

 Date: **06 MAY 2015**

	QUARTER ENDED		CUMULATIVE YEAR TO DATE	
	31.12.14 RM'000	31.12.13 RM'000	31.12.14 RM'000	31.12.13 RM'000
<b>Continuing operations</b>				
Revenue	136,859	82,235	314,981	318,589
Cost of sales	(122,462)	(78,095)	(292,109)	(297,228)
<b>Gross profit</b>	<b>14,397</b>	<b>4,140</b>	<b>22,872</b>	<b>21,361</b>
Other income	1,131	21,394	4,689	33,657
Operating expenses	(9,704)	(22,362)	(31,592)	(48,772)
<b>Results from operating activities</b>	<b>5,824</b>	<b>3,172</b>	<b>(4,031)</b>	<b>6,246</b>
Finance income	90	48	264	130
Finance costs	(1,256)	(998)	(3,374)	(3,064)
<b>Net finance costs</b>	<b>(1,166)</b>	<b>(950)</b>	<b>(3,110)</b>	<b>(2,934)</b>
	4,658	2,222	(7,141)	3,312
Share of results in jointly controlled entities	(18)	(2)	173	(10)
Share of results in associates	(193)	(127)	(448)	(215)
<b>Profit/(Loss) before tax</b>	<b>4,447</b>	<b>2,093</b>	<b>(7,416)</b>	<b>3,087</b>
Income tax expense	2,391	(229)	2,391	(1,097)
<b>Profit/(Loss) from continuing operations for the period</b>	<b>6,838</b>	<b>1,864</b>	<b>(5,025)</b>	<b>1,990</b>
<b>Other comprehensive income</b>				
Gain/(loss) on fair value changes on available for sales financial assets	(57)	(110)	28	(108)
Transfer to profit or loss upon disposals of non-current assets held for sale	-	(3,717)	-	(3,771)
Foreign currency translation differences for foreign operations	1,009	(2)	1,002	1,585
<b>Other comprehensive income for the period, net of tax</b>	<b>952</b>	<b>(3,829)</b>	<b>1,030</b>	<b>(2,294)</b>
<b>Total comprehensive income for the period</b>	<b>7,790</b>	<b>(1,965)</b>	<b>(3,995)</b>	<b>(304)</b>
<b>Profit/(Loss) attributable to: -</b>				
Owners of the Company	6,087	1,037	(3,749)	226
Non-controlling interests	751	827	(1,276)	1,764
<b>Profit/(Loss) for the period</b>	<b>6,838</b>	<b>1,864</b>	<b>(5,025)</b>	<b>1,990</b>
<b>Total comprehensive income attributable to: -</b>				
Owners of the Company	7,039	(2,792)	(2,719)	(2,068)
Non-controlling interests	751	827	(1,276)	1,764
<b>Total comprehensive income for the period</b>	<b>7,790</b>	<b>(1,965)</b>	<b>(3,995)</b>	<b>(304)</b>
<b>Basic earnings/(loss) per ordinary share (sen) :</b>				
From continuing operations	5.97	1.02	(3.68)	0.22

This unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**

(Company No:290870P)

**Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2014**

	Unaudited As at 31.12.2014 RM'000	Audited As at 31.03.2014 RM'000
<b>Assets</b>		
Property, plant and equipment	8,778	6,628
Investment in jointly controlled entities	5,017	5,406
Investment in associates	183	164
Deferred tax assets	428	419
Other investments	2,771	2,716
<b>Total Non-Current Assets</b>	<u>17,177</u>	<u>15,333</u>
Property development expenditure	11,919	16,471
Inventories	936	971
Receivables	372,082	263,000
Tax recoverable	25	14
Cash and bank balances	46,647	37,689
	<u>431,609</u>	<u>318,145</u>
<b>Total Assets</b>	<u>448,786</u>	<u>333,478</u>
<b>Equity</b>		
Share capital	20,778	103,889
Reserves	34,419	(45,973)
<b>Equity attributable to owners of the Company</b>	<u>55,197</u>	<u>57,916</u>
<b>Non-controlling interests</b>	<u>10,761</u>	<u>12,037</u>
<b>Total Equity</b>	<u>65,958</u>	<u>69,953</u>
<b>Liabilities</b>		
Long term borrowings	3,029	2,814
<b>Total Non-Current Liability</b>	<u>3,029</u>	<u>2,814</u>
Provisions	1,467	3,213
Payables	133,635	112,414
Tax liabilities	636	3,756
Short term borrowings	244,061	141,328
<b>Total Current Liabilities</b>	<u>379,799</u>	<u>260,711</u>
<b>Total Liabilities</b>	<u>382,828</u>	<u>263,525</u>
<b>Total Equity and Liabilities</b>	<u>448,786</u>	<u>333,478</u>
<b>Net asset per share attributable to owners of the Company (sen)</b>	54	57

