



Penyata Pengerusi

Corporate Information

# COVER CONCEPT

The ETFE (Ethylene Tetrafluoroethylene) foil is used for the skylight at 1 MONT' KIARA because of its varied benefits, i.e. at just 1% the weight of glass, it can bear 400 times its own weight. By absorbing solar radiation and reducing thermal loss, it is a better insulator than glass by up to 30%.

The ETFE foil has captured what Ireka Corporation Berhad is all about today. Like the ETFE cover, Ireka has many diverse qualities, reflecting the company's strength, built on four core competencies: Construction, Property Development, Hospitality and Leisure, and Information Technology. Ireka Corporation Berhad's diverse interests have distinguished the Company through their award-winning projects and well-known landmarks over its 40-year track record.

4	24
Five-Year Financial Highlights	Corp

Corporate Social Responsibility Statement

Chairman's Statement 26 Corporate Governance Statement

Internal Control Statement

**Operations Review Audit Committee Report** 

Corporate Structure 39 Financial Statements

Statistics of Shareholdings

**Board of Directors** 114

List of Material Properties 20

Senior Management

Notice of Annual General Meeting 22

Corporate Calendar

Statement Accompanying Notice

Proxy Form

## ...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.







# BUILDING WORKS

Prime-grade offices Retail and hotels





# ABOUT IREKA...

Ireka is a multidisciplinary company with four core competencies in Construction, Property Development, Hospitality & Leisure and Information Technology.

It has a distinguished record, spanning over 40 years, and has constructed many award-winning and wellknown landmarks.

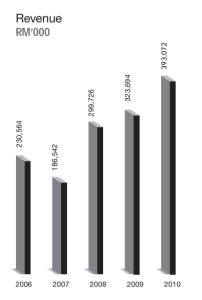
Its construction arm focuses on providing integrated Design-Build services, managing construction projects from inception to completion; with the capabilities to conceptualise, design, manage and construct buildings and infrastructure.

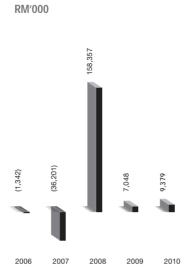




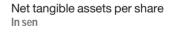


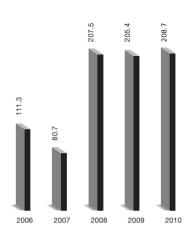






Profit before taxation





GROUP	12 months to 31.03.10	12 months to 31.03.09	12 months to 31.03.08	12 months to 31.03.07	12 months to 31.03.06 Re-Stated
In RM′000					
Revenue	393,072	323,694	299,726	186,542	230,564
Profit/(Loss) before taxation	9,379	7,048	158,357	(36,201)	(1,342)
Profit/(Loss) after taxation and minority interest	8,669	6,036	152,865	(33,717)	(4,505)
Issued share capital	113,914.7	113,914.7	113,914.7	113,914.7	113,914.7
Shareholders' funds	237,710	234,001	236,410	91,893	139,390
Total assets	545,075	497,696	635,819	566,409	910,180
In Sen					
Gross dividend per share	4.35	10.0	10.0	8.8	_
Net earnings per share – Basic	0.08	0.05	1.34	(29.6)	(3.95)
Net tangible assets per share	208.7	205.4	207.5	80.7	111.3
Return on shareholders' fund (%)	3.6	2.6	64.7	(36.7)	(3.2)
In Percentage					
Gearing	79	47	50	175	404
Gearing (net of cash)	62	35	19	95	400







On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Ireka Corporation Berhad (The Group) for the financial year ended 31 March 2010.

For the financial year ended 31 March 2010. the Group recorded increased revenues of RM393.07 million compared to RM323.69 million in the previous financial year, which reflected the higher volume of construction work completed during the year. Operating profit was RM20.35 million compared with RM13.35 million recorded during the previous year. However, after accounting for share of losses incurred by the Group's associate, Aseana Properties Limited, profit before tax for the year was RM9.38 million compared with RM7.05 million recorded in the previous financial year. The improved results were also attributable to gains from sale of shares of Kinh Bac City Development Shareholding Corporation of Vietnam.

The Directors have recommended a single-tier final dividend of 5% in respect of the financial year ended 31 March 2010 for approval by shareholders at the forthcoming Annual General Meeting. The dividend payout of RM5.70 million is equivalent to 66% of the Group's net profit.

The Group will continue to work closely with Aseana Properties Limited, both in Malaysia and Vietnam, in the development and implementation of prime property projects. We will continue to take cognizance of the potential effects of the slowdown in the economies of major countries of the western world which will have an impact on the demand for properties in the region. The property development management division of the Group is gearing itself for the launching





of the Jalan Kia Peng development in Kuala Lumpur and the Tan Thuan Dong development in Vietnam in the coming year.

On the construction front, the Group's outstanding order book stood at RM380 million. The amount represents work that will be carried out at SENI Mont' Kiara, Sandakan Harbour Square and KL Sentral office buildings and hotel. The Group was recently awarded the Kulai-Second Link Expressway Interchange in Iskandar Malaysia. The project, though small with a worth of RM36.24 million, is a positive re-entry into public sector infrastructure works.

On the information technology front, i-Tech Network Solutions Sdn Bhd (i-Tech) continued to operate under a very competitive business environment with low operating margins. The strategy towards product diversification and moving to solutions-based and managed services has enabled us to expand our customer base and improve our profit margins. Moving forward through these strategies, we will be working closely with a well-known international hardware supplier to build a data centre in the Mont' Kiara area. The work on this new initiative is in progress and we expect positive contributions to Group revenues in the coming years. We hope to replicate this model in Vietnam, riding on the Group's property development projects there.

Prospects for the current year will be highly dependent on the speed of the worldwide economic recovery which will dictate the purchasing appetite of potential buyers of properties in the country, particularly on the high-end development side. The Group has sufficient work in hand for the current year and beyond with the projected development of the newly-acquired land coming on stream, as well as those in Vietnam. In addition, the prospects for acquiring public sector projects in Malaysia are encouraging.

In closing, and on behalf of the Board of Directors of Ireka Corporation Berhad, I wish to thank all shareholders, customers, business partners and especially our associate, Aseana Properties Limited, for their continued support.

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

HAJI ABDULLAH BIN YUSOF Chairman

24 August 2010

Tan Thuan Dong development in Ho Chi Minh City.

Sandakan Harbour Square in Sabah.

PENYATA PENGERUSI



3

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan bagi Ireka Corporation Berhad ("Kumpulan") untuk tahun kewangan yang berakhir pada 31 Mac 2010.

International Hi-Tech Healthcare Park, Ho Chi Minh City.

Perolehan Kumpulan meningkat kepada RM393.07 iuta dalam tahun tiniauan berbanding dengan RM323.69 juta pada tahun kewangan 2009, seiaiar dengan pencapaian volum vang lebih tinggi dari projek-projek pembinaan yang telah selesai dilaksanakan sepanjang tahun tinjauan. Kumpulan berjaya merekod keuntungan operasi sebanyak RM20.35 juta pada tahun kewangan 2010 berbanding dengan RM13.35 juta pada tahun kewangan 2009. Walau bagaimanapun, setelah mempertimbangkan bahagian kerugian untuk sekutu Kumpulan, iaitu Aseana Properties Limited, Kumpulan mencapai keuntungan sebelum cukai sebanyak RM9.38 juta dalam tahun tinjauan berbanding dengan RM7.05 juta yang tercapai pada tahun kewangan 2009. Peningkatan keuntungan sebelum cukai dalam tahun tinjauan juga disebabkan oleh keuntungan dari penjualan saham Kinh Bac City Development Shareholding Corporation dari Vietnam.

Lembaga Pengarah telah mencadangkan dividen akhir (Satu Peringkat) sebanyak 5% bagi tahun kewangan yang berakhir pada 31 Mac 2010, tertakluk kepada kelulusan daripada

para pemegang saham di Mesyuarat Agung Tahunan yang akan datang. Jikalau diluluskan, pembayaran dividen yang berjumlah RM5.70 juta ini adalah setara dengan 66% daripada keuntungan bersih Kumpulan.

Kumpulan akan terus bekerjasama dengan Aseana Properties Limited di Malaysia dan Vietnam dalam pembangunan dan pelaksanaan projek-projek perdana hartanah. Kumpulan akan terus memberi perhatian terhadap kemungkinan kesan perlambatan ekonomi negara-negara utama di dunia barat. Perlambatan ekonomi ini akan memberi kesan yang mempengaruhi permintaan hartanah di rantau ini. Bahagian pengurusan hartanah Kumpulan sedang melengkapkan diri dan membuat persediaan untuk pelancaran projek pembangunan Jalan Kia Peng di Kuala Lumpur and Tan Thuang Dong di Vietnam pada tahun akan datang.

Bagi bahagian pembinaan, buku pesanan tertunggak Kumpulan kini bernilai sebanyak RM380 juta, di mana jumlah buku pesanan ini mewakili keria-keria pembinaan yang akan



dilaksanakan di SENI Mont' Kiara, Sandakan Harbour Square serta ruang pejabat dan hotel di KL Sentral. Kumpulan juga dianugerahkan projek bernilai RM36.24 juta, iaitu "Kulai-Second Link Expressway Interchange" di kawasan wilayah pembangunan Iskandar Malaysia. Walaupun nilai untuk projek ini rendah, namun ia merupakan satu nota positif bagi Kumpulan untuk masuk kembali ke pembinaan infrastruktur sektor awam.

