IREKA

Under 1 Roof, Under 1 Entity, Under 1 Commitment

IREKA CORPORATION BERHAD *25882-A*

Annual Report 2011

...in trusted hands

VISION

To be a progressive and globally-focused corporation which prides itself on proven track record in performance, reliability, excellence in quality and creativity in all products and services offered.

COVER CONCEPT

In Ireka, our business is all about enhancing value through new ideas. In 2011, to further reaffirm our passion for innovation and to embrace change, we refreshed our brand identity.

Our new look is reflected in the cover design of this year's annual report with its tagline, **Under 1 Roof, Under 1 Entity, Under 1 Commitment**. Our refreshed logo combines a splash of energetic red with an understated grey. The background pattern is made up of a device that resembles a door, as shown in architectural plans. This motif signifies both a doorway to new lifestyles and a commitment to unlocking value.

Meanwhile, the focal point of the cover is one of our most prestigious projects, SENI Mont' Kiara, a luxury development with all the qualities Ireka stands for: high performance, strong design values, and innovative solutions.

CONTENTS

ABOUT IREKA

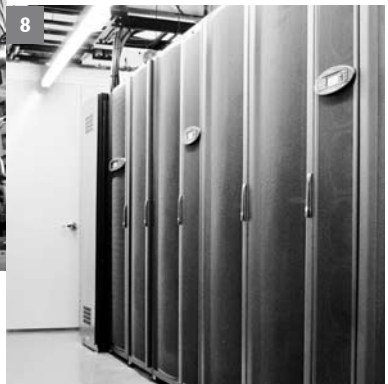
Founded in 1967, Ireka Corporation Berhad has rapidly evolved into a progressive and integrated entity. Ireka's success story lies in its different business portfolios which co-exist to form a corporation that is synergised with complementary capabilities and multi-industry expertise. This provides a solid foundation for the Group to deliver fresh perspectives and innovative solutions, as well as creating values for all its stakeholders. Today, Ireka Group is actively involved in three core businesses: Infrastructure, Real Estate and Technologies, spreading its wings in both Malaysia and Vietnam.

1 KLIA Runway
2 Simpang Pulai Interchange, North-South Expressway
3 Kiaraville, Mont' Kiara
4 Kuala Lumpur Middle Ring Road II
5 The Westin Kuala Lumpur
6 Selborne Perdana, Kuala Lumpur
7 Federal Government Administrative Buildings, Putrajaya
8 Data Center, Mont' Kiara


5


6


7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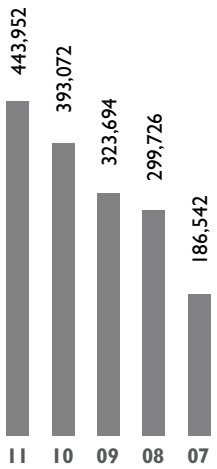
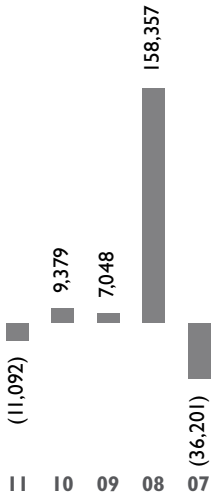
FIVE-YEAR FINANCIAL HIGHLIGHTS

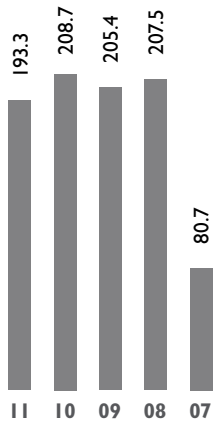
REVENUE
RM'000



PROFIT / (LOSS) BEFORE TAXATION
RM'000



NET TANGIBLE ASSETS PER SHARE
SEN



GROUP	12 MONTHS TO 31.03.11	12 MONTHS TO 31.03.10	12 MONTHS TO 31.03.09	12 MONTHS TO 31.03.08	12 MONTHS TO 31.03.07
IN RM'000					
Revenue	**443,952**	393,072	323,694	299,726	186,542
Profit / (Loss) before taxation	**(11,092)**	9,379	7,048	158,357	(36,201)
Profit / (Loss) after taxation and minority interest	**(11,742)**	8,669	6,036	152,865	(33,717)
Issued share capital	**113,914.7**	113,914.7	113,914.7	113,914.7	113,914.7
Shareholders' funds	**220,206**	237,710	234,001	236,410	91,893
Total assets	**571,733**	545,075	497,696	635,819	566,409
IN SEN					
Gross dividend per share	**5.0***	5.0	5.0	20.0	8.8
Net earnings per share – Basic	**(10.3)**	7.6	5.3	134.2	(29.6)
Net tangible assets per share	**193.3**	208.7	205.4	207.5	80.7
IN PERCENTAGE					
Return on shareholders' fund	**(5.3)**	3.6	2.6	64.7	(36.7)
Gearing	**81**	79	47	50	175
Gearing (net of cash)	**60**	62	35	19	95

Note:
* Subject to the approval by shareholders of the Company at the 35th Annual General Meeting.

SENI Mont' Kiara

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Ireka Corporation Berhad (the "Group") for the financial year ended 31 March 2011.

For the financial year under review, the Group recorded an increase in revenue of RM443.95 million compared to RM393.07 million recorded in the previous financial year. This is in line with the increased volume of work completed during the year. Operating profit was RM9.66 million compared with RM20.35 million achieved during the previous year due to provision of Liquidated Ascertained Damages for one of the projects undertaken. After accounting for the Group's share of losses in Aseana Properties Limited of RM7.69 million and a "mark-to-market" loss for the Group's share investment in Kinh Bac City Development Shareholding Corporation of RM2.69 million, the Group recorded a loss of RM11.74 million compared with a profit of RM8.67 million in the previous year. Tight labour market, increased labour costs and material prices have also affected construction margins.

1 SENI Mont' Kiara

At the forthcoming Annual General Meeting, a first and final single-tier dividend in respect of the financial year ended 31 March 2011 base on a single-tier dividend of 5% (5 sen net per ordinary share) on 113,914,700 ordinary share will be proposed for shareholders' approval. The dividend payout of RM5.69 million will be accounted for as an appropriation from retained earnings.

Last year saw the completion of four major projects, which include 1 Mont' Kiara office towers and shopping mall, structural works for the basement and podium of the KL Sentral offices and hotel project and the SENI Mont' Kiara phase 1 condominium towers. In addition, several projects were secured during the year with a total contract value of RM370.08 million, which include structural works package at City International Hospital, Ho Chi Minh City, the Group's first project in Vietnam. Based on these contracts, the remaining value of work to be completed amount to about RM414.00 million.

The Group's e-Commerce business under i-Tech Network Solutions Sdn Bhd ("i-Tech") continues to operate under a very competitive environment. i-Tech recorded improved gross profit compared to previous year. Going forward, i-Tech has embarked on the building of a "green" data

center at Mont' Kiara offering co-location, data center and managed services. This data center is expected to commence full operations by the end of the current year. i-Tech is currently carrying out extensive promotions with our partner and hardware suppliers. The need for data center services is increasing as demand for space in systems integration and network solutions is getting competitive. In addition, our subsidiary company iTech ELV Solutions Sdn Bhd which is actively involved in installing cabling and data network infrastructure has a healthy order book and is confident of securing further projects.

Going forward, the Group will continue to bid for construction work both in the public and private sectors and at the same time continue with its core business in property development. The Group has sufficient construction work in hand until end of next year and is actively tendering to replenish its order book. In addition, the Group is planning for the Jalan Kia Peng development project which is expected to commence early next year. The Group is also evaluating several possible acquisition of land for future development.

In closing and on behalf of my fellow Directors, I wish to convey my sincere thanks to all shareholders, customers, business partners especially our associate, Aseana Properties Limited, for their continued support.

To my colleagues on the Board, I wish to extend my gratitude for their contributions and guidance during the year. I also take this opportunity to thank the management and staff at all levels for their support and contributions during the year.

HAJI IR. ABDULLAH BIN YUSOF
Chairman
25 August 2011

2 Boutique Hotel & Serviced Residences, Jalan Kia Peng

3 City International Hospital under construction

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan bagi Ireka Corporation Berhad ("Kumpulan") untuk tahun kewangan yang berakhir pada 31 Mac 2011.

Kumpulan mencatatkan peningkatan perolehan iaitu RM443.95 juta pada tahun dalam tinjauan berbanding dengan RM393.07 juta pada tahun kewangan sebelumnya. Ini adalah sejajar dengan peningkatan kerja projek-projek pembinaan yang telah selesai dilaksanakan sepanjang tahun dalam tinjauan. Kumpulan telah mencatat keuntungan sebanyak RM9.66 juta berbanding dengan RM20.35 juta pada tahun sebelumnya disebabkan oleh peruntukan Gantirugi yang Ditetapkan (Liquidated and Ascertained Damages) untuk salah satu projek yang dilaksanakan oleh Kumpulan, setelah mengambilkira perkongsian kerugian Kumpulan sebanyak RM7.69 juta di Aseana Properties Limited dan kerugian nilai saksama ("mark-to-market" loss) dalam pelaburan saham Kumpulan sebanyak RM2.69 juta di Kinh Bac City Development Shareholding Corporation, Kumpulan telah merekodkan kerugian sebanyak RM11.74 juta berbanding dengan keuntungan sebanyak RM8.67 juta yang dicapai pada tahun sebelumnya. Selain itu, margin sektor pembinaan turut terjejas disebabkan oleh pasaran buruh yang ketat dan peningkatan kos buruh serta kenaikan harga bahan binaan.

Dengan berdasarkan "single-tier" dividen 5% bagi 113,914,700 saham biasa, dividen pertama dan akhir "single-tier" sebanyak 5 sen bersih sesaham biasa untuk tahun kewangan yang berakhir pada 31 Mac 2011 akan dicadangkan untuk kelulusan pemegang-pemegang saham pada Mesyuarat Agung Tahunan yang akan datang. Pembayaran dividen yang berjumlah RM5.69 juta ini akan diambilkira sebagai pengagihan perolehan tertahan.

Kami telah menyaksikan penyiapan empat projek utama pada tahun lepas, iaitu menara-menara pejabat and pusat membeli belah 1 Mont Kiara, kerja-kerja struktur untuk projek ruangan bawah tanah dan podium pejabat dan hotel di KL Sentral serta menara kondominium fasa 1 untuk SENI Mont' Kiara. Di samping itu, beberapa projek dengan nilai kontrak berjumlah RM370.08 juta telah diperolehi sepanjang tahun dimana ianya termasuk pakej kerja-kerja struktur di City International Hospital, Bandar Ho Chi Minh yang juga merupakan projek pertama Kumpulan di Vietnam. Dengan berdasarkan kontrak-kontrak ini, baki nilai kerja yang bakal disiapkan adalah berjumlah lebih kurang RM414.00 juta.

4 Harbour Mall, Sandakan Harbour Square

Perniagaan e-Commerce Kumpulan di bawah i-Tech Network Solutions Sdn Bhd ("i-Tech") akan terus beroperasi dalam persekitaran perniagaan yang sangat kompetitif. Walaubagaimanapun, i-Tech telah mencatatkan keuntungan kasar yang lebih baik berbanding dengan tahun sebelumnya. Untuk masa hadapan, i-Tech telah memulakan pembinaan pusat data "hijau" (mesra alam) di Mont' Kiara. Pusat data ini akan menawarkan ko-lokasi, pusat data dan perkhidmatan terurus dan dijangka akan mula beroperasi sepenuhnya menjelang akhir tahun 2011. i-Tech kini sedang menjalankan promosi yang meluas dengan rakan kongsi kami dan pembekal-pembekal perkakasan. Keperluan untuk perkhidmatan pusat data kini semakin meningkat disebabkan oleh permintaan untuk ruang dalam integrasi sistem dan penyelesaian rangkaian yang semakin kompetitif. Selain itu, anak syarikat kami iaitu iTech ELV Solutions Sdn Bhd yang terlibat secara aktif dalam pemasangan infrastruktur rangkaian pengkabelan dan data juga mempunyai buku tempahan yang sihat dan yakin akan mendapatkan projek-projek lanjut.

Pada masa akan datang, Kumpulan akan terus membuat tawaran bagi kerja-kerja pembinaan di kedua-dua sektor awam dan swasta, dan pada masa yang sama, Kumpulan juga akan meneruskan perniagaan terasnya di sektor pembangunan hartanah. Kumpulan kini mempunyai kerja-kerja pembinaan yang mencukupi sehingga akhir tahun depan dan giat melibatkan diri dalam tender untuk menambah lagi buku tempahan Kumpulan. Di samping itu, Kumpulan sedang merancang bagi projek pembangunan di Jalan Kia Peng yang dijangka akan bermula awal tahun depan. Kumpulan juga sedang mempertimbangkan kemungkinan pengambilalihan beberapa tanah untuk pembangunan masa hadapan.

Sebagai penutup dan bagi pihak Lembaga Pengarah, saya ingin merakamkan terima kasih kepada semua pemegang saham, pelanggan, rakan kongsi perniagaan terutama syarikat bersekutu kami, Aseana Properties Limited, untuk sokongan berterusan mereka.

Saya juga ingin merakamkan penghargaan kepada rakan sejawat saya dalam Lembaga Pengarah atas sumbangan dan bimbingan sepanjang tahun dalam tinjauan. Akhirnya, saya ingin mengambil peluang ini untuk mengucapkan terima kasih kepada pihak pentadbir Kumpulan dan juga kakitangan dari semua peringkat di atas sumbangan and sokongan mereka sepanjang tahun dalam tinjauan.

HAJI IR. ABDULLAH BIN YUSOF
Pengerusi
25 Ogos 2011

5 Wisma Mont' Kiara Office Tower, 1 Mont' Kiara

6 Kulai-Second Link Expressway Interchange, Iskandar Malaysia

OPERATIONS REVIEW

1 KL Sentral Office Towers and Hotel (Package 2) under construction

2 KL Sentral Office Towers and Hotel (Package 3) under construction

In the last financial year ended 31 March 2011 *(FY2011)*, the Ireka Group recorded a revenue of RM443.95 million, a 13% increase compared to the RM393.07 million revenue recorded in the previous financial year *(FY2010)*. The higher revenue was due to a higher volume of construction works completed during the period under review.

Despite the increase in revenue, the Group recorded a pre-tax loss of RM11.09 million, mainly due to share of losses in its associated company, Aseana Properties Limited ("Aseana") and a mark-to-market loss for share investment in Vietnam-based Kinh Bac City Development Shareholding Corporation. Profits were also affected by lower construction margins due to higher costs associated with delays in the completion of one of the company's major construction project.

2010 saw the world economy continued its steady recovery following the September 2008 financial crisis. However, uncertainties persist with the debt crisis in several European countries and in the United States, coupled with its slow economic recovery. The recent credit rating downgrade of the US by Standard & Poor's affected world stock markets with many, if not all, major indices plunging, affecting investor confidence.

Nevertheless, Asia is still seen as the shining hope for global economic recovery in the coming years, with strong macro and micro-economic fundamentals and increasing domestic consumption capacity.

The Group remains committed to its vision, focusing on improving its performance and reliability, as well as striving for excellence in quality and creativity in delivering our products and services. These traits will form the basic building blocks of our business strategy going forward and will be consistently applied across our three core business divisions.

INFRASTRUCTURE DIVISION

In 2010, the construction industry in Malaysia registered a growth of 5.2% (Source: Bank Negara), mainly as a result of the ongoing first and second stimulus packages introduced by the Government, as well as the increase in public-private partnership (PPP) projects. The construction sector is expected to receive further boost this year, with the roll-out of projects under the 10th Malaysia Plan (10MP), amounting to RM230 billion. The sector currently contributes approximately 3% to the country's gross domestic product, and this contribution is expected to increase to 5% by 2015, according to the Construction Industry Development Board (CIDB).

During the financial year, Ireka Engineering & Construction Sdn Bhd ("IECSB") had successfully completed the structural works for the basement and podium of the office and hotel towers at KL Sentral; the 1 Mont' Kiara integrated office and retail development as well as Phase 1 of the high-end condominium project, SENI Mont' Kiara. Phase 2 of SENI Mont' Kiara is due for completion in the third quarter of this year.

In February 2011, Ireka Group's Vietnam-based construction arm, Ireka Engineering And Construction Vietnam Company Limited, secured a RM27.58 million contract for the structural works package of a general hospital at the International Hi-Tech Healthcare Park in Binh Tan District, Ho Chi Minh City, Vietnam. This marks the Group's maiden foray into Vietnam. The Group also secured two other contracts to construct two office towers (in March 2010) and a hotel block (in May 2010) at KL Sentral, with contract values of RM232.75 million and RM109.75 million respectively. This brings a total of RM370.08 million worth of construction projects secured during the financial year.

In addition to the current construction works for the Harbour Mall and the Four Points by Sheraton hotel at Sandakan Harbour Square, as well as the Kulai-Second Link Expressway Interchange, the Group's order book stood at about RM1.22 billion, of which approximately RM414.00 million remained outstanding (as at end July 2011).

In the coming year, the main priority for the Group is to replenish its order book. Based on the Group's track record and experience, the targeted projects will include commercial and Government buildings, infrastructure works as well as high-end residential buildings. Alongside that, the Group is constantly looking at ways to increase operational efficiency by improving on its current systems and processes. In Ireka, a Quality Control and Training ("QCT") Unit is one of the key initiatives in ensuring that the level of quality is continuously raised and to instill the culture of getting it 'Right The First Time' across the Group.

REAL ESTATE DIVISION

Year 2010 was a milestone year for the property development sector in Malaysia, with a record of RM107.44 billion worth of properties transacted *(Source: National Property Information Centre, NAPIC)*. Residential property dominated the market, amounting to 60.2% of total volume and 47.1% of the value of transactions, influenced mainly by an improving economy. We saw commendable sales take-up specifically for affordable and mid-level residential properties. However, there was slower momentum for high-end residential properties.

Towards the end of 2010, the residential segment stabilised with slight increases in prices of between 5% to 10%. The office segment maintained stable yields of between 6% and 8% with occupancy rates of approximately 80%.

Throughout the year, Ireka Development Management Sdn. Bhd. ("IDM"), as the development manager of Aseana, has worked closely with the board of Aseana to ensure that its property portfolio was managed effectively and its balance sheet remained strong.

In December 2010, Aseana announced the sale of the 20-storey office tower and 5-storey retail mall at 1 Mont' Kiara for RM333.00 million to ARA Asia Dragon Fund *(an affiliate of Hong Kong's Cheung Kong Group)*. This disposal is a testament to IDM's ability to exit investments at the right time and for the right price.

In January 2011, Aseana also announced the withdrawal from the acquisition of a plot of commercial development land in Mont' Kiara, due to uncertainty in the timing of approvals from the relevant authorities. Following the exit of Aseana from this project, Ireka Group now retains the right to complete the acquisition of this prime land from the land owner should the approvals from the relevant authorities are obtained in the near future.

Detailed planning is underway for a joint development project between Ireka Group and Aseana (30:70) on a prime site in Kuala Lumpur City Centre ("KLCC") which is targeted for sales launch in early 2012. Strategically located on Jalan Kia Peng, this development will consist of a boutique hotel and serviced residences, with commanding views of the world-famous Petronas Twin Towers.

In Vietnam, the Vietnamese Dong underwent its third devaluation of 9.3% in February 2011 against the US Dollar. Since then, the devaluation of the Vietnamese Dong has been contained but the Vietnam economy is also facing inflationary pressures and high interest rates which have further dampened the investment climate.

Within the real estate sector, the office segment in Vietnam is softening, observed in indicators such as the declining of occupancy and rental rates. In the residential segment, the low and mid-market and high-end villas sectors in prime location are still performing well but there is a perceived oversupply in the high-end apartment sector. In the third quarter of 2011, there are some signs that the apartment residential market may

OPERATIONS REVIEW

3 City International Hospital, International Hi-Tech Healthcare Park, Ho Chi Minh City

rebound, following reasonable results recorded at launches by established international developers in Ho Chi Minh City.

