IREKA CORPORATION BERHAD
No. 32 Medan Setia Dua, Bukit Damansara, 50490 Kuala Lumpur.
Tel 603 2094 0133 Fax 603 2095 2096

IREKA CORPORATION BERHAD Annual Report 2005

Annual Report 2005

IREKA CORPORATION BERHAD

Co. No.: 25882 - A

...in trusted hands

Vision Statement

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 services and products that we offer.

Cover Rationale

Renewal & Challenges

A graphical representation of the crystalline structure of diamonds. The molecular structure is a network of interconnecting units, each with its own energies and joined by bonds to a nucleus which is its essence. Ireka Corporation Berhad is that nucleus and its organic nature enables it to regenerate and change to meet new challenges.

Contents

It is my pleasure on behalf of the Board of Directors to present to shareholders the Annual Report and the Financial Statements of the Group and the Company for the financial year ended 31 March 2005.

For the financial year ended 31 March 2005 Group turnover declined by 13% to RM434.2 million compared to RM499.9 million in the previous year. This is mainly due to the reduction in the volume of construction works completed during the year, but offset by increase sale of properties from RM45.8 million to RM116.6 million during the same period. As a result, the Group recorded a lower operating profit of RM18.5 million compared to RM31.2 million in the previous year. After accounting for finance charge of RM22.7 million and depreciation charges of RM14.8 million related to The Westin Kuala Lumpur, the Group recorded a pre-tax loss of RM4.3 million compared to pre-tax profit of RM9.6 million in the previous year.

In line with the Company's stable dividend payout policy, the Board is recommending a dividend of 3% per share less tax 28% for the financial year ended 31 March 2005 for approval by shareholders at the forthcoming 29th Annual General Meeting. The total cost of the dividend payout is RM2.5 million.

The growth of the construction sector will continue to be sluggish in the absence of any new government financed projects. This trend is likely to continue and under the circumstances, the Group will focus its activity more on private sector construction projects and on the property sector particularly those located in niche areas.

On the property front, the Group expects to complete and deliver two housing projects, i-Zen@Kiara II and i-Zen@Villa Aseana, both in the Mont Kiara area, during the current year. In Kota Kinabalu Sabah, Phase I Luyang Perdana housing project was completed and ready for hand-over to the owners, whilst Phase II & III of the scheme is in progress. In addition the Group's Sandakan Harbour Square project is progressing well. In January 2005, the Group launched its i-Zen@Kiara I in Mont Kiara and is now planning to launch another luxurious condominium project named i-Zen@Tiffani at the end of this year.

The Westin Kuala Lumpur was fully operational during the year achieving average occupancy rate of 67% and recorded a revenue of RM61.7 million and an operating profit of RM10.1 million before interest and depreciation.

The Group's IT business has performed satisfactorily during the year under review and is expected to continue to improve in performance in the current year.

During the year under review, the Group completed a RM240 million five-year term syndicated multi facility loan package with five financial institutions to finance The Westin Kuala Lumpur. The successful refinancing exercise is expected to reduce financing costs over a five-year period of the loan.

The Group will continue to push its property development projects to target for more than 25% of revenue while construction will still be the main core business for the majority of future revenue. The Group expects the various property development projects to generate a gross development value of RM1.2 billion for the next three to four years. The construction business has a RM560 million order book with amount outstanding totaling RM420 million. The country's real GDP growth expected at 5% for 2005 will provide opportunities for the Group's activities. The good demand for properties in good locations particularly the service residence area will enable the Group to maintain its growth in this sector.

As usual, on behalf of the Board, I take this opportunity to express our appreciation to the Management and staff at all levels for their contributions during the year. I also wish to acknowledge the contributions and advice from my fellow directors and to Shareholders Government Authorities, Bankers and Business Associated for their continued support.

Haji Abdullah Bin Yusof
Chairman
25 August 2005

i-Zen@Kiara II

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan laporan tahunan dan penyata kewangan Kumpulan dan Syarikat bagi tempoh tahun kewangan berakhir 31 Mac 2005.

Jumlah hasil perolehan bagi tempoh tahun kewangan berakhir 31 Mac 2005 telah menyusut sebanyak 13% kepada RM434.2 juta berbanding RM499.9 juta pada tahun sebelumnya. Kumpulan telah mencatatkan keuntungan operasi yang lebih rendah, iaitu, RM18.5 juta berbanding RM31.2 juta pada tahun sebelumnya akibat kekurangan projek-projek pembinaan dalam tempoh terbabit. Pada masa yang sama perolehan jualan hartanah meningkat dari RM45.8 juta kepada RM116.6 juta. Setelah mengambil kira kos pembiayaan kewangan sebanyak RM22.7 juta dan kos penyusutan nilai hotel The Westin Kuala Lumpur sebanyak RM14.8 juta, Kumpulan telah mencatat kerugian sebelum taksiran cukai sebanyak RM4.3 juta berbanding keuntungan sebelum cukai sebanyak RM9.6 juta pada tahun sebelumnya.

Selaras dengan polisi pembayaran dividen Kumpulan yang stabil, pihak Lembaga Pengarah mencadangkan pembayaran dividen sebanyak 3% sesaham setelah ditolak cukai sebanyak 28% bagi tahun kewangan berakhir 31 Mac 2005 dan diperbentangkan pada mesyuarat agong tahunan ke-29 yang akan datang bagi mendapat persetujuan para pemegang saham dimana jumlah keseluruhan kos dividen adalah sebanyak RM2.5 juta.

Pertumbuhan di dalam sektor pembinaan akan terus menjadi lembab akibat kekurangan projek-projek yang dibiayai oleh pihak Kerajaan. Situasi sebegini dijangka akan berpanjangan dan kumpulan kini lebih memfokus ke arah aktiviti pembinaan di dalam sektor swasta dan di dalam sektor hartanah terutamanya di kawasan-kawasan elit.

Pada sudut hartanah pula, bagi tahun kewangan ini, Kumpulan berhasrat untuk menyiapkan sepenuhnya pembinaan dua projek perumahan iaitu i-Zen@Kiara II dan i-Zen@Villa Aseana dimana kedua-duanya terletak di Mont' Kiara. Di Kota Kinabalu, Sabah, projek perumahan Fasa 1 Luyang Perdana telah siap sepenuhnya dan sedia untuk diserahkan kepada pemiliknya, manakala Fasa II & III masih di dalam pembinaan. Selain daripada itu, Projek Sandakan Harbour Square kini berjalan dengan lancar. Pada bulan Januari 2005, Kumpulan telah melancarkan satu lagi projek perumahan iaitu i-Zen@Kiara I yang juga terletak di Mont' Kiara. Terkini, kumpulan sedang merancang untuk melancarkan satu lagi projek kondominium mewah yang dinamakan i-Zen@Tiffani pada hujung tahun ini.

Hotel The Westin Kuala Lumpur yang kini beroperasi sepenuhnya pada tahun kewangan ini telah mencapai kadar purata penginapan sebanyak 67% dan telah mencatatkan perolehan sebanyak RM61.7 juta dan keuntungan operasi sebanyak RM10.1 juta sebelum bunga dan kos penyusutan nilai.

Perniagaan di dalam bidang teknologi maklumat (IT) juga mempamerkan prestasi yang memuaskan dan keadaan ini dijangka akan berterusan.

Pada tahun dalam kajian ini, Kumpulan telah memeterai satu pakej pelbagai kemudahan pinjaman sindiket sebanyak RM240 juta selama 5 tahun yang dibiayai oleh lima institusi kewangan untuk pembiayaan semula hotel The Westin Kuala Lumpur. Pembiayaan semula yang berkesan dijangka dapat mengurangkan kos kewangan dalam tempoh pinjamannya.

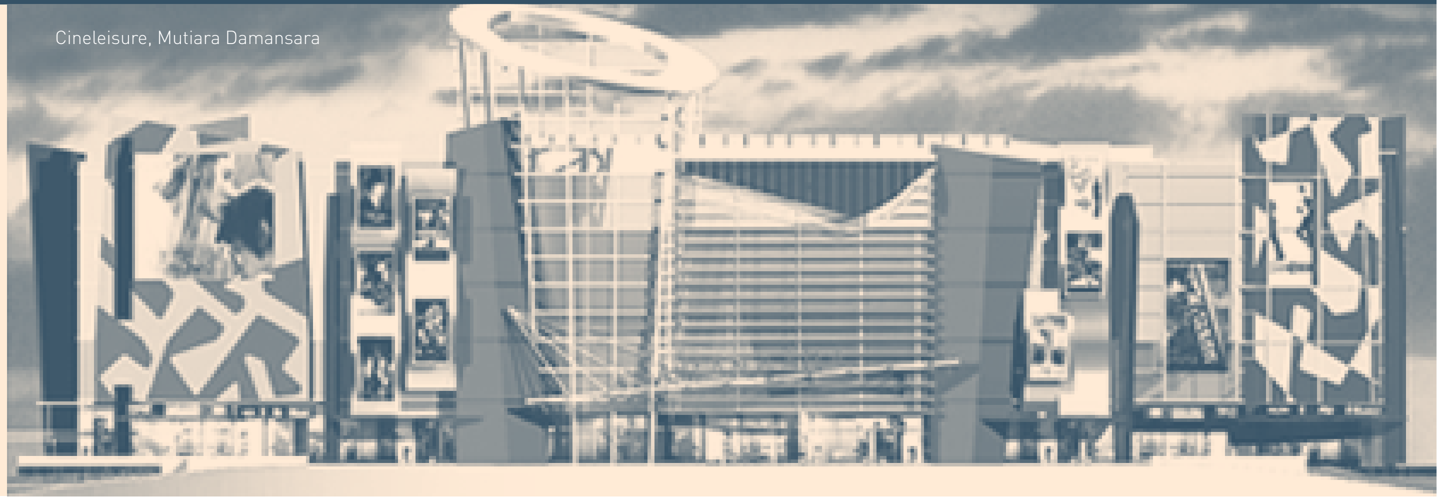
Kumpulan akan terus memberi penekanan terhadap projek pembangunan hartanah bagi mencapai sasaran perolehan melebihi 25% sementara mengekalkan bidang pembinaan sebagai tunjang utama perniagaan bagi menghasilkan perolehan pada masa hadapan. Kumpulan yakin kepelbagaian pembangunan hartanah yang dapat memperolehi nilai purata perolehan sebanyak RM1.2 bilion bagi tempoh tiga ke empat tahun yang akan datang. Buku tempahan kontrak Kumpulan kini bernilai RM560 juta yang mana jumlah sebanyak RM420 juta masih tertunggak. Jangkaan pertumbuhan GDP negara sebanyak 5% bagi tahun 2005 bakal memberi peluang bagi peningkatan aktiviti Kumpulan. Permintaan yang tinggi terhadap pemilikan hartanah di lokasi-lokasi tertentu, terutamanya kediaman jenis berservis sangat membantu Kumpulan dalam mengekalkan pertumbuhannya di dalam sektor ini.

Seperti biasa, saya bagi pihak lembaga pengarah, mengambil kesempatan ini untuk merakamkan setinggi-tinggi penghargaan kepada pihak pengurusan dan seluruh warga kerja atas segala usaha dan sumbangan yang diberikan. Saya juga inigin mengalungkan ucapan penghargaan ini kepada ahli-ahli lembaga pengarah atas pimpinan, sokongan serta nasihat yang diberikan. Seterusnya kepada para pemegang saham, pihak berkuasa kerajaan, institusi perbankan dan rakan-rakan perniagaan atas sokongan dan galakan yang berterusan.

Haji Abdullah Bin Yusof
Pengerusi
25 Ogos 2005


Menara AIA

Operations Review



Cineleisure, Mutiara Damansara

On the whole, the financial year ending 31 March 2005 has not been a rewarding year for the Group, particularly in our core business of construction. For the first time since listing on the Bursa Malaysia Securities Berhad in 1993, the group registered a pre-tax loss of RM4.3 million for the year under review.

Although a significant part of the loss can be attributed to the sizeable depreciation loss of RM14.8 million from our hotel, The Westin Kuala Lumpur, another significant factor is the drastic decline of contribution from our construction business during the financial year. A number of on-going projects suffered losses due to two major national crisis namely, an unprecedented price increase of major construction materials especially government controlled price items and the massive labour shortage in the construction industry which lasted for many months resulting a pre-tax profit of a mere RM3.3 million from the construction business.

The Malaysian construction sector continues to be challenging, having endured negative growth of 1.5% in 2004, -2.4% and -2% in the first and second quarters of 2005 respectively. Recognising the severe difficulty faced by the local construction companies and all its related downstream companies, the government has announced that it will implement the RM2.4 billion worth of projects under the 9th Malaysia Plan as soon as possible. This will no doubt give a welcome boost to our Group's public sector works.

There is also positive outlook from our overseas construction ventures with the recent signing of a Memorandum of Understanding with a Malaysian infrastructure development company to design and build a USD125 million Bogor Ring Road toll highway and other infra-structural development projects which formed part of their joint-ventures with the West Java Provincial Government. The highway project is expected to commence construction early half of next year if all goes well.

I am also pleased to report that our Property Division did remarkably well again during the year under review with revenue growing from RM45.8 million in financial year 2004 to RM116.6 million in 2005. Profit before tax has grown from RM6.9 million to RM12.2 million for 2005. The Group's premium i-Zen brand continues to attract new customers, both overseas and within the country. Following the 100% sold out of its first two launches, i-Zen@Kiara I makes its debut in early 2005 and has already registered more than 60% sales to-date.

The Westin Kuala Lumpur hotel has also shown good performance finishing the year with a revenue of RM61.7 million and occupancy level of 67%, a commendable performance for a 5-star hotel in its first full year of operation. A significant event for the hotel division during the year under review was the successful refinancing of the construction loan for The Westin Kuala Lumpur hotel with a RM240 million 5 years term loan syndicated by Aseambankers Malaysia Berhad, DBS Bank Limited, Labuan Branch, Employees Provident Fund Board, Great Eastern Life Assurance (Malaysia) Berhad and Maybank. The successful syndication of this loan at a much reduced average interest cost indicates the strong confidence our financiers have on the future performance of The Westin Kuala Lumpur and the Group. At only about 50% gearing level for The Westin Kuala Lumpur, I strongly believe it should be able to operate profitably before depreciation cost.

At the Group organisation level, works are on-going to re-engineer and to re-invigorate the Group to a higher level of performance with Key Performance Indicators (KPIs) measurement to face the changing landscape of the Malaysian construction industry and to position itself as a globally focused organisation in line with its stated Corporate Vision.

On the Corporate front, various initiatives are also being pursued by our corporate finance team to further reduce the gearing level of the Group and to further strengthen the Group's cash flow through unlocking some of the potential asset value of the Group through disposal and development.


Putrajaya 4G3 & 4G4

CONSTRUCTION BUSINESS

Despite a very sluggish construction market, our Group's construction subsidiary, Ireka Engineering and Construction Sdn Bhd (IECSB) still managed to secure four new construction projects worth RM335.8 million during the year under review.

Three of them are from external clients namely, the RM200.1 million high-end Kiaraville condominium project in Mont' Kiara for Binaderas Sdn Bhd and Capitaland Group of Singapore, the RM32.9 million new Corporate Head Office for Digi Telecommunications Sdn Bhd and a RM19.7 million Sri-Jaya Interchange at East Coast Expressway for MTD Construction Sdn Bhd. The fourth project is an internally generated project by the Group's property subsidiary, Regalmont Sdn Bhd. This high-end RM83.1 million i-Zen@Kiara I Serviced Residence has recently completed its piling works and is proceeding to the super-structure works.

IECSB completed four significant projects during the year. On April 2004, it completed the basement works for Cineleisure in Mutiara Damansara for Cathay Organisation and the Boustead Group. Upon its successful completion, IECSB was awarded the subsequent building package worth RM58.8 million. Currently the project is targeted to be fully completed by November 2005.

The civil engineering division of the Group has also successfully completed the Proton City Interchange and the RM110 million pavement works at East Coast Expressway for MTD Construction Sdn Bhd while its building division has completed the new prestigious OCBC Bank Headquarters in Kuala Lumpur.

The RM335 million Design and Build project for two government ministries building in Putrajaya is nearing completion after being given further major variation order works. Another two projects scheduled to complete in October this year is the i-Zen@Kiara II Serviced Residence and i-Zen@Villa Aseana courtyard homes.

I expect securing new works from external clients for the coming year will continue to be difficult especially in the civil engineering sector. Despite scarcity of new works, we will continue to exercise prudence in bidding and negotiating new tenders. We would try to avoid extremely low margin profits projects or financially weak clients.