Bagi bahagian teknologi maklumat (IT), i-Tech Network Solutions Sdn Bhd (i-Tech) akan terus beroperasi dalam persekitaran perniagaan kompetitif dengan pulangan margin operasi yang rendah. Sehubungan dengan ini, Kumpulan telah melaksanakan strategi kepelbagaian produk dan menawarkan servis berasaskan penyelesaian dan perkhidmatan pengendalian vang membolehkan kami memperluaskan pangkalan pelanggan dan meningkatkan margin keuntungan. Berdasarkan strategi ini, kami akan bergerak maju dan bekerja sama lebih erat dengan pembekal perkakasan antarabangsa yang terkenal untuk membina pusat data di kawasan Mont' Kiara. Pembinaan untuk initiatif baru ini sedang dilaksanakan and kami menjangka ia akan menyalurkan sumbangan positif kepada perolehan Kumpulan pada tahuntahun yang akan datang. Kami juga berharap model ini dapat direplikasikan di Vietnam, berasaskan projek-projek pembangunan hartanah Kumpulan di sana.

Prospek untuk tahun ini amat bergantung kepada kadar pemulihan ekonomi seluruh dunia, di mana ia akan mempengaruhi permintaan hartanah dalam negara, terutamanya untuk pasaran hartanah mewah. Kumpulan kini mempunyai kerja yang mencukupi untuk tahun dalam tinjauan serta masa depan dengan unjuran pembangunan yang akan datang untuk pembangunan tanah yang baru dibeli oleh Kumpulan, baik di Malaysia mahupun Vietnam. Selain itu, prospek untuk melaksanakan projek-projek awam di Malaysia adalah cerah.

Sebagai penutup dan juga mewakili Lembaga Pengarah untuk Ireka Corporation Berhad, saya ingin merakamkan terima kasih kepada para pemegang saham, pelanggan, sekutu niaga, dan terutamanya Aseana Properties Limited, di atas sokongan sekalian terhadap Kumpulan.

Saya juga ingin mengucapkan terima kasih kepada rakan sejawat saya dalam Lembaga Pengarah atas sumbangan, bimbingan dan sokongan bernilai yang diberikan kepada Kumpulan sepanjang tahun dalam tinjauan. Akhirnya, saya mewakili Lembaga Pengarah merakamkan penghargaan ikhlas kepada pihak pengurusan Kumpulan dan juga para pekerja dari semua peringkat di atas sumbangan dan sokongan mereka di sepanjang tahun yang penuh cabaran ini.





Kerja pembinaan di 'Kulai-Second Link Expressway Interchange'.

Tapak pembinaan di SENI Mont' Kiara.





Aerial view of Mont' Kiara – with 1 Mont' Kiara, i-ZEN @ Kiara I and i-ZEN at @ Kiara II in the foreground, and SENI Mont' Kiara in the background. The world economy experienced yet another tumultuous year during the FY2010. Growth in the United States and European economies remained subdued throughout which contrasted with the strong performance of China and India. Coupled with the recovery of other Asian economies such as Singapore and Malaysia towards the end of 2009, it is forecast that Asia will lead the economic recovery in the coming year.

For the Ireka Group, this unpredictable economic environment continues to test the resilience of our business model and has challenged us to think innovatively in order to create and sustain growth.

We are pleased to note that in the last financial year Ireka has continued on the growth path for the fourth consecutive year with revenue of RM393.07 million, a 21% growth from FY2009. The Group also achieved a net profit of RM8.67 million, a commendable 44% increase over the previous year. These positive results are testaments to the strength of our business model and our relentless focus on operational efficiency. Stability in the price for key construction materials such as steel bars throughout FY2010 also helped maintain a healthy profit margin for our construction contracts.

Whilst we are proud of this achievement, the management of Ireka is fully aware that sustaining growth and profitability for the next five years is critical. In FY2010, the management has refocused its effort on bidding for public infrastructure construction projects and has also decided to participate directly in a prime property development project alongside its associate, Aseana Properties Limited. We will redouble our efforts on these strategic fronts in the coming years, as we seek to replenish Ireka's construction order book. We will continue to adapt our business model to capitalise on our strengths in the construction and property industries.

#### **CONSTRUCTION BUSINESS**

The construction industry in Malaysia grew at a commendable 5.8% pace in 2009, on the back of the stabilising economic outlook in Malaysia and the ongoing implementation of the first and second stimulus packages by the Government.

Ireka Engineering & Construction Sdn Bhd's (IECSB) current outstanding order book of RM380 million focuses on four building projects and an infrastructure project. The Company's efforts in refocusing at bidding for infrastructure projects saw us successfully securing a RM36.24 million contract to construct the Kulai-Second Link Expressway Interchange from Iskandar Regional Development Authority in April 2010. The Group is expected to continue to participate actively in tenders for various other ongoing public infrastructure projects in the financial year

ahead. Additionally, IECSB also successfully obtained a RM52 million contract to construct the basement and podium structure for the KL Sentral office buildings and hotel development from Excellent Bonanza Sdn Bhd, a subsidiary of Malaysian Resources Corporation Berhad. Work on site has commenced on these two new projects and they are expected to contribute positively to the earnings of Ireka in this coming financial year.

In August 2009, IECSB successfully completed the construction of Tiffani by i-ZEN, a 399-unit luxurious condominium development. The completion of this project further enhances IECSB's experience and track record in the construction of high-end residential projects. IECSB is also on-track to complete the construction of 1 Mont' Kiara, an integrated office and retail development in August 2010.

Replenishment of IECSB's order book will be a key priority in the coming financial year. The management believes that IECSB's experience and track record puts us on a sound footing to compete for the construction of medium to high-end residential and commercial property projects, as well as for public infrastructure projects. IECSB is also harnessing the Group's experience and expertise in property development to offer innovative solutions for design-and-build construction contracts for potential public and private sector clients.

# PROPERTY DEVELOPMENT BUSINESS

The property industry in both Malaysia and Vietnam is likely to have seen its worst year in 2009. Certain sectors of the market in these two countries have begun to see signs of recovery in the second half of 2009. In Malaysia, developers have returned to the market with new project launches in the third quarter of 2009 but the sales of these new launches have been mixed to date.

Early data suggested that landed properties and medium-end condominiums in well-established areas continued to enjoy robust demand whilst demand for high-end condominiums remained soft throughout 2009, however there were signs of improvement in the second quarter of 2010. In Vietnam, the demand for affordable housing has remained robust throughout 2009, whilst the secondary market for higher end condominium

has begun to recover in the second quarter of 2009. This renewed confidence has spurred some developers to launch new developments, albeit at more realistic pricing levels compared to its peak in 2006-2007.

Sensing economic recovery and the need to control rising inflation, the Central Banks in both Malaysia and Vietnam have acted swiftly to raise its benchmark interest rate in the last 12 months, reversing a trend of interest rate cuts in the previous year. Malaysia raised its Overnight Policy Rate three times in FY2010, each a 25 basis points increase from 2% in January 2010, to 2.75% in July 2010. In the meantime, Vietnam has raised it Prime Interest Rate from 7 to 8% in December 2009. It is encouraging to note that these increments in interest rates have not dampened activities in the property market, thus underlining a level of support and confidence from investors.

Ireka Development Management Sdn Bhd (IDM) together with Ireka Corporation Berhad (ICB) and working closely with Aseana Properties Limited secured a prime piece of development land in Kuala Lumpur City Centre (KLCC) in December 2009. ICB acted as a principal in negotiating and concluding the deal with the vendors and subsequently invited Aseana Properties Limited to subscribe to a 70% stake in the project. The development land, measuring 43,559 square feet. is strategically located on Jalan Kia Peng, adjacent to such prestigious landmarks as the Grand Hyatt Hotel (under construction), Kuala Lumpur Convention Centre, Suria KLCC shopping centre. KLCC park and the world-famous Petronas Twin Towers. Aseana Properties and ICB envisage developing an upscale residential development on the site that would appeal to the lifestyle of urban Malaysians and expatriates alike. This project is expected to contribute positively to the earnings of the Ireka Group, directly through its 30% stake in the project.

In FY2010, IDM has also played an active role in executing Aseana Properties' strategies in a dynamic and difficult environment for the industry. IDM assisted Aseana Properties to consolidate its ownership in two key projects in Malaysia, namely SENI Mont' Kiara and Sandakan Harbour Square. Aseana Properties now owns 100% of these two projects. Aside from the acquisition of the Jalan Kia Peng site in KLCC, IDM also successfully added a





- KL Sentral work in progress.
- Tiffani by i-ZEN.

OPERATIONS REVIEW





SENI Mont' Kiara.

10 KLCC Kia Peng residential project, Kuala Lumpur. residential development project, (the Tan Thuan Dong Project) in District 7 of Ho Chi Minh City, to Aseana Properties' Vietnam portfolio. These investment activities are part of an adopted strategy for Aseana Properties to invest in projects with short gestation periods. At the same time, IDM also advised Aseana Properties to exit several projects with long gestation periods in Vietnam which have yet to commence.

IDM has also been busy in assisting Aseana Properties to realise its investments in two ongoing commercial development projects. In September 2009, Aseana Properties, with its partner, MRCB, successfully sold Tower 2 of the Kuala Lumpur Sentral project, an office tower with approximately 500,000 square feet of floor area to an international real estate fund. Aseana Properties had a 40% stake in this project, which is due for completion in 2012. More recently in July 2010, Aseana Properties announced the sale of the retail mall, office tower and car park components of the 1 Mont' Kiara development to a foreign investment fund. Aseana Properties had an effective 50% stake in the project, which is slated for completion in August 2010.

The rebalancing of Aseana Properties' portfolio will ensure that it is well-positioned to weather the uncertainties of the global economic conditions and, at the same time, be able to capture opportunities when they arise. It has been a busy year for IDM, and in the coming financial year, we will continue to strive to further

add value to Aseana Properties in our role as development manager.