Despite Vietnam's challenging economic environment, IDM has achieved commendable results for Aseana's developments in Vietnam. At the end of 2010, the pilling works for the City International Hospital ("CIH") at the International Hi-Tech Healthcare Park development in Binh Tan District, Ho Chi Minh City was completed, with the main structure works now progressing. In December 2010, another milestone was achieved, when Aseana signed a Hospital Management Agreement with Gleneagles Management Services Pte Ltd *(a wholly-owned subsidiary of Parkway Holdings Limited)* as the operator of CIH. Parkway Holdings Limited is a Singapore-based leading healthcare group and also Asia's largest healthcare service provider, managing hospitals in Singapore, Malaysia, India and Middle East.

In April 2011, Aseana has signed a conditional agreement to develop a residential project *(known as Phuoc Long B project)* in District 9 of Ho Chi Minh City with Nam Long Investment Corporation on a 55:45 basis. The development will comprise 37 units of luxury villas and two high-rise apartment towers. IDM is currently working towards launching the project towards end of 2011.

In the coming year, IDM will continue to focus on managing and delivering projects under Aseana's property portfolio. The final phases of Sandakan Harbour Square and SENI Mont' Kiara are slated for completion and several projects in Malaysia and Vietnam are also expected to commence by end of 2011.

In addition to IDM's efforts for Aseana, Ireka will be seeking to build its own development land bank, with a focus on growth corridors in Malaysia. With that, the Group hopes to continue to leverage on its strength of creating innovative products across wider segments of the property market in the coming years.

TECHNOLOGIES DIVISION

This financial year continued to be a challenging and disappointing one for Ireka's Technologies subsidiary, i-Tech Network Solutions Sdn Bhd ("i-Tech"). Amidst global economic uncertainties, many organisations saw the reduction of ICT *(information and communications technology)* budgets which impacted the overall industry. For i-Tech, the continuing challenges in the ICT industry as a whole and the postponements of several large projects the company had planned to implement during the year resulted in our revenue declining 15% compared to that achieved in FY 2010.

However, i-Tech succeeded in its strategy to improve margins and efficiency. The company was conscious of rising operating costs and related expenses, higher cost of doing business and increasing labour cost for employing experienced technical staff. Thus, i-Tech had successfully managed to control these by streamlining some of its internal processes.

With the Government's initiative towards national IT developments as laid out in the 10MP *(e.g. high-speed broadband, 4th generation wireless services, cloud computing, etc.)*, i-Tech is confident that this will provide many opportunities for the ICT industry in general, and the company

specifically. The other key opportunity lies in the Government's Economic Transformation Program (ETP) announced towards the end of last year, where Malaysia is seeking to be a world-class hub for data centers in this region.

In its annual ICT industry forecasts, premier global provider of market intelligence, International Data Corporation (IDC), noted that IT spending in Malaysia will grow from US$5.9 billion in 2010 to US$6.5 billion this year and this growth is driven by some of the national governmental initiatives mentioned above. Frost & Sullivan, a global market research company, echoed this view, and pointed to wireless broadband and cloud computing as two specific growth areas in the local IT sector.

As reported in last year's Annual Report, i-Tech planned to offer co-location services. Since then, the team had conscientiously focused on the design, planning and construction of a 'green' data center, located in Mont' Kiara. In July 2011, Phase 1 of the facility is completed and there will be extensive promotions with its business partner, IBM, to brand and offer a full suite of ICT services to its clientele.

Investing in a data center is an important initiative and a major step forward for the Technologies division, further complementing the Infrastructure and Real Estate divisions for the Group. This strategy certainly supports Ireka Group's holistic and strategic approach in accelerating key technologies in the areas of advanced analytics, social collaboration and smarter commerce operations.

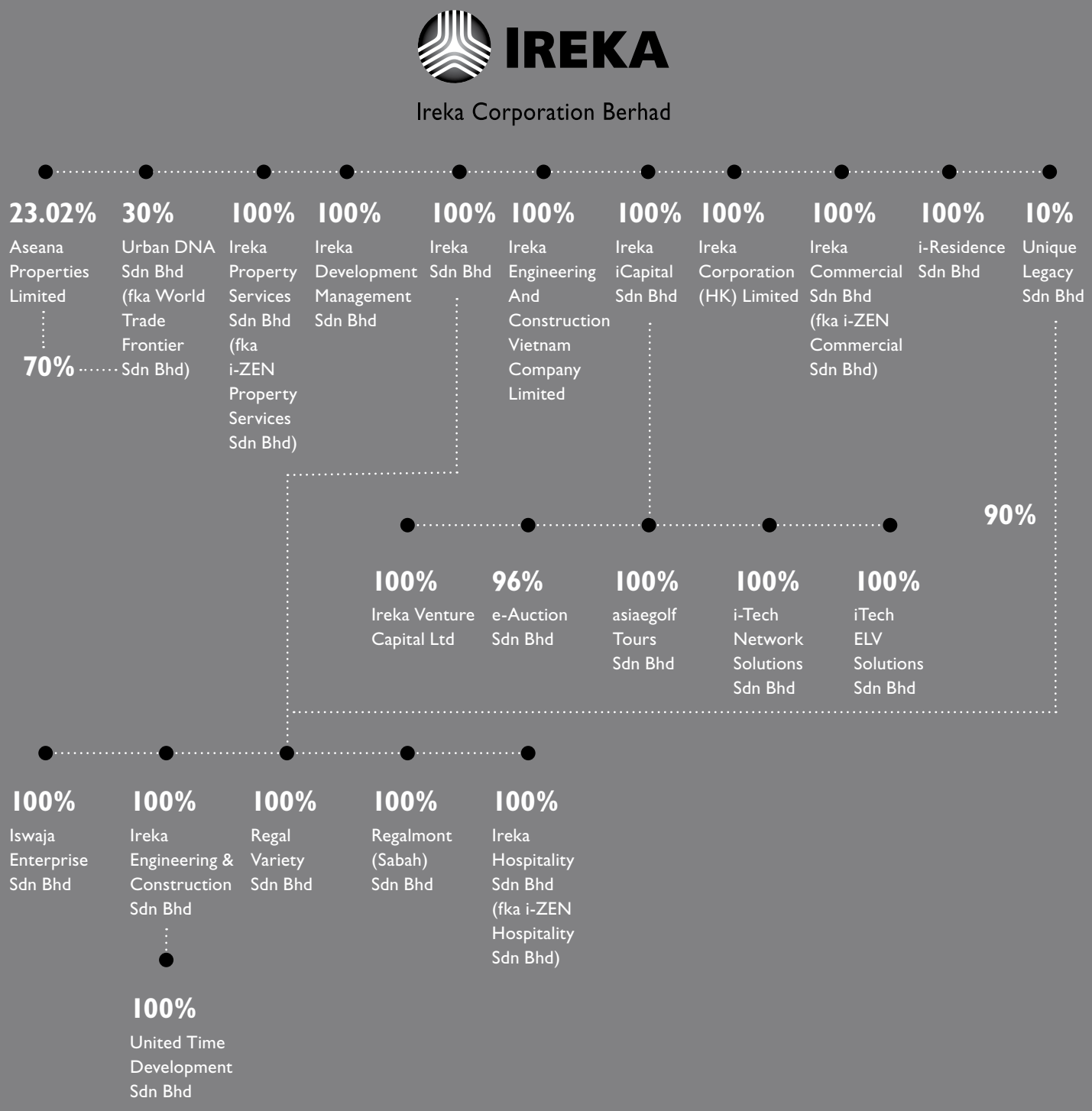
The growth in hardware and software spending in recent years has attracted numerous new entrants and competitors into the market. As a result, margins are getting noticeably thinner and the reseller space is narrowing. i-Tech's investment in the data center and this diversification strategy will provide the company with a new growth platform, to stay ahead of its competitors for the longer term. In the years to come, the co-location services will further boost i-Tech's revenues and profits and allows the company to better address its customers' needs and demands.

Moving forward, i-Tech will increase its efforts towards improving all aspects of its business processes, procedures and systems to place the Ireka Group on a technologically-advanced platform, as the world move towards business digitalisation.

LAI SIEW WAH
Group Managing Director
25 August 2011

4 Data Center, Mont' Kiara
5 Sandakan Harbour Square under construction

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-executive Chairman
Haji Ir. Abdullah Bin Yusof

Managing Director
Lai Siew Wah

Deputy Managing Director
Datuk Lai Jaat Kong
@ Lai Foot Kong PJN, JSM

Executive Directors
Chan Soo Har @ Chan Kay Chong
Lai Man Moi
Lai Voon Hon
Lai Voon Huey, Monica

Independent Non-executive Directors
Haji Mohd. Sharif Bin Haji Yusof
Kwok Yoke How
Lim Che Wan

AUDIT COMMITTEE

Chairman
Haji Mohd. Sharif Bin Haji Yusof

Members
Kwok Yoke How
Lim Che Wan

COMPANY SECRETARY
Wong Yim Cheng
MAICSA 7008092

COUNTRY OF DOMICILE & INCORPORATION
Malaysia

LEGAL STATUS
Public listed company limited by shares

REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS
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e-mail enquiry@ireka.com.my
Website www.ireka.com.my

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Tel +603 7841 8000
Fax +603 7841 8008

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad, Main Market

STOCK CODE
Shares 8834

AUDITORS
Raja Salleh, Lim & Co.
(Audit Firm No. 0071)
29A, Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

PRINCIPAL BANKERS
AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank Malaysia Berhad
RHB Bank Berhad
United Overseas Bank (M) Berhad

1 Kiaraville
2 SENI Mont' Kiara

BOARD OF DIRECTORS

HAJI IR. ABDULLAH BIN YUSOF

Aged 75, a Malaysian, is the Independent Non-executive Chairman of Ireka and was appointed to the Board of Directors in 1992. He is a Director of several subsidiaries within Ireka Group. He graduated from the Camborne School of Metalliferous Mining, United Kingdom in 1961. He has extensive experience in the tin mining industry, and is currently the Executive Chairman of Osborne & Chappel International Sdn Bhd, a local mine management and engineering group which was involved in the field of mining operations and related construction works, mine management and consultancy, both locally and internationally. He is also an Independent Non-executive Director of Gopeng Berhad and Time Engineering Berhad, and is a council member of the Malaysian Chamber of Mines and the Tin Industry (Research and Development) Board.

LAI SIEW WAH

Aged 71, a Malaysian, is the founder and Group Managing Director of Ireka. He was appointed a Director of Ireka in 1975 and was made the Managing Director of Ireka in 1993. He is also a Director of several subsidiaries within Ireka Group. He has been active in the construction industry since 1967 during which time he has accumulated vast knowledge and experience in the implementation and management of construction projects.

He is a major shareholder of Ireka, through his interest in Ideal Land Holdings Sdn Bhd.

DATUK LAI JAAT KONG @ LAI FOOT KONG PJN, JSM

Aged 68, a Malaysian, is the Group Deputy Managing Director of Ireka. He was appointed a Director of Ireka in 1977 and was made the Deputy Managing Director in 1993. He is also a Director of several subsidiaries within Ireka Group. He has over 35 years experience in the construction industry and is actively involved in activities of related trade organization locally and regionally. Currently, he is the Honorary Life President of Master Builders Association Malaysia and serves as Rapportueur in International Federation of Asia & Western Pacific Contractors' Association (IFAWPCA). He was the Past President/Honorary Advisor of the Master Builders Association Malaysia and had also served as Secretary General of IFAWPCA and Council Member of ASEAN Constructors Federation (ACF), a Board Member of Construction Industry Development Board Malaysia ("CIDB") and National Institute of Occupational Safety and Health (NIOSH).

He is the brother of Mr. Lai Siew Wah.

CHAN SOO HAR @ CHAN KAY CHONG

Aged 65, a Malaysian, is an Executive Director of Ireka. He joined Ireka in 1975 and was appointed to the Board of Directors in 1990. He is also a Director of several subsidiaries within Ireka Group. He has over 40 years experience in the construction industry with sound knowledge in building materials and heavy plants and machineries.

He is a major shareholder of Ireka, through his interest in Magnipact Resources Sdn Bhd.

LAI MAN MOI

Aged 63, a Malaysian, is an Executive Director of Ireka. She joined Ireka in 1975 and was appointed to the Board of Directors in 1990. She is also a Director of several subsidiaries within Ireka Group. She has over 40 years experience in finance and accounting and is a member of several institutes including the Association of Accounting Technicians, United Kingdom; The International Association of Book-Keepers (UK); and The Institute of Commercial Management.

She is a major shareholder of Ireka through her interest in Magnipact Resources Sdn Bhd. She is the sister of Mr. Lai Siew Wah and the spouse of Mr. Chan Soo Har @ Chan Kay Chong.

LAI VOON HON

Aged 47, a Malaysian, is an Executive Director of Ireka and the Chief Executive Officer of Ireka Development Management Sdn Bhd. He joined Ireka in 1994 as the Group General Manager and was appointed to the Board of Directors in 1996. He is also a Director of several subsidiaries within the Ireka Group. He graduated from University College London, London University and Ashridge Management College with Bachelor of Science (Hons) Degree in Architecture in 1987 and Post-graduate Diploma in Architecture (Dip-Arch) in 1989 and a Master in Business Administration ("MBA") (Distinction) degree in 1993 respectively. An architect by profession, he has practiced in London, Hong Kong and Malaysia prior to joining Ireka. He is a registered Professional Architect with the Board of Architects, Malaysia.

He is a major shareholder of Ireka, through his interest in Ideal Land Holdings Sdn Bhd. He is the son of Mr. Lai Siew Wah.

LAI VOON HUEY, MONICA

Aged 45, a Malaysian, is an Executive Director of Ireka and the Chief Financial Officer of Ireka Development Management Sdn Bhd. She joined Ireka as the Group Financial Controller in 1993 and was appointed to the Board of Directors in 1999. She is also a Director of several subsidiaries within the Ireka Group. She graduated from City University, London, with a Bachelor of Science (Hons) Degree in Accountancy and Economics. She has worked for two international accounting firms in England and Hong Kong prior to joining Ireka. She is a fellow member of several institutes that include the Institute of Chartered Accountants, England and Wales; Chartered Accountants, Malaysia; and the Malaysian Institute of Taxation.

She is the daughter of Mr. Lai Siew Wah.

HAJI MOHD. SHARIF BIN HAJI YUSOF

Aged 72, a Malaysian, is the Senior Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 2002. He is the Chairman of the Audit Committee and a Director of several subsidiaries within the Ireka Group. He is a fellow member of the Institute of Chartered Accountants, England & Wales, Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants. He is also an Independent Non-executive Director of Atlan Holdings Berhad and Axis REIT Managers Berhad.

BOARD OF DIRECTORS

KWOK YOKE HOW

Aged 71, a Malaysian, is an Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 1992. He is a member of the Audit Committee and a director of several subsidiaries within the Ireka Group. A lawyer by profession, he has recently retired as a consultant to a reputable legal firm in Kuala Lumpur.

LIM CHE WAN

Aged 68, a Malaysian, is an Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 2009. He is also a member of Audit Committee. He holds Bachelor of Engineering degrees in both Mechanical and Mining disciplines. He has over 30 years of experience at operational, management and Board levels in mining, industrial and construction companies both in Malaysia and overseas. He last worked, in an executive position, as the Managing Director of Australia Oriental Minerals NL, a company listed on Australia Stock Exchange.

SENIOR MANAGEMENT

WONG YIM CHENG

Director of Group Corporate Services/
Group Company Secretary
Ireka Corporation Berhad

TAN THIAM CHAI

Chief Executive Officer
Ireka Engineering & Construction Sdn Bhd

NG YAU SIONG

Director (Operations)
Ireka Engineering & Construction Sdn Bhd

LIM ECH CHAN

Chief Operating Officer
Ireka Development Management Sdn Bhd

LEONARD YEE YUKE DIEN

Chief Executive Officer
i-Tech Network Solutions Sdn Bhd
Group General Manager
Ireka Corporation Berhad

YAP KET BIN

Chief Operating Officer
i-Tech Network Solutions Sdn Bhd

CORPORATE CALENDAR

1 Ireka Group's 2010 Annual Dinner.

2 Ireka's Chairman, Tuan Haji Ir. Abdullah Bin Yusof officially launched IREKA CARES during the Ireka Group's 2010 Annual Dinner.

APRIL 2010

Ireka announced the incorporation of iTech ELV Solutions Sdn Bhd which was set up for the businesses of providing, supplying and installing structured cabling system and extra low voltage system.

Ireka Engineering & Construction Sdn Bhd ("IECSB") was awarded a contract of RM36.24 million as the contractor for the proposed Bandar Indahpura, Kulai-Second Link Expressway Interchange, a part of the RMK-9 projects in Iskandar Malaysia.

Ireka completed the acquisition of a piece of freehold land measuring 43,559 sq. ft. *(approximately 1 acre)* located in the heart of Kuala Lumpur City Centre on Jalan Kia Peng for RM87.12 million.

MAY 2010

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 March 2010.

Ireka Toastmasters Club held its 2nd Annual General Meeting at SENI Gallery for the election of a new committee for year 2010/2011. The Club achieved "Select Distinguished Club" status for the second consecutive year.

JULY 2010

Ireka proposed a first and final dividend in respect of the financial year ended 31 March 2010 of approximately RM5.69 million (5 sen net per ordinary share), based on single-tier dividend of 5% on 113,914,700 ordinary shares.

Ireka Group's 2010 Annual Dinner themed "Mad Hatter" was held at the Sheraton Imperial Hotel, Kuala Lumpur.

IREKA CARES, Ireka's flagship corporate social responsibility programme, was officially launched during the Ireka's Annual Dinner.

AUGUST 2010

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2010.

Ireka participated in The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2010 and was represented by the CEO of its Infrastructure arm, Mr. Tan Thiam Chai, in the 1 km CEO Race, and a team of 5 runners in the 4.5 km Main Race.

IREKA CARES held its Housewarming Party at Lighthouse Children's Welfare Home ('Lighthouse'), to mark the adoption of the Home.

SEPTEMBER 2010

Ireka held its 34th Annual General Meeting and Extraordinary General Meeting at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.

NOVEMBER 2010

IECSB successfully completed the construction of 1 Mont' Kiara, a mixed commercial development comprising of a retail podium, office tower, car park bays and office suites located in the heart of Mont' Kiara.

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2010.

DECEMBER 2010

Ireka paid a first and final dividend in respect of the financial year ended 31 March 2010 of approximately RM5.69 million (5 sen net per ordinary share), based on single-tier dividend of 5% on 113,914,700 ordinary shares.

The Ireka Sports & Recreation Club held its Ireka Family Day 2010 at Kampung Endah Homestay, Morib with the objective of fostering closer integration and creating a healthy working environment for all employees within the Group.

Mr. Lai Siew Wah, founder and Group Managing Director of Ireka, was honoured as CEO of the Year in the Malaysian Construction Industry Excellence Awards ("MCIEA") 2010 which was organised by the Construction Industry Development Board Malaysia (CIDB).

Management of Ireka, together with IREKA CARES volunteers, organised a Christmas Party for children of Lighthouse, to spread festive joy and to usher in the New Year.

FEBRUARY 2011

Ireka ushered the Lunar New Year in its traditional way – the lion dance performances at Head Office and its developments in Mont' Kiara.

Ireka Engineering And Construction Vietnam Company Limited was awarded a contract of VND176,649,900,000 (approximately RM27.58 million) for the construction of structure works for the proposed City International Hospital in Vietnam.

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 December 2010.

MARCH 2011

The Ireka Sports & Recreation Club held its 15th Annual General Meeting for the election of a new committee for year 2011/2012.

IECSB was awarded a contract of RM232.75 million for architectural and M&E works for the two office towers in KL Sentral.

3 Ireka Family Day 2010 at Kampung Endah Homestay, Morib.

4 Ireka's Group Managing Director, Mr. Lai Siew Wah was awarded 'CEO of the Year' in MCIEA.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Ireka Corporation Berhad is committed to aligning its business goals and undertakings with corporate responsibility (CR) initiatives to further enhance the interests and values of all its stakeholders be it shareholders, investors, customers, employees or the community at large.