On the overseas front, the Group will step up its business development activities in China, Indonesia and India. Currently, IECSB is also involved in exploring construction activities in Sudan and the Middle East with our China partner, Beijing Engineering and Construction Corporation. Looking ahead, I strongly believe that IECSB will be able to continue to grow its overseas operation beyond our current involvement in China.

i-Zen@Tiffani

PROPERTY DEVELOPMENT BUSINESS

Following the successful take-up rate of our earlier three i-Zen residential projects, namely i-Zen@Kiara II, i-Zen@Villa Aseana and i-Zen@Kiara I, our property development subsidiary, Regalmont Sdn Bhd (RSB) will be launching the fourth and the largest i-Zen residential high-rise project, i-Zen@Tiffani later part of this year. I am confident that its freshly new concept and features will again raise the bar of excellence for condominium projects in Mont' Kiara just as the other three i-Zen projects did in the past.

We are also busy working on an exciting new shopping centre in the heart of Mont' Kiara. Designed to be a chic neighbourhood shopping place, it will provide a life-style product to match the vibrant Mont' Kiara residential and business community. Within the shopping development will also be two office towers comprising an avant-grade office suites and our Corporate Headquarters. The entire development has an estimated gross development value of RM350 million.

During the current year, we expect to hand-over three projects to our buyers. The first will be Luyang Perdana, Phase One in Kota Kinabalu, Sabah. Completed almost six months ahead of schedule, Luyang Perdana is fast becoming a famous address for residents of Kota Kinabalu. i-Zen@Kiara II and i-Zen@Villa Aseana on the other hand are expected to be handed-over by October and November this year.

Over in Sabah, the Group's 60% owned subsidiary, Ireka-Charng Sheng Development Sdn Bhd joint development project with Sandakan Municipal Council is progressing well ahead of schedule. We expect Phase One of the project to be completed end of this year and the new modern sea front central market and fish jetty completing first half of next year. Negotiation is currently quite advanced to sell its first modern shopping centre development in Sandakan to a major retail owning company in Malaysia.

With the new daily direct flight link from Kuala Lumpur to Sandakan by MAS and Air-Asia, there is currently an acute shortage of hotel accommodation in the town. Plans are now being pursued to bring forward the development of an international class hotel which was initially planned to commence construction in 2007 once suitable investors are found.

Moving forward, we will continue to source for new development land especially in prime location like Kuala Lumpur city centre to ensure our land-bank is replenished as we continue to launch our new projects. Meanwhile, our current planned gross development value of RM1.2 billion will keep the property division busy at least for another five years.

HOSPITALITY AND LEISURE BUSINESS

The Group's flagship hotel, The Westin Kuala Lumpur performed generally well in the year under review.

The hotel took a bold move earlier this year to increase its average room rate up by 10%. The impact of this move has been very positive with profit margin improving considerably despite a slight decrease in occupancy in the first two months. To date, the hotel has registered an occupancy rate of about 70% for the first 7 months of the calendar year.

Asiaegolf Tours Sdn Bhd's performance in financial year 2005 was the best since operations begun in late 2000. The continued growth of visitors to Malaysia coupled with an aggressive marketing strategy and operational prudence have contributed to our business performance. Our strengths as a premium golf tour operator in this country lie in our teamwork and unmatched quality of services.

We continue to develop strong associations with golf tour operators in countries like Hong Kong, China, Taiwan, Thailand, Japan and South Korea. Their support and trust in our quality of services have far exceeded our expectations. We are further encouraged by Tourism Malaysia's push to develop golf tourism – a sector that attracts affluent tourists and promote Malaysia as a golfing haven even further.

E-COMMERCE AND IT BUSINESS

Financial year 2005 has been another successful year for the Group's networking and systems integration company – i-Tech Network Solutions Sdn Bhd. Although revenue growth was modest, i-Tech remained profitable and our team managed to penetrate other industry sectors for business opportunities. We are encouraged by recent successes in many of our marketing efforts put in place over the past year. We continue to be prudent in the management of our business – always being cognizant of our costs, expenses and overheads.

As a sign of our continued growth in our reputation and influence in the IT industry, i-Tech has been accorded the Computer Associates Evangelist Award for 2005 and been recognized by IBM as their Advance Business Partner for Value Partner Program. At the time of writing IBM Malaysia awarded i-Tech the Top SMB (Small Medium Business) Award.

The Westin Suite


The Westin, Lower Lobby

FUTURE OUTLOOK

The construction sector will continue to be difficult for the year going forward. However, I am optimistic that with the Group's current success in creating its own volume of internally generated construction works and the launch of the RM2.4 billion government works, prospects are good for the construction division to put in a better performance next year. On top of that, the Group's positive presence in China and Indonesia will provide a further boost for its future order book overseas.

In view of the continued robust property market, especially in the high-end residential and commercial market, our property development division should continue to be the star performer for the Group and we should also be able to continue to see impressive growth in revenue and profit for the current financial year.

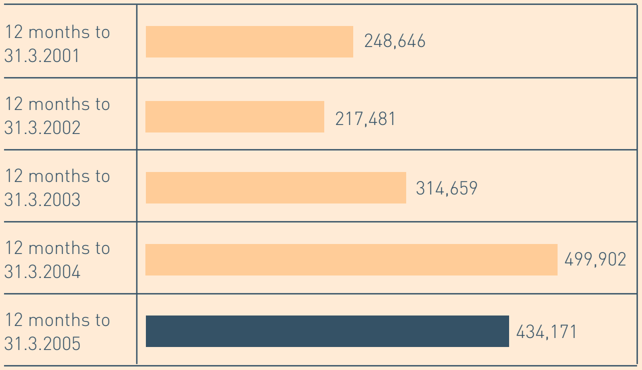
Looking forward, I am also confident that our hotel and leisure business will perform well. From the recent government's published record, Malaysia has already registered another record tourist arrival for the first half of the year. With the increase in average room rate of The Westin Kuala Lumpur compared to last year, I believe the hotel will be able to out-perform its last year's result.

In closing, I would like to thank all my fellow colleagues in the Board and the staff of the Group for their dedicated support and hardwork in overcoming a challenging financial year ended 31 March 2005.

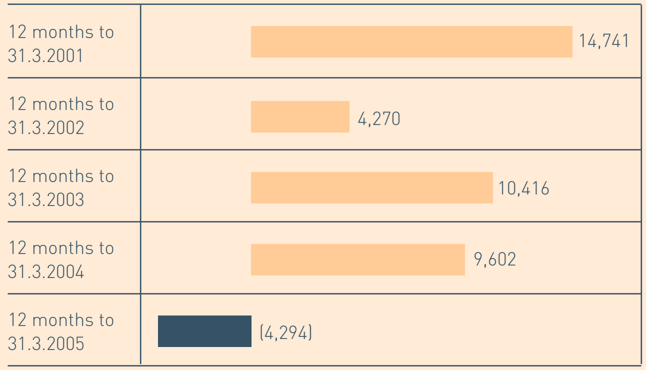
Lai Siew Wah
Group Managing Director
25 August 2005

Five-Year Financial Highlights

Turnover RM'000



Profit / (loss) Before Taxation RM'000



Group **In RM'000**	**12 months to 31.03.2005**	**12 months to 31.03.2004**	**12 months to 31.03.2003**	**12 months to 31.03.2002**	**12 months to 31.03.2001**
Turnover	**434,171**	499,902	314,659	217,481	248,646
Profit/(loss) before taxation	**(4,294)**	9,602	10,416	4,270	14,741
Profit/(loss) after taxation and minority interest	**(12,374)**	3,680	7,168	1,811	10,929
Issued share capital	**113,915**	112,307	103,248	68,661	68,658
Shareholders' funds	**146,420**	156,919	147,808	111,542	109,726
Total assets	**895,172**	849,570	694,569	496,447	384,273
In sen					
Gross dividend per share	**3.0**	–	6.5	10	7.5
Net earnings per share – Basic	**(10.9)**	3.6	9.1	2.6	15.9
Net tangible assets per share	**116.7**	126.0	126.8	136.5	131.1
Return on shareholders' fund (%)	**(8.5)**	2.3	4.8	1.6	10.0

IREKA CORPORATION BERHAD

IREKA CORPORATION (HK) LIMITED	100%
IREKA iCAPITAL SDN BHD	100%
IREKA SDN BHD	100%
IREKA-CHARNG SHENG DEVELOPMENT SDN BHD	60%

IREKA iCAPITAL SDN BHD

asiaegolf Tours Sdn Bhd	100%
i-Tech Network Solutions Sdn Bhd	100%
Ireka Venture Capital Ltd	100%
e-Auction Sdn Bhd	96%

IREKA SDN BHD

Ireka Engineering & Construction Sdn Bhd	100%
Regalmont Sdn Bhd	100%
Regalmont (Sabah) Sdn Bhd	100%
Ireka Hotels Sdn Bhd	100%
Iswaja Enterprise Sdn Bhd	100%
i-Residence Sdn Bhd	100%
i-Zen Hospitality Sdn Bhd	100%
Regal Variety Sdn Bhd	100%

Awarni Sdn Bhd

Ireka Hotels Sdn Bhd	67%
Iswaja Enterprise Sdn Bhd	33%

IREKA-CHARNG SHENG DEVELOPMENT SDN BHD

Sandakan Harbour Square Sdn Bhd	100%

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman
Haji 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
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)
Kwok Yoke How
Haji Mohd. Sharif Bin Haji Yusof

AUDIT COMMITTEE

Chairman
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)

Members
Kwok Yoke How
Haji Mohd. Sharif Bin Haji Yusof
Lai Voon Huey, Monica

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

No. 32, Medan Setia Dua
Bukit Damansara
50490 Kuala Lumpur
Tel 603-2094 0133
Fax 603-2095 2096
Email enquiry@ireka.com.my
Website www.ireka.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi Purpose, Capital Square
No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur
Tel 603-27212222
Fax 603-27212530

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad, Main Board

STOCK CODE

Shares 8834
Warrants 8834-w

AUDITORS

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

PRINCIPLE BANKERS

Affin Bank Berhad
AmBank Berhad
Bank Muamalat Malaysia Berhad
Bumiputra-Commerce Bank Berhad
Hong Leong Bank Berhad
Maybank Berhad
RHB Bank Berhad
United Overseas Bank (M) Berhad

Board of Directors

1 **Haji Abdullah Bin Yusof**

2 **Lai Siew Wah**

3 **Datuk Lai Jaat Kong @ Lai Foot Kong** (PJN, JSM)

4 **Lai Man Moi**

5 **Kwok Yoke How**

6 Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)

7 Chan Soo Har @ Chan Kay Chong

8 Haji Mohd. Sharif Bin Haji Yusof

9 Lai Voon Hon

10 Lai Voon Huey, Monica

Haji Abdullah Bin Yusof

Aged 69, a Malaysian, is the Non-Executive Chairman of Ireka and was appointed to the Board of Directors in 1992. He is the Chairman of the Risk Management Committee. He graduated from the Camborne School of Metalliferous Mining, United Kingdom in 1961 and is a registered professional engineer (mining) with the Board of Engineers, Malaysia. 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 is 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, Time Engineering Berhad and Cement Industries of Malaysia Berhad. He is a council member of the Malaysian Chamber of Mines and the Tin Industry (Research and Development) Board.

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

Lai Siew Wah

Aged 65, a Malaysian, is the founder and Managing Director of Ireka. He was appointed as a Director of Ireka in 1975 and was made the Managing Director of Ireka in 1993. He is a member of the Remuneration Committee and is also a Director of several subsidiaries within the 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 62, a Malaysian, is the Deputy Managing Director of Ireka. He was appointed as a Director of Ireka in 1977 and was made the Deputy Managing Director in 1993. He is a member of the Risk Management Committee and is also a Director of several subsidiaries within the Ireka Group. He has over 25 years experience in the construction industry and has good contacts and knowledge in the industry both locally and overseas. He was the past President of the Master Builders Association Malaysia and Board Member of Construction Industry Development Board Malaysia.

He is the brother of Mr. Lai Siew Wah.

Chan Soo Har @ Chan Kay Chong

Aged 59, a Malaysian, is the Administration 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 the Ireka Group. He has more than 35 years experience in the construction industry with sound knowledge in building materials and heavy plants and machineries.

Lai Man Moi

Aged 57, a Malaysian, is the Finance 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 the Ireka Group. She has more than 30 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 the sister of Mr. Lai Siew Wah and the spouse of Mr. Chan Soo Har @ Chan Kay Chong.

Kwok Yoke How

Aged 65, a Malaysian, is an Independent Non-Executive Director of Ireka. He was appointed to the Board of Directors in 1992. He is the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and also a Director of several subsidiaries within the Ireka Group. A lawyer by profession, he is currently a consultant of a reputable legal firm in Malaysia.

Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)

Aged 73, a Malaysian, is the Senior Independent Non-Executive Director of Ireka. He was appointed to the Board of Directors in 1994. He is the Chairman of both the Audit Committee and Nomination Committee and a member of the Remuneration Committee. A lawyer by profession, he had practiced law for 28 years. He is also a Director of Permodalan Nasional Berhad, Amanah Saham Nasional Berhad and Universal Trustees (M) Berhad, BIMB Holdings Berhad and Bank Islam Malaysia Berhad.

Lai Voon Hon

Aged 41, a Malaysian, is the Executive Director of Ireka. 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 (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 39, a Malaysian, is an Executive Director of Ireka. She joined Ireka as the Group Financial Controller in 1993 and was appointed to the Board of Directors in 1999. She is a member of the Audit Committee, Risk Management Committee and also a Director of several subsidiaries within the Ireka Group. She graduated from City University, London, United Kingdom 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; the Malaysian Institute of Accountants; and the Malaysian Institute of Taxation.

She is the daughter of Mr. Lai Siew Wah.

Haji Mohd. Sharif Bin Haji Yusof

Aged 66, a Malaysian, is an Independent Non-Executive Director of Ireka. He was appointed to the Board of Directors in 2002. He is also a member of the Audit Committee. He is a fellow member of 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 commerce Life Assurance Berhad (formerly known as Amal Assurance Berhad), APM Automotive Holdings Berhad, Malayawata Steel Berhad and Kemayan Corporation Berhad.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COMPANY SECRETARY

1 Wong Yim Cheng

Aged 41, a Malaysian, joined Ireka in 2000. She has over 10 years of experience in corporate secretarial and is an associate member of the Malaysian Association of Institute Chartered Secretaries and Administrators.

SENIOR MANAGEMENT

2 Tan Thiam Chai

Aged 45, a Malaysian, joined Ireka as an Engineer in 1989. In August 2000, he was appointed to the Board of Ireka Engineering & Construction Sdn Bhd ("IECSB") and is currently the Chief Executive Officer of the contruction arm, IECSB. He graduated from University of Bristol, United Kingdom in 1983 with a Bachelor of Science (Hons) Degree in Civil Engineering.

3 Ng Yau Siong

Aged 42, a Malaysian, joined Ireka as an Engineer in 1991 and is currently a Director (Projects). In August 2000, he was appointed to the Board of Ireka Engineering & Construction Sdn Bhd. He graduated from University of Canterbury, New Zealand in 1986 with a Bachelor of Engineering (Hons) Degree.

4 Ir. Lim Tau Soon

Aged 48, a Malaysian, joined Ireka as the Head of Technical & Engineering Services Division in 1993 and is currently a Director (Operations). In August 2000, he was appointed to the Board of Ireka Engineering & Construction Sdn Bhd. He graduated from Liverpool Polytechnic, United Kingdom in 1980 with a Bachelor of Science (Hons) Degree in Civil Engineering and obtained his Professional Engineer Certification in 1985.

5 Leonard Yee Yuke Dien

Aged 41, a Malaysian, joined Ireka in May 2000 and is currently the Chief Executive Officer of Ireka iCapital Sdn Bhd. A graduate from University of Kingston, Kingston-Upon-Thames, England with a Bachelor of Arts (Hons) Degree in Industrial Social Sciences. He worked as a Surety and Financial Lines Underwriter with American International Group, Inc in London and New York before returning to Malaysia. He was an Executive Director of a local construction company from 1996 to 1999 and a Managing Director of an equities research firm before joining Ireka.

6 Lee Sui San

Aged 51, a Malaysian, joined Ireka in 1995 and is currently a Project Director. He graduated from Liverpool Polytechnic, United Kingdom in 1980 with a Diploma in Buildings. He is a Chartered Builder by profession and a member of the Chartered Institute of Building (UK), Chartered Management Institute (UK), Technological Association of Malaysia and Malaysia Institute of Management.

7 Kok Tong Yong, Tony

Aged 49, a Malaysian, joined Ireka in 1996 and is currently the M & E Director, Head of the M & E Division. He graduated from University of Teesside, United Kingdom in 1981 with a Bachelor of Science Degree in Mechanical Engineering. He is a member of the Institute of Engineers, Australia and registered as a Chartered Professional Engineer. He has over 24 years of working experience in the construction industry, particularly in high rise buildings.