## INFORMATION TECHNOLOGY BUSINESS

The last financial year was also a challenging one for i-Tech Network Solutions Sdn Bhd (i-Tech). We fell short of our revenue and profit targets but we had managed to increase our gross profit margins. Our strategy of product diversification and the move towards solutions-based and managed-services contributed to the expansion of our customer base and the improvement of our profit margins.

Even with the worldwide economic uncertainties and volatilities, i-Tech managed to retain most of its loyal and committed customers, whilst also managing to win over new ones. Our strategy is also focused on competitiveness and growth. To achieve the former, we comprehensively review costs across all processes in i-Tech, which resulted in actions to reduce operating expenses and product and procurement costs by more closely matching our services to customer-based solutions. With these actions, we expect to continue to achieve annualised savings, strengthening our competitive position and profitability.

Through a robust assessment of our business last year, we uncovered several opportunities for growth and improvement. i-Tech has developed and maintained over the years

strong partnerships with companies such as Sophos, IBM, and Juniper for which we have been recognised with preferred partner status. i-Tech is also the first and only implementer of encryption and data protection solutions in Malaysia through our partnership with Utimaco. a market leader in this specialised field. It is these strong relationships that we will continue to maintain and, together, look to expanding our business into public sector works.

In order to broaden our income base and to improve margins, diversification into managedservices is one of our growth priorities for the vear ahead. We are working with a well-known international hardware supplier to build a data centre in Mont' Kiara to offer voice, data, managed and racks space rental services to current and future clients. Co-location centre services is a proven information technology trend worldwide where companies share data centre facilities to reduce operations cost. We are placing a significant priority on replicating this strategy and business initiative in Vietnam, riding on Ireka Group's presence in the property and construction industry there. This will give us a better ability to access the enormous opportunities that we see ahead for this way of managing IT services.

During the early part of 2010, we set up a company called iTech ELV Solutions Sdn Bhd (iTech ELV) to take advantage of and to complement i-Tech's systems integration and network solutions work and Ireka's current projects and those in the pipeline. iTech ELV installs structured cabling for public address. quard tour watch, master antenna television (MATV), building control and security surveillance systems and data network infrastructures. This new division is currently a small part of the group for which growth is projected because there is good synergy with the integrated networking and construction projects within i-Tech and Ireka.

We intend to continue to work closely alongside our business partners to meet the challenges ahead. We look forward to expanding our business, improving our skills and offering greater value to our stakeholders. The solid progress made in 2009 is a credit to the dedication of the i-Tech team and the commitment of Ireka's management towards IT leadership.

i-Tech will also build on the Government's push for a nationwide IT agenda, utilising innovation

as an over-riding factor across industries in order to develop a high-income economy through key initiatives such as boosting PC and Broadband adoption (National Broadband Initiative). Business Monitor International's recent report forecasted the Malaysian IT market to grow at a compound annual growth rate of 12% from 2010 to 2014. This will drive the demand for ICT products which i-Tech will look to capitalise on.

#### **FUTURE OUTLOOK**

The dim economic outlook for the past two years has cast a shadow over the achievements and the expansion plans of many businesses. At Ireka. we have taken the opportunity during this 'quiet' period to re-assess and review our strategic plans and goals. Whilst construction and property development will continue to feature strongly as our core businesses, we hope to be able to build a stronger growth platform that is sustainable and vet at the same time enhance the value that we are delivering to our clients and partners. Our Information Technology business is expected to gain prominence going forward as digitalisation of businesses around us become more crucial and commonplace. We hope to be able to share more insights with our shareholders in the coming financial year.

In closing, I would like to thank my colleagues on the Ireka Board and our staff, for their support and hard work in FY2010. I also wish to extend my gratitude to our shareholders, government authorities, bankers and business associates for their continued support and confidence in the Group. We look forward to a successful vear ahead.

### LAI SIEW WAH

Group Managing Director 24 August 2010



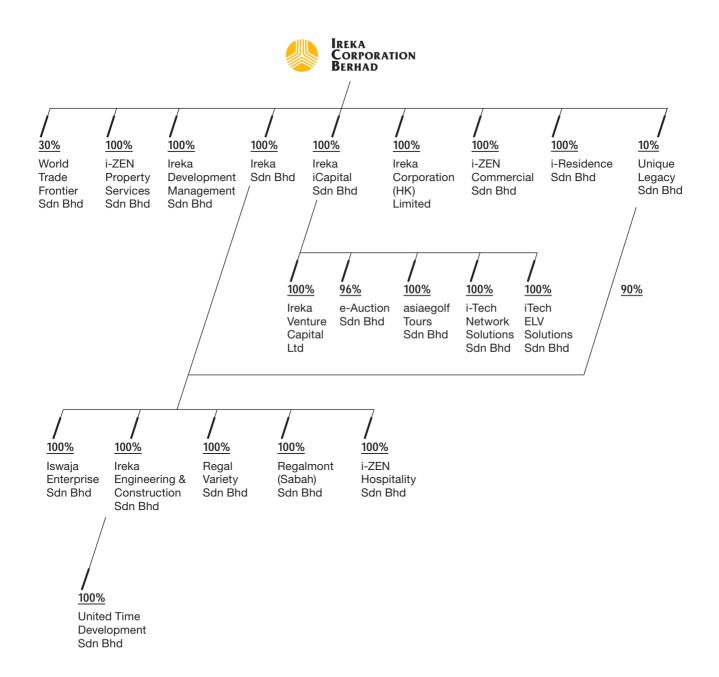


11

Workers putting together the ETFE roof at 1 Mont' Kiara.

1 Mont' Kiara.







**BOARD OF DIRECTORS** 

Non-independent Chairman

Haii Abdullah Bin Yusof

Managing Director

Lai Siew Wah

**Deputy Managing Director** 

Datuk Lai Jaat Kong @ Lai Foot Kong P.IN JSM

**Executive Directors** 

Chan Soo Har @ Chan Kay Chong

Lai Man Moi Lai Voon Hon

Lai Voon Huey, Monica

Independent Non-executive Directors

Haji Mohd. Sharif Bin Haji Yusof

Kwok Yoke How Lim Che Wan

AUDIT COMMITTEE

Chairman

Haji Mohd. Sharif Bin Haji Yusof

Members

Kwok Yoke How Lim Che Wan

**COMPANY SECRETARY** 

Wong Yim Cheng

MAICSA 7008092

COUNTRY OF DOMICILE &

INCORPORATION

Malaysia

**LEGAL STATUS** 

Public listed company limited by shares

REGISTERED OFFICE/

PRINCIPAL PLACE OF BUSINESS

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Bukit Damansara

50490 Kuala Lumpur

Tel +603 2094 0133 Fax +603 2095 2096

e-mail enquiry@ireka.com.my

Website www.ireka.com.mv

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House

Block D13, Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya, Selangor

Tel +603 7841 8000

Fax +603 7841 8008

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad,

Main Market

STOCK CODE

Shares 8834

**AUDITORS** 

Raja Salleh, Lim & Co.

(Audit Firm No. 0071)

29A, Jalan SS22/19

Damansara Jaya

47400 Petaling Jaya

Selangor Darul Ehsan

PRINCIPAL BANKERS

AmBank Berhad

CIMB Bank Berhad Hong Leong Bank Berhad

Maybank Berhad

OCBC Bank Malaysia Berhad

RHB Bank Berhad

United Overseas Bank (M) Berhad







- 1 Haji Abdullah Bin Yusof
- 2 Lai Siew Wah
- 3 Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM
- 4 Chan Soo Har @ Chan Kay Chong
- 5 Lai Man Moi
- 6 Lai Voon Hon
- 7 Lai Voon Huey, Monica
- 8 Haji Mohd. Sharif Bin Haji Yusof
- 9 Kwok Yoke How
- Lim Che Wan









#### . HAJI ABDULLAH BIN YUSOF

Aged 74, a Malaysian, is the Non-executive Chairman of Ireka and was appointed to the Board of Directors in 1992. He is a Director of several subsidiaries within Ireka Group. He graduated from the Camborne School of Metalliferous Mining, United Kingdom in 1961 and is a registered Professional Engineer (mining) with the Board of Engineers, Malaysia. He has extensive experience in tin mining industry, and is currently the Executive Chairman of Osborne & Chappel International Sdn Bhd, a local mine management and engineering group which was involved in the field of mining operations and related construction works, mine management and consultancy, both locally and internationally. He is also an Independent Non-executive Director of Gopeng Berhad and Time Engineering Berhad. 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 70, a Malaysian, is the founder and Group Managing Director of Ireka. He was appointed a Director of Ireka in 1975 and was made the Managing Director of Ireka in 1993. He is also a Director of several subsidiaries within Ireka Group. He has been active in the construction industry since 1967 during which time he has accumulated vast knowledge and experience in the implementation and management of construction projects.

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

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

Aged 67, a Malaysian, is the Deputy Managing Director of Ireka. He was appointed a Director of Ireka in 1977 and was made the Deputy Managing Director in 1993. He is also a Director of several subsidiaries within Ireka Group. He has over 35 years experience in the construction industry and is actively involved in activities of related trade organization locally and regionally. Currently, he is the Honorary Life President of Master Builders Association Malaysia and serves as Rapportueur in International Federation of Asia & Western Pacific Contractors' Association (IFAWPCA). He was the Past President/Honorary Advisor of the Master Builders Association Malaysia and had also served as Secretary General of IFAWPCA and Council Member of ASEAN Constructors Federation (ACF), a Board Member of Construction Industry Development Board Malaysia (CIDB) and National Institute of Occupational Safety and Health (NIOSH).

He is the brother of Mr. Lai Siew Wah.