1 ENVIRONMENT

Ireka strives to undertake its core businesses in a responsible manner to protect and improve the environment in which it operates in. Sustainability is the main objective and the key is to optimise resource utilisation and reducing wastages.

- The Infrastructure division is constantly looking for construction materials and technology that reduce energy consumption. An example is the ETFE *(Ethylene Tetrafluoroethylene)* roof used in the 1 Mont' Kiara shopping mall, which allows natural light into the mall's concourse area and reduces heat, thus cutting down air-conditioning cost. The use of VRV *(Variable Refrigerant Volume)* system allows the zoning of air-conditioning usage within commercial buildings and helps to reduce energy consumption.
- The Real Estate division reduces power consumption with its energy-efficient lighting systems. Recycling initiatives are also encouraged with the placement of recycling bins within its residential developments.
- The Technologies division has developed a green data center to provide co-location services for its clients. The data center is designed for efficient energy consumption.

1 ETFE (Ethylene Tetrafluoroethylene) roof used in the 1 Mont' Kiara shopping mall.

2 COMMUNITY

IREKA CARES was initiated in 2010 as Ireka's flagship community engagement programme focusing on children. The initiative allows the Group to engage the communities in a focused manner and encourages Ireka's employees to participate and directly contribute to the society.

The acronym "CARES" stands for:
C = Community
A = Arts
R = Recreation
E = Environment
S = Sports

These 5 different areas form the core elements of IREKA CARES.

The theme for IREKA CARES' maiden year is Community and for this, Ireka adopted The Lighthouse Children's Welfare Home *(a shelter home for children from underprivileged backgrounds)* under its charge. IREKA CARES contributed to the betterment of the children's lives by drawing on the Group's expertise in Infrastructure, Real Estate and Technologies. A series of refurbishment and repair works were carried out for the Home, which include the installation of storage spaces, window grilles, balcony roof as well as additional fencing, making the Home a safe and comfortable place for the children to live in. In terms of IT support, IREKA CARES has provided website maintenance training for the Home's caregivers and resolved their online donation system so that the Home was able to receive public donation. IREKA CARES volunteers have also initiated a series of outreach activities to develop the children's skills and talents. The activities were grouped under 3 categories: *Life Skills; Creative Arts and Games & Sports*.

2 IREKA CARES handing over adoption plaque to Lighthouse Children's Welfare Home.

3 IREKA CARES 2010/ 2011 adopted Lighthouse Children's Welfare Home.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Aside from IREKA CARES, listed below are some of Ireka's other community engagement activities and names of organisations to which donations were channeled to during the year:

- Kiwanis One Day-Sendai Fund
- Kuala Lumpur Rotary Charity Foundation
- Patient Welfare Fund of the Institut Jantung Negara (IJN) Foundation
- Institute Tengku Ampuan Afzan (INTAZ)
- Pink Ribbon cause by the Breast Cancer Welfare Association (BCWA)
- 'Make a Difference' Charity Century Ride
- The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2010
- Yayasan Sunbeams Home
- Rumah Hope
- Rumah KIDS
- Charity performance for Tasputra Perkim, the Dyslexia Association of Sarawak and Persatuan Rumah Caring
- Charity movie production for 'CRAYON'
- Pertubuhan Kebajikan Mental Selangor (PKMS)
- Funding for a Vietnamese boy's operation
- Charity musical 'From a Jack to a King', in support of the Tuanku Ja'afar Educational Trust
- Charity musical 'Sparks of Broadway', in aid of the Down Syndrome Association of Malaysia

3 WORKPLACE

Ireka places great importance on the welfare of its employees, which is fundamental to the Group's success. Ireka aims to create a workplace in which employees can work safely and comfortably. It nurtures a culture which motivates and supports its workforce to strive for excellence.

Ireka's brand values – *Integrity, Visionary and Entrepreneurial* - also help to establish a firm base from which its employees can deliver excellent products and services, and to build a Group that its stakeholders are proud of.

4 & 5 Ireka participated in The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2010.

Some of the initiatives in place include:

- Ireka Sports & Recreation Club (ISRC)
- Human capital development programmes (For example, Ireka Toastmasters Club, internal and external staff training programmes)
- OSHA (Occupational Safety and Health Act) which initiates and implements safety measures at construction sites
- Health, Safety and Environment (HSE) initiative which promotes positive and safe work environment for its employees (For example, fire drills, evacuation plans, First Aid teams)
- Quality Control and Training Unit (QCT) to continuously improve on quality of works at construction sites
- Intranet for internal communication amongst employees
- Provision of a staff lounge at the corporate office to encourage interaction and bonding among employees
- Provision of a Mother's Room for nursing mothers

4 MARKETPLACE

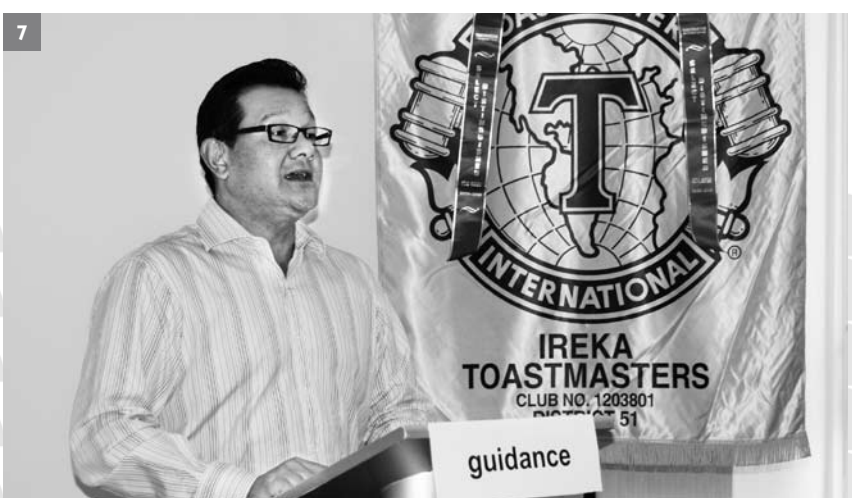
Ireka continuously seeks to interact in a responsible manner with its key stakeholders including shareholders, investors, suppliers, customers, Government, regulators, financiers as well as other business associates.

Some of the key initiatives in place include:

- Investor Relations Policy
- Media Policy
- Customer Relationship Management
- Crisis Communication Processes and Procedures
- A well-defined procurement system and processes

6 One of the activities organised by Ireka Sports & Recreation Club.

7 Ireka Toastmasters Club was chartered since June 2008.



CORPORATE GOVERNANCE STATEMENT

The Board of Directors remains committed to ensuring that good corporate governance principles continue to be developed and implemented throughout the Group with the ultimate objective of enhancing shareholder value, whilst taking into account the interests of other stakeholders.

As required under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), this Statement reports on how the Malaysian Code on Corporate Governance ("the Code") are applied by the Group in addition to the Listing Requirements throughout the financial year ended 31 March 2011.

A THE BOARD OF DIRECTORS

(i) The Board

The Group is led by an effective Board which comprises members of calibre from a diverse blend of professional backgrounds ranging from business, legal, finance and accounting experience. The Board views its current composition encompasses right mix of skills and strength in qualities which are relevant and enable the Board to discharge its responsibilities in an effective and competent manner. The profiles of these Directors are provided on pages 16 to 18 of the Annual Report.

The Board has the overall responsibility in determining and leading the Group's strategic decision. It oversees the conduct of the Group's businesses, ensuring appropriate control system is in place as well as regularly reviewing such system to ensure its adequacy in midst of the competitive business environment, the succession planning of senior management and the implementation of investor relations programme.

(ii) Board Balance and Independence

The Board currently has ten (10) members comprising an Independent Non-executive Chairman, six (6) Executive Directors and three (3) Independent Non-executive Directors. During the financial year, the Chairman disposed off his entire equity interests in Magnipact Resources Sdn Bhd, a substantial shareholder of the Company. Following this disposal, the Chairman has been redesignated as an Independent Non-executive Director.

There is a clear division of responsibility between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Chairman is primarily responsible for ensuring Board effectiveness whilst the Managing Director is responsible for the competent and efficient management of the business and operation.

The Board has a balance composition with presence and participation of Independent Non-executive Directors that bring independent judgment to Board decisions. The role of these Independent Non-executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully deliberated and decisions are arrived at after taking into account the interest of the Group.

The Board has identified Haji Mohd. Sharif Bin Haji Yusof as the Senior Independent Director to whom concerns may be conveyed.

(iii) Board Meetings and Supply of Information

The Board meets at least four (4) times a year, with additional meetings being held as and when necessary. During the year ended 31 March 2011, the Board met for a total of six (6) times and their respective attendance are as follows:

NAME OF DIRECTORS	ATTENDANCE
Haji Ir. Abdullah Bin Yusof	5/6
Lai Siew Wah	6/6
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	6/6
Chan Soo Har @ Chan Kay Chong	6/6
Lai Man Moi	6/6
Lai Voon Hon	6/6
Lai Voon Huey, Monica	6/6
Haji Mohd. Sharif Bin Haji Yusof	4/6
Kwok Yoke How	4/6
Lim Che Wan	6/6

All Board members are provided with Board report containing relevant documents and information prior to board meeting to enable the Directors to discharge their duties effectively. All proceedings of the Board meetings covering the deliberations of issues and the conclusions are recorded in the minutes and later confirmed by the Board.

The Board, whether as a full Board or in their individual capacity, has a right to take independent professional advice, if necessary, at the Group's expense.

In addition, all Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board meeting procedures, applicable rules and regulations are adhered to.

(iv) Appointments to the Board

All Board appointments are approved by the Board upon the recommendation of the Nomination Committee. The Nomination Committee comprises Haji Ir. Abdullah Bin Yusof (Chairman), Lai Siew Wah and Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM. The composition of the Nomination Committee does not follow the recommendation of the best practices of the Code as the Board views that the committee, in its current form, is able to discharge its functions independently and objectively.

The Nomination Committee is responsible for identifying, recruiting and recommending candidates for directorships and also to fill the seats of Board Committees. For new appointments to the Board, the Nomination Committee shall consider, within the bounds of practicability, any proposals for new appointment for evaluation and recommendation. In addition, the Nomination Committee assesses the effectiveness of the Board as a whole and the Board Committees, and also the contribution of each Director. The Board, through the Nomination Committee, reviews periodically its required mix of skills and experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions are properly documented.

The Directors from time to time attend training programmes, seminars and talks to keep abreast with recent developments of the state of economy, technology, management strategies, practices, laws and regulations to enhance their knowledge and skills in order to discharge their duties effectively.

(v) Re-election of Directors

Article 91 of the Company's Articles of Association (the "Articles") provides that all Directors shall retire from office at least once in every three years, but shall be eligible for re-election.

Article 98 of the Articles provides that any persons appointed as an additional Director of the Company shall hold office only until the next following annual general meeting and shall be eligible for re-election.

CORPORATE GOVERNANCE STATEMENT

At the forthcoming Annual General Meeting, the following Directors shall retire, and being eligible, offered themselves for re-election/re-appointment:

(i) Lai Voon Huey, Monica retiring pursuant to Article 91 of the Articles, may be re-elected with a simple majority of such members of the Company at the meeting; and

(ii) Haji Ir. Abdullah Bin Yusof, Lai Siew Wah, Haji Mohd. Sharif Bin Haji Yusof and Kwok Yoke How who are over the age of seventy years, retiring in accordance with Section 129 of the Companies Act, 1965. These Directors may be re-appointed by a majority of not less than three-fourths of such members of the Company at the meeting.

B DIRECTORS' REMUNERATION

(i) The level and make-up of remuneration

The Board has adopted the objective as recommended by the Code to determine the remuneration for a Director so as to ensure it is sufficient to attract and retain the Directors needed to manage the Group successfully. In the case of Executive Directors, the component parts of remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-executive Directors concerned.

(ii) Procedure

The Remuneration Committee comprises Kwok Yoke How (Chairman), Haji Mohd Sharif Bin Haji Yusof and Lai Siew Wah. The Remuneration Committee is responsible for recommending the remuneration packages of Executive Directors for consideration and approval by the Board. The Executive Directors play no part in decision on their own remuneration. The Remuneration Committee reviews the remuneration packages of Executive Directors based on their responsibilities and scope of work, corporate and individual performance, drawing from outside advice as necessary.

The determination of the remuneration of the Non-executive Directors is a matter for the Board as a whole. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors. Non-executive Directors do not participate in decision on their own remuneration packages.

The Directors' fees are recommended by the Board and approved by the shareholders at the Annual General Meeting.

(iii) Disclosure

The details of the remuneration of Directors during the financial year ended 31 March 2011 are as follows:

1. Aggregate remuneration of Directors categorized into appropriate components:

	SALARIES (RM'000)	FEES (RM'000)	BONUS & INCEN-TIVES (RM'000)	BENEFITS--IN-KIND (RM'000)	TOTAL (RM'000)
Executive Directors	3,725	220	686	0	4,631
Non-executive Directors	0	130	0	0	130

2. Number of Directors whose remuneration falls into the following bands:

RANGE OF REMUNERATION	NUMBER OF DIRECTORS EXECUTIVE	NON-EXECUTIVE
Below RM50,000	–	4
RM600,001 – RM650,000	2	–
RM700,001 – RM750,000	1	–
RM800,001 – RM850,000	2	–
RM950,001 – RM1,000,000	1	–

C SHAREHOLDERS

(i) Dialogue Between The Company and Investors

The Board values regular communications with shareholders and investors. These include various announcements made during the year, the timely release of annual reports, circulars to shareholders, press releases and announcements on quarterly financial results, which provide shareholders with an overview of the Group's business and financial performances. The Chairman and Executive Directors hold discussions with shareholders and journalists immediately after general meetings. The Executive Directors together with the Management also hold regular meetings with analysts and investors to present and update the Group's strategy, performance and major developments.

In addition, the Group has a website, www.ireka.com.my that shareholders and investors can access for up-to-date information.

(ii) Dividend Policy

The Company has established a Dividend Policy of distributing a minimum of 40% of the Group's net earnings to its shareholders, subject to a number of factors which include availability of distributable reserves and the Group's future cash flow requirements. For the financial year ended 31 March 2011, the Directors have recommended a first and final single-tier dividend of 5% (5 sen net per ordinary share) for approval by shareholders at the forthcoming Annual General Meeting.

(iii) Annual General Meetings

Notice of the Annual General Meeting and related papers are sent out to the shareholders at least 21 days before the date of the meeting.

The Annual General Meeting is the principal forum for dialogue with shareholders. All shareholders are encouraged to participate in the question and answer session. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and affairs of the Company and the Group.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the purpose and effect of a proposed resolution. The Chairman declares the number of proxy votes received both for and against each resolution.

D ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's position and prospect in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement, Operations Review and the Statement of Directors.

The timely quarterly results announcements also reflect the Board's commitment to give regular updated assessment on the Group's performances.

CORPORATE GOVERNANCE STATEMENT

(ii) Statement of Directors' Responsibility For Preparing The Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- applied suitable and approved accounting policies consistently;
- made reasonable, prudent judgment and estimates;
- ensured strict adherence of all applicable accounting standards; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the financial reporting standard and the Companies Act, 1965.

The Directors have overall responsibilities to take such steps as reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

(iii) Internal Control

The Group's Internal Control Statement is set out on pages 31 to 32.

(iv) Relationship With The Auditors

The role of the Audit Committee in relation to the external auditors is stated on page 33.

(v) Audit Committee

In compliance with the good practice of the Code, the current Audit Committee comprises three (3) Independent Non-executive Directors. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants. The composition and report of the Audit Committee for the year ended 31 March 2011 are set out on pages 33 to 35 of this Annual Report.

HAJI IR. ABDULLAH BIN YUSOF
Chairman

LAI SIEW WAH
Group Managing Director

25 August 2011

STATEMENT OF INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements, the Board of Directors of Ireka Corporation Berhad is pleased to report to the shareholders the state of internal controls of the Group for the financial year ended 31 March 2011. This Statement has been prepared in accordance with the above requirements and guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

RESPONSIBILITY

The Board acknowledges their overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate control environment and framework, reviewing the integrity, effectiveness and adequacy of these systems to ensure that the Group's assets and the shareholders' interests are safeguarded.

Due to the inherent limitations in any system of internal control, the system put in place by Management can only reduce rather than eliminate all risks of failure to achieve the Group's business objectives. Consequently, the system can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board recognises that an effective risk management practices is essential for the Group in pursuit of its corporate objectives, in today's challenging business environment. Key Management staff and Heads of Department are delegated with the responsibilities to manage identified risks within defined parameters and standards. The deliberation of risks and related mitigating responses are carried out at the periodic management meetings attended by the Executive Directors and Key Management staff. Significant risks are communicated to the Board at their scheduled meetings.

The above mentioned practices are the initiatives carried out by Management for the ongoing identification and mitigation of risks of the Group.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is outsourced to professional service firm to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control systems are described as follows:

- clearly defined delegation of responsibilities to committees of the Board and to Management of operating units, including authorization levels for all respects of the business which are set out in the authority matrix;
- clearly documented internal procedures in respect of operational and financial processes as set out in the MS ISO Quality System Documents and the Financial Processes Manual;
- regular and comprehensive information provided to Management, covering financial performance and key business indicators;
- a detailed budgeting process where operating units prepare budgets for coming year;
- monitoring of results against budget, with major variances being followed up and management actions taken, where necessary;
- regular visits to operating units by Senior Management and Board Members;
- regular review of business to assess effectiveness of internal controls; and
- review and approval of annual internal audit plan by the Audit Committee on behalf of the Board.

STATEMENT OF INTERNAL CONTROL

REVIEW OF STATEMENT

The external auditors have reviewed this Statement for inclusion in the Annual Report 2011, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the existing system of internal control.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 March 2011.

COMPOSITION

In line with the Malaysian Code on Corporate Governance, the Audit Committee comprises three (3) Independent Non-executive Directors, namely Haji Mohd. Sharif Bin Haji Yusof (Chairman), Kwok Yoke How and Lim Che Wan.

FREQUENCY OF MEETINGS

The Committee had five (5) meetings during the financial year which were attended by all the members except for Haji Mohd. Sharif Bin Haji Yusof and Kwok Yoke How who were absent once respectively due to unforeseen circumstances.

The Executive Director/Group Financial Controller attended these meetings upon the invitation of the Chairman of Audit Committee. The external auditors and internal auditors were also invited to attend these meetings when matters relating to their scope of works were discussed.

SUMMARY OF ACTIVITIES

During the financial year 2011, the Audit Committee carried out its duties as set out in the terms of reference. The main activities carried out by the Audit Committee encompassed the following:

(i) Financial Reporting

- Reviewed the quarterly and year-to-date unaudited financial results of the Group before tabling to the Board for consideration and approval.
- Reviewed the reports and audited financial statements of the Company and of the Group together with the external auditors prior to tabling to the Board for approval.

(ii) External Audit

- Reviewed and discussed the external auditors' audit plan for the year and areas of concern highlighted in the management letter, including management's response to the concerns raised by the external auditors.
- Discussed on significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.

(iii) Internal Audit

- Reviewed the internal audit plan to ensure proper and adequate focus is placed on the Group's activities.
- Reviewed the internal audit reports which highlighted audit issues, recommendations and the Management's responses and where necessary, directed measures in addition to the internal auditors' recommendations to enhance the system of internal controls.

(iv) Related Party Transactions

- Reviewed all related party transactions entered into by the Company and the Group.
- Reviewed the actual value of a recurrent related party transaction against the approved estimated value approved by shareholders.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

(i) Membership

- The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be independent directors.
- At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or similar qualification as prescribed in Part I or Part II of the First Schedule of the Accountants Act, 1967 with at least 3 years' working experience.
- No alternate Director may be appointed as a member of the Committee.
- The members of the Committee shall elect a Chairman from among their members who shall be an Independent Non-executive Director.
- In the event of any vacancy in the Committee resulting in the number of Directors falling below three (3) members, the Board of Directors must fill the vacancy within three (3) months to make up the minimum number of three (3) members.
- The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and members have carried out their duties in accordance with their terms of reference.