8 Lee Chay Line

Aged 43, a Malaysian, joined Ireka in 1985 and is currently a Director of Quantity Surveying. He graduated from Institute Teknologi Union in 1985 with a Technician Diploma and was awarded a Bachelor of Applied Science (Construction Management and Economics) Degree by Curtin University, Australia in 1999.

9 Tham Fong Ang

Aged 52, a Malaysian, joined Ireka in 2000 and is currently the Director of Human Resources. She holds a Master in Business Administration from University of Dubuque, USA and has over 26 years of experience in human resource management in a wide spectrum of industries.

10 Ir. Chen Min Sang

Aged 48, a Malaysian, joined Ireka in 2002 and is currently the Director of Operations, Property Development. He graduated from University of Salford, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Civil Engineering. He has been registered as a Professional Engineer with the Board of Engineers since 1986.

11 Tan Ai Ling, Irene

Aged 40, a Malaysian, joined Ireka in 2000 and is currently the Director of Sales & Marketing, Property Division. She graduated from Royal Melbourne Institute of Technology, Australia with a Bachelor of Business, Property Management in 1988. She worked as a Property Manager in Australia and a Project Manager in Kuala Lumpur prior to joining Ireka.

12 Ir. Chan Huan Khim

Aged 45, a Malaysian, joined Ireka as a Senior Engineer in 1999 and is currently a Project Director. He graduated from University of Liverpool, United Kingdom in 1984 with a Bachelor of Engineering (Hons) Degree and was registered as a Professional Engineer with the Board of Engineers in 1990.


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29 April 2004

An Extraordinary General Meeting was held to seek shareholders' approval for additional recurrent related party transactions of a revenue/trading nature.

11 May 2004

Ireka announced its intention to undertake a private placement exercise of upto 14,296,202 new ordinary shares of RM1.00 each to be placed out to several placees at a price to be determined later.

31 May 2004

Ireka announced its quarterly report on consolidated unaudited results for the financial year ended 31 March 2004.

11 June 2004

Ireka was awarded a sub-contract for earthworks, drainage works and pavement works at Sri Jaya Interchange (CH110 + 420 to CH111 + 680) by MTD Construction Sdn Bhd at a contract value of RM19.7 million.

26 July 2004

An Extraordinary General Meeting was held to seek shareholders' approval for the proposed private placement of 14,296,202 new ordinary shares of RM1.00 each in Ireka at an issue price to be determined later.

3 August 2004

Ireka announced that the Securities Commission has approved its proposed private placement exercise of up to 14,296,202 new ordinary shares of RM1.00 each.

27 August 2004

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2004.

8 September 2004

The prize giving ceremony was held at Ireka's Property Showcase at Mont' Kiara to give away a luxurious i-Zen@Kiara II serviced residence as the grand prize of HSBC's Win, Win & Win Contest.

28 September 2004

Ireka held its 28th Annual General Meeting at Kuala Lumpur Golf & Country Club. An Extraordinary General Meeting was held thereafter to seek shareholders' approval for the renewal of general mandate for recurrent related party transactions of a revenue/trading nature and renewal of mandate for share buy-back.

20 - 21 November 2004

Regalmont Sdn Bhd officially launched i-Zen@Kiara I at its Property Showcase in Mont' Kiara.

26 November 2004

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2004.

29 November 2004

Ireka's wholly-owned subsidiary, Ireka Hotels Sdn Bhd signed a RM240.0 million syndicated multi-facilities loan agreement with Aseambankers Malaysia Berhad as the Lead Arranger, DBS Bank Limited, Labuan Branch as Co-arranger and Aseambankers Malaysia Berhad, DBS Bank Limited, Labuan Branch, Employees Provident Fund Board, Great Eastern Life Assurance (Malaysia) Berhad and Maybank as Facilities Providers to refinance The Westin Kuala Lumpur hotel.

26 – 27 December 2004

Ireka's Sports & Recreational Club organized a 2 days 1 night trip to A'Famosa Resort, Malacca.

5 February 2005

Ireka's annual dinner themed "We Are The World" was held at The Westin Kuala Lumpur.

15 February 2005

Ireka ushered the year of Rooster with lion dance performance at its Head Office and its flagship hotel, The Westin Kuala Lumpur.

20 February 2005

Regalmont Sdn Bhd organized a Chinese New Year get-together for its i-Zen property purchasers at Qba, The Westin Kuala Lumpur.

The Board of Directors confirms that the Group has complied with the best practices in Malaysian Code on Corporate Governance (the Code) throughout the financial year ended 31 March 2005. Set out below is a statement of how the Group has applied the principles of the Code.

A THE BOARD OF DIRECTORS

i The Board

An effective Board leads and controls the Group. The Board meets at least four times a year, with additional meetings being held as necessary. During the year ended 31 March 2005, the Board met for a total of four times. Every Director attended all the Board meetings held during his/her tenure except Mr. Lai Voon Hon who absent once due to his overseas commitments.

The Board has delegated specific responsibilities to four subcommittees i.e. Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, which have authority to examine issues and report to the Board.

ii Board Balance

The Board currently has ten members comprising a Non-Executive Chairman, six Executive Directors and three Independent Non-Executive Directors. Together, the Directors bring a wide range of business, legal, finance and accounting experience and expertise required to successfully direct and supervise the business activities of the Group. The profiles of these Directors are provided on pages 16 to 17 of this Annual Report.

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.

There is also balance in the Board because of the presence and participation of Independent Non-Executive Directors to bring independent judgment in Board decisions. The roles of these Independent Non-Executive Directors are important in ensuring that the strategies proposed by the Executive Management are fully deliberated and take into account the interest of the Group.

iii Supply of Information

All Board members are provided with a Board report containing relevant documents and information prior to the meeting to enable the Directors to discharge their duties effectively.

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

The Code endorses as good practice, a formal procedure for appointments to the Board, with a Nomination Committee making recommendations to the full Board. The Nomination Committee consists of Datuk Haji Burhanuddin Bin Ahmad Tajudin (Independent Non-Executive Chairman), Kwok Yoke How (Independent Non-Executive Director) and Haji Abdullah Bin Yusof (Non-Executive Director).

These Directors are responsible for identifying, recruiting and recommending candidates for Directorships and also to fill the seats of Board Committees. 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.

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

In addition, site visits to various on-going projects were arranged for the Directors to allow them to gain insights and better understanding of the operational issues as part of the Directors' training programme.

v Re-election of Directors

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

In accordance with Section 129(6) of the Companies Act, 1965, Datuk Haji Burhanuddin Bin Ahmad Tajudin who is over the age of seventy years will be retiring at the forthcoming 29th Annual General Meeting and being eligible, offers himself for re-appointment to be passed 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 Malaysian Code of Corporate Governance 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 Code endorses that, as a good practice, a Remuneration Committee be comprised wholly or mainly of Non-Executive Directors. The Remuneration Committee comprises Kwok Yoke How (Independent Non-Executive Chairman), Datuk Haji Burhanuddin Bin Ahmad Tajudin (Independent Non-Executive Director) and Lai Siew Wah (Executive Director).

The Committee is responsible for recommending the remuneration packages to Executive Directors for consideration and approval by the Board. The Executive Directors play no part in decision on their own remuneration.

The Committee has met once to review the salary of Executive Directors based on their responsibilities and scope of work, corporate and individual performance.

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 annual general meeting.


The Westin Kuala Lumpur

iii Disclosure

The details of the remuneration of Directors during the financial year ended 31 March 2005 are as follows:-

1 Aggregate remuneration of Directors categorized into appropriate components:-

In RM'000	Salaries	Fees	Bonus & Incentives	Benefits-in-Kind	Total
Executive Directors	2,081	180	160	0	2,421
Non-Executive Directors	0	80	0	0	80

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

Range of Remuneration	Number of Directors Executive	Number of Directors Non-Executive
Below RM50,000	-	4
RM300,001 – RM350,000	1	-
RM350,001 – RM400,000	3	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	1	-
RM500,001 – RM550,000	1	-

C SHAREHOLDERS

i Dialogue Between The Company and Investors

The Group values dialogue with shareholders and investors. The Chairman and Executive Directors hold discussions with shareholders and journalists immediately after general meetings. Presentations are made, as appropriate, to explain 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 information.

ii 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 is 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 quarterly results announcements also reflect the Board's commitment to give regular updated assessment on the Group's performance.

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;
- 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 Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open 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 26.

iv Relationship With The Auditors

The role of the Audit Committee in relation to the External Auditors is stated on page 27 to 28.

v Audit Committee

In compliance with the good practice of the Code, the current Audit Committee comprises the Chairman who is the Senior Independent Non-Executive Director, two Independent Non-Executive Directors and an Executive Director who is a member of the Malaysian Institute of Accountants. The composition and report of the Audit Committee for the year ended 31 March 2005 is set out on page 27 to 28 of this Annual Report.

In accordance with a resolution of the Board of Directors dated 25 August 2005.

Haji Abdullah Bin Yusof
Chairman

Lai Siew Wah
Group Managing Director

RESPONSIBILITY

The Board of Directors acknowledges their overall responsibility and is committed to maintain sound internal controls which cover financial controls and operational and compliance controls as well as risk management in the Group. However, it should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives; and that any system can provide only reasonable, and not absolute assurance against material misstatement or loss.

The Group has implemented a formal approach towards identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This is an ongoing process and is regularly reviewed by the Board. The Board's Internal Control Statement, as prepared in accordance with the Bursa Malaysia Securities Berhad's Listing Requirements, has been reviewed by the External Auditors and report the results thereof to the Board.

i Internal Control

The Group has adopted the concept of Enterprise-Wide Risk Management Framework which identifies and manages inherent and controllable risks affecting the Group in order to achieve corporate objectives. The Enterprise-Wide Risk Management process contains a number of key elements being:

- identification of key corporate risks associated with the organizational mission, vision, strategies and objectives;
- measurement of these risks in terms of the possibility of occurrence and the impact on the organisation;
- evaluation of existing controls to manage the risks;
- confirming accountability and time lines for managing and monitoring the controls;
- identification of residue risks;
- deciding on risk treatment;
- development of action plans to manage residual risks; and
- continuous monitoring to ensure compliance and update risk assessment.

The Enterprise-Wide Risk Management approach via the Corporate Risk Scorecard ("CRS") system enables risk management to be conducted in an effective manner and proactive controls to be established.

ii Internal Audit Function

Messrs. Audix Governance Sdn Bhd as the outsourced Internal Auditors has reported to the Audit Committee and assisted the Board of Directors in monitoring and managing internal controls. The Audit Committee has approved a three-year Internal Audit Plan covering financial years ending 2005 to 2007, which is subject to review annually to take account of changes that may arise in the business, regulatory and operating environment and from the findings arising from the audits. The scope of the Internal Audit may cover the audits of all operations and subsidiary companies.

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 authorisation 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 and the consolidated budget approved by the Board;
- monthly 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;
- review and approval of annual internal audit plan by the Audit Committee on behalf of the Board; and
- regular meetings between Audit Committee and outsourced Internal Auditors on internal control issues identified in reports prepared by the outsourced Internal Auditors.

A number of internal control weaknesses were identified during the period which are being rectified. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

COMPOSITION OF AUDIT COMMITTEE

As at 31 March 2005, the Audit Committee comprises three Independent Non-executive Directors with Datuk Haji Burhanuddin bin Ahmad Tajudin as Chairman. The composition of the Committee is found on page 13 of this Annual Report.

FREQUENCY OF MEETINGS

The Committee had four meetings during the financial year which were attended by all the members.

SUMMARY OF ACTIVITIES

During the period, the Audit Committee carried out its duties as set out in the terms of reference.

Other main issues discussed by the Audit Committee are as follows:-

- Review of the Group's quarterly reports prepared in compliance with Malaysian Accounting Standards Board ("MASB") Standard 26 "Interim Financial Reporting" and Chapter 9 of Bursa Malaysia Securities Berhad's Listing Requirements prior to submission to the Board for consideration and approval;
- Application of new accounting standards to the consolidated financial statements for the financial year ended 31 March 2005;
- Review of audited financial statements for financial year ended 31 March 2005 with the external auditors prior to recommending the same to the Board for approval;
- Review of the proposed general mandate for recurrent related party transactions of a Revenue/Trading Nature;
- Review of internal audit reports and the internal auditors' recommendations for effective internal control system; and
- Review of the Risk Management Report.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1 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 Non-executive Directors;
- At least one member of the Committee must be a member of the Malaysian Institute of Accountants or similar qualification as prescribed in Part 1 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.

2 Authority

- The Committee is authorised by the Board to investigate any matter within its terms of reference;
- The Committee is authorised to 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 excluding the attendance of the executive members of the Committee whenever deemed necessary;
- The Committee is authorised to obtain external legal of other independent professional advice as necessary.

3 Duties and Responsibilities

The duties of Committee shall be among others:-

i To review the following and report the same to the Board of Directors:-

a with the external auditors, the audit plan;

b with the external auditors, their evaluation of the system of internal controls;

c with the external auditors, the audit report;

d the assistance given by the employees of the Company to the external auditors;

The Westin, Grand Ballroom

e 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;

f 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;

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

i compliance with accounting standards and other legal requirements; and

ii significant and unusual events.

h 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;

i any letter of resignation from the external auditors of the Company;

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

k risk management report that encompass the risk exposure of the Group.

ii To promptly report to the Bursa Malaysia Securities Berhad, of matters reported by the Audit Committee to the Board of Directors which has not been satisfactorily resolved, resulting in a breach of the Bursa Malaysia Securities Berhad's Listing Requirement.

iii To recommend the nomination of a person or persons as external auditors.

4 Meetings

- Meetings shall be held not less than four (4) times a year;
- A quorum shall be three (3) members, majority of whom must be Independent Non-executive Directors;
- Other Directors & 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.

5 Reporting procedure

The Secretary shall circulate the minutes of the Committee's meetings to all members of the Board. The Chairman of the Committee shall report on each meeting to the Board.

REVIEW OF THE AUDIT COMMITTEE

The Board of Directors must 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 its members have carried out their duties in accordance with the terms of reference.

Financial Statements

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services, civil, structural and building construction, earthworks and renting of construction plant and machinery.

The principal activities of the subsidiaries and companies within the Group are stated in Note 7 to the financial statements.

There have been no significant changes in these principal activities during the financial year under review.

FINANCIAL RESULTS

In RM	Group	Company
Net (loss)/profit from ordinary activities before taxation	(4,293,831)	2,768,668
Taxation	(7,712,142)	(150,000)
Net (loss)/profit from ordinary activities after taxation	(12,005,973)	2,618,668
Minority interest	(368,188)	–
Net (loss)/profit for the year	(12,374,161)	2,618,668

DIVIDENDS

Since the end of the previous financial year, no dividend was paid out during the financial year under review.

The Directors hereby propose a final dividend of 3.0% per share, less 28% income tax amounting to RM2,460,558 in respect of the financial year ended 31 March 2005.

DIRECTORS OF THE COMPANY

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

Haji Abdullah Bin Yusof
Mr. Lai Siew Wah
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)
Mr. Chan Soo Har @ Chan Kay Chong
Mdm. Lai Man Moi
Mr. Kwok Yoke How
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)
Mr. Lai Voon Hon
Ms. Lai Voon Huey
Haji Mohd Sharif Bin Haji Yusof

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 except for the share options granted pursuant to the Employees' Share Option Scheme.

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.

EMPLOYEES' SHARE OPTION SCHEME

Pursuant to the ESOS which became operative on 1 November 2001, options of 11,731,835 ordinary shares of RM1 each in the Company were granted to eligible employees.

Details of the ESOS are set out in Note 21(b) to the financial statements.

The list of key management personnel whom has been granted share options of RM1.00 each during the financial year are as follows :

	As at 1.4.2004	Granted	Exercised	As at 31.3.2005
Lai Siew Wah	336,090	–	–	**336,090**
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	268,872	–	–	**268,872**
Chan Soo Har @ Chan Kay Chong	336,090	–	–	**336,090**
Lai Man Moi	336,090	–	–	**336,090**
Lai Voon Hon	336,090	–	–	**336,090**
Lai Voon Huey	336,090	–	–	**336,090**
Tan Thiam Chai	201,654	–	–	**201,654**
Lim Tau Soon	201,654	–	–	**201,654**
Ng Yau Siong	188,211	–	–	**188,211**
Leonard Yee Yuke Dien	201,654	–	–	**201,654**

The share options were granted pursuant to the ESOS which entitle the above employees to subscribe at exercise price of RM1.18 for each new ordinary share.