# CHAN SOO HAR @ CHAN KAY CHONG

Aged 64, a Malaysian, is an Executive Director of Ireka. He joined Ireka in 1975 and was appointed to the Board of Directors in 1990. He is also a Director of several subsidiaries within Ireka Group. He has over 40 years experience in the construction industry with sound knowledge in building materials and heavy plants and machineries.

# LAI MAN MOI

5

Aged 62, a Malaysian, is an Executive Director of Ireka. She joined Ireka in 1975 and was appointed to the Board of Directors in 1990. She is also a Director of several subsidiaries within Ireka Group. She has over 40 years experience in finance and accounting and is a member of several institutes including the Association of Accounting Technicians, United Kingdom; The International Association of Book-Keepers (UK): and The Institute of Commercial Management.

She is the sister of Mr. Lai Siew Wah and the spouse of Mr. Chan Soo Har @ Chan Kay Chong.

## 6 I AI VOON HON

Aged 46, a Malaysian, is an Executive Director of Ireka and the Chief Executive Officer of Ireka Development Management Sdn Bhd. He joined Ireka in 1994 as the Group General Manager and was appointed to the Board of Directors in 1996. He is also a Director of several subsidiaries within the Ireka Group. He graduated from University College London, London University and Ashridge Management College with Bachelor of Science (Hons) Degree in Architecture in 1987 and Postgraduate Diploma in Architecture (Dip-Arch) in 1989 and a Master in Business Administration ("MBA") (Distinction) degree in 1993 respectively. An architect by profession, he has practiced in London, Hong Kong and Malaysia prior to joining Ireka. He is a registered Professional Architect with the Board of Architects, Malaysia.

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

# 7 LAI VOON HUEY, MONICA

Aged 44, a Malaysian, is an Executive Director of Ireka and the Chief Financial Officer of Ireka Development Management Sdn Bhd. She joined Ireka as the Group Financial Controller in 1993 and was appointed to the Board of Directors in 1999. She is also a Director of several subsidiaries within the Ireka Group. She graduated from City University, London, with a Bachelor of Science (Hons) Degree in Accountancy and Economics. She has worked for two international accounting firms in England and Hong Kong prior to joining Ireka. She is a fellow member of several institutes that include the Institute of Chartered Accountants, England and Wales; Chartered Accountants, Malaysia; and the Malaysian Institute of Taxation.

She is the daughter of Mr. Lai Siew Wah.

# 8 HAJI MOHD. SHARIF BIN HAJI YUSOF

Aged 71, a Malaysian, is the Senior Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 2002. He is Chairman of the Audit Committee and a Director of several subsidiaries within the Ireka Group. He is a fellow member of the Institute of Chartered Accountants, England & Wales, Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants. He is also an Independent Non-executive Director of APM Automotive Holdings Berhad, Atlan Holdings Berhad, Axis REIT Managers Berhad and DFZ Capital Berhad.

# 9 KWOK YOKE HOW

Aged 70, a Malaysian, is an Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 1992. He is a member of the Audit Committee and director of a subsidiary within the Ireka Group. A lawyer by profession, he has recently retired as a consultant to a reputable legal firm in Kuala Lumpur.

# LIM CHE WAN

Aged 67, a Malaysian, is an Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in May, 2009. He is also a member of Audit Committee. He holds Bachelor of Engineering degrees in both Mechanical and Mining disciplines. He is a Chartered Engineer registered with the Council of Engineering Institutions, U.K. and a Professional Engineer registered with the Board of Engineers, Malaysia. He has over 30 years of experience at operational, management and Board levels in mining, industrial and construction companies both in Malaysia and overseas. He last worked, in an executive position, as the Managing Director of Australia Oriental Minerals NL, a company listed on Australia Stock Exchange.















# WONG YIM CHENG Director of Corporate Services/

Group Company Secretary Ireka Corporation Berhad

# 2 TAN THIAM CHAI

Chief Executive Officer Ireka Engineering & Construction Sdn Bhd

# NG YAU SIONG

Director (Operations) Ireka Engineering & Construction Sdn Bhd

# LIM ECH CHAN

Chief Operating Officer Ireka Development Management Sdn Bhd

# LEONARD YEE YUKE DIEN

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

# YAP KET BIN

Chief Operating Officer i-Tech Network Solutions Sdn Bhd







#### **APRIL 2009**

Ireka's construction unit, Ireka Engineering & Construction Sdn Bhd (IECSB) set up a Quality Control & Training Unit to monitor the quality of workmanship for projects, as well as providing training to its construction supervisory staff and workers.

The Ireka's Sports & Recreational Club held its 13th Annual General Meeting for the election of a new committee for year 2010/2011.

Sandakan Harbour Square, a project managed (Design-and-Build) by Ireka, won the prestigious CNBC-Asia Pacific Property Awards 2009 in the Commercial Redevelopment/Renovation category.

# MAY 2009

Ireka announced its consolidated unaudited results for the financial year ended 31 March 2009.

Ireka Toastmasters Club held its inaugural Annual General Meeting at SENI Gallery for the election of a new committee for year 2009/2010. With the commitment and enthusiasm of its members, the Club had achieved the "Select Club" status after its establishment of just a year.

i-Tech Network Solutions Sdn Bhd (i-Tech) organised a 2-day Teambuilding Session in Awana, Genting where each team member was tasked with brainstorming session and challenging activities.

#### **JULY 2009**

Ireka announced a proposed final dividend in respect of the financial year ended 31 March 2009 of RM4,955,289.00 (4.35 cent net per ordinary share), based on franked dividend of 2.6% less 25% taxation and single tier dividend of 2.40% on 113.914.700 ordinary shares.

IECSB won the much-coveted Best Occupational Safety and Health (OSH) Management Award 2009 in the Malaysian Occupational Safety and Health Professional's Association (MOSHPA) Excellence Award.

IECSB successfully completed the construction of Tiffani by i-ZEN, a 399-unit luxury condominium located in the heart of Mont' Kiara, which comprises two adjacent blocks: a 36-storey block and a 28-storey block.

#### **AUGUST 2009**

Ireka's participated in The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2009 with a donation of RM15,000. The proceeds of the race were channelled towards 20 deserving charity beneficiaries.

The Ireka's Sports & Recreational Club held its inaugural Ireka Family Day 2009 at Sungai Klah Hot Spring, Sungkai, Perak with the objective of fostering closer integration and creating a healthy working environment for all employees within the Group.

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2009.



13

MOSHPA Excellence Award 2009.

14

Ireka Toastmasters Club Committee 2009/2010.

#### SEPTEMBER 2009

Ireka held its 33rd Annual General Meeting and Extraordinary General Meeting at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.

#### OCTOBER 2009

IECSB was awarded a contract of RM195 million to construct a hotel and shopping mall in Sandakan Harbour Square, Sabah.

The Ireka's Sports & Recreational Club organised a Durian Feast to foster relationship among staff from different offices and sites

#### **NOVEMBER 2009**

IECSB was awarded a contract of RM52 million for earthworks, pilecaps and raft foundation; and basement and podium structure works in KI. Sentral

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2009.

#### **DECEMBER 2009**

Ireka participated in the 3rd International Trade Fair for Construction and Building 2009 (CONBUILD 2009) in Ho Chi Minh City's Saigon Exhibition & Convention Centre which provided Ireka with a platform to assess construction and building opportunities in Vietnam as well as networking with other industry counterparts.

Mr. Liu Qi, the Beijing Committee Secretary of Communist Party China, Person In Charge of Beijing and the President of Beijing Olympics Organising Committee, paid a visit to Tiffani by i-ZEN.

Ireka through its wholly-owned subsidiary company World Trade Frontier Sdn Bhd signed a Conditional Sale and Purchase Agreement to acquire a parcel of freehold land situated on Jalan Kia Peng, Kuala Lumpur for a cash consideration of RM87.12 million. At the same time, Ireka entered into a Memorandum of Understanding with its associated company, Aseana Properties Limited to jointly develop the land.

### JANUARY 2010

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

## FEBRUARY 2010

Ireka organised its maiden Photography Contest 2010. The contest was aimed at uncovering talented employees as well as selecting images to be displayed in its new corporate office.

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 December 2009.

#### **MARCH 2010**

Ireka produced a 'Local Services Directory for Mont' Kiara' as a useful tool for its i-ZEN residents in search of everyday goods and locally-based services within the international neighbourhood.

Ireka's shareholders approved the proposals in respect of the acquisition of a piece of freehold land on Jalan Kia Peng and the joint development of this land with Aseana Properties Limited.



15



16

#### 15

Ireka's Sports and Recreational Club members enjoying the durian feast

#### 16

Local services directory for Mont' Kiara.

# CORPORATE SOCIAL RESPONSIBILITY STATEMENT



17



Donation to Kwong Ngai Lion Dance Association.

#### 18

Ireka made contributions to the victims of Typhoon Ketsana which hit Manila, Philippines on 26 September 2009. Ireka Corporation Berhad is committed to aligning its business goals and undertakings with corporate social responsibility (CSR) to further enhance interests and values of all stakeholders be it shareholders, investors, customers, employees or the community at large.

Ireka strives to ensure its commitment towards commendable corporate values which include:

- timely delivery of quality products and services;
- prevention of occupational health hazards:
- conservation and preservation of the natural environment; and
- care for multi-racial communities and employees.

The Group's CSR charter can be summed up in its "IREKA CARES" initiative, in which the acronym "CARES" stands for:

C = Community

A = Arts

R = Recreation

F = Fnvironment

S = Social

CSR has been an integral part of Ireka business, and it will continue to be a critical aspect of Ireka's business endeavours and it will do its part to reach out to the communities it serves.