(ii) Authority

- The Committee is authorised by the Board to investigate any matter within its terms of reference.
- The Committee is authorised to obtain any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- The Committee shall have unrestricted access to any information pertaining to the Group, from both the internal and external auditors, and have the power to carry out Internal Audit function or activity and is able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.
- The Committee is authorised to obtain external legal or other independent professional advice as necessary.

(iii) Duties and Responsibilities

The duties of Committee shall be among others:

(a) To review the following and report the same to the Board of Directors:

- with the external auditors, the audit plan;
- with the external auditors, their evaluation of the system of internal controls;
- with the external auditors, the audit report, in the absence of management where necessary;
- the assistance given by the employees of the Company to the external auditors;
- the adequacy of the scope, functions and resources of the Internal Audit functions and that it has the necessary authority to carry out its work;
- the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Audit function;

- the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:

  (i) changes in or implementation of major accounting policy;

  (ii) compliance with accounting standards and other legal requirements; and

  (iii) significant and unusual events.

- any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

- any letter of resignation from the external auditors of the Company; and

- whether there is a reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

(b) To promptly report to the Bursa Malaysia Securities Berhad of matters reported by the Audit Committee to the Board of Directors which have not been satisfactorily resolved, resulting in a breach of the Bursa Malaysia Securities Berhad's Listing Requirements.

(c) To recommend the nomination of a person or persons as external auditors.

(d) To engage on a continuous basis with senior management, such as the Chairman of the Board, the Executive Director(s), the Head of Finance, the Internal Audit function and the external auditors in order to be kept informed of matters affecting the Company, when necessary.

(iv) Meetings

- Meetings shall be held not less than four (4) times a year. In addition, the Chairman is required to call for a meeting of the Committee, if requested to do so by any Committee members, any Executive Directors or the external auditors.

- A quorum shall be two (2) members, majority of whom must be independent directors.

- Other directors and employees may attend any particular Audit Committee meeting only at the Committee's invitation, specific to the relevant meeting.

- The Company Secretary shall be the Secretary to the Committee.

(v) Reporting procedure

- The Secretary shall be responsible for keeping the minutes of meetings of the Committee and circulating them to all members of the Committee and other members of the Board. The Chairman of the Committee shall report on each meeting to the Board.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function, which is outsourced to a professional service firm, is an integral part of the assurance mechanism in ensuring that the Group systems of internal controls are adequate and effective. The Internal Audit function reports directly to the Audit Committee.

On an annual basis, an internal audit plan is tabled to the Audit Committee for review and approval, and the Internal Audit function executes the audits based on the approved plan. The results of the audit reviews are periodically reported to the Audit Committee. In addition, the Internal Audit function carries out follow up reviews to ensure that previously reported issues have been adequately addressed by Management and the results of such reviews are also periodically reported to the Audit Committee. Although a number of internal control weaknesses were identified, none of the weaknesses have resulted in any material losses that would require separate disclosure in this annual report. The total costs incurred for the outsourcing of the Internal Audit function for the financial year ended 31 March 2011 was approximately RM84,000.00.

SENI Mont' Kiara

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services, civil engineering and building construction.

The principal activities of the subsidiaries within the Group are stated in Note 8 to the financial statements.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit before tax	(11,092,405)	3,060,542
Taxation	(649,096)	–
(Loss)/Profit for the year	(11,741,501)	3,060,542
Attributable to:		
Owners of the Company	(11,741,501)	3,060,542

DIVIDENDS

Since the end of the previous financial year, a first and final single-tier dividend of 5% (5 sen net per ordinary share) amounting to RM5,695,735 in respect of financial year ended 31 March 2010 was paid out during the financial year under review.

At the forthcoming Annual General Meeting, a first and final single-tier dividend in respect of the financial year ended 31 March 2011 of RM5,695,735 (5 sen net per ordinary share), based on single-tier dividend of 5% on 113,914,700 ordinary shares, will be proposed for shareholders' approval. The financial statements for the current financial year has not reflected this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2012.

DIRECTORS OF THE COMPANY

The Directors who held office during the year since the date of the last report and at the date of this report are:

Haji Ir. Abdullah Bin Yusof
Lai Siew Wah
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM
Haji Mohd Sharif Bin Haji Yusof
Chan Soo Har @ Chan Kay Chong
Lai Man Moi
Kwok Yoke How
Lai Voon Hon
Lai Voon Huey
Lim Che Wan

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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

No Director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements 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 37 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in ordinary shares of the Company were as follows:

Interest in ordinary shares of the Company:

Number of ordinary shares of RM1 each

	AT 01.4.2010	ADDITION	DISPOSAL	AT 31.3.2011
Direct Holding-				
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	4,827,100	–	–	4,827,100
Chan Soo Har @ Chan Kay Chong	2,184,750	–	–	2,184,750
Lai Man Moi	2,040,750	–	–	2,040,750
Haji Ir. Abdullah Bin Yusof	1,500,000	–	–	1,500,000
Kwok Yoke How	1,742,603	–	–	1,742,603
Lai Voon Hon	12,000	–	–	12,000
Lai Voon Huey	6,000	–	–	6,000
Lim Che Wan	194,500	–	–	194,500
Indirect Holding-				
Lai Siew Wah (i)	49,001,998	–	–	49,001,998
Lai Voon Hon (i)	49,001,998	–	–	49,001,998
Lai Voon Huey (i)	49,001,998	–	–	49,001,998
Haji Ir. Abdullah Bin Yusof (ii)	15,398,248	–	(15,398,248)	–
Chan Soo Har @ Chan Kay Chong (iii)	–	15,398,248	–	15,398,248
Lai Man Moi (iii)	–	15,398,248	–	15,398,248

(i) Deemed interest through Ideal Land Holdings Sdn Bhd

(ii) Deemed interest through Magnipact Resources Sdn Bhd

(iii) Deemed interest through Green Rivervale Holdings Sdn Bhd

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There has been no change in the issued and paid-up capital of the Company during the financial year.

The Group and the Company have not issued any debentures during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate provision has been made for doubtful debts.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year except as disclosed in Note 39 to the financial statements.

DIRECTORS' REPORT (CONT'D)

In the opinion of the Directors, no contingent 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.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors, 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 ended 31 March 2011.

SHARE BUY-BACK

The Company did not purchase its own shares during the financial year ended 31 March 2011.

AMERICAN DEPOSITORY RECEIPT ("ADR")/GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 March 2011.

SANCTIONS AND/OR PENALTIES IMPOSED

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year ended 31 March 2011.

VARIANCES IN RESULTS

The variance between the financial results ended 31 March 2011 and the unaudited results previously announced is less than 10%.

PROFIT GUARANTEE

There were no profit guarantees given by the Company during the financial year ended 31 March 2011.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiary companies which involved Directors' and major shareholders' interest, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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 except disclosed in note 43 to the financial statements.

AUDITORS

The retiring auditors, Raja Salleh, Lim & Co., have expressed their willingness to be re-appointed in accordance with Section 172(2) of the Companies Act, 1965.

SIGNED ON BEHALF OF THE BOARD IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

LAI SIEW WAH
Director

DATUK LAI JAAT KONG @ LAI FOOT KONG PJN, JSM
Director

Kuala Lumpur
27 July 2011

STATEMENT BY DIRECTORS

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

We, **LAI SIEW WAH** and **DATUK LAI JAAT KONG @ LAI FOOT KONG** PJN, JSM, being two of the Directors of **IREKA CORPORATION BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 48 to 119 are drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2011 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 44 to the financial statements have been complied in accordance with the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

SIGNED ON BEHALF OF THE BOARD IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

LAI SIEW WAH
Director

DATUK LAI JAAT KONG @ LAI FOOT KONG PJN, JSM
Director

Kuala Lumpur
27 July 2011

STATUTORY DECLARATION

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

I, **LAI VOON HUEY**, being the Director primarily responsible for the accounting records and financial management of **IREKA CORPORATION BERHAD,** do solemnly and sincerely declare that the financial statements as set out on pages 48 to 119 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
LAI VOON HUEY
NRIC No. 660508-10-6572
at KUALA LUMPUR
in the state of WILAYAH PERSEKUTUAN
on 27 July 2011

LAI VOON HUEY

Before me,

COMMISSIONER FOR OATHS
No: W 378
K NERMALA
No. 14-3, Jalan 25/70A,
Desa Sri Hartamas,
50480 Kuala Lumpur.
MALAYSIA

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IREKA CORPORATION BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **IREKA CORPORATION BERHAD**, which comprise the balance sheets as at 31 March 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 48 to 119.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2011 and of their financial performance and cash flows for the year then ended.

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, which are indicated in Note 8 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.

Other Reporting Responsibilities

The supplementary information set out in Note 44 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, *"Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures 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 aspects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

RAJA SALLEH, LIM & CO.
AF-0071
Chartered Accountants

RAJA MOHAMAD SALLEH BIN RAJA ABDUL RAHMAN
244/04/13 (J/PH)
Chartered Accountant

Petaling Jaya
27 July 2011

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	NOTE	GROUP 2011 RM	GROUP 2010 RM	COMPANY 2011 RM	COMPANY 2010 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**76,571,120**	72,220,293	**4,186,805**	3,986,367
Investment properties	7	**4,272,100**	4,272,100	**–**	–
Investment in subsidiaries	8	**–**	–	**53,254,985**	52,336,985
Investment in associates	9	**158,437,336**	166,126,791	**169,051,999**	169,051,999
Investment in jointly controlled entities	10	**–**	–	**70,000**	70,000
Other investments	11	**4,977,686**	9,335,579	**761,910**	761,910
Land held for property development	12	**10,840,032**	10,819,053	**–**	–
Deferred tax assets	24	**62,031**	–	**–**	–
		255,160,305	262,773,816	**227,325,699**	226,207,261
Current assets					
Property development costs	13	**–**	3,611,019	**–**	–
Inventories	14	**17,168,978**	16,856,525	**–**	–
Trade and other receivables	15	**175,952,089**	185,588,612	**12,962,682**	12,098,661
Amounts due from customers on contracts	16	**56,641,755**	24,457,317	**–**	–
Amounts due from jointly controlled entities	17	**9,513,264**	11,112,177	**11,594,883**	11,594,883
Amounts due from subsidiaries	18	**–**	–	**28,065,902**	51,217,431
Amounts due from associates	19	**8,928,494**	–	**8,928,494**	–
Cash and bank balances	20	**48,368,230**	40,675,222	**3,235,781**	8,170,799
		316,572,810	282,300,872	**64,787,742**	83,081,774
Assets of disposal group classified as held for sale	33	**6**	6	**6**	6
		316,572,816	282,300,878	**64,787,748**	83,081,780
TOTAL ASSETS		**571,733,121**	545,074,694	**292,113,447**	309,289,041
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	**113,914,700**	113,914,700	**113,914,700**	113,914,700
Share premium	21	**21,870,960**	21,870,960	**21,870,960**	21,870,960
Foreign currency translation reserve	22	**(251,161)**	(184,609)	**–**	–
Retained earnings		**84,671,218**	102,108,454	**14,908,636**	17,543,829
Total equity		**220,205,717**	237,709,505	**150,694,296**	153,329,489
Non-current liabilities					
Borrowings	23	**29,803,979**	32,572,928	**1,780,058**	2,047,700
Deferred tax liabilities	24	**3,252,500**	3,252,500	**610,000**	610,000
		33,056,479	35,825,428	**2,390,058**	2,657,700
Current liabilities					
Provision	25	**10,000,000**	–	**–**	–
Trade and other payables	26	**157,528,131**	115,955,227	**5,052,990**	1,359,988
Amounts due to subsidiaries	18	**–**	–	**131,378,702**	146,314,910
Borrowings	23	**149,654,059**	154,862,183	**2,597,401**	5,626,954
Amounts due to customers on contracts	16	**279,451**	–	**–**	–
Tax payable		**1,009,284**	722,351	**–**	–
		318,470,925	271,539,761	**139,029,093**	153,301,852
Total liabilities		**351,527,404**	307,365,189	**141,419,151**	155,959,552
TOTAL EQUITY AND LIABILITIES		**571,733,121**	545,074,694	**292,113,447**	309,289,041

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	GROUP 2011 RM	GROUP 2010 RM	COMPANY 2011 RM	COMPANY 2010 RM
Continuing operations					
Revenue	27	**443,951,612**	393,072,387	**15,671,845**	16,330,147
Cost of sales	28	**(406,954,353)**	(348,903,166)	**–**	(255,000)
Gross profit		**36,997,259**	44,169,221	**15,671,845**	16,075,147
Other income	29	**3,373,603**	2,850,277	**1,131,233**	735,677
Administration expenses		**(19,756,612)**	(16,629,831)	**(10,799,675)**	(9,268,350)
Other expenses		**(10,952,841)**	(10,042,084)	**(2,682,266)**	(2,631,584)
Operating profit		**9,661,409**	20,347,583	**3,321,137**	4,910,890
Finance costs	30	**(11,464,086)**	(7,896,609)	**(260,595)**	(426,373)
Share of loss of associates		**(7,689,455)**	(2,925,208)	**–**	–
Loss from jointly controlled entities		**(1,600,273)**	(146,667)	**–**	–
(Loss)/Profit before tax	31	**(11,092,405)**	9,379,099	**3,060,542**	4,484,517
Income tax expense	32	**(649,096)**	(710,386)	**–**	(70,000)
(Loss)/Profit for the year		**(11,741,501)**	8,668,713	**3,060,542**	4,414,517
Other comprehensive loss:					
Currency translation differences		**(66,552)**	–	**–**	–
Others comprehensive loss for financial year, net of tax		**(66,552)**	–	**–**	–
Total comprehensive (loss)/income for financial year		**(11,808,053)**	8,668,713	**3,060,542**	4,414,517
(Loss)/Profit attributable to owners of the Company		**(11,741,501)**	8,668,713	**3,060,542**	4,414,517
Total comprehensive (loss)/ income attributable to owners of the Company		**(11,808,053)**	8,668,713	**3,060,542**	4,414,517
(Loss)/Earnings per share attributable to owners of the Company (sen)					
Basic	34	**(10.31)**	7.61		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2011

	ATTRIBUTABLE TO OWNERS OF THE COMPANY				
	NON-DISTRIBUTABLE			DISTRIBUTABLE	
	SHARE CAPITAL RM	SHARE PREMIUM RM	FOREIGN CURRENCY TRANSLATION RESERVE RM	RETAINED EARNINGS RM	TOTAL EQUITY RM
As at 1 April 2009	113,914,700	21,876,085	(184,609)	98,395,030	234,001,206
Total comprehensive income for the year	–	–	–	8,668,713	8,668,713
Transaction costs	–	(5,125)	–	–	(5,125)
Dividends	–	–	–	(4,955,289)	(4,955,289)
As at 31 March 2010	**113,914,700**	**21,870,960**	**(184,609)**	**102,108,454**	**237,709,505**
Total comprehensive loss for the year	**–**	**–**	**(66,552)**	**(11,741,501)**	**(11,808,053)**
Dividends	**–**	**–**	**–**	**(5,695,735)**	**(5,695,735)**
As at 31 March 2011	**113,914,700**	**21,870,960**	**(251,161)**	**84,671,218**	**220,205,717**

The accompanying notes form an integral part of the financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2011

	SHARE CAPITAL RM	NON-DISTRIBUTABLE SHARE PREMIUM RM	DISTRIBUTABLE RETAINED EARNINGS RM	TOTAL RM
As at 1 April 2009	113,914,700	21,876,085	18,084,601	153,875,386
Total comprehensive income for the year	–	–	4,414,517	4,414,517
Transaction costs	–	(5,125)	–	(5,125)
Dividends	–	–	(4,955,289)	(4,955,289)
As at 31 March 2010	**113,914,700**	**21,870,960**	**17,543,829**	**153,329,489**
Total comprehensive income for the year	**–**	**–**	**3,060,542**	**3,060,542**
Dividends	**–**	**–**	**(5,695,735)**	**(5,695,735)**
As at 31 March 2011	**113,914,700**	**21,870,960**	**14,908,636**	**150,694,296**

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	2011 RM	2010 RM
Cash flow from operating activities			
(Loss)/Profit before tax from			
- Continuing operations		**(11,092,405)**	9,379,099
Adjustments for:			
Allowance for doubtful debts		**44,326**	–
Other investments			
- Impairment loss		**2,697,493**	38,756
- Loss on disposal		**202,852**	–
Unrealised loss in foreign exchange		**28,853**	–
Unrealised gain in foreign exchange		**(95,405)**	–
Interest expense			
- Continuing operations		**11,464,086**	7,896,609
Interest income		**(980,808)**	(83,250)
Share of loss from associates		**7,689,455**	2,925,208
Share of loss of jointly controlled entities		**1,600,273**	146,667
Property, plant and equipment			
- Depreciation		**6,130,462**	6,665,634
- Gain on disposals		**(46,941)**	(333,097)
- Written-off		**21,699**	41,429
- Loss on disposals		**1,408,744**	52,686
		19,072,684	26,729,741
Property development costs		**3,611,019**	(357,539)
Inventories		**(312,453)**	(2,432,944)
Receivables		**10,043,013**	(66,522,627)
Amounts due from customers on contracts		**(31,904,987)**	6,870,550
Amounts due from jointly controlled entities		**(1,360)**	428,386
Amounts due from associates		**(8,928,494)**	–
Provision		**10,000,000**	–
Payables		**41,572,904**	(8,668,150)
Cash generated from/(used in) operations		**43,152,326**	(43,952,583)
Income tax paid		**(875,010)**	(1,577,232)
Net cash flow generated from/(used in) operating activities		**42,277,316**	(45,529,815)

The accompanying notes form an integral part of the financial statements

	NOTE	2011 RM	2010 RM
Cash flow from investing activities			
Interest received		**980,808**	83,250
Property, plant and equipment			
- Additions		**(9,706,073)**	(13,586,996)
- Disposals		**1,740,142**	1,900,459
Investment in associates		**–**	(300,000)
Land held for property development		**(20,979)**	–
Proceeds from disposal of investments		**1,457,548**	7,571,347
Net cash flow used in investing activities		**(5,548,554)**	(4,331,940)
Cash flow from financing activities			
Dividends paid to shareholders		**(5,695,735)**	(4,955,289)
Transaction costs		**–**	(5,125)
Hire purchase principal repayments		**(5,513,935)**	(5,294,599)
Interest paid		**(11,464,086)**	(7,896,609)
Drawdown of bank borrowings		**141,250,055**	98,674,396
Repayment of bank borrowings		**(143,062,191)**	(30,717,541)
Net cash flow (used in)/generated from financing activities		**(24,485,892)**	49,805,233
Net increase/(decrease) in cash and cash equivalents		**12,242,870**	(56,522)
Cash and cash equivalents			
- at start of year		**2,494,214**	2,550,736
- at end of year	20	**14,737,084**	2,494,214

The accompanying notes form an integral part of the financial statements

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	2011 RM	2010 RM
Cash flow from operating activities			
Profit before tax		**3,060,542**	4,484,517
Adjustments for:			
Dividend income		**(2,500,002)**	(4,200,003)
Interest expenses		**260,595**	426,373
Interest income		**(683,015)**	(364,926)
Property, plant and equipment			
- Depreciation		**578,936**	555,351
- Gain on disposals		**–**	(43,000)
- Loss on disposals		**1,424**	13,755
		718,480	872,067
Receivables		**(801,457)**	144,150
Amount due from jointly controlled entity		**–**	(40,622)
Amounts due from subsidiaries		**8,215,321**	(6,188,532)
Amount due from associates		**(8,928,494)**	–
Payables		**3,693,002**	(6,852)
		2,896,852	(5,219,789)
Tax paid		**(62,564)**	–
Net cash flow generated from/(used in) operating activities		**2,834,288**	(5,219,789)
Cash flow from investing activities			
Investment in subsidiaries		**(918,000)**	(249,998)
Investment in associates		**–**	(300,000)
Interest received		**683,015**	364,926
Dividend received from a subsidiary company		**2,500,002**	4,200,003
Property, plant and equipment			
- Additions		**(192,826)**	(23,095)
- Disposals		**28**	9,683,334
Net cash flow generated from investing activities		**2,072,219**	13,675,170
Cash flow from financing activities			
Dividends paid to shareholders		**(5,695,735)**	(4,955,289)
Transaction costs		**–**	(5,125)
Hire purchase principal repayments		**(631,646)**	(544,117)
Interest paid		**(260,595)**	(426,373)
Repayment of bank borrowings		**(2,119,294)**	(91,943)
Net cash flow used in financing activities		**(8,707,270)**	(6,022,847)
Net (decrease)/increase in cash and cash equivalents		**(3,800,763)**	2,432,534
Cash and cash equivalents			
- at start of year		**6,216,441**	3,783,907
- at end of year	20	**2,415,678**	6,216,441

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 GENERAL INFORMATION

The principal activities of the Company are investment holding, provision of management services, civil engineering and building construction.