DIRECTORS' INTERESTS

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

Interest in ordinary shares of the Company:

Number of ordinary shares of RM1 each

	At 1.4.2004	Addition	Disposals	At 31.3.2005
Direct –				
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	3,670,500	–	–	**3,670,500**
Chan Soo Har @ Chan Kay Chong	2,184,750	–	–	**2,184,750**
Lai Man Moi	2,090,250	–	(49,500)	**2,040,750**
Haji Abdullah Bin Yusof	1,500,000	–	–	**1,500,000**
Kwok Yoke How	576,003	1,166,600	–	**1,742,603**
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)	340,000	–	(60,000)	**280,000**
Lai Voon Hon	12,000	–	–	**12,000**
Lai Voon Huey	6,000	–	–	**6,000**
Indirect –				
Lai Siew Wah	49,001,998	–	–	**49,001,998**
Lai Voon Hon	49,001,998	–	–	**49,001,998**
Lai Voon Huey	49,001,998	–	–	**49,001,998**
Haji Abdullah Bin Yusof	15,398,248	–	–	**15,398,248**

Interest in warrants 1996/2006:

Number of warrants

	At 1.4.2004	Addition	Disposals	At 31.3.2005
Direct –				
Chan Soo Har @ Chan Kay Chong	382,022	–	–	**382,022**
Lai Man Moi	382,022	–	–	**382,022**
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	764,044	–	–	**764,044**
Haji Abdullah bin Yusof	306,962	–	–	**306,962**
Kwok Yoke How	106,909	369,250	–	**476,159**
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)	40,330	–	–	**40,330**

Interest in warrants 1996/2006 (cont'd)

Number of warrants

	At 1.4.2004	Addition	Disposals	At 31.3.2005
Indirect –				
Lai Siew Wah	10,254,904	–	–	**10,254,904**
Lai Voon Hon	10,254,904	–	–	**10,254,904**
Lai Voon Huey	10,254,904	–	–	**10,254,904**
Haji Abdullah Bin Yusof	3,759,566	–	–	**3,759,566**

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year under review, the issued and paid up share capital of the Company was increased from 112,307,000 to 113,914,700 ordinary shares at RM1.00 each by the issue of:

Number of shares	Purpose of issue	Class of issue	Term of issue
1,520,000	Private placement	Ordinary	At RM1.23 per share for cash
87,700	Exercise of options under ESOS	Ordinary	Between RM1.00 and RM1.18 per share for cash.

The newly issued shares rank pari passu in all respects with the existing issued shares.

The proceeds from the share issues were utilised for working capital purpose.

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

BAD AND DOUBTFUL DEBTS

Before the income statement and the balance sheet were made out, the Directors took reasonable steps to ascertain that 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 all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amounts written off for 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 income statement and the balance sheet were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected to 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 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 other than those disclosed in Note 33 to the financial statements.

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, in the opinion of the Directors, 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

The results of the operations of the Group and of the Company for the financial year ended 31 March 2005 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

SHARE BUY-BACK

The Company did not purchase any own shares during the financial year ended 31 March 2005.

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 2005.

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 2005.

VARIANCES IN RESULTS

The variance between the financial results ended 31 March 2005 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 2005.

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.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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.

AUDITORS

The retiring auditors, Raja Salleh, Lim & Co., have indicated 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 2005

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 financial statements as set out on pages 38 to 83 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2005 and of the results of their operations, changes in equity and of the cash flows of the Group and of the Company for the year ended on that date.

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 2005

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 38 to 83 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 2005

Lai Voon Huey

Before me,

PESURUHJAYA SUMPAH
NO. W202
BARATHAN A/L
SINNIAH @
CHINNIAH
AMN, PJK
MALAYSIA

Commissioner for Oaths

We have audited the financial statements of the Group and of the Company as set out on pages 38 to 83 of **IREKA CORPORATION BERHAD**.

The financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall financial statements presentation.

We believe our audit provides a reasonable basis for our opinion.

In our opinion :

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :

(i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(ii) the state of affairs of the Group and of the Company as at 31 March 2005 and of the results of the operations and of the cash flows of the Group and of the Company for the year ended on that date;

and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, as indicated in Note 7 to the financial statements, being financial statements that are included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

Raja Salleh, LIM & CO. AF-0071
Chartered Accountants

Raja Mohamad Salleh Bin Raja Abdul Rahman 244/04/07(J/PH)
Partner

Petaling Jaya - 27 July 2005

Balance Sheets as at 31 March 2005

In RM	Note	Group 2005	Group 2004	Company 2005	Company 2004
NON-CURRENT ASSETS					
Property, plant and equipment	6	**452,277,018**	473,136,638	**12,542,983**	17,360,828
Investment in subsidiary companies	7	**–**	–	**50,086,981**	50,086,981
Investment in jointly controlled entities	8	**353,231**	412,612	**70,000**	70,000
Other investments	9	**5,868,885**	5,868,885	**4,601,900**	4,601,900
Land and development expenditure	10	**116,529,880**	118,442,897	**–**	–
Goodwill on consolidation	11	**13,512,569**	14,445,780	**–**	–
		588,541,583	612,306,812	**67,301,864**	72,119,709
CURRENT ASSETS					
Development properties	12	**80,602,763**	66,582,066	**–**	–
Inventories	13	**8,816,558**	6,768,758	**–**	–
Trade and other receivables	14	**132,416,848**	103,310,954	**19,111,571**	20,318,986
Amounts due from customers on contracts	15	**64,868,386**	43,182,896	**19,954,530**	19,954,530
Amounts due from jointly controlled entities	16	**11,607,374**	11,394,282	**11,324,476**	11,289,198
Amounts due from subsidiary companies	17	**–**	–	**275,036,556**	486,306,454
Deposits, cash and bank balances	18	**8,318,688**	6,023,848	**57,541**	177,624
		306,630,617	237,262,804	**325,484,674**	538,046,792
Less:					
CURRENT LIABILITIES					
Trade and other payables	19	**187,180,634**	203,252,094	**17,058,360**	21,234,651
Amounts due to subsidiary companies	17	**–**	–	**166,815,340**	186,429,339
Borrowings	20	**174,211,242**	182,584,739	**13,817,221**	49,224,885
Bank overdrafts	18	**22,031,348**	21,261,945	**3,785,877**	3,249,446
Taxation		**14,625,088**	11,229,276	**–**	–
		398,048,312	418,328,054	**201,476,798**	260,138,321
NET CURRENT (LIABILITIES)/ASSETS		**(91,417,695)**	(181,065,250)	**124,007,876**	277,908,471
		497,123,888	431,241,562	**191,309,740**	350,028,180
FINANCED BY:					
Share capital	21	**113,914,700**	112,307,000	**113,914,700**	112,307,000
Reserves	22	**32,505,503**	44,612,092	**34,255,294**	31,369,054
SHAREHOLDERS' EQUITY		**146,420,203**	156,919,092	**148,169,994**	143,676,054
MINORITY INTERESTS		**733,998**	365,809	**–**	–
LONG TERM AND DEFERRED LIABILITIES					
Borrowings	20	**346,676,298**	271,157,805	**42,529,746**	205,892,126
Deferred taxation	23	**3,293,389**	2,798,856	**610,000**	460,000
		497,123,888	431,241,562	**191,309,740**	350,028,180

The notes on pages 46 to 83 form an integral part of these financial statements.

In RM	Note	Group 2005	Group 2004	Company 2005	Company 2004
Revenue	24	**434,171,327**	499,902,376	**13,286,627**	111,199,497
Cost of sales	25	**(353,944,056)**	(438,848,371)	**(102,711)**	(97,467,417)
Gross profit		**80,227,271**	61,054,005	**13,183,916**	13,732,080
Other operating income		**1,993,433**	2,260,192	**265,211**	3,499,471
Administration expenses		**(23,025,793)**	(14,752,324)	**(6,100,987)**	(2,394,418)
Other operating expenses		**(40,735,983)**	(17,333,783)	**(3,950,758)**	(1,790,320)
Profit from operations		**18,458,928**	31,228,090	**3,397,382**	13,046,813
Finance cost		**(22,693,378)**	(21,489,382)	**(628,714)**	(11,539,829)
Loss from jointly controlled entities	8	**(59,381)**	(136,760)	**–**	–
Net (loss)/profit from ordinary activities before taxation	26	**(4,293,831)**	9,601,948	**2,768,668**	1,506,984
Taxation	27	**(7,712,142)**	(5,956,649)	**(150,000)**	(137,000)
Net (loss)/profit from ordinary activities after taxation		**(12,005,973)**	3,645,299	**2,618,668**	1,369,984
Minority interests		**(368,188)**	35,187	**–**	–
Net (loss)/profit for the year		**(12,374,161)**	3,680,486	**2,618,668**	1,369,984
Dividends per share (sen)					
– Gross	28	**3.00**	–		
(Loss)/Earnings per share (sen)					
– Basic	29	**(10.87)**	3.55		

The notes on pages 46 to 83 form an integral part of these financial statements.

Consolidated Statements of Changes in Equity for the year ended 31 March 2005

In RM	Note	Share capital	Share premium	Retained profits	Total
Balance as at 1.4.2003		103,248,000	20,474,210	24,085,325	147,807,535
Net profit for the year		–	–	3,680,486	3,680,486
Expenses for rights issue and ESOS		–	(108,035)	–	(108,035)
Issue of shares arising from					
– Private placement		8,825,000	1,306,319	–	10,131,319
– Exercise of options under ESOS		234,000	5,840	–	239,840
Dividends		–	–	(4,832,053)	(4,832,053)
Balance as at 31.3.2004		112,307,000	21,678,334	22,933,758	156,919,092
Net loss for the year		–	–	(12,374,161)	(12,374,161)
Expenses for share issues and ESOS		–	(88,935)	–	(88,935)
Issue of shares arising from					
– Private placement		1,520,000	349,600	–	1,869,600
– Exercise of options under ESOS		87,700	6,907	–	94,607
Balance as at 31.3.2005		**113,914,700**	**21,945,906**	**10,559,597**	**146,420,203**

The notes on pages 46 to 83 form an integral part of these financial statements.

In RM	Note	Share capital	Share premium	Retained profits	Total
Balance as at 1.4.2003		103,248,000	20,474,210	13,152,789	136,874,999
Net profit for the year		–	–	1,369,984	1,369,984
Expenses for private placement and ESOS		–	(108,035)	–	(108,035)
Issue of shares arising from					
– Private placement		8,825,000	1,306,319	–	10,131,319
– Exercise of options under ESOS		234,000	5,840	–	239,840
Dividends		–	–	(4,832,053)	(4,832,053)
Balance as at 31.3.2004		112,307,000	21,678,334	9,690,720	143,676,054
Net profit for the year		–	–	2,618,668	2,618,668
Expenses for private placement and ESOS		–	(88,935)	–	(88,935)
Issue of shares arising from					
– Private placement		1,520,000	349,600	–	1,869,600
– Exercise of options under ESOS		87,700	6,907	–	94,607
Balance as at 31.3.2005		**113,914,700**	**21,945,906**	**12,309,388**	**148,169,994**

The notes on pages 46 to 83 form an integral part of these financial statements.

Consolidated Cash Flow Statements for the year ended 31 March 2005

In RM	Note	2005	2004
Cash flow from operating activities			
Net (loss)/profit from ordinary activities before taxation		**(4,293,831)**	9,601,948
Adjustments for:			
Amortisation of goodwill		**933,211**	933,211
Interest expenses		**22,693,378**	21,489,382
Interest income		**(72,762)**	(227,863)
Allowance for doubtful debts		**120,712**	15,000
Bad debts written off		**10,714**	–
Share of losses of jointly controlled entities		**59,381**	136,760
Property, plant and equipment – Depreciation		**17,826,339**	5,311,641
– Gain on disposals		**(122,781)**	(1,975)
– Loss on disposals		**1,426,120**	4,652
– Written off		**1,249,959**	1,590
Operating profit before working capital changes		**39,830,440**	37,264,346
Development properties		**5,191,569**	(3,565,448)
Inventories		**(2,047,801)**	730,105
Receivables		**(29,225,805)**	(3,716,812)
Amounts due from customers on contracts		**(20,074,883)**	14,550,922
Amounts due from jointly controlled entities		**(225,421)**	(307,818)
Payables		**(17,992,790)**	70,938,302
Net cash flow from operating activities		**(24,544,691)**	115,893,597
Income tax paid		**(3,821,796)**	(799,351)
Net cash flow (used in)/generated from operating activities		**(28,366,487)**	115,094,246
Cash flow from investing activities			
Interest income		**72,762**	227,863
Property, plant and equipment – Additions		**(2,535,617)**	(135,522,876)
– Disposals		**3,289,300**	166,919
Land and development expenditure		**(5,131,546)**	(27,284,317)
Net cash flow used in investing activities		**(4,305,101)**	(162,412,411)

The notes on pages 46 to 83 form an integral part of these financial statements.

In RM	Note	2005	2004
Cash flow from financing activities			
Borrowing costs capitalised		**(12,174,344)**	(9,556,484)
Dividends paid to shareholders		**–**	(4,832,053)
Expenses for proposed private placement		**(88,935)**	(108,035)
Hire purchase principal repayments		**(2,261,627)**	(1,458,440)
Interest paid		**(22,693,378)**	(21,489,382)
Drawdown of bank borrowings		**595,385,815**	520,954,327
Proceeds from exercise of options under ESOS		**94,607**	239,840
Proceeds from private placement		**1,869,600**	10,131,319
Repayments of bank borrowings		**(525,934,713)**	(454,842,326)
Net cash flow generated from financing activities		**34,197,025**	39,038,766
Net increase/(decrease) in cash and cash equivalents		**1,525,437**	(8,279,399)
Cash and cash equivalents			
– at start of year		**(15,238,097)**	(6,958,698)
– at end of year	18	**(13,712,660)**	(15,238,097)

The notes on pages 46 to 83 form an integral part of these financial statements.

Company Cash Flow Statements for the year ended 31 March 2005

In RM	Note	2005	2004
Cash flow from operating activities			
Net profit from ordinary activities before taxation		**2,768,668**	1,506,984
Adjustments for:			
Dividends received from a subsidiary company		**(6,000,567)**	(3,446,959)
Interest expenses		**628,714**	11,539,829
Interest income		**–**	(134,106)
Property, plant and equipment – Depreciation		**299,767**	384,638
– Gain on disposals		**–**	(1,112)
– Loss on disposals		**1,426,120**	45
– Written off		**225,439**	–
Operating (loss)/profit before working capital changes		**(651,859)**	9,849,319
Inventories		**–**	239,240
Receivables		**1,207,415**	847,148
Amounts due from customers on contracts		**–**	8,181,181
Amounts due from jointly controlled entities		**(35,278)**	(269,225)
Amounts due from subsidiary companies		**211,269,898**	(141,584,481)
Payables		**(4,176,291)**	15,008,592
Amounts due to subsidiary companies		**(19,613,999)**	56,648,410
Net cash flow from operating activities		**187,999,886**	(51,079,816)
Income tax paid		**–**	(248,422)
Net cash flow generated from/(used in)operating activities		**187,999,886**	(51,328,238)
Cash flow from investing activities			
Interest received		**–**	134,106
Dividend received from a subsidiary company		**6,000,567**	3,446,959
Property, plant and equipment – Additions		**(183,481)**	(869,179)
– Disposals		**3,050,000**	138,400
Net cash flow generated from investing activities		**8,867,086**	2,850,286

The notes on pages 46 to 83 form an integral part of these financial statements.

In RM	Note	2005	2004
Cash flow from financing activities			
Dividends paid to shareholders		**–**	(4,832,053)
Expenses for proposed rights issue, private placement and ESOS		**(88,935)**	(108,035)
Hire purchase principal repayments		**(117,592)**	(119,875)
Interest paid		**(628,714)**	(11,539,829)
Proceeds from bank borrowings		**–**	59,239,753
Proceeds from exercise of options under ESOS		**94,607**	239,840
Proceeds from private placement		**1,869,600**	10,131,319
Repayments of bank borrowings		**(198,652,452)**	(6,229,487)
Net cash flow (used in)/generated from financing activities		**(197,523,486)**	46,781,633
Net decrease in cash and cash equivalents		**(656,514)**	(1,696,319)
Cash and cash equivalents			
– at start of year		**(3,071,822)**	(1,375,503)
– at end of year	18	**(3,728,336)**	(3,071,822)

The notes on pages 46 to 83 form an integral part of these financial statements.

1 PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year under review are investment holding, provision of management services, civil, structural and building construction, earthworks and renting of construction plant and machinery.

The principal activities of the subsidiaries are described in Note 7 to the financial statements.