To kick off the 'IREKA CARES' flagship CSR initiative, Ireka has adopted a children's home in Klang Valley. Leveraging on its experience as a contractor, developer and IT expert, Ireka endeavours to recondition and refurbish the home, as well as to provide them with IT hardware and advice, amongst other support for the home. The effort will see the integration of efforts from all staff across all entities within the Group, for a list of activities to engage the children of the home throughout the next financial year.

Aside from Ireka's flagship CSR initiative, below are some of Ireka's CSR activities undertaken during the financial year.

# IREKA SUPPORTS ARTS AND CULTURAL INITIATIVES BY KWONG NGAI LION DANCE ASSOCIATION

JANUARY 2010: Ireka sponsored the Kwong Ngai Lion Dance Association for its props and collaterals, required in their lion dance performances around the country. Ireka continues to support CSR initiatives especially those in the field of arts and culture that will benefit the spirit of multiculturalism within society.

# IREKA SUPPORTS SOULED OUT CHARITY CAMPAIGN, IN AID OF RUMAH NUR SALAM

JANUARY 2010: Ireka supported SOULed Out's Charity Campaign by purchasing its limited edition music compilation CDs for a noble cause. Funds raised were channelled to Rumah Nur Salam, a home which reaches out to 'at-risk' children under the age of 18 in the Chow Kit district of Kuala Lumpur. The donation will assist in the provision of shelter and food, as well as funding of educational, health and recreational programmes for these underprivileged children.

# IREKA SPONSORED TICKETS TO THE KLICHILDREN'S CHOIR'S 'TRIPLE BILL'

DECEMBER 2009: The Kuala Lumpur Children's Choir staged a production entitled 'Triple Bill' on 29 and 30 November 2009 at the KL Performing Arts Centre. Ireka sponsored a total of 33 tickets, for its employees and their families for an evening of enjoyment. They were entertained by a 115-member choir that performed three different short musicals. The Junior members bravely performed Alexander, the Intermediate members showcased Frankie & Me. while the Senior members brought to life some famous music composition by Lord Andrew Lloyd Webber. Ireka continues to support such CSR initiatives relating to the field of arts and culture. that will benefit the growth and development of the younger generation.

# CHARITY DINNER BY THE KIWANIS CLUB OF BUKIT KIARA

NOVEMBER 2009: Ireka was a Silver Sponsor for a charity dinner organised by The Kiwanis Club of Bukit Kiara, in which the total proceeds went towards orphanages and children with Down's Syndrome, HIV/AIDS and autism. The event was also graced by Malaysia's 4th Prime Minister Y.A.B. Tun Dr. Mahathir Mohamad.

# IREKA LENDS A HELPING HAND TO VICTIMS OF TYPHOON KETSANA, IN MANILA

OCTOBER 2009: Ireka made contributions to the victims of Typhoon Ketsana which hit Manila, Philippines on 26 September 2009, killing hundreds and leaving many homeless. As health hazards increased, there was a desperate need for medication due to the contaminated water. The Management of Ireka Development Management Sdn Bhd and i-Tech Network Solutions Sdn Bhd (both wholly-owned subsidiaries of Ireka) donated oral rehydration salts, paracetamol, anti-diarrhoea tablets and other medications to the victims.

# IREKA CORPORATION BERHAD CONTRIBUTES RM15,000 TOWARDS TABLING BENCANA

OCTOBER 2009: Ireka contributed a total of RM15,000 towards Tabung Bencana NSTP-Media Prima, in aid of victims of the earthquake in Padang, Indonesia, Typhoon Ketsana in Vietnam and the Philippines as well as the tsunami in Samoa. All of the proceeds were channelled to the Ministry of Foreign Affairs's disaster fund, to enable Malaysians to help ease the burden of victims of natural disasters anywhere in the world.

# IREKA RUNNING FOR A NOBLE CAUSE IN THE KL RAT RACE 2009

AUGUST 2009: It was Ireka's maiden participation in The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2009, with a donation of RM15,000. Ireka sent a team of five runners for the 4.5 km Main Race under the Mixed Category. Ireka's Executive Director, Lai Voon Hon who completed the 1 km CEO Race, also won the Best Dressed CEO Award. The event raised a record total of RM1.75 million from 67 local and foreign companies, with the funds being channelled to 20 charity beneficiaries.

# IREKA SUPPORTED 'CIRCLE OF HOPE' OF THE MALAYSIAN AIDS FOUNDATION (MAF)

JUNE 2009: Ireka contributed to Malaysian AIDS Foundation (MAF) in conjunction with the fundraising movie screening for 'Circle of Hope' scheme under MAF. Apart from funding the operations and programmes by MAF and Malaysian AIDS Council (MAC), other beneficiaries of 'Circle of Hope' include Children and Youth Assistance Scheme and the Medical Assistance Scheme.



19



20

#### 19

Dato' Amrin Awaluddin from Media Prima receiving a RM15,000 donation mock cheque from Mr Leonard Yee, Ireka's Group General Manager.

#### 20

Ireka sent a team of five runners for the 4.5 km Main Race under the Mixed Category. Lai Voon Hon (left) completed the 1 km CEO Race and won the 'Best Dressed CEO'.



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

As required under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), this Statement reports on how the Malaysian Code of Corporate Governance ("the Code") are applied by the Group in addition to the Listing Requirements throughout the financial year ended 31 March 2010.

### A. THE BOARD OF DIRECTORS

#### (i) The Board

The Group is led by an effective Board which comprises members of calibre from a diverse blend of professional backgrounds ranging from business, legal, finance and accounting experience. The Board views its current composition encompasses right mix of skills and strength in qualities which are relevant and enable the Board to discharge its responsibilities in effective and competent manner. The profiles of these Directors are provided on pages 16 to 19 of the Annual Report.

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

#### (ii) Board Balance and Independence

The Board currently has ten (10) members comprising a Non-independent Non-executive Chairman, six Executive Directors and three Independent Non-executive Directors.

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

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

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

# (iii) Board Meetings and Supply of Information

The Board meets at least four times a year, with additional meetings being held as and when necessary. During the year ended 31 March 2010, the Board met for a total of nine (9) times and their respective attendance is as follows:

Name of Directors	Attendance
Haji Abdullah bin Yusof	9/9
Lai Siew Wah	8/9
Datuk Lai Jaat Kong @ Lai Foot Kong PJN	I, JSM <b>8/9</b>
Chan Soo Har @ Chan Kay Chong	9/9
Lai Man Moi	9/9
Lai Voon Hon	8/9
Lai Voon Huey, Monica	8/9
Haji Mohd. Sharif bin Haji Yusof	9/9
Kwok Yoke How	7/9
Lim Che Wan	9/9

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

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

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

# (iv) Appointments to the Board

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

The Nomination Committee is responsible for identifying, recruiting and recommending candidates for directorships and also to fill the seats of Board Committees. 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 training programme, seminars and talks to keep abreast with recent developments of the state of economy, technology, management strategies, practices, laws and regulations to enhance their knowledge and skills in order to discharge their duties effectively.

#### (v) Re-election of Directors

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

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

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

- (i) Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM retiring pursuant to Article 91 of the Articles, may be reappointed with a simple majority of such members of the Company at the meeting; and
- (ii) Haji Abdullah bin Yusof, Lai Siew Wah, Haji Mohd. Sharif Bin Haji Yusof and Kwok Yoke How who are over the age of seventy years, retiring in accordance with Section 129 of the Companies Act, 1965. These Directors may be reappointed 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 Remuneration Committee comprises Kwok Yoke How (Chairman), Haji Mohd Sharif Bin Haji Yusof and Lai Siew Wah. The Remuneration Committee is responsible for recommending the remuneration packages to Executive Directors for consideration and approval by the Board. The Executive Directors play no part in decision on their own remuneration. The Remuneration Committee reviews the remuneration packages of Executive Directors based on their responsibilities and scope of work, corporate and individual performance.

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

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

### (iii) Disclosure

The details of the remuneration of Directors during the financial year ended 31 March 2010 are as follows:

# 1. Aggregate remuneration of Directors categorized into appropriate components:

	Salaries (RM'000)	Fees (RM'000)	Bonus & Incentives (RM'000)	Benefits- In-Kind (RM'000)	Total (RM'000)	
Executive Directors	3,573	220	441	0	4,234	
Non-executive Directors	0	130	0	0	130	

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

	Number o	f Directors	
Range of Remuneration	Executive	Non-executive	
Below RM50,000	_	4	
RM550,001 - RM600,000	3	_	
RM600,001 - RM650,000	_	-	
RM650,001 – RM700,000	1	_	
RM700,001 – RM750,000	1	_	
RM750,001 – RM800,000	_	_	
RM800,001 - RM850,000	_	_	
RM850,001 – RM900,000	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. The Executive Directors together with the Management also hold regular meetings with analysts and investors to present and update the Group's strategy, performance and major developments.



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

## (ii) Dividend Policy

The Company has established a Dividend Policy of distributing 40% of the Group's net earnings to its shareholders, subject to a number of factors which include availability of distributable reserves and the Group's future cash flow requirements. For the financial year ended 31 March 2010, the Directors have recommended a first and final single tier dividend of 5% (5 sen net per ordinary share) for approval by shareholders at the forthcoming Annual General Meeting.

#### (iii) Annual General Meetings

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

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

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

### D. ACCOUNTABILITY AND AUDIT

# (i) Financial Reporting

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

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

# (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 to take such steps as reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

# (iii) Internal Control

The Group's Internal Control Statement is set out on pages 32 to 33.

# (iv) Relationship With The Auditors

The role of the Audit Committee in relation to the external auditors is stated on page 34.