The principal activities of the subsidiaries are stated in Note 8 to the financial statements.

2 DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 27 July 2011.

3 REVENUE AND SEGMENTAL INFORMATION

For management purpose, the Group is organised into five reportable business operating segments as follows:

- Construction
- Property development
- Trading and services
- Hospitality and leisure
- Investment holding

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 April 2010 as disclosed in Note 4(b) to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM").

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies

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

On 1 April 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7	*Financial Instruments: Disclosures*
FRS 8	*Operating Segments*
FRS 101	*Presentation of Financial Statements (Revised)*
FRS 123	*Borrowing costs*
FRS 139	*Financial Instruments: Recognition and Measurement*
Amendments to FRS 1	*First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
Amendments to FRS 132	*Financial Instruments: Presentation*
Amendments to FRS 139	*Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives*
Improvements to FRS issued in 2009	
IC Interpretation 9	*Reassessment of Embedded Derivatives*
IC Interpretation 10	*Interim Financial Reporting and Impairment*
Amendments to FRS 117	*Leases*

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 April 2010. These FRS are, however, not applicable to the Group or the Company.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 March 2011.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies (cont'd)

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and accessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statements of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 April 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Equity instruments**

  Prior to April 2010, the Group classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 April 2010 as available-for-sale financial assets and accordingly are stated at their fair values as at that date. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 April 2010. Investment in equity instruments whose fair value cannot be reliably measured at 1 April 2010 continued to be carried at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies (cont'd)

- **Debt securities**

  Prior to 1 April 2010, investments in debt securities were stated at amortised cost using the effective interest rate method. Upon the adoption of FRS 139, these investments are designated at 1 April 2010 as held-to-maturity investments.

- **Impairment of trade receivables**

  Prior to 1 April 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 April 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is immaterial.

- **Financial guarantee contracts**

  During the current and prior years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries. Prior to 1 April 2010, the Company did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, the financial guarantees have not been recognised since the fair value on initial recognition was not material.

(c) Standard issued but not yet effective

The following new and revised FRSs, Statement of Interpretations and amendments to FRS and Statement of Interpretations (collectively referred to as "pronouncements") from the Malaysian Accounting Standards Board will become effective for future financial reporting periods and have not yet been adopted by the Group.

Effective for annual periods beginning on or after 1 July 2010

FRS 1	*First-time Adoption of Financial Reporting Standards (revised)*
FRS 3	*Business Combinations (revised)*
FRS 127	*Consolidated and Separate Financial Statements (revised)*
Amendments to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*
Amendments to FRS 138	*Intangible Assets*
Amendments to IC 9	*Reassessment of Embedded Derivatives*
IC Interpretation 12	*Service Concession Agreements*

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standard issued but not yet effective (cont'd)

Effective for annual periods beginning on or after 1 January 2011

Amendment to FRS 1	*First-time Adoption of Financial Reporting Standard – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First Time Adopters*
Amendment to FRS 1	*First-time Adoption of Financial Reporting Standard [Improvements to FRSs (2010)]*
Amendments to FRS 3	*Business Combinations [Improvements to FRSs (2010)]*
Amendments to FRS 7	*Financial Instruments: Disclosures*
Amendments to FRS 7	*Financial Instruments: Disclosures [Improvements to FRSs (2010)]*
Amendments to FRS 101	*Presentation of Financial Statements [Improvements to FRSs (2010)]*
Amendments to FRS 121	*The Effects of changes in Foreign Exchange Rates [Improvements to FRSs (2010)]*
Amendments to FRS 128	*Investment in Associates [Improvements to FRSs (2010)]*
Amendments to FRS 131	*Interests in Joint Ventures [Improvements to FRSs (2010)]*
Amendments to FRS 132	*Financial Instruments: Presentation [Improvements to FRSs (2010)]*
Amendments to FRS 134	*Interim Financial Reporting [Improvements to FRSs (2010)]*
Amendments to FRS 139	*Financial Instruments: Recognition and Measurement [Improvements to FRSs (2010)]*
IC Interpretation 4	*Determining Whether an Arrangement contains a Lease*
IC Interpretation 18	*Transfer of assets from Customers*

Effective for annual periods beginning on or after 1 January 2012

FRS 124	*Related Party Disclosures (revised)*
IC Interpretation 15	*Agreements for the Construction of Real Estate*

Effective for annual periods beginning on or after 1 July 2011

Amendments to IC Interpretation 14	*Prepayment of a Minimum Funding Requirement*
IC Interpretation 19	*Extinguishing Financial Liabilities with Equity Instruments*

Initial application of these pronouncements for the Group and the Company will be effective from the annual period beginning:

(i) 1 April 2011 for pronouncements which are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011.
(ii) 1 January 2012 for pronouncements which are effective for annual periods beginning on or after 1 January 2012.

The adoption of other FRSs, Statement of Interpretations and amendments to FRSs and Statement of Interpretations other than IC 4, are not expected to have any material impact on the financial statements of the Group and of the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standard issued but not yet effective (cont'd)

The revised FRS 3 "Business Combinations" (effective prospectively from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The application of this standard is not expected to have a material impact on the financial statements of the Group.

The revised FRS 127 "Consolidated and Separate Financial Statements" (applies prospectively to transactions with non-controlling interests from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the statement of comprehensive income. The application of this standard is not expected to have a material impact on the financial statements of the Group.

New pronouncements not applicable to the Group and the Company

The MASB has issued FRSs, Interpretations and Amendments to FRSs and Interpretations which are not yet effective, but for which are not relevant to the operations of the Group and the company and hence, no further disclosure is warranted.

Effective for annual periods beginning on or after 1 July 2010

Amendments to FRS 2	*Share Based Payment*
IC Interpretation 16	*Hedges of a Net investment in a Foreign Operation*
IC Interpretation 17	*Distribution of Non-cash Assets to Owner*

Effective for annual periods beginning on or after 1 January 2011

Amendments to FRS 2	*Share Based Payment-Group Cash-settled Share-based Payment Transactions*
Amendments to IC 13	*Customer Loyalty Programmes (Improvement to FRSs 2010)*

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(e) Transaction with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

(f) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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.

(h) Jointly controlled entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the jointly controlled entities. Under the equity method of accounting, the Group's share of profits or losses of jointly controlled entities during the financial year is included in the statement of comprehensive income. Equity accounting is discontinued when the carrying amount of the investment in a jointly controlled entity reaches zero, unless the Group has incurred obligation to make payments on behalf of the jointly controlled entity.

In the Company's separate financial statements, investments in jointly controlled entities 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 and loss.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

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

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

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

(j) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property, plant and equipment and depreciation (cont'd)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on reducing balance basis over the estimated useful lives of the assets as follows:

	%
Buildings	2
Plant and machinery	10-20
Motor vehicles	20
Office equipment	10-25
Furniture and fittings	10
Computers	25
Office renovation	10-25

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(k) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Investment properties (cont'd)

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

(l) Land held for property development and property development costs

(i) Land held for property development

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

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

(ii) 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Land held for property development and property development costs (cont'd)

(ii) Property development costs (cont'd)

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

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

The excess of revenue recognised in the income statement over billings to purchases is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(m) Construction contracts

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

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

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average basis. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportion of manufacturing overheads based on normal operating capacity. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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

(o) Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an assets exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial instruments

(i) Non-derivatives financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables, available-for-sale investments and held-to-maturity investments.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, deposits held at call and short term highly liquid investments that are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the current liabilities section on the statement of financial position.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

(v) Held-to-maturity investments

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial instruments (cont'd)

(v) Held-to-maturity investments (cont'd)

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

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

(vi) Non-derivatives financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(vii) Share capital

Equity instruments are measured at the proceeds received net of direct issue costs.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where 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.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where treasure shares are cancelled, the equivalent will be credited to capital redemption reserves.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial instruments (cont'd)

(viii) Derecognition

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

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

(ix) Impairment

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

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

  To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor 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 a similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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

- **Unquoted equity securities carried at cost**

  If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial instruments (cont'd)

(ix) Impairment (cont'd)

- **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.

  If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

  Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. 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.

- **Non-derivative financial assets**

  A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

  Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economics conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial instruments (cont'd)

(x) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit 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.

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

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

(xi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments, the right to use an asset for an agreed period of time.

(i) Accounting by lessee

- **Finance leases**

  Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

  Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

  Property, plant and equipment acquired under finance leases is depreciated over the shorter of the estimated useful life of the asset and the lease term, in accordance with the property, plant and equipment policy.

- **Operating leases**

  Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period.

(ii) Accounting by lessor

Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period 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.

(s) Income tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply 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.

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.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(ii) Termination benefit

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

(u) Foreign currencies

(i) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Foreign currencies (cont'd)

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

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

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

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	31.3.2011 RM	31.3.2010 RM
United States Dollars	**3.026**	3.262
Vietnam Dong	**0.000145**	0.000184

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(ii) Property development

Revenue from property development is accounted for by the stage of completion method.

(iii) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs of the possible return of goods.

(iv) Revenue from services rendered

Sale of services are recognised upon render of services to customers.

(v) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on straight-line basis.

(vi) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vii) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Revenue recognition (cont'd)

(viii) Management fees

Management fees are recognised when services are rendered.

(w) Non-current assets (or disposal Groups) held for sale and discontinued operation

Non-current asset (or disposal Groups) 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 (or disposal Group) 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, the measurement of the non-current assets (or all the assets and liabilities in a disposal Group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair values less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

(x) Commitments and contingencies

Commitments and contingent liabilities are disclosed in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

(a) Critical judgements made in applying accounting policies (cont'd)

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or lease out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Operating lease commitments – The Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated on a reducing balance basis over the term of their useful service lives taking into account residual values where appropriate. The estimated useful lives of these assets should be reflective of factors such as service life experience on the facilities and their maintenance programmes. The useful lives and residual values of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

(ii) Amount due from customers for construction contracts

The Group recognised revenue based on percentage of completion method. The stage of completion is measured by reference to the contract construction costs incurred to date to the estimated total of costs. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total revenue and contract costs, as well as the recoverability of the construction contracts activities. Total revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Company relied on past experience and work of specialists.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Impairment of assets

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

Where there is objective of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(v) Provision for claims payable for late completion and late delivery

The provision for claims payable is in respect of project completion was delayed resulting in late delivery to its customers. Significant judgement is therefore used in determining the amounts of damages for the delayed completion and provision for claims payable for late delivery to the affected parties.

The Directors have carefully assessed the terms of the contracts, advice from the qualified external party, the amount of damages and the estimated claims payable for late delivery. Based on the Directors' assessment, the Group estimated with reasonable certainty the amounts of claims that are expected to be payable for the project and these amounts have been recognised accordingly as at 31 March 2011. In view of the ongoing negotiations on the claims, any further disclosure may be prejudicial to the Group's negotiating position.

6 PROPERTY, PLANT AND EQUIPMENT

GROUP	FREEHOLD LAND RM	BUILDINGS RM	PLANT AND MACHINERY RM	MOTOR VEHICLES RM	OFFICE EQUIPMENT RM	FURNITURE AND FITTINGS RM	COMPUTERS RM	OFFICE RENOVATION RM	ASSET UNDER CONSTRUCTION RM	TOTAL RM
As at 31.3.2011										
Cost										
As at 1.4.2010	16,462,592	27,961,392	44,389,772	9,655,859	3,726,743	1,777,750	909,020	737,666	–	105,620,794
Additions	–	5,619,476	4,993,221	1,370,349	218,434	–	92,061	–	1,311,392	13,604,933
Disposals	–	–	(4,394,168)	(482,412)	(171,101)	(365,716)	(5,966)	–	–	(5,419,363)
Write-offs	–	–	–	–	(127,028)	(4,105)	–	–	–	(131,133)
As at 31.3.2011	16,462,592	33,580,868	44,988,825	10,543,796	3,647,048	1,407,929	995,115	737,666	1,311,392	113,675,231
Accumulated depreciation and impairment										
As at 1.4.2010	–	470,420	21,764,142	6,801,363	2,564,404	1,012,307	630,487	157,378	–	33,400,501
Depreciation charge for the year	–	355,863	4,571,042	765,058	207,754	52,700	104,278	73,767	–	6,130,462
Disposals	–	–	(1,667,143)	(419,600)	(129,248)	(98,196)	(3,231)	–	–	(2,317,418)
Write-offs	–	–	–	–	(107,105)	(2,329)	–	–	–	(109,434)
As at 31.3.2011	–	826,283	24,668,041	7,146,821	2,535,805	964,482	731,534	231,145	–	37,104,111
Net carrying amount										
As at 31.3.2011	16,462,592	32,754,585	20,320,784	3,396,975	1,111,243	443,447	263,581	506,521	1,311,392	76,571,120

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	OFFICE EQUIPMENT RM	FURNITURE AND FITTINGS RM	TOTAL RM
As at 31.3.2011						
Cost						
As at 1.4.2010	**864,708**	**893,600**	**6,184,706**	**1,425,056**	**548,967**	**9,917,037**
Additions	**–**	**–**	**759,854**	**20,972**	**–**	**780,826**
Disposals	**–**	**–**	**–**	**(16,268)**	**–**	**(16,268)**
As at 31.3.2011	**864,708**	**893,600**	**6,944,560**	**1,429,760**	**548,967**	**10,681,595**
Accumulated depreciation and impairment						
As at 1.4.2010	**–**	**149,841**	**4,226,274**	**1,098,906**	**455,649**	**5,930,670**
Depreciation charge for the year	**–**	**5,718**	**518,329**	**45,557**	**9,332**	**578,936**
Disposals	**–**	**–**	**–**	**(14,816)**	**–**	**(14,816)**
As at 31.3.2011	**–**	**155,559**	**4,744,603**	**1,129,647**	**464,981**	**6,494,790**
Net carrying amount						
As at 31.3.2011	**864,708**	**738,041**	**2,199,957**	**300,113**	**83,986**	**4,186,805**

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP	FREEHOLD LAND RM	BUILDINGS RM	PLANT AND MACHINERY RM	MOTOR VEHICLES RM	OFFICE EQUIPMENT RM	FURNITURE AND FITTINGS RM	COMPUTERS RM	OFFICE RENOVATION RM	TOTAL RM
As at 31.3.2010									
Cost									
As at 1.4.2009	9,552,128	27,961,392	37,908,225	10,463,241	3,719,188	1,696,163	956,550	657,148	92,914,035
Additions	6,910,464	–	7,289,072	94,538	115,480	102,560	94,092	80,518	14,686,724
Disposals	–	–	(807,525)	(901,920)	(99,100)	(11,625)	(2,422)	–	(1,822,592)
Transfer	–	–	–	–	(8,825)	(5,398)	(4,950)	–	(19,173)
Write-offs	–	–	–	–	–	(3,950)	(134,250)	–	(138,200)
As at 31.3.2010	16,462,592	27,961,392	44,389,772	9,655,859	3,726,743	1,777,750	909,020	737,666	105,620,794
Accumulated depreciation and impairment									
As at 1.4.2009	–	250,969	16,774,472	6,819,842	2,424,026	935,662	602,305	85,639	27,892,915
Depreciation charge for the year	–	219,451	5,255,060	701,634	207,491	86,063	124,196	71,739	6,665,634
Disposals	–	–	(265,390)	(720,113)	(64,907)	(7,507)	(202)	–	(1,058,119)
Transfer	–	–	–	–	(2,206)	(540)	(412)	–	(3,158)
Write-offs	–	–	–	–	–	(1,371)	(95,400)	–	(96,771)
As at 31.3.2010	–	470,420	21,764,142	6,801,363	2,564,404	1,012,307	630,487	157,378	33,400,501
Net carrying amount									
As at 31.3.2010	16,462,592	27,490,972	22,625,630	2,854,496	1,162,339	765,443	278,533	580,288	72,220,293

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	FREEHOLD LAND RM	BUILDINGS RM	MOTOR VEHICLES RM	OFFICE EQUIPMENT RM	FURNITURE AND FITTINGS RM	TOTAL RM
As at 31.3.2010						
Cost						
As at 1.4.2009	9,552,128	1,856,134	6,600,646	1,401,961	548,967	19,959,836
Additions	–	–	–	23,095	–	23,095
Disposals	(8,687,420)	(962,534)	(415,940)	–	–	(10,065,894)
As at 31.3.2010	864,708	893,600	6,184,706	1,425,056	548,967	9,917,037
Accumulated depreciation and impairment						
As at 1.4.2009	–	250,969	4,041,508	1,049,367	445,280	5,787,124
Depreciation charge for the year	–	5,835	489,608	49,539	10,369	555,351
Disposals	–	(106,963)	(304,842)	–	–	(411,805)
As at 31.3.2010	–	149,841	4,226,274	1,098,906	455,649	5,930,670
Net carrying amount						
As at 31.3.2010	864,708	743,759	1,958,432	326,150	93,318	3,986,367

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	GROUP 31.3.2011	GROUP 31.3.2010	COMPANY 31.3.2011	COMPANY 31.3.2010
(a) Details of assets under hire purchase -				
Hire purchase -				
Plant and machinery -				
Additions during the year, at cost	**3,023,000**	2,624,695	**–**	–
Net book value at year end	**7,573,752**	6,593,837	**–**	–
Motor vehicles -				
Additions during the year, at cost	**1,016,370**	94,538	**622,259**	–
Net book value at year end	**2,604,743**	2,193,413	**1,834,270**	1,644,651
Finance lease -				
Plant and machinery -				
Net book value at year end	**–**	97,867	**–**	–
Motor vehicles				
Net book value at year end	**–**	5,418	**–**	–

(b) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 23) are as follows:

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Freehold land	**15,606,455**	15,606,455	**–**	–
Buildings	**820,376**	837,118	**–**	–
	16,426,831	16,443,573	**–**	–

(c) No borrowing costs were capitalised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

7 INVESTMENT PROPERTIES

	GROUP 31.3.2011 RM	31.3.2010 RM
As at 31 March	**4,272,100**	4,272,100

Investment properties comprise a number of commercial properties leased to third parties as disclosed in Note 36 to the financial statements.

All the investments properties are pledged as securities for borrowings as disclosed in Note 23 to the financial statements.

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM460,014 (31.3.2010 – RM258,740).

8 INVESTMENT IN SUBSIDIARIES

	COMPANY 31.3.2011 RM	31.3.2010 RM
Unquoted shares at cost		
As at 31 March	**53,254,985**	52,336,985

As at the balance sheet date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM1,941,949 (31.3.2010 – RM3,336,989). The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investments. The Directors believe that there is no permanent impairment in value of these investments.