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2014

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD**  
 (Company No:290870P)

Unaudited Condensed Consolidated Statement Of Cash Flows ForThe Nine Months Ended 31 December 2014

	Unaudited Nine months ended 31.12.14 RM'000	Unaudited Nine months ended 31.12.13 RM'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax from:		
- Continuing operations	(7,416)	3,087
- Discontinued operations	-	-
	<u>(7,416)</u>	<u>3,087</u>
<b>Adjustments for:-</b>		
Net financing cost	4,920	2,934
Depreciation on property, plant & equipment	996	770
Gain on disposal of property, plant & equipment	(233)	(70)
Gain on disposal of non current assets held for sale	-	(3,953)
Gain on deconsolidation of a former sub-subsiidiary company	(18)	-
Other non-cash items	928	2,867
<b>Operating (loss)/profit before changes in working capital</b>	<u>(823)</u>	<u>5,635</u>
Net change in current assets	(98,835)	47,324
Net change in current liabilities	16,117	(76,341)
	<u>(82,718)</u>	<u>(29,017)</u>
<b>Cash used in operations</b>	<u>(83,541)</u>	<u>(23,382)</u>
Interest paid	(6,226)	(3,483)
Interest received	264	130
Income tax refund	2,529	2
Income tax paid	(3,130)	(10)
	<u>(6,563)</u>	<u>(3,361)</u>
<b>Net cash used in operating activities</b>	<u>(90,104)</u>	<u>(26,743)</u>
<b>Cash flows from investing activities</b>		
Dividend received	132	-
Redemption of contribution of capital to a jointly controlled entity	545	-
Investment in associates	(343)	-
Net cash inflow from disposal of a sub-subsiidiary company	9	-
Proceeds from disposal of property, plant and equipment	556	373
Proceeds from disposal of non current assets held for sale	-	7,024
Purchase of property, plant and equipment	(3,375)	(1,967)
<b>Net cash flows (used in)/generated from investing activities</b>	<u>(2,476)</u>	<u>5,430</u>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	246,497	198,550
Repayments of bank borrowings	(156,258)	(180,941)
Current account pledged	(10)	173
Fixed deposits released	376	122
Dividend paid to non-controlling interests	-	(4,298)
Proceeds from hire purchase payables	1,045	766
Repayments of hire purchase payables	(719)	(743)
<b>Net cash flows generated from financing activities</b>	<u>90,931</u>	<u>13,629</u>
Net decrease in cash and cash equivalents	(1,649)	(7,684)
Effect of foreign exchange differences	72	2,071
Cash and cash equivalents at 1 April	19,104	36,697
<b>Cash and cash equivalents at 31 December</b>	<u>17,527</u>	<u>31,084</u>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Deposits, bank and cash balances	46,647	52,278
Bank overdrafts	(27,091)	(18,162)
Deposits with licensed bank pledged as security	(2,029)	(3,032)
	<u>17,527</u>	<u>31,084</u>

This unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2014

## UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)

BINTAI KINDEN CORPORATION BERHAD  
(Company No.:290870P)

## Unaudited Consolidated Statement of Changes In Equity For The Nine Months Ended 31 December 2014

	Attributable to owners of the Company							Total Equity RM'000	
	Share Capital RM'000	Capital Reserve RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Treasury Shares RM'000	Retained Earnings/ (Accumulated Losses) RM'000		Non- Controlling Interests RM'000
Period ended 31 December 2014	103,889	-	1,142	4,361	(2,339)	(3,462)	(45,675)	12,037	69,953
Balance at the beginning of the year	-	-	-	-	-	-	-	-	-
Movements during the period	-	-	-	-	-	-	(3,749)	(1,276)	(5,025)
Loss for the period	-	-	-	-	-	-	-	-	-
Gain on fair value changes on available for sales financial assets	-	-	-	-	28	-	-	-	28
Foreign currency translation differences for foreign operations	-	-	-	1,002	-	-	-	-	1,002
Total comprehensive income for the period	-	-	-	1,002	28	-	(3,749)	(1,276)	(3,995)
Par value reduction	(83,111)	31,107	-	-	-	-	52,004	-	-
Total transactions with owners of the Company	(83,111)	31,107	-	-	-	-	52,004	-	-
Balance at the end of the period	20,778	31,107	1,142	5,363	(2,311)	(3,462)	2,580	10,761	65,958
Period ended 31 December 2013	103,889	-	1,142	2,792	1,823	(3,462)	(44,169)	12,061	74,076
Balance at the beginning of the year	-	-	-	-	-	-	-	-	-
Movements during the period	-	-	-	-	-	-	226	1,764	1,990
Profit for the period	-	-	-	-	-	-	-	-	-
Loss on fair value changes on available for sales financial assets	-	-	-	-	(3,879)	-	-	-	(3,879)
Foreign currency translation differences for foreign operations	-	-	-	1,585	-	-	-	-	1,585
Total comprehensive income for the period	-	-	-	1,585	(3,879)	-	226	1,764	(304)
Dividend payable by subsidiary	-	-	-	-	-	-	-	(4,298)	(4,298)
Total transactions with non controlling interests	-	-	-	-	-	-	-	(4,298)	(4,298)
Balance at the end of the period	103,889	-	1,142	4,377	(2,056)	(3,462)	(43,943)	9,527	69,474