# (v) Audit Committee

In compliance with the good practice of the Code, the current Audit Committee comprises three Independent Non-executive Directors. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants. The composition and report of the Audit Committee for the year ended 31 March 2010 are set out on pages 34 to 37 of this Annual Report.

HAJI ABDULLAH BIN YUSOF

Chairman

LAI SIEW WAH

Group Managing Director 24 August 2010



Pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements, the Board of Directors is pleased to report to the shareholders the state of internal controls of the Group for the financial year ended 31 March 2010. This Statement has been prepared in accordance with the above requirements and guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

# RESPONSIBILITY

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

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

#### RISK MANAGEMENT

The Board acknowledges that all areas of the Group's activities involve some degree of risks and recognizes that effective risk management is part of good business management practice for the successful achievement of the Group's business objectives. On a day-to-day basis, the respective Heads of Department and Key Management Staff are responsible for managing the risks of their departments and periodic management meetings are held to ensure that significant issues and risks faced by the Group are closely monitored and appropriately addressed.

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

# **INTERNAL AUDIT FUNCTION**

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

#### OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

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

### **REVIEW OF STATEMENT**

The external auditors have reviewed this Statement for inclusion in the Annual Report 2009, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

#### CONCLUSION

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



The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 March 2010

#### COMPOSITION

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

#### FREQUENCY OF MEETINGS

The Committee had six meetings during the financial year which were attended by all the members except for Kwok Yoke How who absent once due to unforeseen circumstances.

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

#### SUMMARY OF ACTIVITIES

During the financial year 2010, the Audit Committee carried out its duties as set out in the terms of reference. The main activities carried out by the Audit Committee encompassed the following:

# (i) Financial Reporting

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

#### (ii) External Audit

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

# (iii) Internal Audit

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

#### (iv) Related Party Transactions

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

#### TERMS OF REFERENCE

#### (i) Membership

- The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Nonexecutive 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 I or Part II of the First Schedule of the Accountants Act, 1967 with at least 3 years' working experience.
- No alternate Director may be appointed as a member of the Committee.
- The members of the Committee shall elect a Chairman from among their members who shall be an Independent Non-executive Director.
- In the event of any vacancy in the Committee resulting in the number of Directors falling below three (3) members, the Board of Directors must fill the vacancy within three (3) months to make up the minimum number of three (3) members.

#### (ii) Authority

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



 The Committee is authorised to obtain external legal or other independent professional advice as necessary.

#### (iii) Duties and Responsibilities

The duties of Committee shall be among others:

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

- (b) To promptly report to the Bursa Malaysia Securities Berhad of matters reported by the Audit Committee to the Board of Directors which have not been satisfactorily resolved, resulting in a breach of the Bursa Malaysia Securities Berhad's Listing Requirements.
- (c) To recommend the nomination of a person or persons as external auditors.

#### (iv) Meetings

- Meetings shall be held not less than four (4) times a year.
- A quorum shall be two (2) 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.

#### (v) 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.

#### INTERNAL AUDIT FUNCTION

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

On an annual basis, an internal audit plan is tabled to the Audit Committee for review and approval, and the Internal Audit function executes the audits based on the approved plan. The results of the audit reviews are periodically reported to the Audit Committee. In addition, the Internal Audit function carries out follow up reviews to ensure that previously reported issues have been adequately addressed by Management and the results of such reviews are also periodically reported to the Audit Committee. Although a number internal control weaknesses were identified, none of the weaknesses have resulted in any material losses that would require separate disclosure in this Annual Report. The total costs incurred for the outsourcing of the Internal Audit function for the financial year ended 31 March 2010 was approximately RM35,000.00





40

Directors' Report

45

Statement By Directors

46

Statutory Declaration

47

Auditors' Report

49

Balance Sheets

51

Income Statements

52

Consolidated Statements Of Changes In Equity

53

Company Statements Of Changes In Equity

54

Consolidated Cash Flow Statements

56

Company Cash Flow Statements

57

Notes To The Financial Statements

### DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2010.

#### PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries and companies within the Group are stated in Note 10 to the financial statements.

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

#### FINANCIAL RESULTS

	Group RM	Company RM
Profit before taxation	9,379,099	4,484,517
Taxation	(710,386)	(70,000)
Profit for the year	8,668,713	4,414,517
Attributable to:		
Equity holders of the Company	8,668,713	4,414,517
Equity Holders of the Company	0,000,1.0	.,,

#### **DIVIDENDS**

Since the end of the previous financial year, a final dividend of 4.35% (4.35 sen net per ordinary share) comprising franked dividend of 2.6% less 25% taxation and single tier dividend of 2.4% amounting to RM4,955,289 in respect of financial year ended 31 March 2009 was paid out during the financial year under review.

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2010 of RM5,695,735 (5 sen net per ordinary share), based on single tier dividend of 5% on 113,914,700 ordinary shares, will be proposed for shareholders' approval. The financial statements for the current financial year has not reflected this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2011.

#### DIRECTORS OF THE COMPANY

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

Haji Abdullah Bin Yusof

Lai Siew Wah

Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM

Haji Mohd Sharif Bin Haji Yusof

Chan Soo Har @ Chan Kay Chong

Lai Man Moi

Kwok Yoke How

Lai Voon Hon

Lai Voon Huey

Lim Che Wan

#### DIRECTORS' BENEFITS

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

No Director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 37 to the financial statements.

#### DIRECTORS' INTERESTS

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

#### Interest in ordinary shares of the Company:

#### Number of ordinary shares of RM1 each

	1.4.2009/			
	Date of Appointment*	Addition	Disposal	At 31.3.2010
DIRECT HOLDING			-	
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	4,827,100	_	_	4,827,100
Chan Soo Har @ Chan Kay Chong	2,184,750	_	_	2,184,750
Lai Man Moi	2,040,750	_	_	2,040,750
Haji Abdullah Bin Yusof	1,500,000	_	_	1,500,000
Kwok Yoke How	1,742,603	_	_	1,742,603
Lai Voon Hon	12,000	_	_	12,000
Lai Voon Huey	6,000	_	_	6,000
Lim Che Wan	* 194,500	-	-	194,500
INDIRECT HOLDING				
Lai Siew Wah (i)	49,001,998	_	_	49,001,998
Lai Voon Hon (i)	49,001,998	_	_	49,001,998
Lai Voon Huey (i)	49,001,998	_	_	49,001,998
Haji Abdullah Bin Yusof (ii)	15,398,248	_	_	15,398,248

- (i) Deemed interest through Ideal Land Holdings Sdn Bhd
- (ii) Deemed interest through Magnipact Resources Sdn Bhd

#### **RESERVES AND PROVISIONS**

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

#### DIRECTORS' REPORT (CONT'D)

#### ISSUE OF SHARES AND DEBENTURES

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

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

#### BAD AND DOUBTFUL DEBTS

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

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

#### **CURRENT ASSETS**

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

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

#### **VALUATION METHODS**

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

#### CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year except as disclosed in Note 39 to the financial statements.

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

#### CHANGE OF CIRCUMSTANCES

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

#### ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year ended 31 March 2010.

#### SHARE BUY-BACK

The Company did not purchase any own shares during the financial year ended 31 March 2010.

#### 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 2010.

#### 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 2010.

#### **VARIANCES IN RESULTS**

The variance between the financial results ended 31 March 2010 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 2010.

#### 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.

### DIRECTORS' REPORT (CONT'D)

#### **AUDITORS**

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

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

LAI SIEW WAH Director

Kuala Lumpur 28 July 2010 DATUK LAI JAAT KONG @ LAI FOOT KONG PJN, JSM Director

## 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 PUN, 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 49 to 111 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 2010 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 BEHALE OF THE BOARD IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

LAI SIEW WAH

Kuala Lumpur 28 July 2010 DATUK LAI JAAT KONG @ LAI FOOT KONG PJN, JSM Director

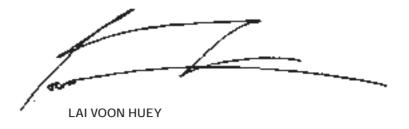
IREKA CORPORATION BERHAD ANNUAL REPORT 2010

### 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 49 to 111 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 28 July 2010



Before me.



Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IREKA CORPORATION BERHAD

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of IREKA CORPORATION BERHAD, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 111.

#### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### AUDITORS' RESPONSIBILITY

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

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

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

#### OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and of their financial performance and cash flows for the year then ended.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

#### OTHER MATTERS

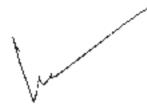
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



RAJA SALLEH, LIM & CO.