The particulars of the subsidiaries within the Group are as follows:

	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	HOLDING IN EQUITY 2011 %	2010 %
Subsidiaries -				
Ireka Sdn Bhd	Malaysia	Investment holding	**100**	100
Ireka iCapital Sdn Bhd (i)	Malaysia	Investment holding	**100**	100
Ireka Corporation (HK) Ltd (i)	Hong Kong	Structural and building construction	**100**	100
Ireka Development Management Sdn Bhd	Malaysia	Property development management, provision of other related professional services and consultancy	**100**	100
Ireka Property Services Sdn Bhd (formerly known as i-ZEN Property Services Sdn Bhd)	Malaysia	Property services	**100**	100
Ireka Commercial Sdn Bhd (formerly known as i-ZEN Commercial Sdn Bhd)	Malaysia	Property investment	**100**	100

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	HOLDING IN EQUITY 2011 %	2010 %
Subsidiaries - (cont'd)				
i-Residence Sdn Bhd	Malaysia	Property investment	**100**	100
Ireka Engineering And Construction Vietnam Company Limited (i)	Vietnam	Civil and industrial construction work	**100**	–
Subsidiary companies of Ireka Sdn Bhd -				
Ireka Engineering & Construction Sdn Bhd	Malaysia	Civil, structural and building construction, earthworks and renting of construction plant and machinery	**100**	100
Regalmont (Sabah) Sdn Bhd	Malaysia	Property development	**100**	100
Regal Variety Sdn Bhd	Malaysia	Dormant	**100**	100
Iswaja Enterprise Sdn Bhd	Malaysia	Dormant	**100**	100
Ireka Hospitality Sdn Bhd (formerly known as i-ZEN Hospitality Sdn Bhd)	Malaysia	Property management, provision of other related professional services and consultancy	**100**	100
Unique Legacy Sdn Bhd (ii)	Malaysia	Dormant	**90**	90
Subsidiary company of Ireka Engineering & Construction Sdn Bhd -				
United Time Development Sdn Bhd	Malaysia	Property development	**100**	100
Subsidiary companies of Ireka iCapital Sdn Bhd -				
e-Auction Sdn Bhd (i)	Malaysia	Trading and rental of industrial and construction equipment	**96**	96
Ireka Venture Capital Ltd (i)	British Virgin Islands	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies	**100**	100
asiaegolf Tours Sdn Bhd (i)	Malaysia	Providing golf related services for international or overseas golf tour parties, business golfing and to individual golfer on the internet	**100**	100
i-Tech Network Solutions Sdn Bhd (i)	Malaysia	System integration, software solutions and trading in computer hardware	**100**	100
iTech ELV Solutions Sdn Bhd (i)	Malaysia	Supply and install structured cabling system and extra low voltage systems	**100**	100

(i) The financial statements of these companies are not audited by Raja Salleh, Lim & Co.

(ii) 10% of the shareholding held directly by Ireka Corporation Berhad.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

9 INVESTMENT IN ASSOCIATES

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Quoted shares outside Malaysia, at cost	**168,751,999**	168,751,999	**168,751,999**	168,751,999
Unquoted shares in Malaysia	**300,000**	300,000	**300,000**	300,000
	169,051,999	169,051,999	**169,051,999**	169,051,999
Share of post-acquisition loss	**(10,614,663)**	(2,925,208)	**–**	–
	158,437,336	166,126,791	**169,051,999**	169,051,999
Market value of quoted shares	**75,486,438**	72,597,198	**75,486,438**	72,597,198

Details of the associates are as follows:

NAME OF ASSOCIATES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	HOLDING IN EQUITY 2011 %	HOLDING IN EQUITY 2010 %
Aseana Properties Ltd (i) (ii) (iii)	Jersey, Channel Islands	Acquisition, development and redevelopment of upscale residential, commercial and hospitality projects	**23.02**	23.02
Urban DNA Sdn Bhd (formerly known as World Trade Frontier Sdn Bhd) (i) (ii) (iii)	Malaysia	Property development	**30.00**	30.00

(i) The financial year end is 31 December 2010.

(ii) The financial statements of the Company are not audited by Raja Salleh, Lim & Co.

(iii) There are no contingencies and commitments relating to the Group's interest in the associate.

The summarised financial information of the associates are as follows:

	31.3.2011 RM	31.3.2010 RM
Assets and liabilities		
Current assets	**1,655,254,673**	1,667,864,026
Non-current assets	**198,419,822**	189,358,202
Total assets	**1,853,674,495**	1,857,222,228
Current liabilities	**1,122,211,543**	800,367,310
Non-current liabilities	**139,994,266**	386,337,941
Total liabilities	**1,262,205,809**	1,186,705,251
Results		
Revenue	**551,177,252**	284,384,957
Loss for the year	**(33,445,487)**	(9,464,562)

10 INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Capital contribution	**70,000**	70,000	**70,000**	70,000
Share of post-acquisition loss	**(70,000)**	(70,000)	**–**	–
	–	–	**70,000**	70,000

Details of the jointly controlled entities are as follows:

JOINTLY CONTROLLED ENTITIES	PRINCIPAL ACTIVITIES	GROUP 31.3.2011 %	GROUP 31.3.2010 %	COMPANY 31.3.2011 %	COMPANY 31.3.2010 %
		PROPORTION OF OWNERSHIP INTEREST			
Ireka-Uspa Joint Venture (i) (ii)	Construction of passage including pipe-jacking, bridge and culvert in Gombak	**70**	70	**70**	70

(i) There are no contingencies and commitments relating to the Group's interest in the jointly controlled entities.

(ii) The financial year end is 31 December 2010.

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities are as follows:

	31.3.2011 RM	31.3.2010 RM
Assets and liabilities		
Current assets	**5,479,611**	7,069,445
Non-current assets	**10,682**	11,951
Total assets	**5,490,293**	7,081,396
Current liabilities	**(5,490,293)**	(7,081,396)
Total liabilities	**(5,490,293)**	(7,081,396)
Results		
Expenses, including finance costs and taxation	**(1,600,273)**	(31,794)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

11 OTHER INVESTMENTS

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
At cost:				
Available for sale financial assets				
Quoted shares				
- Outside Malaysia	**6,952,035**	8,612,435	**–**	–
Investments in club membership (i)	**601,900**	601,900	**601,900**	601,900
Unquoted shares	**1,050,948**	1,050,948	**10**	10
	8,604,883	10,265,283	**601,910**	601,910
Held to maturity investments				
Subordinated Bonds 2002/2007 (ii)	**2,360,000**	2,360,000	**2,360,000**	2,360,000
Carrying amount	**10,964,883**	12,625,283	**2,961,910**	2,961,910
Less: Accumulated impairment loss				
Quoted shares	**(2,736,249)**	(38,756)	**–**	–
Unquoted shares	**(1,050,948)**	(1,050,948)	**–**	–
Subordinated Bonds 2002/2007 (ii)	**(2,200,000)**	(2,200,000)	**(2,200,000)**	(2,200,000)
	(5,987,197)	(3,289,704)	**(2,200,000)**	(2,200,000)
	4,977,686	9,335,579	**761,910**	761,910
At market value:				
Quoted shares				
- Outside Malaysia	**4,215,786**	8,573,679	**–**	–

The quoted and unquoted investments have been designated as financial assets at available-for-sale financial assets on 1 April 2010 in pursuant to FRS 139.

(i) The investment in club membership is unquoted and the management are of the view that under such circumstances, it is not possible to disclose the range estimates within which a fair value is likely to lie.

(ii) The RM2,200,000 impairment loss recognised in the financial year ended 31 March 2008 represented the write-down of the Subordinated Bonds to their recoverable amounts. The Subordinated Bonds were subscribed pursuant to a syndicated loan transaction which was fully settled in previous year. The bonds were issued by special purpose vehicle and the term loans were disbursed by the lenders to the Company and other borrowers. As advised by the trustee of the bonds, certain borrowers have defaulted in the repayments of their term loan obligations, resulting in the aforesaid impairment.

12 LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP 31.3.2011 RM	31.3.2010 RM
Freehold land, at cost		
As at 1 April	**10,819,053**	10,819,053
Development costs – Additions	**20,979**	–
As at 31 March	**10,840,032**	10,819,053

13 PROPERTY DEVELOPMENT COSTS

GROUP	FREEHOLD LAND RM	DEVELOPMENT COSTS RM	BORROWING COSTS CAPITALISED RM	TOTAL RM
As at 31.3.2011				
Cumulative property development costs				
As at 1.4.2010	**5,715,920**	**49,672,339**	**2,230,079**	**57,618,338**
Costs incurred during the year	**–**	**–**	**–**	**-**
Reversal	**(5,715,920)**	**(49,672,339)**	**(2,230,079)**	**(57,618,338)**
As at 31.3.2011	**–**	**–**	**–**	**–**
Cumulative costs recognised in income statement				
As at 1.4.2010				**(54,007,319)**
Reversal				**54,007,319**
As at 31.3.2011				**–**
Property development costs as at 31.3.2011				**–**
As at 31.3.2010				
Cumulative property development costs				
As at 1.4.2009	5,514,611	49,387,403	2,230,079	57,132,093
Costs incurred during the year	201,309	51,253	–	252,562
Transfers during the year	–	233,683	–	233,683
As at 31.3.2010	5,715,920	49,672,339	2,230,079	57,618,338
Cumulative costs recognised in income statement				
As at 1.4.2009				(53,878,613)
Recognised during the year				(128,706)
As at 31.3.2010				(54,007,319)
Property development costs as at 31.3.2010				3,611,019

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

14 INVENTORIES

	GROUP	
	31.3.2011 RM	31.3.2010 RM
At cost		
Construction materials	**15,374,028**	16,265,836
Finished goods	**258,932**	350,645
Property held for sale	**1,458,695**	–
	17,091,655	16,616,481
At net realisable value		
Finished goods	**77,323**	240,044
	17,168,978	16,856,525

15 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Trade receivables	**165,681,418**	177,917,748	**9,039,596**	9,207,815
Accrued billings in respect of property development	**–**	100,000	**–**	–
	165,681,418	178,017,748	**9,039,596**	9,207,815
Less: Allowance for doubtful debts	**(87,776)**	(43,450)	**–**	–
Trade receivables, net	**165,593,642**	177,974,298	**9,039,596**	9,207,815
Other receivables				
Deposits	**1,376,133**	559,953	**905,233**	88,458
Prepayments	**3,320,041**	3,213,695	**2,565,753**	2,509,712
Other receivables	**5,662,273**	3,840,666	**452,100**	292,676
	10,358,447	7,614,314	**3,923,086**	2,890,846
	175,952,089	185,588,612	**12,962,682**	12,098,661
Total trade and other receivables	**175,952,089**	185,588,612	**12,962,682**	12,098,661
Add: Deposits, cash and bank balances	**48,368,230**	40,675,222	**3,235,781**	8,170,799
Total loans and receivables	**224,320,319**	226,263,834	**16,198,463**	20,269,460

The Company's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The ageing analysis of trade receivables past due not impaired are set out below. These relate to a number of independent customers for whom there is no recent history of default.

15 TRADE AND OTHER RECEIVABLES (CONT'D)

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Within credit terms	**123,455,283**	130,692,016	**14,131**	32,005
Past due but not impaired				
90 to 120 days	**14,876,710**	17,842,437	**–**	554
More than 120 days	**27,349,425**	29,483,295	**9,025,465**	9,175,256
	165,681,418	178,017,748	**9,039,596**	9,207,815
Impairment	**(87,776)**	(43,450)	**–**	–
	165,593,642	177,974,298	**9,039,596**	9,207,815

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Company believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Company. The Company uses ageing analysis to monitor the credit quality of the trade receivables.

16 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM
Construction contract costs incurred to date	**936,135,918**	577,211,467
Attributable profits	**112,107,597**	58,731,936
	1,048,243,515	635,943,403
Less: Progress billings	**(991,881,211)**	(611,486,086)
	56,362,304	24,457,317
Amount due from customers on contracts	**56,641,755**	24,457,317
Amount due to customers on contracts	**(279,451)**	–
	56,362,304	24,457,317
Retention sums on contracts included within trade receivables	**53,254,066**	66,838,869

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

16 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS (CONT'D)

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

	GROUP	
	31.3.2011 RM	31.3.2010 RM
Hire of plant and machinery	**4,012,415**	3,748,933
Property, plant and equipment - Depreciation	**4,572,468**	5,253,244
Rental expense for buildings	**730,466**	534,838

17 AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

The amounts due from jointly controlled entities are unsecured, repayable on demand and non-interest bearing.

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries companies are unsecured, repayable on demand and non-interest bearing except for a total amount of RM6,102,521 (31.3.2010 – RM5,675,890) from a subsidiary which bear interest of 5.5% (31.3.2010 – 5.5%) per annum.

19 AMOUNTS DUE FROM ASSOCIATES

The amounts due from associates are unsecured, repayable on demand and non-interest bearing.

20 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Cash on hand and at banks (i) (ii) (iii)	**15,656,891**	21,400,938	**3,235,781**	4,928,383
Deposits with licensed banks (iv)	**32,711,339**	19,274,284	**–**	3,242,416
Cash and bank balances	**48,368,230**	40,675,222	**3,235,781**	8,170,799
Bank overdrafts	**(33,631,146)**	(38,181,008)	**(820,103)**	(1,954,358)
Total cash and cash equivalents	**14,737,084**	2,494,214	**2,415,678**	6,216,441

(i) Included in cash at banks of the Group are amounts of RM47,569 (31.3.2010 – RM467,511) held pursuant to Section 8A of the Housing (Control and Licensing of Developers) Enactment, 1978 and restricted from use in the other operations.

(ii) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(iii) Included in cash at banks of the Group are amounts of RM4,093,046 (31.3.2010 – RM9,984,521) held under Escrow Account pursuant to banking facilities agreements and therefore it is restricted from use in other operations.

(iv) Deposits of the Group amounting to RM32,711,339 (31.3.2010 – RM16,031,868) are held on lien by bank pursuant to banking facilities agreements and that are restricted from use in other operations.

20 CASH AND CASH EQUIVALENTS (CONT'D)

The weighted average effective interest rates of deposits at the reporting date were as follows:

	GROUP 31.3.2011 %	31.3.2010 %
Deposits with financial institutions	**2.18**	1.80
Weighted average maturity (days)	**90**	30

21 SHARE CAPITAL AND SHARE PREMIUM

	NUMBER OF ORDINARY SHARES OF RM1 EACH SHARE CAPITAL (ISSUED AND FULLY PAID) RM	SHARE PREMIUM RM	TOTAL SHARE CAPITAL AND SHARE PREMIUM RM
As at 1.4.2009	113,914,700	21,876,085	135,790,785
Transaction costs	–	(5,125)	(5,125)
As at 31.3.2010 and 1.4.2010	**113,914,700**	**21,870,960**	**135,785,660**
Transaction costs	**–**	**–**	**–**
As at 31.3.2011	**113,914,700**	**21,870,960**	**135,785,660**

	NUMBER OF ORDINARY SHARES OF RM1 EACH 31.3.2011 UNIT	31.3.2010 UNIT	AMOUNT 31.3.2011 RM	31.3.2010 RM
Authorised share capital				
As at 31 March	**500,000,000**	500,000,000	**500,000,000**	500,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The Company did not purchase or re-sell any of its own shares during the financial year ended 31.3.2011.

22 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

23 BORROWINGS

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Short-term borrowings				
Secured:				
Term loans	**46,587,378**	46,698,798	**75,210**	75,210
Hire purchase and finance lease liabilities	**4,800,470**	4,707,688	**687,974**	555,080
	51,387,848	51,406,486	**763,184**	630,290
Unsecured:				
Bank overdrafts	**33,631,146**	38,181,008	**820,103**	1,954,358
Revolving credits	**29,161,065**	26,113,689	**1,014,114**	3,042,306
Trade finance	**35,474,000**	39,161,000	**–**	–
	98,266,211	103,455,697	**1,834,217**	4,996,664
	149,654,059	154,862,183	**2,597,401**	5,626,954
Long-term borrowings				
Secured:				
Term loans	**25,631,718**	26,692,810	**1,152,799**	1,243,901
Hire purchase and finance lease liabilities	**4,172,261**	5,880,118	**627,259**	803,799
	29,803,979	32,572,928	**1,780,058**	2,047,700
Total borrowings				
Revolving credits	**29,161,065**	26,113,689	**1,014,114**	3,042,306
Trade finance	**35,474,000**	39,161,000	**–**	–
Term loans	**72,219,096**	73,391,608	**1,228,009**	1,319,111
Bank overdrafts	**33,631,146**	38,181,008	**820,103**	1,954,358
Hire purchase and finance lease liabilities	**8,972,731**	10,587,806	**1,315,233**	1,358,879
	179,458,038	187,435,111	**4,377,459**	7,674,654

23 BORROWINGS (CONT'D)

The term loans are secured by the following:

(a) First legal charge over the freehold land, leasehold land and buildings of the Company and certain subsidiaries as disclosed in Note 6(b) and Note 7.

(b) Corporate guarantees granted by the Company and certain subsidiaries.

The secured bridging loans and revolving credits are secured by assignment of contract proceeds and corporate guarantees of the Company.

Other information on financial risks of borrowings are disclosed in Note 41.

Hire purchase and finance lease liabilities

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Future minimum lease payments				
Not later than 1 year	**5,279,276**	5,296,900	**739,021**	604,073
Later than 1 year and not later than 2 years	**3,670,921**	4,120,600	**374,399**	604,069
Later than 2 years and not later than 5 years	**1,511,270**	1,891,758	**366,523**	302,389
Total future minimum lease payments	**10,461,467**	11,309,258	**1,479,943**	1,510,531
Less: Future finance charges	**(1,488,736)**	(721,452)	**(164,710)**	(151,652)
Present value of finance lease liabilities	**8,972,731**	10,587,806	**1,315,233**	1,358,879
Analysis of present value of finance lease liabilities				
Not later than 1 year	**4,800,470**	4,707,688	**687,974**	555,080
Later than 1 year and not later than 2 years	**3,468,536**	3,798,810	**349,090**	578,899
Later than 2 years and not later than 5 years	**703,725**	2,081,308	**278,169**	224,900
	8,972,731	10,587,806	**1,315,233**	1,358,879
Less: Amount due within 12 months	**(4,800,470)**	(4,707,688)	**(687,974)**	(555,080)
Amount due after 12 months	**4,172,261**	5,880,118	**627,259**	803,799

The Group has finance lease and hire purchase contracts for various items of property, plant and equipment as disclosed in Note 6. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

24 DEFERRED TAX

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
As at 1 April	**3,252,500**	3,252,500	**610,000**	610,000
Recognised in income statement	**(62,031)**	–	**–**	–
As at 31 March	**3,190,469**	3,252,500	**610,000**	610,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(62,031)**	–	**–**	–
Deferred tax liabilities subject to income tax	**3,252,500**	3,252,500	**610,000**	610,000
	3,190,469	3,252,500	**610,000**	610,000

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Property, plant and equipment				
As at 1 April	**3,303,500**	3,303,500	**610,000**	610,000
Recognised in income statement	**(51,000)**	–	**–**	–
As at 31 March	**3,252,500**	3,303,500	**610,000**	610,000

Deferred tax assets of the Group:

	PROVISIONS RM	UNUSED TAX LOSSES AND UNABSORBED CAPITAL ALLOWANCES RM	TOTAL RM
As at 1 April	**18,500**	**32,500**	**51,000**
Recognised in income statement	**(18,500)**	**29,531**	**11,031**
As at 31 March	**–**	**62,031**	**62,031**

Deferred tax assets have not been recognised in respect of the following items:

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Unused tax losses	**71,833,919**	76,576,663	**18,765,978**	19,292,231
Unabsorbed capital allowances	**371,060**	280,385	**–**	–
Others	**88,000**	–	**–**	–
	72,292,979	76,857,048	**18,765,978**	19,292,231

24 DEFERRED TAX (CONT'D)

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits.

25 PROVISION

	GROUP 31.3.2011 RM	31.3.2010 RM
Liquidated ascertained damages		
As at 1 April	**–**	–
Additions	**10,000,000**	–
As at 31 March	**10,000,000**	–

Provision for liquidated ascertained damages is in respect of construction projects undertaken by the Group. The provision is recognised for expected liquidated ascertained damages claims based on the terms of the applicable construction agreements.

26 TRADE AND OTHER PAYABLES

	GROUP 31.3.2011 RM	31.3.2010 RM	COMPANY 31.3.2011 RM	31.3.2010 RM
Current				
Trade payables (i)	**134,401,979**	97,913,541	**1,036,410**	19,933
Other payables				
Accruals	**967,153**	2,049,487	**–**	–
Other payables (ii)	**21,902,158**	15,927,231	**4,016,580**	1,340,055
Trade deposits	**256,841**	64,968	**–**	–
	23,126,152	18,041,686	**4,016,580**	1,340,055
	157,528,131	115,955,227	**5,052,990**	1,359,988
Total trade and other payables	**157,528,131**	115,955,227	**5,052,990**	1,359,988
Add: Borrowings	**179,458,038**	187,435,111	**4,377,459**	7,674,654
Total other financial liabilities at amortised cost	**336,986,169**	303,390,338	**9,430,449**	9,034,642

(i) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days.