2 DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of the Directors on 27 July 2005.

3 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The main areas of financial risks faced by the Group are foreign currency exchange risk, interest rate risk, credit risk, market risk, liquidity and cash flow risk. 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 is exposed to foreign currency risk as a result of the foreign currency transactions entered into by subsidiaries arisen from their normal trading activities in currencies other than the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure on foreign currency by matching foreign currency receivables against foreign currency payables.

(b) Interest rate risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

(c) Credit risk

Credit risk is controlled by ensuring that sales of services and products are made to customers with an appropriate credit history and the application of credit limits and monitoring procedures. The Group also seeks to invest cash assets prudently and profitably.

(d) Market risk

The Group faces exposure to the risk from changes in debt and equity prices. However, the management regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks. For key product purchases, the Group establishes floating and fixed price levels that the Group considers appropriate.

3 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(e) Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of fund so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

4 SEGMENTAL REPORTING

The Group is organised into five main business segments:

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

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segments assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length transactions. These transfers are eliminated on consolidation.

5 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and the Company as set out on pages 38 to 45 have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Group accounting

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to 31 March 2005 and have been prepared in accordance with the Group's accounting policies. Subsidiary companies are those companies in which the Group has the power to exercise control over the financial and operating policies so as to attain benefit from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed off during the year are included in the consolidated financial statements from the date of acquisition up to the date of their disposal. The difference between the acquisition cost and the fair value of the Group's share of the subsidiary companies' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation.

All inter-company transactions, balances and unrealised gains on transactions between the group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. Where necessary, adjustments are made to the financial statements of the subsidiary companies to ensure consistency of accounting policies with those of the Group.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interests.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences.

(ii) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The interests in joint venture entities are accounted for in the Group's consolidated financial statements by the equity method of accounting.

The share of results of the joint ventures is included in the financial statements from the date of formation of the joint ventures to the date of completion of the projects. Joint venture earnings on the contract-in-progress are recognised on the percentage of completion method determined through the matching of progress billings receivable (including retentions) certified based on work performed to the costs incurred where the outcome of the contract can be reliably estimated. Costs include material, labour and overheads.

The share of the jointly controlled assets are included in the financial statements, classified according to nature of the assets; any liabilities which they have incurred; their share of any liabilities incurred jointly with the other venturers in relation to the joint venture; any income from sale or use of their share of the output of the joint venture together with their share of any expenses incurred by the joint venture; any expenses which they have incurred in respect of their interest in the joint venture.

Any estimated losses on the contract are recognised in advance of completion to the extent determinable.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, plant and equipment

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

Freehold land is not depreciated as it has infinite life. Other property, plant and equipment are depreciated on a reducing balance basis to write off the cost of each asset over its estimated useful life except one subsidiary which has adopted a straight line method. The principal annual rates of depreciation used are as follows:

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

Additions of property, plant and equipment during the year are depreciated proportionately to the months in use.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Interest costs on borrowings to finance the construction of a property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operation.

The Group has not adopted a policy of revaluation on its landed properties as at the end of the financial year 31 March 2005.

(d) Investments

Investments in subsidiary companies and jointly controlled entities are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investment in other non-current investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amounts is charged/credited to the income statement.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Land and development expenditure

Land and development expenditure are stated at the lower of cost and net realisable value and comprise cost of land, interest capitalised, direct and incidental expenditure relating to development and construction of residential and commercial development projects.

The land held for property development is classified as non-current asset where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. It is carried at cost less accumulated impairment losses.

The land is reclassified as current asset 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.

(f) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiary companies and jointly controlled entities over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

Goodwill is amortised using the straight line method over its estimated useful life of 20 years.

The carrying amount of goodwill is reviewed annually and written down for impairment where it is considered necessary.

(g) Development properties

Development properties comprise all costs associated with the acquisition of land and those that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Unsold units of development properties not recognised as an expense are stated at the lower of cost and net realisable value.

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

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis except one subsidiary which has adopted a first in first out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

Inventories comprise construction material, computer equipment, food and beverage.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

(j) Cash and cash equivalents

Cash and cash equivalent comprise cash in hand and at bank, deposits held at call with banks, bank overdraft and short term investments which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

(k) Impairment of assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement for items of property, plant and equipment and intangible assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortization or depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. To the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(l) Hire purchase

Where assets are financed by hire purchase agreements that give rights approximating to the ownership, the assets are capitalised as if they had been purchased outright at the values equivalent to the present value of the total rental payable during the periods of hire purchase and the corresponding hire purchase commitments are included under liabilities. The excess of the hire purchase and the corresponding hire purchase commitments are included under liabilities. The excess of the hire purchase payments over the recorded hire purchase obligation is treated as finance charges, which allocated over each hire purchase terms to give a constant rate of interest on the outstanding balance at the end of each period.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks incidental to the ownership of the asset but not the legal ownership, are classified as finance leases.

Finance leases are capitalised at the date of inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on finance balance outstanding. The corresponding rental obligations, net of finance charges are included in non-trade payables. The interest element of the finance charge is charged to the income statement over the lease period. Property, plant and equipment acquired under finance lease contracts are capitalised and depreciated over the estimated useful life of the assets in accordance with Note 5(c).

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(n) Taxation

(i) Current taxation

The taxation charge in the income statement is calculated at the current tax rate based on the estimated taxable income for the year.

(ii) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain financial assets and liabilities and tax losses carried forward and, in relation to acquisitions, on the difference between the fair value of the net assets acquired and their tax base. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax benefits are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(o) Provisions

Provisions are recognised when the Group has a present legal and constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(p) Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits in the year in which they are declared.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Revenue recognition (cont'd)

(i) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively.

The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a given period of the contract; the stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent contract costs incurred that is probably recoverable; contract costs are recognised as expenses when incurred.

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

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on contracts. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on contracts.

(ii) Property development

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the 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 to be recoverable; property development costs on the development units sold are recognised when incurred.

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

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Revenue recognition (cont'd)

(iii) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Sales of services are recognised upon rendering of services to customers.

Commission on sales of goods is recognised upon delivery of products and customer acceptance on sale on the internet.

Assessment income is recognised upon delivery of assessment report.

(iv) Hospitality and leisure

Revenue from rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

(v) Other income

Rental income is recognised on accrual basis.

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

Dividend income from investment in subsidiary companies is accounted for in the Company's income statement as and when declared.

(r) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Company operates a defined contribution pension plan. The assets of the pension plan are held in a separate government administered fund. The defined contribution pension plan is funded by contributions from employees and by the company.

The Company's contributions to the defined contribution pension plan are expensed as incurred.

5 **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

(r) **Employee benefits** (cont'd)

(iii) **Equity compensation benefits**

Details of the Group's Employee Share Option Scheme are set out in Note 21 to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium.

(s) **Foreign currency transaction and balances**

Income statements of foreign entities are translated into Ringgit Malaysia at an average exchange rate for the year and the balance sheets are translated at exchange rates ruling at the balance sheet date. The assets and liabilities of the foreign entity, including goodwill and fair value adjustments arising on the acquisitions, are translated to Ringgit Malaysia at the exchange rates at the transaction dates. Exchange differences arising from the retranslation of the investment in foreign entities are taken to the foreign exchange translation reserve. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from translation of foreign currency assets and liabilities are included in the income statement.

The principal closing rates used in translation of foreign currency amounts and the financial statement of foreign entity are as follows:

Foreign currencies **In RM**	**31.3.2005**	**31.3.2004**
1 US Dollar	**3.8000**	3.8000
1 Australian Dollar	**2.9610**	2.8710

(t) **Financial instruments**

Financial instruments recognised on the balance sheet include cash and bank balances, investments, receivables, payable and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instruments classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Fair value estimation for disclosure purposes

The fair values of the financial assets and liabilities maturing within 12 months are assumed to approximate their carrying values as at the balance sheet date.

The fair value of quoted investments is based on quoted market prices at the balance sheet date. For investments for which there are no quoted market prices, a reasonable estimate of fair value could not be made without incurring excessive costs. Therefore, such investments are valued at cost subject to review for impairment.

6 PROPERTY, PLANT AND EQUIPMENT

In RM Group	Freehold land	Buildings	Plant and machinery	Motor vehicles	Office equipment	Furniture and fittings	Computers	Total
Net book value as at 1.4.2004	32,627,689	349,917,947	66,962,178	3,784,652	2,751,601	15,072,298	2,020,273	473,136,638
Additions	–	155,483	1,076,385	38,394	168,360	1,192,231	178,464	2,809,317
Disposals	–	(4,476,120)	(140,733)	(232,149)	(955,400)	(38,196)	–	(5,842,598)
Depreciation charge	–	(6,918,810)	(7,817,094)	(730,246)	(274,539)	(1,541,527)	(544,123)	(17,826,339)
Net book value as at 31.3.2005	**32,627,689**	**338,678,500**	**60,080,736**	**2,860,651**	**1,690,022**	**14,684,806**	**1,654,614**	**452,277,018**
As at 31.3.2005								
Cost	**32,627,689**	**346,577,323**	**82,084,161**	**9,714,821**	**3,827,535**	**17,202,703**	**2,549,790**	**494,584,022**
Accumulated depreciation	**–**	**(7,898,823)**	**(22,003,425)**	**(6,854,170)**	**(2,137,513)**	**(2,517,897)**	**(895,176)**	**(42,307,004)**
Net book value	**32,627,689**	**338,678,500**	**60,080,736**	**2,860,651**	**1,690,022**	**14,684,806**	**1,654,614**	**452,277,018**
As at 31.3.2004								
Cost	32,627,689	350,897,960	81,628,182	10,467,898	5,609,979	16,082,842	2,371,326	499,685,876
Accumulated depreciation	–	(980,013)	(14,666,004)	(6,683,246)	(2,858,378)	(1,010,544)	(351,053)	(26,549,238)
Net book value	32,627,689	349,917,947	66,962,178	3,784,652	2,751,601	15,072,298	2,020,273	473,136,638

Freehold land and building costing RM369,667,331 (31.3.2004 - RM376,424,204) inclusive of borrowing costs capitalised has been charged to financial institutions for facilities granted to the Group up to RM248.3 million (31.3.2004 - RM199.7 million). No borrowing costs capitalised during the financial year and the accumulated borrowing costs capitalised as at 31 March 2005 is RM12,059,302 (31.3.2004 - RM12,059,302).

6 PROPERTY, PLANT AND EQUIPMENT (cont'd)

In RM Company	Freehold land	Buildings	Motor vehicles	Office equipment	Furniture and fittings	Total
Net book value as at 1.4.2004	9,552,128	6,047,754	950,609	633,324	177,013	17,360,828
Additions	–	155,483	–	27,648	350	183,481
Disposals	–	(4,476,120)	–	(220,359)	(5,080)	(4,701,559)
Depreciation charge	–	(25,385)	(190,122)	(67,049)	(17,211)	(299,767)
Net book value as at 31.3.2005	**9,552,128**	**1,701,732**	**760,487**	**373,564**	**155,072**	**12,542,983**
As at 31.3.2005						
Cost	9,552,128	1,856,134	3,912,551	1,325,709	547,395	17,193,917
Accumulated depreciation	–	(154,402)	(3,152,064)	(952,145)	(392,323)	(4,650,934)
Net book value	**9,552,128**	**1,701,732**	**760,487**	**373,564**	**155,072**	**12,542,983**
As at 31.3.2004						
Cost	9,552,128	6,176,771	3,912,550	1,804,641	558,500	22,004,590
Accumulated depreciation	–	(129,017)	(2,961,941)	(1,171,317)	(381,487)	(4,643,762)
Net book value	9,552,128	6,047,754	950,609	633,324	177,013	17,360,828

Freehold land and building costing RM9,615,002 (31.3.2004 - RM9,478,450) inclusive of borrowing costs capitalised has been charged to financial institutions for facility granted to the Company up to RM8.3 million (31.3.2004 - RM2.7 million). No borrowing costs were capitalised during the financial year and the accumulated borrowing costs capitalised as at 31 March 2005 is RM2,188,244 (31.3.2004 - RM2,188,244).

6 PROPERTY, PLANT AND EQUIPMENT (cont'd)

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Details of assets under:				
Hire purchase –				
Plant and machinery –				
Additions during the year, at cost	**244,800**	2,050,000	**–**	–
Net book value at year end	**2,518,560**	2,883,000	**–**	–
Motor vehicles –				
Additions during the year, at cost	**38,394**	387,470	**–**	–
Net book value at year end	**1,574,825**	2,382,437	**306,790**	386,364
Office equipment and computers –				
Net book value at year end	**14,239**	57,644	**–**	–
Finance lease –				
Plant and machinery –				
Net book value at year end	**298,667**	373,333	**–**	–
Motor vehicles –				
Net book value at year end	**16,533**	20,667	**–**	–

7 INVESTMENT IN SUBSIDIARY COMPANIES

In RM	Company 31.3.2005	Company 31.3.2004
Unquoted shares at cost	**50,086,981**	50,086,981

7 INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

	Country of incorporation	Principal activities	Holding in equity 2005 (%)	Holding in equity 2004 (%)
Subsidiary companies				
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-Charng Sheng Development Sdn Bhd (i)	Malaysia	Property development	**60**	60
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 Sdn Bhd	Malaysia	Property development	**100**	100
Regalmont (Sabah) Sdn Bhd	Malaysia	Property development	**100**	100
i-Residence Sdn Bhd	Malaysia	Dormant	**100**	100
Regal Variety Sdn Bhd	Malaysia	Dormant	**100**	100
Ireka Hotels Sdn Bhd (i)	Malaysia	Hotel business	**100**	100
Iswaja Enterprise Sdn Bhd	Malaysia	Dormant	**100**	100
i-Zen Hospitality Sdn Bhd	Malaysia	Dormant	**100**	100
Awarni Sdn Bhd (i)	Malaysia	Dormant		
– Subsidiary company of Ireka Hotels Sdn Bhd			**67**	67
– Associated company of Iswaja Enterprise Sdn Bhd			**33**	33
Subsidiary companies of Ireka iCapital Sdn Bhd				
e-Auction Sdn Bhd (i)	Malaysia	Online international auction trade and trading of industrial and construction equipment	**96**	96
Ireka Venture CapitalLtd (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 that includes golf booking and registration, transportation, meal and rental of golf equipment	**100**	100
i-Tech Network Solutions Sdn Bhd (i)	Malaysia	IT solutions provider	**100**	100

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

8 INVESTMENT IN JOINTLY CONTROLLED ENTITIES

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Capital contribution	**140,000**	11,429,198	**70,000**	11,359,198
Less : Allowance for diminution in value	**–**	(11,289,198)	**–**	(11,289,198)
	140,000	140,000	**70,000**	70,000
Share of reserves	**213,231**	272,612	**–**	–
	353,231	412,612	**70,000**	70,000

The Group's share of assets, liabilities, revenue and expenses of the jointly controlled entities:

In RM	Group 31.3.2005	Group 31.3.2004
Property, plant and equipment	**30,500**	38,662
Current assets	**8,032,476**	8,041,402
Current liabilities	**(7,709,745)**	(7,667,452)
Net assets	**353,231**	412,612
Revenue	**–**	445,325
Loss from ordinary activities	**(59,381)**	(136,760)
Taxation	**–**	–
Share of net loss for the year	**(59,381)**	(136,760)

The particulars of the jointly controlled entities are as follows:

Ratio (%)		Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Jointly controlled entities	**Principal activities**				
(a) Ireka-Uspa Joint Venture (i) (ii)	Construction of passage including pipe-jacking, bridge and culvert in Gombak	**70**	70	**70**	70
(b) Ireka-Negeri Roadstone – Daewoo Joint Venture (i) (iii) (iv)	Construction of Kuala Lumpur International Airport runway I, taxiways and drainage	**–**	55	**–**	55
(c) Ireka-Sara Timur Joint Venture (iv) (v)	Construction of a sewerage treatment plantat Kincimount Lagoon, Luyang,Kota Kinabalu	**70**	70	**–**	–

8 INVESTMENT IN JOINTLY CONTROLLED ENTITIES (cont'd)

(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 2004.

(iii) The Joint Venture has been dissolved on 20 August 2004.

(iv) The financial statements of these jointly controlled entities are not audited by Raja Salleh, Lim & Co.

(v) The financial year end is 31 March 2005.