AF-0071

**Chartered Accountants** 



LIM KIM CHEONG 116/03/11 (J/PH)

Chartered Accountant

Petaling Jaya 28 July 2010

# **BALANCE SHEETS**

As at 31 March 2010

	Note	2010 RM	Group 2009 RM	2010 RM	Company 2009 RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	72,220,293	65,021,120	3,986,367	14,172,712
Investment properties	9	4,272,100	4,272,100	_	_
Investment in subsidiaries	10	-	_	52,336,985	52,086,987
Investment in associates	11	166,126,791	_	169,051,999	_
Investment in jointly controlled entities	12	_	184,873	70,000	70,000
Other investments	13	9,335,579	185,697,681	761,910	169,513,909
Land held for property development	14	10,819,053	10,819,053	_	
		262,773,816	265,994,827	226,207,261	235,843,608
Current assets					
Property development costs	15	3,611,019	3,253,480	_	_
Inventories	16	16,856,525	14,423,581	_	-
Trade and other receivables	17	185,588,612	144,135,179	12,098,661	12,312,811
Amounts due from customers on contracts	18	24,457,317	31,327,867	_	-
Amounts due from jointly controlled entities	19	11,112,177	11,422,144	11,594,883	11,554,261
Amounts due from subsidiaries	20	-	_	51,217,431	35,417,214
Cash and bank balances	21	40,675,222	27,138,908	8,170,799	5,549,797
		282,300,872	231,701,159	83,081,774	64,834,083
Assets of disposal group classified as held for sale	33	6	6	6	6
		282,300,878	231,701,165	83,081,780	64,834,089
TOTAL ASSETS		545,074,694	497,695,992	309,289,041	300,677,697

### BALANCE SHEETS (CONT'D)

As at 31 March 2010

	Note	2010 RM	Group 2009 RM	2010 RM	Company 2009 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	22	113,914,700	113,914,700	113,914,700	113,914,700
Share premium		21,870,960	21,876,085	21,870,960	21,876,085
Other reserves	23	(184,609)	(184,609)	_	_
Retained earnings		102,108,454	98,395,030	17,543,829	18,084,601
Total equity		237,709,505	234,001,206	153,329,489	153,875,386
Non-current liabilities					
Borrowings	24	32,572,928	37,694,826	2,047,700	2,704,709
Deferred tax	25	3,252,500	3,252,500	610,000	610,000
		35,825,428	40,947,326	2,657,700	3,314,709
Current liabilities					
Trade and other payables	26	115,955,227	149,409,708	1,359,988	1,366,840
Amounts due to subsidiaries	20	-	_	146,314,910	136,703,225
Borrowings	24	154,862,183	71,529,896	5,626,954	5,417,537
Tax payable		722,351	1,807,856	_	
		271,539,761	222,747,460	153,301,852	143,487,602
Total liabilities		307,365,189	263,694,786	155,959,552	146,802,311
TOTAL EQUITY AND LIABILITIES		545,074,694	497,695,992	309,289,041	300,677,697

# **INCOME STATEMENTS**

For the year ended 31 March 2010

	Note	2010 RM	Group 2009 RM	2010 RM	Company 2009 RM
Continuing operations					
Revenue	27	393,072,387	323,694,125	16,330,147	12,584,923
Cost of sales	28	(348,903,166)	(287,421,614)	(255,000)	
Gross profit		44,169,221	36,272,511	16,075,147	12,584,923
Other income	29	2,850,277	2,853,826	735,677	449,594
Administration expenses		(16,629,831)	(17,401,193)	(9,268,350)	(9,636,787)
Other expenses		(10,042,084)	(8,378,191)	(2,631,584)	(2,562,379)
Operating profit		20,347,583	13,346,953	4,910,890	835,351
Finance costs	30	(7,896,609)	(6,300,612)	(426,373)	(507,700)
Share of loss of associates	11	(2,925,208)	_	_	_
(Loss)/Profit from jointly controlled entities		(146,667)	1,914	_	
Profit before tax	31	9,379,099	7,048,255	4,484,517	327,651
Income tax expense	32	(710,386)	(998,900)	(70,000)	(75,000)
Profit for the year from continuing operations		8,668,713	6,049,355	4,414,517	252,651
Discontinued operations					
Loss for the year from discontinued operations	33		(13,073)		
Profit for the year		8,668,713	6,036,282	4,414,517	252,651
Attributable to:					
Equity holders of Company		8,668,713	6,036,282	4,414,517	252,651
Profit for the year		8,668,713	6,036,282	4,414,517	252,651
Profit per share attributable to equity holders to the Company (sen)					
Basic, for profit from continuing operations		7.61	5.31		
Basic, for loss from discontinued operations			(0.01)		
Basic, for profit for the year	34	7.61	5.30		

# **CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the year ended 31 March 2010

### Attributable to Equity Holders of the Company

_							
ı		Non-dist	ributable	Distributable	I		
_	Share capital RM	Share premium RM	Other reserves RM	Retained earnings RM	Total RM	Minority interest RM	Total equity RM
As at 1 April 2008	113,914,700	21,891,585	(184,609)	100,788,436	236,410,112	115,911	236,526,023
Disposal of subsidiaries	_	_	_	_	_	(115,911)	(115,911)
Dividends	_	_	_	(8,429,688)	(8,429,688)	_	(8,429,688)
Profit for the year	_	_	_	6,036,282	6,036,282	_	6,036,282
Transaction costs _	_	(15,500)	_	_	(15,500)		(15,500)
As at 31 March 2009	113,914,700	21,876,085	(184,609)	98,395,030	234,001,206	-	234,001,206
Dividends	_	_	_	(4,955,289)	(4,955,289)	_	(4,955,289)
Profit for the year	_	_	_	8,668,713	8,668,713	_	8,668,713
Transaction costs	_	(5,125)			(5,125)		(5,125)
As at 31 March 2010	113.914.700	21.870.960	(184.609)	102.108.454	237.709.505	_	237.709.505

# **COMPANY STATEMENTS OF CHANGES IN EQUITY**

For the year ended 31 March 2010

		Non- distributable	Distributable	
	Share capital	Share premium	Retaine earnings	Total
	RM	RM	RM	RM
Balance as at 1 April 2008	113,914,700	21,891,585	26,261,638	162,067,923
Profit for the year	_	_	252,651	252,651
Transaction costs	-	(15,500)	_	(15,500)
Dividends			(8,429,688)	(8,429,688)
Balance as at 31 March 2009	113,914,700	21,876,085	18,084,601	153,875,386
Profit for the year	_	_	4,414,517	4,414,517
Transaction costs	-	(5,125)	_	(5,125)
Dividends			(4,955,289)	(4,955,289)
Balance as at 31 March 2010	113,914,700	21,870,960	17,543,829	153,329,489

# **CONSOLIDATED CASH FLOW STATEMENTS**

For the year ended 31 March 2010

	2010 RM	2009 RM
	KIVI	Kivi
Cash flow from operating activities		
Profit before taxation from		
<ul> <li>Continuing operations</li> </ul>	9,379,099	7,048,255
- Discontinuing operations	_	(13,073)
Adjustments for:		
Other investments – Impairment loss	38,756	1,050,948
Bad debts written off	_	696,063
Writedown of inventories	_	62,009
Gain on disposal of subsidiaries	_	(29,913)
Interest expense		
<ul> <li>Continuing operations</li> </ul>	7,896,609	6,300,612
<ul> <li>Discontinuing operations</li> </ul>	_	10,216,564
Interest income	(83,250)	(799,422)
Share of loss from associates	2,925,208	_
Share of loss/(profit) of jointly controlled entities	146,667	(1,914)
Property, plant and equipment		
- Depreciation	6,665,634	4,612,951
<ul> <li>Gain on disposals</li> </ul>	(333,097)	(86,309)
- Written-off	41,429	_
<ul> <li>Loss on disposals</li> </ul>	52,686	281,025
	26,729,741	29,337,796
Property development costs	(357,539)	2,261,034
Inventories	(2,432,944)	(956,593)
Receivables	(66,522,627)	37,955,106
Amounts due from customers on contracts	6,870,550	(15,822,377)
Amounts due from jointly controlled entities	428,386	(26,212)
Payables	(8,668,150)	(7,766,629)
Cash (used in)/generated from operations	(43,952,583)	44,982,125
Income tax paid	(1,577,232)	(4,548,894)
Net cash flow (used in)/generated from operating activities	(45,529,815)	40,433,231
Cash flow from investing activities		
Interest received	83,250	700 422
	63,230	799,422
Property, plant and equipment  - Additions	(12 E94 004)	(11 010 670)
- Additions - Disposals	(13,586,996) 1,900,459	(11,010,678) 434,573
Investment in associates		434,373
	(300,000)	(0.712)
Land held for property development	-	(9,713)
Other investments – Additions	-	(36,627,581)
Net cash paid from disposal of subsidiaries Proceeds from disposal of investments	- 7	(674)
·	7,571,347	240,000
Net cash flow used in investing activities	(4,331,940)	(46,174,651)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		2010	2009
	Note	RM	RM
Cash flow from financing activities			
Dividends paid to shareholders		(4,955,289)	(8,429,688)
Transaction costs		(5,125)	(15,500)
Hire purchase principal repayments		(5,294,599)	(728,323)
Interest paid		(7,896,609)	16,517,176)
Drawdown of bank borrowings		98,674,396	88,322,110
Repayment of bank borrowings		(30,717,541)	(107,789,964)
Net cash flow generated from/(used in) financing activities		49,805,233	(45,158,541)
Net decrease in cash and cash equivalents		(56,522)	(50,899,961)
Cash and cash equivalents			
- at start of year		2,550,736	53,450,697
- at end of year	21	2,494,214	2,550,736

# **COMPANY CASH FLOW STATEMENTS**

For the year ended 31 March 2010

	Note	2010 RM	2009 RM
Cash flow from operating activities			
Profit before tax		4,484,517	327,651
Adjustments for:		.,,	,
Dividend income		(4,200,003)	(750,001)
Interest expenses		426,373	507,700
Interest income		(364,926)	(370,069)
Property, plant and equipment		, , ,	, , ,
- Depreciation		555,351	665,980
- Gain on disposals		(43,000)	(8,783)
- Loss on disposals		13,755	30,910
		872,067	403,388
Receivables		144,150	31,609,929
Amount due from jointly controlled entity		(40,622)	(25,629)
Amounts due from subsidiaries		(6,188,532)	(1,033,713)
Payables		(6,852)	19,673
Net cash flow (used in)/generated from operating activities		(5,219,789)	30,973,648
Cash flow from investing activities			
Proceeds from disposal of investments		_	240,000
Investment in subsidiaries		(249,998)	(2,500,000)
Investment in associates		(300,000)	_
Interest received		364,926	370,069
Dividend received from a subsidiary company		4,200,003	750,001
Property, plant and equipment			
<ul> <li>Additions</li> </ul>		(23,095)	(77,874)
- Disposals		9,683,334	18,200
Other investments – Additions		_	(20,443,809)
Net cash flow generated from/(used in) investing activities		13,675,170	(21,643,413)
Cash flow from financing activities			
Dividends paid to shareholders		(4,955,289)	(8,429,688)
Transaction costs		(5,125)	(15,500)
Hire purchase principal repayments		(544,117)	(488,087)
Interest paid		(426,373)	(507,700)
Repayment of bank borrowings		(91,943)	(1,043,848)
Net cash flow used in financing activities		(6,022,847)	(10,484,823)
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents		2,432,534	(1,154,588)
- at start of year		3,783,907	4,938,495
- at end of year	21	6,216,441	3,783,907

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

#### 1 PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are described in Note 10 to the financial statements.

#### 2 DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of the Directors on 28 July 2010.

#### 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 risks. The Group's overall financial risk management objective is to ensure that the Group enhances shareholders' value. The Group establishes and operates within financial risk management policies approved by the Board of Directors to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing these risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

#### (a) Foreign currency risk

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

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

#### (b) Interest rate risk

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

#### (c) Credit risk

Credit risks are controlled by ensuring that sales of services and products are made to customers with appropriate credit history and the application of credit approvals, limits and monitoring procedures.