This unaudited Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements  
for the year ended 31 March 2014

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**
**A1 Basis of preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

**A2 Changes in accounting policies**

The significant accounting policies adopted for these unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year 31 March 2014 except for the adoption of the following revised FRSs, amendment/improvement to FRSs, new Issues Committee Interpretations (“IC Int”) and amendments to IC Int which are effective for financial periods beginning on or after 1 January 2014:

Amendments to FRS 10	Consolidated Financial Statements
Amendments to FRS 12	Disclosures of Interests in Other Entities
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of the abovementioned pronouncements did not have any material financial impacts on these condensed consolidated financial statements.

As at the date of authorisation of these interim financial statements, the Group has not early adopted the following standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:-

		<b>Effective date for financial periods beginning on or after</b>
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to FRSs Classified as “Annual Improvements to FRSs 2010-2012 Cycle”		1 July 2014

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**
**A2 Changes in accounting policies (cont'd)**

		Effective date for financial periods beginning on or after
Amendments to FRSs Classified as "Annual Improvements to FRSs 2011-2013 Cycle"		1 July 2014
FRS 9	Financial Instruments (IFRS 9 issued in November 2009)	To be announced
FRS 9	Financial Instruments (IFRS 9 issued in October 2010)	To be announced
Amendments to FRS 7 and FRS 9	Mandatory Effective date of FRS 9 and Transition Disclosures	To be announced
FRS 9	Financial Instruments (Hedge Accounting and Amendments to FRS 9, FRS 7 amended in November 2013)	To be announced

The Group plans to adopt the abovementioned pronouncements, if applicable, when they become effective. The initial application of the abovementioned pronouncements are not expected to have any material financial impacts on the financial statements of the Group.

**Malaysian Financial Reporting Standards (MFRS Framework)**

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 periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (Herein called 'Transitioning Entities').

On 2 September 2014, the MASB further announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities be deferred from 1 January 2015 to 1 January 2017. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

Financial statements that are drawn up in accordance with the new MFRS framework will be equivalent to financial statements prepared by other jurisdiction which adopt IFRSs ("International Financial Reporting Standards").

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)****BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****A2 Changes in accounting policies (cont'd)**

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2018.

**A3 Qualification of financial statements**

The latest audited financial statements of the Group for the year ended 31 March 2014 were not subject to any audit qualification.

**A4 Seasonal or Cyclical Factors**

The Group's operations are not materially affected by any seasonal or cyclical factors in a way that the interim results under review may not correlate to the preceding year's corresponding interim results.

**A5 Nature and amount of unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period to-date.

**A6 Nature and amount of changes in estimates**

There were no significant changes in estimates that have had a material effect in the current quarter and financial period to-date.

**A7 Debt and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Group for the quarter under review. The Company had on 26 June 2014 completed a reduction in the existing and issued and paid-up share capital by cancelling RM0.80 of the par value of each existing ordinary shares of RM1.00 each to RM0.20 each pursuant to Section 64 of the Companies Act, 1965.

**A8 Dividend paid**

No dividend was paid during the current quarter (FY2014: Nil).

**A9 Valuation of property, plant and equipment**

There are no valuation of property, plant and equipment as at the date of this report.

## UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)

**BINTAI KINDEN CORPORATION BERHAD (290870-P)**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

**A10 Segmental Reporting**

Business segment information of the Group for the financial period ended 31 December 2014 is as follows:

	Specialised mechanical and electrical engineering services RM'000	Turnkey, infrastructure & civil and structural RM'000	Property development RM'000	Investment holding and others RM'000	Trading RM'000	Elimination RM'000	Total RM'000
Operating Revenue	255,130	30,628	59,807		44	(30,628)	314,981
Segment results	2,501	1,596	5	(363)	(134)	(4,831)	(1,226)
Interest income	259	-	-	5	-	-	264
Depreciation of property, plant and equipment	(996)	-	-	-	-	-	(996)
Finance costs	(5,046)	-	-	(137)	-	-	(5,183)
Share of results in associates	(443)	-	-	(5)	-	-	(448)
Share of results in jointly controlled entities	173	-	-	-	-	-	173
Income tax expense	-	-	-	-	-	-	2,391
Non-controlling interests	-	-	-	-	-	-	1,276
Loss attributable to owners of the Company							(3,749)



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**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**


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**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
 UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**
**A11 Related party transactions**

The related party transactions noted below, have all been undertaken within the mandate approved by the shareholders. The names of the parties referred to by initials are disclosed in full in the annual report as at 31 March 2014.

	Nature of transactions	Current quarter ended 31.12.2014 RM'000	Cumulative year to date 31.12.2014 RM'000
KC	Technical & Services	Nil	Nil

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**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)****BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****Additional information required by the listing requirements of Bursa Malaysia****B1 Review of performance**

For the quarter under review, the Group recorded a revenue and profit before taxation ("PBT") of RM136.86 million and RM4.45 million respectively from a revenue and PBT of RM82.24 million and RM2.09 million respectively in the corresponding quarter of the preceding financial year.

The higher revenue for the quarter under review was due to substantial contribution from a new project which commenced operation in previous quarters and is at its peak during the quarter under review. The higher revenue was also due to contribution from the property development segment, which commenced development in the last quarter of the preceding financial year. The overall higher revenue resulted in higher quantum of gross profit of RM14.4 million against RM4.14 million a year ago. Operating expenses were much lower, due to lower staff cost and decreased in foreign exchange losses. Both these factors contributed to higher PBT of RM4.45 million for the current quarter under review.

The Group's revenue for the financial year-to-date was RM314.98 million from RM318.59 million in the preceding year's corresponding period, a decrease of approximately 1%. The mechanical and electrical engineering segment showed an overall drop in revenue generated for the financial year-to-date. However, revenue from the property development segment pushed up the total revenue generated for the financial year-to-date to that of the level achieved a year ago. Gross profit quantum are comparable for both financial year-to-date. A lower other income resulted in a loss before taxation of RM7.42 million against profit before taxation of RM3.09 million a year ago.

**B2 Changes in the profit before taxation against the immediate preceding quarter**

The Group's revenue for the quarter under review is RM136.86 million from RM111.66 million in the immediate preceding quarter. The higher revenue for this quarter under review was due to contribution from a new project which commenced operation in previous quarters and is now at its peak.

For the current quarter under review the Group shows a profit before taxation ("PBT") of RM4.45 million against loss before taxation of RM6.19 million in the immediate preceding quarter. Quantum of gross profit of RM14.39 million is higher for this quarter under review – due to higher revenue - against RM5.39 million in the immediate preceding quarter. Together with lower operating expenses of RM9.70 million against RM12.37 million in the immediate preceding quarter, this resulted in profit before taxation of RM4.45 million against loss before taxation of RM6.19 million in the immediate preceding quarter.

**B3 Prospects**

The Group is currently working on several projects in Malaysia, Singapore and Indonesia. The Group will continue to bid for projects in the region to build a healthy project pipeline despite a competitive market. Nevertheless, we are confident that we will perform satisfactorily with our current projects in hand for remaining part of this financial year.

**B4 Variance of actual profit from forecast profit and shortfall in the profit guarantee**

The Group has not announced or disclosed any profit forecast or profit guarantee in a public document that relates to this interim reporting period.

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**
**B5 Profit/(Loss) before tax**

	Current year quarter 31.12.2014 RM'000	Current year to-date 31.12.2014 RM'000
<b>Profit/(Loss) before tax is arrived at after charging/(crediting)</b>		
(a) Interest Income	90	264
(b) Rental income	N/A	N/A
(c) Interest expense	1,707	5,183
(d) Depreciation of property, plant and equipment	428	996
(e) Impairment loss on receivables, net of reversal	1,099	214
(f) Gain on disposal of quoted investment	N/A	N/A
(g) Write off of property, plant and equipment	N/A	N/A
(h) Net foreign exchange differences	(1,297)	152
(i) Gain or loss on derivatives	N/A	N/A

**B6 Income tax expense**

There is no taxation charge for the current quarter and period ended 31 December 2014 but (overprovision) in respect of prior years.