9 OTHER INVESTMENTS

	Group		Company	
In RM	**31.3.2005**	**31.3.2004**	**31.3.2005**	**31.3.2004**
At cost –				
Transferable corporate memberships in recreational clubs	**601,900**	601,900	**601,900**	601,900
Shares in an unquote corporations	**1,266,985**	1,266,985	**–**	–
Subordinated bond 2002/2007	**4,000,000**	4,000,000	**4,000,000**	4,000,000
	5,868,885	5,868,885	**4,601,900**	4,601,900

10 LAND AND DEVELOPMENT EXPENDITURE

Consists of the following:

In RM	**At 1.4.2004**	**Additions**	**Reclassification**	**At 31.3.2005**
Freehold land –				
At cost	49,285,036	–	(1,663,919)	**47,621,117**
Borrowing cost capitalised	8,328,574	174,559	(1,923,477)	**6,579,656**
Other direct and incidental costs	1,640,378	24,048	(275,000)	**1,389,426**
	59,253,988	198,607	(3,862,396)	**55,590,199**
Development and construction –				
Borrowing cost capitalised	15,506,993	5,238,144	(3,333,696)	**17,411,441**
Other direct and incidental costs	43,681,916	19,188,763	(19,342,439)	**43,528,240**
	59,188,909	24,426,907	(22,676,135)	**60,939,681**
	118,442,897	24,625,514	(26,538,531)	**116,529,880**

Landed properties costing RM116,529,880 (31.3.2004 - RM118,442,897) have been charged to financial institutions for facilities granted to the Group up to RM196 million (31.3.2004 - RM181.9 million).

The borrowing costs capitalised during the financial year is RM5,412,703 (31.3.2004 - RM6,648,956).

11 GOODWILL ON CONSOLIDATION

In RM	Group 31.3.2005	31.3.2004
At beginning of year	**14,445,780**	16,863,991
Negative goodwill arising from consolidation	**–**	(1,485,000)
Amortisation charge for the year	**(933,211)**	(933,211)
At end of year	**13,512,569**	14,445,780
As at 31 March –		
Cost	**18,242,767**	18,242,767
Accumulated amortisation	**(4,730,198)**	(3,796,987)
Net book value	**13,512,569**	14,445,780

12 DEVELOPMENT PROPERTIES

In RM	Group 31.3.2005	31.3.2004
Freehold land – at cost	**34,093,104**	16,753,782
Development and construction –		
Borrowing costs capitalised	**21,535,815**	9,517,002
Direct and incidental costs	**168,469,786**	87,841,228
	190,005,601	97,358,230
	224,098,705	114,112,012
Less : Cost recognised as an expense in Income Statement		
– previous year	**(47,529,946)**	(8,801,443)
– current year	**(95,965,996)**	(38,728,503)
	80,602,763	66,582,066

Development properties costing RM224,098,705 (31.3.2004 - RM114,112,012) have been charged to financial institutions for facilities granted to the Group as disclosed in Note 10 to the financial statements.

13 INVENTORIES

In RM	Group 31.3.2005	31.3.2004
At cost –		
Construction material	**7,274,501**	5,336,033
Finished goods	**1,542,057**	1,432,725
	8,816,558	6,768,758

14 TRADE AND OTHER RECEIVABLES

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Trade receivables (i)	**103,763,160**	87,373,817	**15,759,878**	15,699,845
Accrued billings in respect of property development	**3,934,568**	6,756,062	**–**	–
Other receivables (ii)	**1,908,990**	2,371,482	**97,399**	1,134,664
Deposits	**1,986,194**	2,384,347	**87,958**	112,371
Prepayments (iii)	**20,823,936**	4,425,246	**3,166,336**	3,372,106
	132,416,848	103,310,954	**19,111,571**	20,318,986

(i) The Group and 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.

(ii) Inclusive of loan to a related corporation amounted to RM570,450 (31.3.2004 - RM570,450) by a subsidiary company which is unsecured, has no fixed term of repayment and bear interest at 8% per annum.

(iii) Inclusive of tax paid in advance by the Company amounted to RM2,598,378 (31.3.2004 - RM2,598,378) and arrangement fees, bank guarantee commissions, participation fees, agency fees, put option fees and interest paid for the syndicated multi-facilities loan granted during the financial year amounted to RM16,246,275 (31.3.2004 - RM Nil) as disclosed in Note 20b(iv) to the financial statements.

15 AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Costs incurred on contracts to date	**693,667,024**	538,320,213	**138,601,740**	138,601,740
Attributable profits, less recognised losses	**91,125,004**	63,989,920	**16,807,179**	16,807,179
	784,792,028	602,310,133	**155,408,919**	155,408,919
Progress billings on contracts	**(719,923,642)**	(559,127,237)	**(135,454,389)**	(135,454,389)
Amounts due from customers on contracts	**64,868,386**	43,182,896	**19,954,530**	19,954,530
Advances received on contracts included in trade payables	**–**	697,300	**–**	–
Retention sum on contracts included in trade receivables	**19,507,767**	14,177,863	**–**	–

16 AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Amounts due from jointly controlled entities	**13,457,239**	13,244,147	**13,174,341**	13,139,063
Less : Allowance for doubtful debts	**(1,849,865)**	(1,849,865)	**(1,849,865)**	(1,849,865)
	11,607,374	11,394,282	**11,324,476**	11,289,198

The amounts due from jointly controlled entities are unsecured, have no fixed terms of repayment and non-interest bearing.

17 AMOUNTS DUE FROM OR TO SUBSIDIARY COMPANIES

The amounts due from or to subsidiary companies are unsecured, have no fixed terms of repayment and bear interest at rates ranging between 7.10% and 7.15% (31.3.2004 - 6.99% and 7.21%).

18 CASH AND CASH EQUIVALENTS

	Group		Company	
In RM	**31.3.2005**	**31.3.2004**	**31.3.2005**	**31.3.2004**
Deposits with licensed banks	**3,428,683**	3,381,124	**–**	–
Cash and bank balances (i) (ii)	**4,890,005**	2,642,724	**57,541**	177,624
	8,318,688	6,023,848	**57,541**	177,624
Bank overdrafts	**(22,031,348)**	(21,261,945)	**(3,785,877)**	(3,249,446)
	(13,712,660)	(15,238,097)	**(3,728,336)**	(3,071,822)

The bank overdrafts are unsecured and bear interest at rates ranging from 7.25% to 8.50% (31.3.2004 - 7.00% to 7.80%) per annum.

(i) Included in cash and bank balances of the Group are amounts of RM2,639,544 (31.3.2004 - RM675,960) held under Housing Development Account (opened and maintained under Section 7A of the Housing Development (Control and Licensing) Act, 1966) and therefore restricted from use in other operations.

(ii) Included in cash and bank balances are RM2,000 (31.3.2004 - RM Nil) and RM1,982 (31.3.2004 - RM Nil) being Sinking Fund Account and Put Option Account respectively, held pursuant to the requirement of the syndicated multi-facilities loan agreement as disclosed in Note 20(b) to the financial statements.

19 TRADE AND OTHER PAYABLES

	Group		Company	
In RM	**31.3.2005**	**31.3.2004**	**31.3.2005**	**31.3.2004**
Current - Trade payables (i)	**131,683,744**	146,673,710	**1,769,655**	4,261,551
Other payables	**32,635,956**	23,380,763	**2,390,761**	1,520,028
Progress billings in respect of property development	**3,428,718**	2,969,972	**–**	–
Accruals (ii)	**19,408,216**	30,204,149	**12,897,944**	15,453,072
Trade deposit	**24,000**	23,500	**–**	–
	187,180,634	203,252,094	**17,058,360**	21,234,651

(i) The normal trade credit terms granted to the Group and the Company range from 30 to 90 days.

(ii) Inclusive of RM10,993,636 (31.3.2004 - RM26,260,270) accrued for construction work.

20 BORROWINGS

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Current				
Secured –				
Bridging loans	**32,085,621**	40,417,295	**–**	–
Finance lease and hire purchase	**1,713,941**	2,569,138	**141,504**	167,384
Term loans	**76,104,295**	69,867,691	**4,642,683**	39,987,394
	109,903,857	112,854,124	**4,784,187**	40,154,778
Unsecured –				
Revolving credits	**43,189,632**	43,235,555	**9,033,034**	9,070,107
Trade finance	**21,117,753**	26,495,060	**–**	–
	64,307,385	69,730,615	**9,033,034**	9,070,107
	174,211,242	182,584,739	**13,817,221**	49,224,885
Non-current				
Secured –				
Finance lease and hire purchase	**998,209**	2,130,936	**104,331**	196,043
Term loans	**345,678,089**	269,026,869	**42,425,415**	205,696,083
	346,676,298	271,157,805	**42,529,746**	205,892,126
	520,887,540	453,742,544	**56,346,967**	255,117,011

(a) Repayment terms:

(i) Bank borrowings

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Not later than 1 year	**172,497,301**	180,015,601	**13,675,717**	49,057,501
Between 1 to 2 years	**57,654,092**	78,268,256	**1,845,995**	36,670,630
Between 2 to 5 years	**288,023,997**	190,758,613	**40,579,420**	169,025,453
	518,175,390	449,042,470	**56,101,132**	254,753,584

(ii) Finance lease and hire purchase

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Minimum lease payments –				
Not later than 1 year	**1,912,023**	2,876,728	**167,511**	193,661
Between 1 to 2 years	**826,039**	1,451,271	**104,331**	143,472
Between 2 to 5 years	**356,685**	1,001,622	**–**	52,571
	3,094,747	5,329,621	**271,842**	389,704
Finance charges	**(382,597)**	(629,547)	**(26,007)**	(26,277)
	2,712,150	4,700,074	**245,835**	363,427
Present value –				
Not later than 1 year	**1,713,941**	2,569,138	**141,504**	167,384
Between 1 to 2 years	**730,593**	1,294,859	**104,331**	143,472
Between 2 to 5 years	**267,616**	836,077	**–**	52,571
	2,712,150	4,700,074	**245,835**	363,427

Interest rate on the finance lease and hire purchase for the year is 3.9% to 10.80% (31.3.2004 - 3.50% to 7.90%).

20 BORROWINGS (cont'd)

(b) Securities:

(i) The bridging loans are secured by assignment of contract proceeds and corporate guarantees of the Company.

(ii) The term loans are secured by charges over certain land and buildings of the Group as disclosed in Note 6 and Note 10 to the financial statements and corporate guarantees of the Company.

(iii) Hire purchase and finance lease liabilities are effectively secured as rights to the financed/leased assets revert to the lessors in the event of default.

(iv) The syndicated multi-facilities loan ("SMFL") bears interest ranging between at 4.50% to 5.75% (31.3.2004 - RM Nil) per annum, is repayable in full within five (5) years from the date of drawdown on 10 January 2005 and repayment can be extended by another two (2) years subject to terms and conditions of the loan agreement.

The SMFL is secured as follows:

(a) A first fixed legal charge over freehold land in the name of Ireka Hotels Sdn Bhd ("IHSB") as the chargor;

(b) A debenture over all present and future assets of the IHSB;

(c) An assignment of all receivables belonging to the IHSB in the account maintained by the IHSB designated as the Operating Account; and

(d) A memorandum of deposit over a sinking fund account, designated as Sinking Fund Account Memorandum of Deposit.

21 SHARE CAPITAL

	No. of ordinary shares of RM1.00 each		Amount	
In RM	**31.3.2005**	**31.3.2004**	**31.3.2005**	**31.3.2004**
Authorised share capital				
As at 31 March	**500,000,000**	500,000,000	**500,000,000**	500,000,000
Issued and fully paid-up				
As at 1 April 2004/2003	**112,307,000**	103,248,000	**112,307,000**	103,248,000
Issued during the year:				
– Private placement	**1,520,000**	8,825,000	**1,520,000**	8,825,000
– ESOS	**87,700**	234,000	**87,700**	234,000
As at 31 March	**113,914,700**	112,307,000	**113,914,700**	112,307,000

21 SHARE CAPITAL (cont'd)

(a) Purchase of own shares

The Company did not purchase or re-sell any of its own shares during the financial year ended 31 March 2005.

(b) Employees' Share Option Scheme ("ESOS"/"Scheme")

The main features of the Employees' Share Option Scheme ("ESOS"/"Scheme") are:

(i) Eligible persons are confirmed employees (including Executive Directors) who have served for at least one year for Executive Directors, Management, Technical and Supervisory categories of employees and for at least two years for skilled staff categories;

(ii) ESOS is in force for a period of five years commencing 1 November 2001. Hence, the Scheme shall expire on 31 October 2006;

(iii) The option price for Eligible Employees shall be at a discount of not more than 10% from the weighted average market price of the ordinary shares of the Company for the five (5) market days preceding the offer date pursuant to Bye-Law 7 of the ESOS hereof are at the par value of the ordinary shares of the Company at the time the ESOS option is offered, whichever is higher; and

(iv) The total number of ordinary shares to be issued under the ESOS shall not at any one point of time exceed ten per cent (10%) of the total issued and paid up share capital of the Company during the existence of the ESOS.

Pursuant to the Scheme, options to subscribe for 11,731,835 ordinary shares of RM1.00 each in the Company had been granted as of 31 March 2005, of which 7,506,135 share options remain outstanding as at 31 March 2005.

(c) Issue of shares during the year upon exercise of options

During the year, 87,700 ordinary shares of RM1.00 each were issued at between RM1.00 and RM1.18 per share for cash, upon the exercise of options granted under the Scheme. The aggregate premium of RM6,907 was credited to the share premium account.

Information with respect to the number of options granted under the Scheme is as follows:

	No. of share options	
In RM	**31.3.2005**	**31.3.2004**
As at 1 April 2004/2003	**7,293,835**	6,231,000
Granted	**701,000**	1,735,835
Exercised	**(87,700)**	(234,000)
Lapsed	**(401,000)**	(439,000)
As at 31 March	**7,506,135**	7,293,835

21 SHARE CAPITAL (cont'd)

(d) Details of share options granted during the financial year

Expiry date - 31.10.2006

In RM	31.3.2005	31.3.2004
Exercise price per share	**1.00-1.25**	1.00-1.18
Market value per share	**0.89-1.35**	0.90-1.11
Aggregate proceeds if shares are issued	**670,000**	1,863,402

(e) Details of share options exercised during the financial year

Expiry date - 31.10.2006		
Exercise price per share	**1.00-1.18**	1.00-1.18
Market value per share	**1.29-1.50**	1.30-1.49
Aggregate proceeds from shares issued	**94,607**	239,840

(f) Details of share options held by the Company's Directors and the Group's key management personnel during the financial year

Details of share options held by the Company's Directors and the Group's Key Management Personnel during the financial year are as follows:

	No. of share options	
In RM	31.3.2005	31.3.2004
As at 1 April 2004/2003	**2,742,495**	2,448,000
Granted	**–**	294,495
As at 31 March	**2,742,495**	2,742,495

21 SHARE CAPITAL (cont'd)

(g) Terms of options outstanding as at 31 March 2005

Grant Date	Exercise price RM	No. of share options outstanding 31.3.2005	31.3.2004
07.12.2001	1.18	**5,733,684**	5,960,684
01.04.2002	1.20	**199,414**	199,414
01.07.2002	1.30	**49,737**	49,737
02.12.2002	1.00	**185,500**	242,500
01.04.2003	1.00	**115,000**	162,000
01.07.2003	1.00	**239,500**	292,500
01.10.2003	1.03	**76,000**	76,000
02.01.2004	1.01	**253,300**	311,000
01.04.2004	1.25	**64,000**	–
01.07.2004	1.00	**474,000**	–
01.10.2004	1.00	**88,000**	–
03.01.2005	1.00	**28,000**	–
		7,506,135	7,293,835

The above outstanding share options expire on 31 October 2006.