(ii) Included an amount of RM9,720,540 (31.3.2010 – RM9,720,540) which represented the balance purchase price payable for the acquisition of land held for property development referred in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

27 REVENUE

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Construction contracts	**421,132,668**	365,807,120	**716,979**	–
Dividend income	**–**	–	**2,500,002**	4,200,003
Hospitality and leisure	**18,414**	2,696,031	**–**	–
Management fees	**–**	–	**12,454,864**	12,130,144
Property development	**1,315,192**	378,000	**–**	–
Rental income	**366,652**	186,911	**–**	–
Trading and services	**21,118,686**	24,004,325	**–**	–
	443,951,612	393,072,387	**15,671,845**	16,330,147

28 COST OF SALES

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Construction contracts costs	**391,679,163**	335,830,984	**–**	–
Property development costs	**721,173**	128,706	**–**	–
Cost of inventories sold	**3,282,560**	4,407,642	**–**	–
Cost of services rendered	**11,271,457**	8,535,834	**–**	255,000
	406,954,353	348,903,166	**–**	255,000

29 OTHER INCOME

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Gain on disposal of property, plant and equipment	**46,941**	333,097	**–**	43,000
Interest income	**980,808**	83,250	**683,015**	364,926
Rental income	**81,500**	–	**–**	–
Gain on foreign exchange				
- realised	**87,179**	271,722	**–**	–
Rental of motor vehicle recoverable	**185,692**	69,063	**71,885**	69,063
Other	**1,991,483**	2,093,145	**376,333**	258,688
	3,373,603	2,850,277	**1,131,233**	735,677

Included in interest income from loan and receivables of the Company is interest of RM311,633 (31.3.2010 – RM347,194) from a fellow subsidiary.

30 FINANCE COSTS

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Interest expense on:				
Bank borrowings	**10,750,754**	7,225,236	**186,923**	364,924
Hire purchase and finance lease liabilities	**713,332**	671,373	**73,672**	61,449
Total interest expense	**11,464,086**	7,896,609	**260,595**	426,373

31 (LOSS)/PROFIT BEFORE TAX

The following amounts have been included in arriving at (loss)/profit before tax:

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
After charging:				
Allowance for doubtful debts	**44,326**	–	**–**	–
Auditors' remuneration -				
Current year	**327,463**	296,869	**95,400**	94,500
(Over)/Under provision in prior years	**(9,475)**	9,147	**–**	–
Directors' remuneration -				
Fee	**442,000**	290,000	**430,000**	290,000
Emoluments	**5,315,815**	4,778,145	**4,411,765**	4,014,045
Others	**–**	56,500	**–**	56,500
Impairment loss on other investments	**2,697,493**	38,756	**–**	–
Loss on disposal on other investments	**202,852**	–	**–**	–
Net loss on currency exchange	**111,125**	665,142	**–**	–
Property, plant and equipment -				
Depreciation	**6,130,462**	6,665,634	**578,936**	555,351
Loss on disposals	**1,408,744**	52,686	**1,424**	13,755
Written-off	**21,699**	41,429	**–**	–
Rental -				
Plant and machinery	**4,012,415**	3,743,833	**–**	–
Land and buildings	**1,647,819**	1,232,411	**385,466**	187,272
Office equipment	**126,360**	831,613	**52,775**	64,956
Staff costs (i)	**43,153,892**	37,046,949	**5,095,956**	4,398,966
(i) Staff costs -				
Wages, salaries and other	**38,745,980**	33,158,334	**4,194,974**	3,602,290
Employees' Provident Fund	**4,407,912**	3,888,615	**900,982**	796,676
	43,153,892	37,046,949	**5,095,956**	4,398,966

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

32 INCOME TAX EXPENSE

	GROUP 31.3.2011 RM	31.3.2010 RM
Continuing operations		
Current income tax		
Malaysian income tax	**301,283**	716,739
Under/(Over) provision in prior years		
Malaysian income tax	**409,844**	(6,353)
	711,127	710,386
Deferred tax		
Relating to origination and reversal of differences	**(62,031)**	–
Total income tax expense	**649,096**	710,386

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GROUP 31.3.2011 RM	31.3.2010 RM
(Loss)/Profit before tax from:		
Continuing operations	**(11,092,405)**	9,379,099
Taxation at Malaysian statutory tax rate of 25%	**(2,773,101)**	2,344,775
Income not subject to tax	**–**	(508,984)
Expenses not deductible for tax purposes	**3,925,266**	2,101,854
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**403,688**	221,455
Under/(Over) provision of tax expenses in prior years	**409,844**	(6,353)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(1,316,601)**	(3,442,361)
Income tax expense for the year	**649,096**	710,386

32 INCOME TAX EXPENSE (CONT'D)

	COMPANY 31.3.2011 RM	31.3.2010 RM
Current income tax		
Malaysian income tax	**–**	70,000
Profit before tax	**3,060,542**	4,484,517
Taxation at Malaysian statutory tax rate of 25%	**765,136**	1,121,129
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(765,136)**	(1,051,129)
Income tax expense for the year	**–**	70,000

	GROUP 31.3.2011 RM	31.3.2010 RM	COMPANY 31.3.2011 RM	31.3.2010 RM
Tax savings during the financial year arising from:				
Utilisation of current year's tax losses	**113**	–	**–**	–
Utilisation of previously unrecognised tax losses	**681,024**	2,855,059	**526,254**	463,827

33 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The major classes of assets and liabilities of non-current assets classified as held for sale on the balance sheets are as follows:

	GROUP AND COMPANY 31.3.2011 RM	31.3.2010 RM
Assets		
Investment in associate	**6**	6

NAME OF ASSOCIATES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 31.3.2011 %	31.3.2010 %	PROPORTION OF VOTING POWER 31.3.2011 %	31.3.2010 %
Sandakan Harbour Sdn Bhd	Malaysia	Property development	**29.4**	29.4	**29.4**	29.4

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

34 (LOSS)/EARNINGS PER SHARE

(Loss)/Earnings per share is calculated by dividing (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	31.3.2011 RM	31.3.2010 RM
(Loss)/Profit from continuing operations attributable to owners of the Company	**(11,741,501)**	8,668,713
Weighted average number of ordinary shares in issue	**113,914,700**	113,914,700
(Loss)/Earnings per share attributable to owners of the Company (sen)		
Basic	**(10.31)**	7.61

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

35 DIVIDENDS

	COMPANY	
	31.3.2011 RM	31.3.2010 RM
Final dividend in respect of the financial year 2010, single-tier of 5.0% per share	**5,695,735**	–
Final dividend in respect of the financial year 2009, 2.6% per share less 25% taxation and single-tier of 2.4% per share	**–**	4,955,289

36 OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements on its investment property portfolio. These leases have remaining lease terms of between 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease payments receivable under operating leases contracted for as at the balance sheet date but not recognised as receivable, are as follows:

	31.3.2011 RM	31.3.2010 RM
Not later than 1 year	**425,809**	295,200

Investment property rental income including contingent rent are recognised in profit or loss during the financial year as disclosed in Note 27 to the financial statements.

37 RELATED PARTY DISCLOSURES

	GROUP 31.3.2011 RM	31.3.2010 RM
Companies in which certain Directors are deemed to have interests:		
Building materials and spare parts purchased from/(by)		
- Amatir Resources Sdn Bhd	**(150)**	–
- Binaderas Sdn Bhd	**–**	4,013
- Ireka Land Sdn Bhd	**–**	38,500
- Quality Parts Sdn Bhd	**802,191**	663,541
Progress billings on contracts to		
- Amatir Resources Sdn Bhd	**(227,386,940)**	(172,660,732)
- Binaderas Sdn Bhd	**–**	(10,640,972)
- ICSD Ventures Sdn Bhd	**(51,981,941)**	(42,659,077)
- Ireka Land Sdn Bhd	**(55,093,935)**	(110,743,085)
Purchase of land from		
- Texsol (M) Sdn Bhd	**–**	6,515,520
Reimbursement of expenses (to)/from		
- Amatir Resources Sdn Bhd	**(8,192)**	(11,297)
- Binaderas Sdn Bhd	**(6,943)**	37,147
- ICSD Ventures Sdn Bhd	**(1,980)**	–
- Imuda Sdn Bhd	**(322,915)**	576,283
- Inovtecs Sdn Bhd	**–**	(1,004)
- Ireka Land Sdn Bhd	**(570,194)**	(26,926)
- Texsol (M) Sdn Bhd	**–**	77,000

	COMPANY 31.3.2011 RM	31.3.2010 RM
Subsidiary companies:		
Interest income	**(311,632)**	(255,496)
Labour charges recoverable	**(336,333)**	(230,689)
Management fees	**(12,454,864)**	(12,130,144)
Maintenance fees	**52,775**	64,956

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

37 RELATED PARTY DISCLOSURES (CONT'D)

Outstanding balances arising from trade transactions during the financial year are as follows:

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Included in trade receivables:				
Amatir Resources Sdn Bhd	**59,223,869**	65,282,037	**–**	–
Binaderas Sdn Bhd	**–**	86,347	**–**	–
ICSD Ventures Sdn Bhd	**8,035,587**	7,826,697	**14,191**	31,807
Imuda Sdn Bhd	**2,766,364**	2,643,933	**6,520**	6,998
Inovtecs Sdn Bhd	**1,735,937**	1,735,938	**–**	–
Ireka Land Sdn Bhd	**–**	3,471,850	**–**	125
	71,761,757	81,046,802	**20,711**	38,930
Included in trade payables:				
Ifonda Sdn Bhd	**–**	456,486	**–**	–
Ireka Land Sdn Bhd	**1,033,633**	8,512,445	**991,043**	–
Quality Parts Sdn Bhd	**219,772**	308,365	**–**	–
	1,253,405	9,277,296	**991,043**	–

The Directors are in the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Included in the total key management personnel are:

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Directors' remuneration				
- Note 31	**5,757,815**	5,124,645	**4,841,765**	4,360,545

38 COMMITMENTS

	GROUP	
	31.3.2011 RM	31.3.2010 RM
Authorised and contracted	**4,563,248**	5,365,800
Analysed as follows:		
- Property, plant and equipment	**4,563,248**	5,365,800

39 CONTINGENT LIABILITIES

	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Unsecured -				
Claims by former lorry subcontractors pertaining to the deposits forfeited	**843,395**	843,395	**843,395**	843,395

40 SEGMENTAL INFORMATION

Primary Reporting - Business segments

	CONTINUING OPERATIONS						
31.3.2011	CONSTRUCTION RM	PROPERTY DEVELOPMENT RM	TRADING AND SERVICES RM	HOSPITALITY AND LEISURE RM	INVESTMENT HOLDING RM	ELIMINATION RM	TOTAL RM
Revenue							
External sales	**421,132,668**	**1,315,192**	**21,118,686**	**18,414**	**366,652**	**–**	**443,951,612**
Inter-segment sales	**–**	**–**	**986,697**	**–**	**15,543,794**	**(16,530,491)**	**–**
Total revenue	**421,132,668**	**1,315,192**	**22,105,383**	**18,414**	**15,910,446**	**(16,530,491)**	**443,951,612**
Result							
Segment result	**12,773,551**	**433,705**	**(615,538)**	**(30,056)**	**(3,031,862)**	**(849,199)**	**8,680,601**
Finance costs							**(11,464,086)**
Interest income							**980,808**
Share of loss of associates					**(7,689,455)**		**(7,689,455)**
Share of loss of jointly controlled entities	**(1,600,273)**						**(1,600,273)**
Loss before tax							**(11,092,405)**
Income tax expense							**(649,096)**
Loss for the year							**(11,741,501)**

Information about a major customer

Revenue from major customer amounted to RM324,704,096 (31.03.2010 – RM349,052,247), arising from revenue earned by the construction segment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

40 SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Other information

31.3.2011	CONTINUING OPERATIONS							DISCONTINUED OPERATION	PER CONSOLIDATED FINANCIAL STATEMENTS
	CONSTRUCTION RM	PROPERTY DEVE-LOPMENT RM	TRADING AND SERVICES RM	HOSPITALITY AND LEISURE RM	INVESTMENT HOLDING RM	ELIMINATION RM	TOTAL RM	RM	TOTAL RM
Other information									
Segment assets	307,719,239	15,936,360	15,426,492	63,277	245,284,039	(12,696,292)	571,733,115	6	571,733,121
Segment liabilities	307,929,712	10,331,982	3,376,998	7,716	29,880,996	–	351,527,404	–	351,527,404
Additions to non-current assets:									
Property, plant and equipment	9,981,572	1,322,816	1,519,719	–	780,826	–	13,604,933	–	13,604,933
Land held for property development	–	20,979	–	–	–	–	20,979	–	20,979
Depreciation	4,955,241	36,678	249,024	549	888,970	–	6,130,462	–	6,130,462
Provision for liquidated ascertained damages	10,000,000	–	–	–	–	–	10,000,000	–	10,000,000
Impairment loss	–	–	–	–	2,697,493	–	2,697,493	–	2,697,493

Primary Reporting – Business Segments

31.3.2010	CONTINUING OPERATIONS						
	CONSTRUCTION RM	PROPERTY DEVELOPMENT RM	TRADING AND SERVICES RM	HOSPITALITY AND LEISURE RM	INVESTMENT HOLDING RM	ELIMINATION RM	TOTAL RM
Revenue							
External sales	365,853,347	378,000	24,004,325	140,684	2,696,031	–	393,072,387
Inter-segment sales	–	–	1,386,001	–	16,939,756	(18,325,757)	–
Total revenue	365,853,347	378,000	25,390,326	140,684	19,635,787	(18,325,757)	393,072,387
Result							
Segment result	16,615,747	122,454	1,476,537	(10,540)	6,333,901	(4,273,766)	20,264,333
Finance costs							(7,896,609)
Interest income							83,250
Share of loss of associates					(2,925,208)		(2,925,208)
Share of loss of jointly controlled entities	(146,667)						(146,667)
Profit before tax							9,379,099
Income tax expense							(710,386)
Profit for the year							8,668,713

40 SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Other Information

31.3.2010	CONTINUING OPERATIONS							DISCONTINUED OPERATION	PER CONSOLIDATED FINANCIAL STATEMENTS
	CONSTRUCTION RM	PROPERTY DEVE-LOPMENT RM	TRADING AND SERVICES RM	HOSPITALITY AND LEISURE RM	INVESTMENT HOLDING RM	ELIMINATION RM	TOTAL RM	RM	TOTAL RM
Other information									
Segment assets	271,254,298	15,760,582	16,439,814	84,438	245,062,439	(3,526,883)	545,074,688	6	545,074,694
Segment liabilities	288,142,864	10,466,836	3,148,948	14,136	30,809,792	(25,217,387)	307,365,189	–	307,365,189
Additions to non-current assets: Property, plant and equipment	14,352,156	17,567	293,906	–	23,095	–	14,686,724	–	14,686,724
Depreciation	5,636,454	20,953	221,391	722	786,114	–	6,665,634	–	6,665,634
Impairment loss	–	–	–	–	38,756	–	38,756	–	38,756

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	REVENUE		NON-CURRENT ASSETS	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Malaysia	**443,951,612**	393,072,387	**250,739,253**	254,200,137
Vietnam	**–**	–	**4,421,052**	8,573,679
	443,951,612	393,072,387	**255,160,305**	262,773,816

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	31.3.2011		31.3.2010	
	MALAYSIA RM	VIETNAM RM	MALAYSIA RM	VIETNAM RM
Property, plant and equipment	**76,427,885**	**143,235**	72,220,293	–
Investment properties	**4,272,100**	**–**	4,272,100	–
Investment in associates	**158,437,336**	**–**	166,126,791	–
Others investments	**761,900**	**4,215,786**	761,900	8,573,679
Land held for property development	**10,840,032**	**–**	10,819,053	–
Deferred tax assets	**–**	**62,031**	–	–
	250,739,253	**4,421,052**	254,200,137	8,573,679

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

41 FINANCIAL INSTRUMENTS

The main areas of financial risks faced by the Group are foreign currency risk, interest rate risk, credit risk, price risk, liquidity and cash flow risks. The Group's overall financial risk management objective is to ensure that the Group enhances shareholders' value. The Group establishes and operates within financial risk management policies approved by the Board of Directors to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing these risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

(a) Foreign currency risk

The Group has investments in United Kingdom and Vietnam and is exposed to United State Dollars and Vietnam Dong. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposure.

The Group's policy is to minimise exposure on foreign currency by matching foreign currency receivables against foreign currency payable, and whenever possible, to borrow in the currency of the country in which the business is located.

Currency profile of major financial assets and liabilities

	DENOMINATED IN OTHER THAN FUNCTIONAL CURRENCIES		DENOMINATED IN FUNCTIONAL CURRENCIES	TOTAL
	US DOLLAR	VND		
GROUP				
31.3.2011				
Other investments	**–**	**4,215,786**	**761,900**	**4,977,686**
Trade and other receivables	**–**	**205,292**	**175,746,797**	**175,952,089**
Cash and bank balances	**579,621**	**3,013,434**	**44,775,175**	**48,368,230**
	579,621	**7,434,512**	**221,283,872**	**229,298,005**
31.3.2010				
Other investments	–	8,573,679	761,900	9,335,579
Trade and other receivables	–	1,209,055	184,379,557	185,588,612
Cash and bank balances	778,432	247,610	39,649,180	40,675,222
	778,432	10,030,344	224,790,637	235,599,413
COMPANY				
31.3.2011				
Cash and bank balances	**60,260**	**6,295**	**3,169,226**	**3,235,781**
31.3.2010				
Cash and bank balances	145,498	2,375	8,022,926	8,170,799

The group is exposed to currency translation risk arising from its net investments in foreign operations, including Vietnam and Hong Kong.

41 FINANCIAL INSTRUMENTS (CONT'D)

(a) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

At 31 March 2011, if other investments, trade and other receivables and cash and bank balances denominated in a currency other than the functional currency of the Group entity strengthened/(weakened) by 10% and all other variables were held constant, the effects on the Group profit and loss and equity expressed in Ringgit Malaysia would have been RM801,413/(RM801,413).

(b) Interest rate risk

The Group's primary interest rate risk relates to deposits and interest-bearing debts. The investments in financial assets are mainly short term in nature and mostly have been placed in fixed deposits and money market instruments. The Group manages its interest exposure on interest-bearing financial liabilities by maintaining a prudent mix of fixed and floating rate borrowings, whenever possible.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed as follows:

Exposure to interest rate risk

	GROUP		COMPANY	
	31.3.2011 RM	31.3.2010 RM	31.3.2011 RM	31.3.2010 RM
Fixed rate instruments:				
Financial assets	**–**	–	**6,102,521**	5,675,890
Financial liabilities	**8,972,731**	10,587,806	**1,315,233**	1,358,879
Floating rate instruments:				
Financial assets	**48,368,230**	40,675,222	**3,235,781**	8,170,799
Financial liabilities	**170,485,307**	176,847,305	**3,062,226**	6,315,775

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

41 FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

At 31 March 2011, if interest rate had been 100 basis point higher / lower and all other variables were held constant, this would increase / (decrease) the Group's loss for the year by RM915,878 / (RM915,878) (31.3.2010 - Increase / (Decrease) by RM1,021,291 / (RM1,021,291) the Company's profit for the year by RM1,302 / (RM1,302) (31.3.2010 - Increase / (Decrease) by RM13,913 / (RM13,913).

(c) 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 and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investments securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control. During the financial year, the Group has adopted a new policy to enter into trade credit insurance for first-time customers who wish to trade on credit terms in order to mitigate heightened credit risks arising from revenue growth strategies.