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year 31.12.2014 RM'000	Preceding year 31.12.2013 RM'000
<b>Income tax</b>				
- current year				
- Malaysia income tax	-	(227)	-	13
- Foreign income tax	-	(628)	-	-
- prior years				
- Malaysian income tax	-	-	-	-
- Foreign income tax	(2,391)	-	(2,391)	-
	(2,391)	(855)	(2,391)	13
<b>Deferred taxation</b>				
- current year	-	1,084	-	1,084
- prior years	-	-	-	-
	-	1,084	-	1,084
	(2,391)	229	(2,391)	1,097

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**
**B7 Status of corporate proposal**

There were no announcements of any corporate proposals which have not been completed or cancelled at the date of the report.

**B8 Group Borrowings and Debt Securities**

The Group's borrowings as at 31 December 2014 were as follows:

	<b>RM'000</b>
<b>Short Term</b>	
Overdrafts	27,091
Revolving credit	40,675
Bridging loan	21,875
Term loan	70,148
Bills payable/Trust receipt	83,313
Hire purchase payables	959
	<u>244,061</u>
	<b>RM'000</b>
<b>Long term</b>	
Hire purchase payables	3,029
	<u>3,029</u>
<b>Currencies in which total borrowings are denominated:</b>	
-Ringgit Malaysia	107,710
-United States Dollar	4,755
-Singapore Dollar	134,625
Total borrowings	<u>247,090</u>

**B9 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at the date of this report.

**B10 Fair Value Changes of Financial Liabilities**

The Group does not have any financial liabilities measured at fair value through profit or loss as at 31 December 2014.

**B11 Material Litigations**

There have been no changes in material litigations since the last audited financial statements for the year ended 31 March 2014 except the under-mentioned:

- (i) An action has been brought by one of the Company's subsidiaries, Kejuruteraan Bintai Kindenko Sdn Bhd against Serdang Baru Property Sdn Bhd and three (3) others in the Shah Alam High Court on the grounds of non-payment of construction cost and conspiracy to defraud amounting to an amount of RM30,427,302.21 plus 15% turnkey factor and interest. The hearing was partly heard on 4<sup>th</sup> to 6<sup>th</sup> February 2015 and adjourned to be continued on 4<sup>th</sup> to 6<sup>th</sup> March 2015.

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

**B11 Material Litigations (cont'd)**

- (ii) During the financial year ended 31 March 2014, a subcontractor of Bintai Kindenko Pte Ltd ("BKPL"), a subsidiary of the Company, made claims against BKPL in relation to progress claims under a foreign jurisdiction. The subcontract sum is approximately RM27.485 million and the subcontractor's claim in the sum of approximately RM30.323 million (consisting of over RM18 million for loss and expense) over and above RM20.887 million paid so far by BKPL. BKPL is disputing the whole amount of the subcontractor's claims and has counterclaimed against the subcontractor in the same proceeding. On 13 June 2014, BKPL made full payment to its subcontractor for the progress claim under the jurisdiction concerned. Pursuant to the aforesaid payment, a sum of RM26.461 million has been recorded in the Group's receivables as recoverable from the subcontractor for which the Directors believe that the Group has strong ground to recover the amount paid. As at the date of this report, the resolution of the arbitration is still on-going.

**B12 Dividend**

No interim dividend is being declared for the quarter under review (FY2014: Nil).

**B13 Earnings/(Loss) per share**

*Basic earnings/(loss) per share*

Basic earnings/(loss) per share of the Group is calculated by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	<b>Current quarter ended 31.12.2014</b>	<b>Cumulative year to date 31.12.2014</b>
Profit/(Loss) attributable to owners of the Company (RM)	6,087,000	(3,749,000)
Weighted average number of ordinary shares in issue	101,891,653	101,891,653
Basic earnings/(loss) per ordinary share (sen)	5.97	(3.68)

*Diluted earnings per share*

The calculation of diluted earnings per share of the Group is consistent with the calculation of basic earnings per share while giving effect to all dilutive potential ordinary shares that were outstanding during the period.

For the current quarter ended 31 December 2014, there was no dilutive effect and no adjustment is required to the basic earnings/(loss) per share shown above.