22 RESERVES

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Retained profits –				
As at 1 April 2004/2003	**22,933,758**	24,085,325	**9,690,720**	13,152,789
Net (loss)/profit for the year	**(12,374,161)**	3,680,486	**2,618,668**	1,369,984
Profit attributable to shareholders	**10,559,597**	27,765,811	**12,309,388**	14,522,773
Less : Dividends	**–**	(4,832,053)	**–**	(4,832,053)
As at 31 March	**10,559,597**	22,933,758	**12,309,388**	9,690,720
Share premium –				
As at 1 April 2004/2003	**21,678,334**	20,474,210	**21,678,334**	20,474,210
Issue of shares	**356,507**	1,312,159	**356,507**	1,312,159
Expenses for share issues	**(88,935)**	(108,035)	**(88,935)**	(108,035)
As at 31 March	**21,945,906**	21,678,334	**21,945,906**	21,678,334
Reserves	**32,505,503**	44,612,092	**34,255,294**	31,369,054

23 DEFERRED TAXATION

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
As at beginning of the year	**2,798,856**	2,254,000	**460,000**	403,000
Amount recognised in the income statement	**494,533**	544,856	**150,000**	57,000
As at end of the year	**3,293,389**	2,798,856	**610,000**	460,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(15,802,513)**	(16,839,296)	**–**	–
Deferred tax liabilities	**19,095,902**	19,638,152	**610,000**	460,000
	3,293,389	2,798,856	**610,000**	460,000

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

	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Deferred tax liabilities				
Property, plant and equipment –				
As at 1 April 2004/2003	**19,638,152**	2,254,000	**460,000**	403,000
Amount recognised in the income statement	**(542,250)**	17,384,152	**150,000**	57,000
As at 31 March	**19,095,902**	19,638,152	**610,000**	460,000

Deferred tax assets of the Group:

In RM	Tax losses and unabsorbed capital allowance	Provisions	Total
As at 1 April 2004	(16,835,436)	(3,860)	(16,839,296)
Recognised in the income statement	1,035,612	1,171	1,036,783
As at 31 March 2005	**(15,799,824)**	**(2,689)**	**(15,802,513)**

23 DEFERRED TAXATION (cont'd)

At balance sheet date, deferred tax assets have not been recognised in respect of the following items:

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Deferred tax assets				
Unutilised tax losses carried forward	**1,413,499**	2,359,153	**–**	–
Unabsorbed industrial building allowance and capital allowance	**19,454,727**	4,294,280	**105,271**	120,996
	20,868,226	6,653,433	**105,271**	120,996

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

24 REVENUE

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Construction	**249,689,213**	426,277,159	**60,943**	107,449,497
Property development	**116,632,339**	45,812,266	**–**	–
Hospitality and leisure	**61,744,605**	21,516,279	**–**	–
Trading and services	**6,105,170**	6,296,672	**7,225,117**	3,750,000
Investment holdings	**–**	–	**6,000,567**	–
	434,171,327	499,902,376	**13,286,627**	111,199,497

25 COST OF SALES

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Contract costs	**226,838,447**	381,971,189	**102,711**	97,467,417
Other	**127,105,609**	56,877,182	**–**	–
	353,944,056	438,848,371	**102,711**	97,467,417

26 NET PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

The following items have been charged/(credited) in arriving at net profit from ordinary activities before taxation:

In RM	Group 31.3.2005	Group 31.3.2004	Company	Company 31.3.2004
Allowance for doubtful debts	120,712	15,000	–	–
Amortisation of goodwill	933,211	933,211	–	–
Auditors' remuneration				
– Current year provision	317,206	296,765	94,500	97,650
– Underprovision in prior year	23,610	11,750	–	–
Bad debts written off	10,714	–	–	–
Directors' remuneration				
– Fees	260,000	260,000	260,000	260,000
– Emoluments	3,290,652	2,964,910	2,266,740	488,288
Dividends				
– Unquoted investment in subsidiary	–	–	(6,000,567)	(3,446,959)
Investment in jointly controlled entity written off	–	–	–	–
Interest expenses	22,693,378	21,489,382	628,714	11,539,829
Interest income	(72,762)	(227,863)	–	(134,106)
Lease rental	1,175,493	900,806	22,140	–
Loss on foreign exchange				
– Realised	665	9,227	665	9,149
Management fees				
– Expenses	1,458,843	300,105	–	111,773
– Income	–	–	(7,225,117)	(3,750,000)
Pre-opening expenses	–	3,275	–	–
Property, plant and equipment				
– Depreciation	17,826,339	5,311,641	299,767	384,638
– Gain on disposals	(122,781)	(1,975)	–	1,112
– Loss on disposals	1,426,120	4,652	1,426,120	45
– Written off	1,249,959	1,590	225,439	–
Rental of				
– Land and buildings	909,967	760,654	191,272	215,736
– Plant and machinery	4,817,299	9,641,574	–	–

27 TAXATION

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Current tax based on profit for the financial year:				
Malaysian income taxation	**5,347,951**	5,295,432	**–**	80,000
Overseas taxation	**–**	116,361	**–**	–
Underprovision in prior years	**1,869,658**	–	**–**	–
	7,217,609	5,411,793	**–**	80,000
Deferred tax - Note 23	**494,533**	544,856	**150,000**	57,000
	7,712,142	5,956,649	**150,000**	137,000

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
(Loss)/Profit before taxation	**(4,293,831)**	9,601,948	**2,768,668**	1,506,984
Taxation at Malaysian statutory tax rate of 28%	**(1,202,273)**	2,688,545	**775,227**	421,956
Income exempted from tax	**–**	–	**(12,453)**	(12,453)
Underprovision in prior years	**1,869,658**	–	**–**	–
Expenses not deductible for tax purposes	**941,131**	1,679,161	**–**	–
Losses in subsidiaries not available for taxation	**6,854,133**	2,101,443	**–**	–
Effect of different tax rates in other country	**–**	(37,314)	**–**	–
Other items	**(750,507)**	(475,186)	**(612,774)**	(272,503)
Tax expense for the year	**7,712,142**	5,956,649	**150,000**	137,000

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credits under Section 108(6) of the Income Tax Act, 1967 to frank the payment of dividends out of its retained profits as at 31 March 2005.

In RM	Company 31.3.2005	Company 31.3.2004
Tax losses are analysed as follows:		
Tax savings recognised during the year arising for utilisation of current year tax losses	**–**	158,182

28 DIVIDENDS

In RM	Group and Company 31.3.2005	Group and Company 31.3.2004
Proposed dividends of 3.0% less 28% tax	**2,460,558**	–

29 (LOSS)/EARNINGS PER SHARE

The basic loss per share has been calculated by dividing the Group's loss after taxation and minority interests of RM12,374,161 (31.3.2004 - RM3,680,486) by the weighted average number of ordinary shares in issue during the financial year of 113,883,499 (31.3.2004 - 103,754,900).

	Group	
In RM	**31.3.2005**	**31.3.2004**
Net (loss)/profit for the year	**(12,374,161)**	3,680,486
Weighted average number of ordinary share in issue - Basic	**113,883,499**	103,754,900
(Loss)/Earnings per share (sen) - Basic	**(10.87)**	3.55
Issued ordinary shares at beginning of the year	**112,307,000**	103,248,000
Effect of shares issued during the year	**1,576,499**	506,900
Weighted average number of ordinary shares - Basic	**113,883,499**	103,754,900

Conversion of ESOS and warrants are considered dilutive when they would result in the issue of ordinary shares for less than the market value of the shares. As the current exercise price of the warrant is higher than the market value of the ordinary share, there is no dilution in the earnings per share. Fully diluted per share based on assumed complete exercise of ESOS in 2005 is not material.

30 SEGMENTAL REPORTING

Primary Reporting - Business segments

31.3.2005 In RM	**Construction**	**Property development**	**Trading and services**	**Hospitality and leisure**	**Investment holding**	**Elimination**	**Consolidated**
Revenue							
External sales	**249,689,213**	**116,632,339**	**6,105,170**	**61,744,605**	**–**	**–**	**434,171,327**
Inter-segment sales	**–**	**–**	**–**	**–**	**19,255,684**	**(19,255,684)**	**–**
Total revenue	**249,689,213**	**116,632,339**	**6,105,170**	**61,744,605**	**19,255,684**	**(19,255,684)**	**434,171,327**
Result							
Segment result	**10,972,596**	**16,159,115**	**71,961**	**(5,043,327)**	**9,189,599**	**(12,030,567)**	**19,319,377**
Unallocated corporate expenses							**(933,211)**
Operating profit							**18,386,166**
Interest expenses							**(22,693,378)**
Interest income							**72,762**
Share of net loss of jointly controlled entities	**(59,381)**						**(59,381)**
Income taxation							**(7,712,142)**
Minority interest							**(368,188)**
Net loss for the year							**(12,374,161)**

30 SEGMENTAL REPORTING (cont'd)

Primary Reporting - Other information

31.3.2005 **In RM**	**Construction**	**Property development**	**Trading and services**	**Hospitality and leisure**	**Investment holding**	**Consolidated**
Other information						
Segment assets	**140,484,672**	**217,694,137**	**1,064,421**	**452,422,605**	**69,640,565**	**881,306,400**
Investment in jointly controlled entities	**–**	**–**	**–**	**–**	**353,231**	**353,231**
Unallocated corporate assets						**13,512,569**
Consolidated total assets						**895,172,200**
Segment liabilities	**246,026,146**	**154,384,164**	**1,299,923**	**251,103,634**	**77,285,655**	**730,099,522**
Consolidated total liabilities						**730,099,522**
Capital expenditure	**393,048**	**25,521,011**	**29,272**	**2,137,082**	**183,481**	**28,263,894**
Depreciation	**2,398,114**	**188,052**	**25,090**	**14,865,585**	**349,498**	**17,826,339**
Non-cash expenses other than depreciation						**2,385,492**

No information by geographical location has been presented as the Group operates predominantly in Malaysia.

Primary Reporting - Business segments

31.3.2004 **In RM**	**Construction**	**Property development**	**Trading and services**	**Hospitality and leisure**	**Investment holding**	**Elimination**	**Consolidated**
Revenue							
External sales	426,277,159	45,812,266	6,296,672	21,516,279	–	–	499,902,376
Inter-segment sales	93,411,298	–	–	–	756,000	(94,167,298)	–
Total revenue	519,688,457	45,812,266	6,296,672	21,516,279	756,000	(94,167,298)	499,902,376
Result							
Segment result	35,447,039	6,899,450	144,775	(7,020,345)	577,410	(4,114,891)	31,933,438
Unallocated corporate expenses							(933,211)
Operating profit							31,000,227
Interest expenses							(21,489,382)
Interest income							227,863
Share of net loss of jointly controlled entities	(136,760)						(136,760)
Income taxation							(5,956,649)
Minority interest							35,187
Net profit for the year							3,680,486

30 SEGMENTAL REPORTING (cont'd)

Primary Reporting - Other information

31.3.2004 In RM	Construction	Property development	Trading and services	Hospitality and leisure	Investment holding	Consolidated
Other information						
Segment assets	185,444,117	199,082,606	1,446,472	446,641,268	2,096,761	834,711,224
Investment in jointly controlled entities	412,612	–	–	–	–	412,612
Unallocated corporate assets						14,445,780
Consolidated total assets						849,569,616
Segment liabilities	544,083,603	125,005,350	1,309,705	7,737,143	120,782	678,256,583
Consolidated total liabilities						678,256,583
Capital expenditure	3,622,807	28,037,719	78,436	386,343,197	189	418,082,348
Depreciation	3,136,072	182,508	19,292	1,909,701	64,068	5,311,641
Non-cash expenses other than depreciation						1,107,048

No information by geographical location has been presented as the Group operates predominantly in Malaysia.

31 LEASE COMMITMENTS

In RM	Group 31.3.2005	 31.3.2004
Obligation on rental of equipment		
Not later than 1 year	**1,051,498**	1,051,498
Later than 1 year and not later than 2 years	**148,698**	1,051,498
Later than 2 years and not later than 5 years	**–**	150,692
	1,200,196	2,253,688

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

In RM	Group 31.3.2005	31.3.2004
Jointly controlled entities:		
Progress billings on contracts by		
- Ireka-Uspa Joint Venture	**–**	487,107
Rental of machinery charged to		
- Ireka-Uspa Joint Venture	**–**	(153,507)
Companies in which certain Directors are deemed to have interests:		
Building materials and spare parts purchase from		
– Quality Parts Sdn Bhd	**2,937,582**	3,498,904
Progress billings on contracts to		
– Binaderas Sdn Bhd	**(12,157,236)**	–
Rental of machinery charged by/(to)		
– Binaderas Sdn Bhd	**106,000**	–
– Ifonda Sdn Bhd	**(83,467)**	(119,240)
– Imuda Sdn Bhd	**844,135**	1,387,488
– Imuda Sdn Bhd	**(303,185)**	(83,044)
– Inovtecs Sdn Bhd	**14,450**	679,659
Services provided by		
– Syarikat Charng Sheng Sdn Bhd	**136,000**	–
Supply of labour (to)/from		
– Imuda Sdn Bhd	**(253,658)**	–
– Imuda Sdn Bhd	**332,039**	–
Sales of development properties to Directors	**(5,252,000)**	–
Sales of development properties to person connected to Directors	**(5,871,582)**	–

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

In RM	Company 31.3.2005	31.3.2004
Jointly controlled entities:		
Progress billings on contracts by-Ireka-Uspa Joint Venture	**–**	487,107
Companies in which certain Directors are deemed to have interests:		
Building materials and spare parts purchase from		
– Quality Parts Sdn Bhd	**542**	3,498,904
Subsidiary companies:		
Dividend income	**6,000,567**	3,446,959
Management fee received	**7,225,117**	3,750,000
Technical assistance fee income	**204,000**	–

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

In RM	Group 31.3.2005	31.3.2004
Included in trade receivables:		
Imuda Sdn Bhd	**684,545**	4,001,681
Inovtecs Sdn Bhd	**608,747**	594,556
	1,293,292	4,596,237
Included in trade payables:		
Ifonda Sdn Bhd	**463,289**	136,095
Inovtecs Sdn Bhd	**–**	481,097
Quality Parts Sdn Bhd	**2,304,257**	1,790,121
	2,767,546	2,407,313

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 that obtainable in transactions with unrelated parties.

33 CONTINGENT LIABILITIES

In RM	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Unsecured –				
(a) Corporate guarantees for due performance of contracts.	**3,547,421**	3,547,421	**3,547,421**	3,547,421
(b) Corporate guarantees for credit facilities granted to suppliers.	**–**	–	**7,778,380**	3,439,532
(c) Corporate guarantees for credit facilities.	**37,569,795**	86,496,704	**239,352,586**	273,548,962
(d) Letters of undertaking for utilised credit facilities.	**721,800**	721,800	**10,686,426**	30,082,426
(e) Additional Notices of Assessment issued bythe Inland Revenue Board (IRB) in respect of Y/A 1990 to Y/A 1998. No provision has been made in the financial statements as the Directors, supported by the tax consultants, are of the opinion that the Company will not be liable.	**3,193,581**	3,193,581	**3,193,581**	3,193,581

34 EMPLOYEES

	Group 31.3.2005	Group 31.3.2004	Company 31.3.2005	Company 31.3.2004
Number of employees	**1,076**	1,427	**58**	80
In RM				
Employees' Provident Fund	**3,901,434**	3,576,841	**525,891**	292,062
Other staff costs	**39,757,157**	40,809,982	**2,129,408**	3,080,874
	43,658,591	44,386,823	**2,655,299**	3,372,936

35 FINANCIAL INSTRUMENTS

(a) Interest rate risk

The risk will fluctuate as a result of changes in market interest rates, and the effective interest rates on classes of financial assets and financial liabilities are as follows:

Group In RM	Less than 1 year	1 to 5 years	Total	Effective interest rate during the year (%)
31.3.2005				
Financial assets –				
Deposits, cash and bank balances	**8,318,688**	**–**	**8,318,688**	**2.20-4.00**
Subordinated bond 2002/2007	**–**	**4,000,000**	**4,000,000**	**Variable rates**
Financial liabilities –				
Bank borrowings	**172,497,301**	**345,678,089**	**518,175,390**	**4.75-8.50**
Bank overdrafts	**22,031,348**	**–**	**22,031,348**	**7.25-8.50**

35 FINANCIAL INSTRUMENTS (cont'd)

Group **In RM**	**Less than 1 year**	**1 to 5 years**	**Total**	**Effective interest rate during the year (%)**
31.3.2004				
Financial assets –				
Deposits, cash and bank balances	6,023,848	–	6,023,848	3.20
Subordinated bond 2002/2007	–	4,000,000	4,000,000	Variable rates
Financial liabilities –				
Bank borrowings	180,015,601	269,026,869	449,042,470	3.75-9.50
Bank overdrafts	21,261,945	–	21,261,945	7.00-7.80
Company				
31.3.2005				
Financial assets –				
Deposits, cash and bank balances	**57,541**	**–**	**57,541**	**–**
Subordinated bond 2002/2007	**–**	**4,000,000**	**4,000,000**	**Variable rates**
Financial liabilities –				
Bank borrowings	**13,675,717**	**42,425,415**	**56,101,132**	**4.75-8.50**
Bank overdrafts	**3,785,877**	**–**	**3,785,877**	**7.25-8.50**
31.3.2004				
Financial assets –				
Deposits, cash and bank balances	177,624	–	177,624	–
Subordinated bond 2002/2007	–	4,000,000	4,000,000	Variable rates
Financial liabilities –				
Bank borrowings	49,057,501	205,696,083	254,753,584	3.75-7.90
Bank overdrafts	3,249,446	–	3,249,446	7.00-7.80

(b) Credit risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

35 FINANCIAL INSTRUMENTS (cont'd)

(c) Fair values

The carrying amounts and estimated fair values of financial instruments of the Group and the Company are as follows:

In RM	Group Carrying amount	Group Fair Value	Company Carrying amount	Company Fair Value
31.3.2005				
Financial assets				
Trade and other receivables	**132,416,848**	**132,416,848**	**19,111,571**	**19,111,571**
Amounts due from jointly controlled entities	**11,607,374**	**–**	**11,324,476**	**–**
Amounts due from subsidiary companies	**–**	**–**	**275,036,556**	**–**
Deposits, cash and bank balances	**8,318,688**	**8,318,688**	**57,541**	**57,541**
Other investments	**5,868,885**	**1,868,885**	**4,601,900**	**601,900**
Financial liabilities				
Trade and other payables	**187,180,634**	**187,180,634**	**17,058,360**	**17,058,360**
Amounts due to subsidiary companies	**–**	**–**	**166,815,340**	**–**
Borrowings	**518,175,390**	**518,175,390**	**56,101,132**	**56,101,132**
Bank overdrafts	**22,031,348**	**22,031,348**	**3,785,877**	**3,785,877**
31.3.2004				
Financial assets				
Trade and other receivables	103,310,954	103,310,954	20,318,986	20,318,986
Amounts due from jointly controlled entities	11,394,282	–	11,289,198	–
Amounts due from subsidiary companies	–	–	486,306,454	–
Deposits, cash and bank balances	6,023,848	6,023,848	177,624	177,624
Other investments	5,868,885	1,868,885	4,601,900	601,900
Financial liabilities				
Trade and other payables	203,252,094	203,252,094	21,234,651	21,234,651
Amounts due to subsidiary companies	–	–	186,429,339	–
Borrowings	449,042,470	449,042,470	254,753,584	254,753,584
Bank overdrafts	21,261,945	21,261,945	3,249,446	3,249,446

35 FINANCIAL INSTRUMENTS (cont'd)

(c) Fair values (cont'd)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Deposits, cash and bank balances

The carrying amount of cash and bank balances approximates fair value due to their short period to maturity.