The Group does not have any significant exposure to any individual customer nor counterparty, except Aseana Properties Limited; nor does it have any major concentration of credit risk related to any financial assets, other than as disclosed in Note 37 to the financial statements.

(i) Financial guarantees

Risk managements objectives, policies and processes for managing the risk

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

41 FINANCIAL INSTRUMENTS (CONT'D)

(c) Credit risk (cont'd)

(i) Financial guarantees (cont'd)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounted to RM23,516,485 (31.3.2010 - RM49,051,731) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

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

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

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The Group does not have significant exposure to international credit risk as the major trade receivables are concentrated in Malaysia.

(ii) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a major customer which constituted approximately 41% of its trade receivables as at the end of the reporting period.

(d) Price risk

Equity price risk arises from the Group's investments in quoted shares which are available-for-sale and held by the Group at fair value at reporting date. Gains and losses arising from changes in the fair value of available-for-sale investments are recognised in Group's loss net of tax and equity.

Sensitivity analysis for equity price risk

At 31 March 2011, if the Vietnam Ho Chi Minh Stock Index had been 10% higher/lower, with all other variables held constant, the Group's other reserve in equity would have been RM421,579 higher/lower, as a result of an increase/(decrease) in the fair value of equity instruments classified as available-for-sale. As at the reporting date, the impact of changes in 10% in Vietnam Ho Chi Minh Stock Index, with all other variables constant, insignificant to the Group's loss net of tax and equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

41 FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity and cash flow risks

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months with the objective of ensuring adequate funds to meet commitments associated with its financial liabilities. When funds are sought, the Group balances the costs and benefits of equity and debt financing against the construction contracts to be undertaken. At 31 March 2011, the Group's borrowings to fund the construction had tenors of less than five years.

Cash flows are monitored on an on-going basis. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long term and short term financial liabilities as well as cash out flows due in its day to day operations while ensuring sufficient headroom on its undrawn committed borrowing facilities at all times so that borrowing limits and covenants are not breached. Capital investments are committed only after confirming the source of funds, e.g. securing financial liabilities.

Management is of the opinion that most of the bank borrowings can be renewed or re-financed based on the strength of the Group's earnings, cash flow and asset base.

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

AS AT 31.3.2011	NOTE	WAEIR %	ON DEMAND OR WITHIN 1 YEAR RM	1 TO 2 YEARS RM	2 TO 3 YEARS RM	3 TO 4 YEARS RM	4 TO 5 YEARS RM	MORE THAN 5 YEARS RM	TOTAL RM
Group									
Financial liabilities									
Fixed rate									
Hire purchase and finance lease liabilities	23	3.68	4,800,470	3,468,536	703,725	–	–	–	8,972,731
Floating rate									
Bank overdrafts	23	7.46	33,631,146	–	–	–	–	–	33,631,146
Revolving credits	23	5.43	29,161,065	–	–	–	–	–	29,161,065
Trade finance	23	4.46	35,474,000	–	–	–	–	–	35,474,000
Term loans	23	6.98	46,587,378	4,827,350	4,827,350	4,827,350	4,827,350	6,322,318	72,219,096
Trade and other payables	26		157,528,131	–	–	–	–	–	157,528,131
Total undiscounted financial liabilities			302,381,720	4,827,350	4,827,350	4,827,350	4,827,350	6,322,318	328,013,438

41 FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity and cash flow risks (cont'd)

AS AT 31.3.2011	NOTE	WAEIR %	ON DEMAND OR WITHIN 1 YEAR RM	1 TO 2 YEARS RM	2 TO 3 YEARS RM	3 TO 4 YEARS RM	4 TO 5 YEARS RM	MORE THAN 5 YEARS RM	TOTAL RM
Company									
Fixed rate									
Hire purchase and finance lease liabilities	23	2.23	**687,974**	**349,090**	**278,169**	**–**	**–**	**–**	**1,315,233**
Floating rate									
Bank overdrafts	23	6.46	**820,103**	**–**	**–**	**–**	**–**	**–**	**820,103**
Revolving credits	23	6.48	**1,014,114**	**–**	**–**	**–**	**–**	**–**	**1,014,114**
Term loans	23	6.76	**75,210**	**75,210**	**75,210**	**75,210**	**75,210**	**851,959**	**1,228,009**
Trade and other payables	26		**5,052,990**	**–**	**–**	**–**	**–**	**–**	**5,052,990**
Total undiscounted financial liabilities			**6,962,417**	**75,210**	**75,210**	**75,210**	**75,210**	**851,959**	**8,115,216**

AS AT 31.3.2010	NOTE	WAEIR %	ON DEMAND OR WITHIN 1 YEAR RM	1 TO 2 YEARS RM	2 TO 3 YEARS RM	3 TO 4 YEARS RM	4 TO 5 YEARS RM	MORE THAN 5 YEARS RM	TOTAL RM
Group									
Financial liabilities									
Fixed rate									
Hire purchase and finance lease liabilities	23	3.69	4,707,688	3,798,810	2,081,308	–	–	–	10,587,806
Floating rate									
Bank overdrafts	23	6.78	38,181,008	–	–	–	–	–	38,181,008
Revolving credits	23	4.88	26,113,689	–	–	–	–	–	26,113,689
Trade finance	23	3.53	39,161,000	–	–	–	–	–	39,161,000
Term loans	23	6.25	46,698,798	4,511,542	4,511,542	4,511,542	4,511,527	8,646,657	73,391,608
Trade and other payables	26		115,955,227	–	–	–	–	–	115,955,227
Total undiscounted financial liabilities			266,109,722	4,511,542	4,511,542	4,511,542	4,511,527	8,646,657	292,802,532

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

41 FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity and cash flow risks (cont'd)

AS AT 31.3.2010	NOTE	WAEIR %	ON DEMAND OR WITHIN 1 YEAR RM	1 TO 2 YEARS RM	2 TO 3 YEARS RM	3 TO 4 YEARS RM	4 TO 5 YEARS RM	MORE THAN 5 YEARS RM	TOTAL RM
Company									
Fixed rate									
Hire purchase and finance lease liabilities	23	2.23	555,080	578,899	224,900	–	–	–	1,358,879
Floating rate									
Bank overdrafts	23	6.35	1,954,358	–	–	–	–	–	1,954,358
Revolving credits	23	6.02	3,042,306	–	–	–	–	–	3,042,306
Term loans	23	6.04	75,210	75,210	75,210	75,210	75,210	943,061	1,319,111
Trade and other payables	26		1,359,988	–	–	–	–	–	1,359,988
Total undiscounted financial liabilities			6,431,862	75,210	75,210	75,210	75,210	943,061	7,675,763

(f) Fair values

The carrying amount of trade and other receivables, deposits, cash and cash equivalents, trade and other payables, accruals and current bank loans and borrowings approximate their fair values in the current and prior years due to relatively short term in nature of these financial instruments.

Non current bank loans earn interest at floating rates and the fair value in the current and prior years approximates to the carrying value.

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date. No disclosure is made in respect of unquoted investment as it is not practicable to determine their fair values because of the lack of quoted market price.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantee is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The Directors do not anticipate the carrying amounts recorded in the balance sheet to be significantly different from the fair values of the non-trade amounts due to/from intergroup of companies within the Group.

It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

41 FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair values (cont'd)

The fair values of others financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	31.3.2011		31.3.2010	
	CARRYING AMOUNT RM	FAIR VALUE RM	CARRYING AMOUNT RM	FAIR VALUE RM
Group				
Hire purchase and finance lease	**8,972,731**	**10,047,968**	10,587,806	12,225,298
Company				
Hire purchase and finance lease	**1,315,233**	**1,421,846**	1,358,879	1,458,820

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Non-derivative financial liabilities

Fair value, which is determined for disclosures purposes, is calculated based on the present value of future principle and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases the market rate of interest is determined by references to similar lease agreements.

Interest rate used to determined fair value

The interest rates used to discount estimated cash flows are as follows:

	31.3.2011 %	31.3.2010 %
Hire purchase and finance lease liabilities	**5.64 – 6.80**	4.52 – 6.14

42 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust for the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2011 and 31 March 2010.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2011

42 CAPITAL MANAGEMENT (CONT'D)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity attributable to the owner of the parent. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	NOTE	GROUP 31.3.2011 RM	GROUP 31.3.2010 RM	COMPANY 31.3.2011 RM	COMPANY 31.3.2010 RM
Bank borrowings	23	**179,458,038**	187,435,111	**4,377,459**	7,674,654
Less: Cash and cash equivalents	20	**(48,368,230)**	(40,675,222)	**(3,235,781)**	(8,170,799)
Net debt		**131,089,808**	146,759,889	**1,141,678**	(496,145)
Equity attributable to the owners of the Company		**220,205,717**	237,709,505	**150,694,296**	153,329,489
Capital and net debt		**351,295,525**	384,469,394	**151,835,974**	152,833,344
Gearing ratio (net cash)		**0.60**	0.62	**0.01**	–

43 SUBSEQUENT EVENTS

On 8 June 2011, Regal Variety Sdn Bhd, a wholly-owned subsidiary company, had acquired a parcel of land for cash consideration of RM2,097,654.

44 SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia's 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 further issued another directive on the disclosure and the prescribed format of presentation.

44 SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES (CONT'D)

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2011, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

	GROUP RM	COMPANY RM
The retained earnings of the Company and its subsidiaries:		
- Realised	**100,627,969**	15,518,636
- Unrealised	**(3,190,469)**	(610,000)
	97,437,500	14,908,636
The shares of accumulated losses of its associates:		
- Realised	**(23,434,519)**	–
- Unrealised	**12,819,856**	–
	(10,614,663)	–
The shares of accumulated losses of its joint controlled entity:		
- Realised	**(2,151,619)**	–
- Unrealised	**–**	–
	(2,151,619)	–
Total retained earnings	**84,671,218**	14,908,636

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's Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATISTICS OF SHAREHOLDINGS

AS AT 1 AUGUST 2011

Authorised share capital	:	RM500,000,000.00
Issued & fully paid-up capital	:	RM113,914,700.00
Class of shares	:	Ordinary Share of RM1.00 each
Voting right	:	1 vote per ordinary share

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES	%
1 – 99	62	963	0.00
100 – 1,000	1,074	1,025,050	0.90
1,001 – 10,000	1,889	7,984,150	7.01
10,001 – 100,000	358	9,077,588	7.97
100,001 – 5,695,734 ^	55	38,121,201	33.46
5,695,735 and above ^^	4	57,705,748	50.66
Total	3,442	113,914,700	100.00

Remark: ^ Less than 5% of issued shares
^^ 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

DIRECTORS	DIRECT NO. OF SHARES	DIRECT %	INDIRECT NO. OF SHARES	INDIRECT %
Haji Ir. Abdullah Bin Yusof	1,500,000	1.32	–	–
Lai Siew Wah	–	–	49,001,998 *	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	4,827,100	4.24	–	–
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	15,398,248 **	13.52
Lai Man Moi	2,040,750	1.79	15,398,248 **	13.52
Lai Voon Hon	12,000	#	49,001,998 *	43.02
Lai Voon Huey, Monica	6,000	#	49,001,998 *	43.02
Haji Mohd. Sharif Bin Haji Yusof	–	–	–	–
Kwok Yoke How	1,742,603	1.53	–	–
Lim Che Wan	194,500	0.17	–	–

SUBSTANTIAL SHAREHOLDERS

	DIRECT NO. OF SHARES	DIRECT %	INDIRECT NO. OF SHARES	INDIRECT %
Ideal Land Holdings Sdn Bhd	49,001,998	43.02	–	–
Magnipact Resources Sdn Bhd	15,398,248	13.52	–	–
Green Rivervale Holdings Sdn Bhd	–	–	15,398,248 ^	13.52
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	15,398,248 **	13.52
Lai Man Moi	2,040,750	1.79	15,398,248 **	13.52
Lai Siew Wah	–	–	49,001,998 *	43.02
Lai Voon Hon	12,000	#	49,001,998 *	43.02
Lai Voon Keat	–	–	49,001,998 *	43.02
Lai Voon Wai	–	–	49,001,998 *	43.02
Liw Yoke Yin	11,600	#	49,001,998 *	43.02

NOTES:

* Deemed interests through Ideal Land Holdings Sdn Bhd
** Deemed interests through Green Rivervale Holdings Sdn Bhd
^ Deemed interests through Magnipact Resources Sdn Bhd
\# Insignificant

THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	Ideal Land Holdings Sdn Bhd	24,092,866	21.15
2	AmSec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account - AmBank (M) Berhad for Ideal Land Holdings Sdn Bhd)	14,500,000	12.73
3	Magnipact Resources Sdn Bhd	10,020,000	8.80
4	Malaysia Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	9,092,882	7.98
5	Malaysia Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Magnipact Resources Sdn Bhd)	5,378,248	4.72
6	Lai Jaat Kong @ Lai Foot Kong	4,827,100	4.24
7	Ling Siok Guong	4,264,400	3.74
8	Sapiah @ Safiah Binti Hussin	1,800,000	1.58
9	CimSec Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Lai Man Moi)	1,529,250	1.34
10	Abdullah Bin Yusof	1,500,000	1.32
11	Lim Sow Mun	1,496,100	1.31
12	CimSec Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Chan Soo Har @ Chan Kay Chong)	1,378,250	1.21
13	Malaysia Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	1,316,250	1.16
14	Kwok Yoke How	1,166,600	1.02
15	Thong Kok Cheong	1,070,800	0.94
16	Chan Lin Yau	776,800	0.68
17	CimSec Nominees (Asing) Sdn Bhd (CIMB for Mahomed Ferheen (PB))	719,900	0.63
18	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse (SG BR-TST-ASING))	706,100	0.62
19	Choon Siew & Sons Sdn Berhad	700,000	0.61
20	How Sue Chan @ Ho Sue Chan	644,900	0.57
21	Kwok Yoke How	576,003	0.51
22	CIMB Group Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	511,500	0.45
23	Lai Man Moi	511,500	0.45
24	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/c))	435,200	0.38
25	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Bhoopindar Singh A/L Harbans Singh)	372,000	0.33
26	Loh Chen Peng	364,000	0.32
27	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Lak Chye @ Li Choy Hin)	333,300	0.29
28	Tan Hwa Ling @ Tan Siew Leng	311,400	0.27
29	Ngor Kim Hock	300,000	0.26
30	Chan Soo Har @ Chan Kay Chong	295,000	0.26

LIST OF MATERIAL PROPERTIES

AS AT 31 MARCH 2011

NO.	LOCATION	TENURE	APPROXIMATE LAND AREA (BUILT-UP AREA)	DESCRIPTION	AGE (YEARS)	NET BOOK VALUE (RM)	YEAR OF ACQUISITION
1.	Lot PT17741, Mukim Batu Kuala Lumpur, Level 29-31 1 Mont' Kiara, Mont' Kiara	Freehold	36,042 sq. ft.	Office Suites	1	15,811,272	2007
2.	Lot PT17741, Mukim Batu Kuala Lumpur, Sectors 3 – 13 i-ZEN@Kiara II, Mont' Kiara	Freehold	38,322 sq. ft.	Office space for own/external use	6	14,055,407	2007
3.	PT 37824, Mukim Kajang Selangor Darul Ehsan	Freehold	272,915 sq. ft.	Workshop with 2-storey office building for own use	N/A	9,597,315	2009
4.	Lot PT37823, Mukim Kajang Daerah Hulu Langat Negeri Selangor	Freehold	18,916 sq. metre	Industrial Land	N/A	6,829,516	2009
5.	Geran 12740, Lot 50592 Mukim of Kuala Lumpur Wilayah Persekutuan	Freehold	1,528 sq. ft. (7,040 sq. ft.)	4 ½ – storey shop office for own use	23	663,058	1988
6.	Precinct 7, Plot G27 held under Geran 39540, Lot No. 1503, Mukim Sungai Gumut Daerah Hulu Selangor	Freehold	43,986 sq. ft.	Homesteads for investment	N/A	439,570	1995
7.	Plot No. H21, Precinct 8 Lembah Beringin Mukim Sungai Gumut Daerah Hulu Selangor	Freehold	46,368 sq. ft.	Homesteads for investment	N/A	278,208	2002
8.	Lot No. 2, Sector 1 Lembah Beringin Mukim Kuala Kelumpang Daerah Ulu Selangor	Freehold	7,185 sq. ft.	Bungalow lot for investment	N/A	179,625	2002
9.	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong	Freehold	824 sq. ft. (884 sq. ft.)	Walk-up flat for investment	24	42,286	1987

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 22 September 2011 at 10.30 a.m. for the following purposes:

AGENDA

1 To receive the audited financial statements of the Company and of the Group for the financial year ended 31 March 2011 and the reports of the Directors and Auditors thereon. **Resolution 1**

2 To approve the payment of a first and final single-tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2011. **Resolution 2**

3 To approve the payment of Directors' fees of RM350,000.00 for the financial year ended 31 March 2011 (2010: RM350,000.00). **Resolution 3**

4 To consider and if thought fit, pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:

a. "**THAT** Haji Ir. Abdullah Bin Yusof who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 4**

b. "**THAT** Lai Siew Wah who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 5**

c. "**THAT** Haji Mohd. Sharif Bin Haji Yusof who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 6**

d. "**THAT** Kwok Yoke How who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 7**

5 To re-elect Lai Voon Huey as a Director who retires in accordance with Article 91(3) of the Company's Articles of Association. **Resolution 8**

6 To re-appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors. **Resolution 9**

7 **Special Business**

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

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

8 To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

WONG YIM CHENG
Company Secretary
Kuala Lumpur
29 August 2011

NOTES:

1 A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2 When a member appoints two (2) proxies to attend the Meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.

3 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.

4 The Proxy Form duly completed, must be deposited at the Company's Registered Office at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory Notes on Special Business

The Ordinary Resolution 10, if passed, will empower the Directors to issue and allot shares not exceeding 10% of the Company's issued share capital for the time being without convening further general meetings for such purposes.

This authority is a renewal of the general mandate which will expire at the forthcoming 35th Annual General Meeting. As at the date of this Notice, the Company has not issued any shares pursuant to the mandate granted at the last Annual General Meeting.

This new general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to placing of shares, for the purposes of funding future investment project(s), working capital, acquisitions or such other applications as the Directors deem fit.

This would avoid any delay and cost involved in convening a general meeting to approve such issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

PROXY FORM

No. of Shares Held : .....

CDS Account No. : .....

*I/We ..... *NRIC No./Company No. .....

of .....

being *a member/members of Ireka Corporation Berhad, hereby appoint .....

NRIC No. ..... of .....

or failing him, the Chairman of the Meeting, as *my/our proxy, to vote for *me/us and on *my/our behalf at the 35th Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 22 September 2011 at 10.30 a.m. and at any adjournment thereof. *My/our proxy is to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To receive the audited financial statements for the financial year ended 31 March 2011 and the reports of the Directors and Auditors thereon		
2	To approve the payment of a first and final single-tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2011		
3	To approve the payment of Directors' fees of RM350,000.00		
4	To re-appoint Haji Ir. Abdullah Bin Yusof as a Director of the Company		
5	To re-appoint Lai Siew Wah as a Director of the Company		
6	To re-appoint Haji Mohd. Sharif Bin Haji Yusof as a Director of the Company		
7	To re-appoint Kwok Yoke How as a Director of the Company		
8	To re-elect Lai Voon Huey as a Director of the Company		
9	To re-appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company		
10	To issue and allot shares pursuant to Section 132D of the Companies Act, 1965		

Please indicate with an 'X' in the appropriate spaces how you wish to cast your vote. If you do not indicate how you wish your proxy to vote on any resolutions, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

* Delete if inapplicable

.....

Signature/Seal

Dated this ..... day of 2011

NOTES

1 A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provision of Section 149 (1)(b) of the Companies Act, 1965 shall not apply.

2 When a member appoints two (2) proxies to attend the Meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.

3 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.

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AFFIX STAMP

IREKA CORPORATION BERHAD CO. NO. 25882-A
LEVEL 18, WISMA MONT' KIARA
NO. 1, JALAN KIARA
MONT' KIARA
50480 KUALA LUMPUR

ATTN: THE COMPANY SECRETARY

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