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**

**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

**B14 Material Events Subsequent to the End of the Interim Period**

Save as disclosed below, there was no other material event subsequent to the end of the current quarter and up to 11 February 2015, being the last practicable date from the date of the issue of this report which is expected to have an operational or financial impact on the Group:-

On behalf of Bintai Kinden Corporation Berhad ("BKCB" or "Company"), KAF Investment Bank Berhad ("KAF") had on 4 February 2015, announced that the Company proposed to undertake the following:-

- (i) Proposed private placement of up to 10,000,000 new ordinary shares of RM0.20 each in BKCB ("BKCB Shares") ("Placement Shares") representing approximately 9.8% of the issued and paid-up share capital of the Company (excluding Treasury Shares), to be issued to investor(s) to be identified later at an issue price to be determined and announced later ("Proposed Private Placement");
- (ii) Proposed renounceable rights issue of up to 102,500,327 new ordinary shares of RM0.20 each in BKCB ("Rights Shares") together with up to 102,500,327 free detachable warrants ("Warrants") on the basis of nine (9) Rights Shares together with nine (9) warrants for every ten (10) existing ordinary shares of RM0.20 each held by the entitled shareholders of BKCB on an entitlement date to be determined later ("Proposed Rights Issue").

(collectively, (i) and (ii) above are referred to as the "Proposals").

The Placement Shares shall be issued under the general mandate approved by the shareholders of BKCB at the Company's Annual General Meeting ("AGM") held on 25 September 2014 pursuant to Section 132D of the Companies Act, 1965 ("Act") ("General Mandate"). The General Mandate, which is valid until the next AGM, empowers the Board to allot and issue new BKCB shares at any time upon such terms and conditions and for such purpose as the Board may, in its absolute discretion, deem fit provided that the aggregate number of BKCB shares to be issued pursuant to the General Mandate does not exceed ten percent (10%) of the issued and paid-up share capital of the Company.

For implementation purpose, the Proposed Private Placement shall be completed before the implementation of the Proposed Rights Issue.

The Proposals are subject and conditional upon approvals being obtained from the following:

- (i) Bursa Malaysia Securities Berhad ("Bursa Securities"), for :-
  - (a) The listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities;
  - (b) The admission of the warrants to the official List of the Main Market of Bursa Securities; and
  - (c) The listing of and quotation for the Rights Shares and warrants to be issued pursuant to the Proposed Rights Issue, as well as the new BKCB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities;
- (ii) The shareholders of BKCB for the Proposed Rights Issue at an Extraordinary General Meeting to be convened; and
- (iii) Any other relevant authorities, if required.

**UNAUDITED QUARTERLY REPORT OF BKCB FOR THE NINE (9)-MONTH FPE 31 DECEMBER 2014 (CONT'D)**
**BINTAI KINDEN CORPORATION BERHAD (290870-P)  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**
**B15 Supplementary information of breakdown of Realised and Unrealised Profits or Losses pursuant to the directive issued by Bursa Malaysia**

On 25 March 2010, Bursa Malaysia issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profit or loss.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group as at 31 December 2014, into realised and unrealised profit/(losses), pursuant to the directive, is as follows:

	As at 30.09.2014 RM'000	As at 31.12.2014 RM'000
Total retained earnings of the Group:		
- realised profit	91,450	96,913
- unrealised loss	(1,564)	(1,467)
 Total share of results in associates and jointly controlled entities		
- unrealised loss	(351)	(563)
	<u>89,535</u>	<u>94,883</u>
Consolidation adjustments	(93,042)	(92,303)
 Total (accumulated losses)/retained earnings as per consolidated accounts	<u>(3,507)</u>	<u>2,580</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

**B16 Disclosure on Qualification of Audit Report**

The audit report of the Group's preceding annual financial statements was not qualified.

BY ORDER OF THE BOARD

NG LAI YEE  
Company Secretary

Date: 11 February 2015

**DIRECTORS' REPORT**



**Bintai Kinden Corporation Berhad**

(Company No: 290870-P)

No. 430, Jalan Ipoh, 51200 Kuala Lumpur.

Tel: 03-4042 6233 Fax: 03-4042 1221 Website: [www.bintai.com.my](http://www.bintai.com.my)

**Registered Office:**

No. 430

Jalan Sultan Azlan Shah

(formerly Jalan Ipoh)

51200 Kuala Lumpur

Date: 11 May 2015

To: The Shareholders of Bintai Kinden Corporation Berhad (“**BKCB**”)

Dear Sir/Madam,

On behalf of the Board of Directors of BKCB, I report after due inquiry in relation to BKCB that during the period from 31 March 2014 (being the date to which the last audited consolidated financial statements of BKCB and its subsidiaries (“**Group**”) have been made up) to the date hereof (being a date not earlier than fourteen (14) days before the issue of this Abridged Prospectus), that:-