(ii) Borrowings

The carrying amount of short term borrowings approximated fair value because of the short period to maturity of those instruments. The fair value of long term borrowings is estimated based on the quoted market prices for the same or similar issues or on the current rates available for borrowings with the same maturity profile.

The carrying amount of bank overdrafts approximate fair value because of their short period to maturity.

(iii) Other investments

It was not practical to estimate reliably the fair values of subordinated bonds in an unquoted special purpose vehicle company because there is no fixed coupon rate.

(iv) Receivables and payables

The carrying amounts of receivables and payables are reasonable estimates of fair value because of their short maturity periods.

(v) Contingent liabilities

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

(vi) Related party transactions

It was not practical to estimate the fair values of amounts due from/to subsidiaries and jointly controlled entities because there is no fixed repayment term.

36 COMPARATIVE FIGURES

The following comparative figures have been reclassified to ensure comparatibility with the current financial year:

In RM	Group As restated	Group As previously reported
Balance sheet –		
Goodwill on consolidation	14,445,780	15,930,780
Trade and other payables	203,252,094	203,237,094
Minority interest	365,809	1,865,809
Cash flow statements –		
Allowance for doubtful debts	15,000	–
Receivables	3,716,812	3,701,812

Statistics of Shareholdings as at 5 August 2005

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 right per ordinary share

Size of holdings	No. of shareholders	No. of shares	%
1 – 999	119	28,413	0.02
1,000 – 10,000	3,507	9,359,500	8.22
10,001 – 100,000	281	7,182,238	6.30
100,001 – 5,695,734 *	53	40,731,667	35.76
5,695,735 and above **	4	56,612,882	49.70
Total	3,964	113,914,700	100

* Less than 5% of issued shares
** 5% and above of issued shares

	Direct		Indirect	
Directors' shareholdings	**No. of shares**	**%**	**No. of shares**	**%**
Haji Abdullah Bin Yusof	1,500,000	1.32	15,398,248~	13.52
Lai Siew Wah	–	–	49,001,998~~	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	4,827,100	4.24	–	–
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)	235,700	0.21	–	–
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	–	–
Lai Man Moi	2,040,750	1.79	–	–
Kwok Yoke How	1,742,603	1.53	–	–
Haji Mohd. Sharif Bin Haji Yusof	–	-	–	–
Lai Voon Hon	12,000	#	49,001,998~~	43.02
Lai Voon Huey, Monica	6,000	#	49,001,998~~	43.02

	Direct		Indirect	
Substantial shareholders	**No. of shares**	**%**	**No. of shares**	**%**
Ideal Land Holdings Sdn Bhd	49,001,998	43.02	–	–
Magnipact Resources Sdn Bhd	15,398,248	13.52	–	–
Haji Abdullah Bin Yusof	1,500,000	1.32	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	3,000	#	49,001,998~~	43.02

Notes
~ Deemed interests through Magnipact Resources Sdn Bhd
~~ Deemed interests through Ideal Land Holdings Sdn Bhd
\# Insignificant

THIRTY (30) LARGEST SHAREHOLDERS

No	Name	No. of Shares	%
1	Malaysia Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	21,092,882	18.52
2	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	13,500,000	11.85
3	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	12,000,000	10.53
4	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	10,020,000	8.80
5	Malaysia Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	3,585,499	3.15
6	Ling Siok Guong	3,568,400	3.13
7	Citicorp Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Jaat Kong @ Lai Foot Kong)	2,645,000	2.32
8	Lai Jaat Kong @ Lai Foot Kong	2,182,100	1.92
9	Tee Tiam Lee	2,000,000	1.76
10	EB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	1,792,749	1.57
11	Mahomed Ferheen	1,719,900	1.51
12	Cimsec Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Lai Man Moi)	1,529,250	1.34
13	Abdullah Bin Yusof	1,500,000	1.32
14	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Sow Mun)	1,439,800	1.26
15	Cimsec Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Chan Soo Har @ Chan Kay Chong)	1,378,250	1.21
16	Malaysia Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	1,316,250	1.16
17	Sapiah @ Safiah Binti Hussin	1,200,000	1.05
18	Kwok Yoke How	1,166,600	1.02
19	HDM Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Oh Kim Sun)	1,163,400	1.02
20	Ideal Land Holdings Sdn Bhd	1,092,866	0.96
21	Kong Sum Mooi	1,010,500	0.89
22	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Thong Kok Cheong)	1,000,000	0.88
23	Thong Kok Cheong	968,900	0.85
24	Chan Lin Yau	649,500	0.57
25	Kwok Yoke How	576,003	0.51
26	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	511,500	0.45
27	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	511,500	0.45
28	Yap Ah Fatt	511,100	0.45
29	Kam Loong Mining Sdn Bhd	493,500	0.43
30	Chin Choy Fan	376,500	0.33

Statistics of Warrantholdings as at 5 August 2005

Size of warrantholdings	No. of warrantholders	No. of warrants	%
1 – 999	149	12,301	0.06
1,000 – 10,000	952	2,184,857	10.00
10,001 – 100,000	79	1,734,521	7.94
100,001 – 1,091,958 ≈	10	2,817,144	12.90
1,091,959 and above ≈≈	4	15,090,363	69.10
Total	1,194	21,839,186	100

≈ Less than 5% of issued warrants

≈≈ 5% and above of issued warrants

	Direct		Indirect	
Directors' warrantholdings	No. of warrants	%	No. of warrants	%
Haji Abdullah Bin Yusof	306,962	1.41	3,759,566*	17.21
Lai Siew Wah	–	–	10,254,904**	46.96
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	1,133,294	5.19	–	–
Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)	40,330	0.18	–	–
Chan Soo Har @ Chan Kay Chong	382,022	1.75	–	–
Lai Man Moi	382,022	1.75	–	–
Kwok Yoke How	476,159	2.18	–	–
Haji Mohd. Sharif Bin Haji Yusof	–	–	–	–
Lai Voon Hon	–	–	10,254,904**	46.96
Lai Voon Huey, Monica	–	–	10,254,904**	46.96

	Direct		Indirect	
Substantial warrantholders	No. of warrants	%	No. of warrants	%
Ideal Land Holdings Sdn Bhd	10,254,904	46.96	–	–
Magnipact Resources Sdn Bhd	3,759,566	17.21	–	–
Haji Abdullah Bin Yusof	306,962	1.41	3,759,566*	17.21
Lai Siew Wah	–	–	10,254,904**	46.96
Lai Voon Hon	–	–	10,254,904**	46.96
Lai Voon Keat	–	–	10,254,904**	46.96
Lai Voon Wai	–	–	10,254,904**	46.96
Liw Yoke Yin	–	–	10,254,904**	46.96
Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	1,133,294	5.19	–	–

* Deemed interests through Magnipact Resources Sdn Bhd

** Deemed interests through Ideal Land Holdings Sdn Bhd

THIRTY (30) LARGEST WARRANTHOLDERS

No	Name	No. of Warrants	%
1	Malaysia Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	6,836,603	31.30
2	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	3,759,566	17.21
3	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	3,360,900	15.39
4	Lai Jaat Kong @ Lai Foot Kong	1,133,294	5.19
5	Lim Sow Mun	469,181	2.15
6	Kok Chee Seng	461,348	2.11
7	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	382,022	1.75
8	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	382,022	1.75
9	Kwok Yoke How	369,250	1.69
10	Abdullah Bin Yusof	306,962	1.41
11	Mercedes Celine Peters	120,992	0.55
12	Faridah Binti Abdullah	109,789	0.50
13	Aziz Bin Abdullah	108,669	0.50
14	Kwok Yoke How	106,909	0.49
15	Wong Ah Mooi	80,744	0.37
16	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kunandran a/l S. Thayaparasivam)	69,871	0.32
17	Kok Chee Seng	65,874	0.30
18	Tan Boo Nam	63,857	0.29
19	Ideal Land Holdings Sdn Bhd	57,401	0.26
20	HDM Nominees (Asing) Sdn Bhd (Phillip Securities Pte Ltd for Yap Kin Seng)	56,015	0.26
21	Institute for Development Studies (Sabah)	55,300	0.25
22	Tan Eng Nam	51,533	0.24
23	Mayban Nominees (Asing) Sdn Bhd (Pledged Securities Account for Abdul Jaffar Bin Nainar)	48,800	0.22
24	Chan Lin Yau	42,500	0.19
25	Datuk Haji Burhanuddin Bin Ahmad Tajudin	40,330	0.18
26	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Beng Seng)	37,488	0.17
27	Lee Beng Seng	36,969	0.17
28	Othman Bin Merican	31,368	0.14
29	H.A.S Trading Sdn Bhd	30,885	0.14
30	Lee Koon Gaik	28,020	0.13

List of Properties as at 31 March 2005

Location		Tenure	Approximate Land Area (Built-up Area)	Description	Age	Net Book Value (RM)	Year of Acquisition
1	Geran 12740, Lot 50592 Mukim of Kuala Lumpur, Wilayah Persekutuan	Freehold	1,528 sq. ft. (7,040 sq. ft.)	4-storey shop office for own use	17 years	695,513	1988
2	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong	Freehold	824 sq. ft. (884 sq. ft.)	Walk-up flat for investment	18 years	45,942	1987
3	Lots No. 388, 389 & 391 Section 67 Town of Kuala Lumpur	Freehold	53,851 sq. ft.	Hotel known as The Westin Kuala Lumpur	N/A	360,052,329	1993/1994
4	Lot 21756 (Part), Mukim of Batu District of Kuala Lumpur	Freehold	215,622 sq. ft.	Vacant land for future development	N/A	59,621,758	2003
5	PT 17741 (part) & PT 17740 held under HSD 103400 (part) & 103401 Mukim of Batu, District of Kuala Lumpur	Freehold	178,111 sq. ft.	Vacant land for future development	N/A	29,765,940	1994
6	Precinct 7, Plot G27 held under Geran 39540 Lot No. 1503, Mukim Sg. Gumut Daerah Hulu Selangor	Freehold	43,986 sq. ft.	Homestate for investment	N/A	439,570	1995
7	CT No. 9985, Lot No. 5755 Mukim Kajang, Selangor Darul Ehsan	Freehold	272,915 sq. ft.	Workshop with 2-storey office building for own use	N/A	9,615,002	1997
8	Geran 18076, Lot 8849, Mukim of Kajang District of Ulu Langat	Freehold	220,806 sq. ft.	Vacant land for future development	N/A	2,601,618	2000
9	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
10	Plot No. H21, Precinct 8, Lembah Beringin Mukim Sungai Gumut, Daerah Hulu Selangor	Freehold	46,368 sq. ft.	Homestate for investment	N/A	278,208	2002

NOTICE IS HEREBY GIVEN THAT the Twenty Ninth Annual General Meeting of the Company will be held at East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 29 September 2005 at 10.30 a.m. for the following purposes:

AGENDA

1 To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 March 2005. **Resolution 1**

2 To declare a final dividend of 3% per share less income tax of 28% for the year ended 31 March 2005. **Resolution 2**

3 To approve the payment of Directors' fees of RM260,000.00 for the year ended 31 March 2005. **Resolution 3**

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

"**THAT** Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN) 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**

5 To re-elect the following Directors who retire in accordance with Article 91 of the Company's Articles of Association:

(a) Kwok Yoke How **Resolution 5**
(b) Lai Voon Huey, Monica **Resolution 6**
(c) Haji Mohd. Sharif Bin Haji Yusof **Resolution 7**

6 To re-appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors. **Resolution 8**

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 9**

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.

By Order of The Board

Wong Yim Cheng
Company Secretary
Kuala Lumpur

6 September 2005

Notes

1 A member entitled to attend and vote is entitled to appoint one or more proxies 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 provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2 Where a member appoints two (2) or more proxies to attend the same 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, No. 32 Medan Setia Dua, Bukit Damansara, 50490 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 9, if passed, will empowered 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.

1 The names of individuals who are standing for re-election

(i) Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN), retiring pursuant to Section 129 of the Companies Act, 1965.

(ii) Kwok Yoke How, retiring by rotation pursuant to Article 91 of the Company's Articles of Association.

(iii) Lai Voon Huey, Monica retiring by rotation pursuant to Article 91 of the Company's Articles of Association.

(iv) Haji Mohd. Sharif Bin Haji Yusof, retiring by rotation pursuant to Article 91 of the Company's Articles of Association.

2 Details of attendance of Directors at board meetings

During the financial year, four (4) board meetings were held. Details of attendance of Directors at the Board Meetings are as follows:

Name	Attendance
(i) Haji Abdullah Bin Yusof	4/4
(ii) Lai Siew Wah	4/4
(iii) Datuk Lai Jaat Kong @ Lai Foot Kong (PJN, JSM)	4/4
(iv) Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)	4/4
(v) Lai Man Moi	4/4
(vi) Chan Soo Har @ Chan Kay Chong	4/4
(vii) Kwok Yoke How	4/4
(viii) Haji Mohd. Sharif Bin Haji Yusof	4/4
(ix) Lai Voon Hon	3/4
(x) Lai Voon Huey, Monica	4/4

3 Date, time and place of general meeting

Type of Meeting	Date	Time	Place
29th Annual General Meeting	29.9.2005	10.30 a.m.	East VIP Lounge Kuala Lumpur Golf & Country Club No. 10, Jalan 1/70D Off Jalan Bukit Kiara 60000 Kuala Lumpur

4 Further details of Directors who are standing for election

Not applicable

Proxy Form

I/We ______________________________

____

NRIC No. ______________________________

of ______________________________

____

No. of shares held ______________________________

being a member/members of **Ireka Corporation Berhad**

hereby appoint ______________________________

____

NRIC No. ______________________________

____

Signature/Seal ______________________________

or failing him, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held at East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 29 September 2005 at 10.30 a.m. or at any adjournment thereof. My/our proxy is to vote as indicated below :

Signed this __________ day of __________ 2005

NO.	**ORDINARY RESOLUTIONS**	**FOR**	**AGAINST**
1	To receive the audited financial statements for the financial year ended 31 March 2005		
2	To declare a final dividend of 3% per share less income tax of 28% for the year ended 31 March 2005		
3	To approve the payment of Directors' fee of RM260,000.00		
4	Re-election of Director, Datuk Haji Burhanuddin Bin Ahmad Tajudin (PJN)		
5	Re-election of Director, Kwok Yoke How		
6	Re-election of Director, Lai Voon Huey, Monica		
7	Re-election of Director, Haji Mohd. Sharif Bin Haji Yusof		
8	Re-appointment of Messrs Raja Salleh, Lim & Co as Auditors		
9	To issue and allot shares pursuant to S132D 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 resolution, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

Notes :

1 A member entitled to attend and vote is entitled to appoint one or more proxies 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 provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2 Where a member appoints two (2) or more proxies to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.

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fold here

AFFIX STAMP

IREKA CORPORATION BERHAD
Co. No. : 25882-A
NO. 32 MEDAN SETIA DUA
BUKIT DAMANSARA
50490 KUALA LUMPUR
ATTN : THE COMPANY SECRETARY