- (a) in the opinion of the Directors, the business of the Group has been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited consolidated financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by the Group;
- (e) since the last audited consolidated financial statements of the Group, there have been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of the Group in which the Directors are aware of; and
- (f) save as disclosed in this Abridged Prospectus, there have been no material change in the published reserves or unusual factors affecting the profits of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully,

For and on behalf of the Board of Directors of  
**BINTAI KINDEN CORPORATION BERHAD**

  
**ONG CHOON LUI**

**Group Managing Director / Chief Executive Officer**



**ADDITIONAL INFORMATION****1. SHARE CAPITAL**

- (a) Save for the Rights Shares, Warrants and the new BKCB Shares to be issued pursuant to the exercise of Warrants, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.
- (b) As at the date of this Abridged Prospectus, there is only one (1) class of shares in our Company, namely the ordinary shares of RM0.20 each, all of which rank pari passu with one another.
- (c) Save for the Entitled Shareholders who will be entitled to the Rights Shares and Warrants pursuant to the Rights Issue, no other person has been or is entitled to be granted an option to subscribe for any of our securities as at the date of this Abridged Prospectus.

**2. DIRECTORS' REMUNERATION**

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

***Article 78 – Director's fees***

The fees of the Directors shall from time to time be determined by the Company in general meeting. Unless otherwise directed by the resolution by which it is voted, any such fees shall be divided amongst the Directors as they may agree, or, failing agreement, equally. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of proposed increase has been given in the notice convening the meeting. The Directors shall also be entitled to be repaid all travelling and hotel expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of Directors or general meetings or which he may otherwise incur on or about the business of the Company. If by arrangement with the Directors, any Director shall perform or render any special duties or service outside his ordinary duties as a Director, in particular without limited to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged. Provided that no Directors (non-executive or executive) shall be remunerated by a commission on or percentage of turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their number to be the employee or agent of the Company at such remuneration which shall not include a commission on or percentage of turnover. The fee payable to non-executive Directors shall be by fixed sums as shall be determined by the Company in general meeting.

***Article 78A - Remuneration of Managing Director***

The remuneration of the Managing Director may be by way of salary or commission or participation in profits or by any of those modes but shall not include a commission on or a percentage of turnover.

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**ADDITIONAL INFORMATION (CONT'D)****3. MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

- (a) On 10 June 2013, BKCB and Tan Hooi Pheng, Tan Wee Kang and Vivien Tan Sill Ming entered into a Sale and Purchase Agreement whereby BKCB agreed to dispose of the properties held under Grant No. 7614 (First Grade) for Lot No. 273 and Grant No. 7615 (First Grade) for Lot No. 274, both in Section 4, Town of George Town, North East District, Penang measuring approximately 28,286 square feet together with a detached house erected thereon bearing postal address known as No. 294, Jalan MacAlister, 10450, George Town, Penang for a total cash consideration of RM6,900,000 only. The consideration has been fully satisfied in cash and the said agreement was completed on 20 December 2013; and
- (b) Deed Poll dated 5 May 2015 executed by our Company constituting the Warrants.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, save as disclosed below, to the best knowledge of the Board, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of our Group:-

**a) KBK vs. Serdang Baru Properties Sdn Bhd (“SBP”) and three (3) others**

On 10 October 2008, KBK, a wholly-owned subsidiary of BKCB, had filed a suit against SBP and three (3) others for a non-payment of construction costs amounting to an amount of RM30,427,302 in relation to a construction project to design, build and complete a retail commercial centre with residential apartments (“**the Development Project**”) on Lot 42095, P.T. 3114, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan (“**the said Land**”).

On 29 November 2009, the High Court had ordered the claim against SBP be referred to arbitration and the action against SBP be stayed pending disposal of the arbitration proceeding. Thereafter, SBP had, on 1 April 2010, commenced arbitral proceedings against KBK for, amongst others, liquidated and ascertained damages of RM33,555,000 for the delay in completion of the Development Project together with general damages. In the same proceedings, KBK counterclaimed against SBP for the reliefs as claimed by KBK in the civil suit. The arbitral proceedings have been concluded and both parties have entered their respective written submissions. It is now pending the arbitrator to publish the award/decision.

The Directors have been advised by the solicitors that KBK has a reasonable prospect of success on its counterclaim against SBP as the works done for the Development Project had been agreed and accepted by SBP during the arbitral proceedings. The Directors have also been advised by the solicitors that KBK has a reasonable prospect of success on its defence to SBP’s claim.

The trial against the three (3) other defendants in the civil suit has been concluded. The Court has directed the parties to file in their respective written submission by 29 April 2015 and has fixed the matter on 27 May 2015 for oral submissions. On conclusion of the oral submissions, the Judge will fix a date for decision. However, due to various grammatical and factual errors contained in the Notes of Proceedings, the Parties’ respective solicitors have sought for an adjournment of the deadline for both written and oral submissions. It is now pending a decision from the Court. The Directors have been advised by the solicitors that KBK has a reasonable prospect of success on its claims against the three (3) other defendants.

**ADDITIONAL INFORMATION (CONT'D)**

On 13 February 2012, KBK had also commenced foreclosure proceedings against the said Land to recover advances made by KBK to SBP and an Order for Sale was obtained on 8 October 2013. The auction fixed on 17 December 2013 was vacated as SBP had, on or about 4 December 2013, made an interim payment of RM8,500,000 to the Court. Thereafter, KBK had made an application to the Court for release of the interim payment to KBK and the Court had allowed the application on 25 March 2014. It is now pending the Court's release of the interim payment.

**b) Bintai Kindenko Pte Ltd ("BKPL") vs. Hewlett Packard Singapore (Sales) Pte Ltd ("HPS")**

On 14 July 2014, BKPL, a subsidiary of BKCB, filed a notice of arbitration against HPS in respect of BKPL's mixed development project in Singapore ("the Project"). BKPL was the mechanical and electrical sub-contractor for the Project. By a Letter of Award dated 28 September 2011, BKPL engaged HPS to design, supply and install IT infrastructure services at the Project.

In the notice of arbitration, BKPL is seeking for some reliefs, amongst others, the recovery of a sum of S\$11,285,639 paid under protest and in accordance with the Adjudication Determination in Adjudication Application 072/2014, together with relevant damages/claims.

Presently, the arbitrator has yet to be appointed and the Parties are in the process of agreeing on the nomination of an arbitrator. Upon appointment, the arbitrator is expected to provide directions on the filing of the Statement of Claims and the Defence. Nonetheless, the Directors are of the view that BKPL has a reasonable prospect of success on the recovery of the said sum.

**5. GENERAL**

- (i) There is no existing or proposed service contract entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- (ii) Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best of our Board's knowledge, the financial conditions and operations of our Group are not affected by any of the following:-
  - (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
  - (b) material commitments for capital expenditure of our Group;
  - (c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;
  - (d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;
  - (e) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits; and
  - (f) substantial increase in revenue.

**ADDITIONAL INFORMATION (CONT'D)****6. CONSENTS**

Our Principal Adviser, Company Secretary, Share Registrar, Principal Bankers, the Solicitors, and Bloomberg L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names, the Reporting Accountants' letter on the proforma consolidated statements of financial position of our Company as at 31 March 2014, the audited consolidated financial statements of our Company for the FYE 2014 together with auditors' report, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

**7. DECLARATIONS OF CONFLICT OF INTEREST**

KAF confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Principal Adviser to BKCB for the Rights Issue.

Messrs. Tay & Helen Wong confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the due diligence solicitors of Rights Issue.

Messrs. Ong Boon Bah & Co confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Reporting Accountants of BKCB for the Rights Issue.

**8. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of BKCB at No. 430, Jalan Sultan Azlan Shah (formerly Jalan Ipoh), 51200 Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

- (i) the Memorandum and Articles of Association of BKCB;
- (ii) the letters of consent and conflict of interests referred to in Section 6 and Section 7 respectively of this Appendix VII;
- (iii) the letter of Undertaking by the Undertaking Shareholder as referred to in Section 2.4 of this Abridged Prospectus;
- (iv) audited consolidated financial statements of BKCB for the past two (2) FYE 2014 and FYE 2013;
- (v) unaudited quarterly report of BKCB for the nine (9)-month FPE 31 December 2014;
- (vi) the proforma consolidated statements of financial position of BKCB as at 31 March 2014 together with the Reporting Accountants' letter thereon as set out in Appendix III of this Abridged Prospectus;
- (vii) the material contracts referred to in Section 3 of this Appendix VII;
- (viii) the relevant cause papers in relation to the material litigation referred to in Section 4 of this Appendix VII;

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**ADDITIONAL INFORMATION (CONT'D)**

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- (ix) the Directors' report as set out in Appendix VI of this Abridged Prospectus; and
- (x) the Deed Poll dated 5 May 2015.

**9. RESPONSIBILITY STATEMENT**

This Abridged Prospectus together with the accompanying NPA and RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement/information herein misleading.

KAF, being our Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue.

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