The Group does not have any significant exposure to any individual customer nor counterparty, except Aseana Properties Limited; nor does it have any major concentration of credit risk related to any financial assets, other than as disclosed in Note 17.

#### (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.

For the year ended 31 March 2010

#### 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 revenues and expenses where a reasonable basis of allocation exists. Segment 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 of the Company have also been prepared on a historical basis.

The financial statements also comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2009 as described fully in Note 6.

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

#### (b) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating activities so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the Group has such power over another entity.

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

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Subsidiaries (cont'd)

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealized gains or losses are eliminated in full. Uniform accounting policies are adopted in the financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus and costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

#### (c) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method of accounting, the Group's share of profits less losses of associates during the financial year is included in the consolidated income statement. Where there has been a change recognized directly in the equity of the associates, the Group recognises its share of such changes. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless the cost cannot be recovered. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associates is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

For the year ended 31 March 2010

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Associates (cont'd)

When the Group's share of losses in an associates equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

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

#### (d) 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.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2(c).

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.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

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

#### (e) Intangible assets

#### Goodwill

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

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

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

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is stated at cost less any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a reducing balance basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

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

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

An item of property, plant and equipment is derecognised upon disposal when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

The Group has not adopted a policy of revaluation on its landed properties as at the end of financial year ended 31 March 2010.

#### (g) Investment properties

Investment properties consists of land and buildings which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs.

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

For the year ended 31 March 2010

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

#### (ii) Property development costs

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

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

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

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

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

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

#### (i) Construction contracts

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

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

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (i) Construction contracts (cont'd)

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

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

#### (i) Inventories

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

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

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

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

The carrying amounts of assets, other than investment property, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an assets exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or group of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis.

For the year ended 31 March 2010

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

#### (I) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

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

#### (i) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### (ii) Other non-current investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

#### (iii) Marketable securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increase or decrease in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

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

(I) Financial instruments (cont'd)

#### (iv) Trade receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

#### (v) Trade payables

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

#### (vi) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

#### (vii) Equity instruments

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

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

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sale consideration and the carrying amount is recognised in equity.

#### (viii)Derivative financial instruments

Derivative financial instruments are not recognised in the financial statements.

For the year ended 31 March 2010

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases

#### (i) Classification

A lease recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purpose of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease [Note 5(o)]: and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

#### (ii) Finance leases - The Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used in the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represents the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 5(f).

#### (iii) Operating leases - The Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (cont'd)

#### (iv) Operating leases - The Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease [(Note 5(s)(v)]. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### (n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The borrowing costs eligible for the capitalisation is the actual borrowing costs incurred on their borrowing during the period less any investment income on the temporary investment of that borrowing.

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

#### (o) Income tax

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

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

For the year ended 31 March 2010

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (p) Provisions for liabilities

Provision for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

#### (q) Employee benefits

#### (i) Short term benefits

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

#### (ii) Defined contribution plans

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

#### (iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employee expected to accept the offer. Benefits failing due more than twelve months after balance sheet date are discounted to present value.

#### (r) Foreign currencies

#### (i) Functional and presentation currency

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

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

(r) Foreign currencies (cont'd)

#### (ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

#### (iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at closing rate prevailing at the balance sheet date:
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- · All resulting exchange differences are taken to the foreign currency translation reserve within equity.

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

	31.03.2010 RM	31.03.2009 RM	
United States Dollars	3.262	3.645	
Vietnam Dong	0.00184	0.000210	

For the year ended 31 March 2010

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (s) Revenue recognition

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

#### (i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 5(i).

#### (ii) Property development

Revenue from property development is accounted for by the stage of completion method as described in Note 5(h).

#### (iii) Sale of goods

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

#### (iv) Revenue from services rendered

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

#### (v) Rental income

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

#### (vi) Interest income

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

#### (vii) Dividend income

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

#### 5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

(u) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

6 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSS Standards and interpretations issued but not effective

At the date of authorisation of these financial statements, the following new FRSs, amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 7 Financial Instruments: Disclosures

FRS 101 Presentation of Financial Statements (revised)

FRS 123 Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

For the year ended 31 March 2010

#### 6 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (CONT'D)

Standards and interpretations issued but not effective (cont'd)

Effective for financial periods beginning on or after 1 January 2010: (cont'd)

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated

and Separate

Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity

or Associate

Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments:

Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 2009 Improvement to FRSs (2009)

IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 10 Interim Financial Reporting and Impairment
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions

IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements

and their Interaction

Effective for financial periods beginning on or after 1 July 2010:

FRS 1 FRS 1 – First-time Adoption of Financial Reporting Standards

FRS 3 Business Combinations (revised)

FRS 127 Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2 Share-based Payment

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 138 Intangible Assets

Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 15 Agreements for the Construction of Real Estate
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners

Distribution of Non dasifytesets to Cwi

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132 Classification of Right Issues

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters

Amendments to FRS 7 Improving Disclosure about Financial Instruments

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Other than IFRIC 15 and those described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application.

6 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (CONT'D)
Standards and interpretations issued but not effective (cont'd)

FRS 8: Operating Segment

FRS 8 replaces FRS 114 2004: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

FRS 123: Borrowing Costs

This Standard supersedes FRS 123 2004: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The Group's current accounting policy is to expense the borrowing costs in the period which they are incurred. In accordance with the transitional provisions of the Standard, the Group will apply the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period 1 January 2010.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

For the year ended 31 March 2010

6 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (CONT'D)
Standards and interpretations issued but not effective (cont'd)

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

## FRS 140: Investment Property

Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The Group has previously accounted for such assets using the cost model. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 15 establishes that the developer will have to evaluate whether control, and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised as percentage of completion method. With IC Interpretation 15, the Group will change its accounting policies from recognizing revenue using percentage of completion method to recognised revenue using completion method.

#### 7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Critical judgements made in applying accounting policies

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

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

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

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

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

- (a) Critical judgements made in applying accounting policies (cont'd)
  - (ii) Operating lease commitments The Group as lessor

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

#### (b) Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

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

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

#### (ii) Amount due from customers for construction contracts

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

#### (iii) Income taxes

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

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

For the year ended 31 March 2010

#### 7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

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

#### (iv) Impairment of assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (v) Allowance for doubtful debts of receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

#### (vi) Impairment of other investments

The management determines whether the carrying amounts of its other investments are impaired at balance sheet date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on published analysts' reports and current market indicators and estimates that provide reasonable approximations to the computation of recoverable amounts.

#### (vii) Amount due from subsidiaries

The Company determines the recoverability of the amounts due from certain subsidiaries when these debts exceeded their capital investments. The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investment in subsidiaries. The Directors are of the opinion that no further provision for doubtful debts needs to be made for the debts due from these subsidiaries.

#### (viii) Provision for claims payable for late completion and late delivery

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

The Directors have carefully assessed the terms of the contracts, advice from the qualified external party, the amount of damages and the estimated claims payable for late delivery. Based on the Directors' assessment, the Group estimated with reasonable certainty the amounts of claims that are expected to be payable for the project and these amounts have been recognised accordingly as at 31 March 2010. In view of the ongoing negotiations on the claims, any further disclosure may be prejudicial to the Group's negotiating position.

For the year ended 31 March 2010

# 8 PROPERTY, PLANT AND EQUIPMENT

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

For the year ended 31 March 2010

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

Group _	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Computers R	Office enovation RM	Total RM
As at 31.3.2009									
Cost									
As at 1.4.2008	9,552,128	27,837,184	21,909,981	10,598,764	3,967,048	1,708,942	867,468	591,730	77,033,245
Additions	_	124,208	16,778,017	712,364	252,441	296,837	94,039	65,418	18,323,324
Disposals _	_	_	(779,773)	(847,887)	(500,301)	(309,616)	(4,957)	_	(2,442,534)
As at 31.3.2009 _	9,552,128	27,961,392	37,908,225	10,463,241	3,719,188	1,696,163	956,550	657,148	92,914,035
Accumulated depreciation and impairment									
As at 1.4.2008	_	227,554	14,114,835	6,592,508	2,574,762	1,065,269	494,569	23,709	25,093,206
Depreciation charge	Э								
for the year	_	23,415	3,288,412	846,431	217,400	67,008	108,355	61,930	4,612,951
Disposals _	_	_	(628,775)	(619,097)	(368,136)	(196,615)	(619)	_	(1,813,242)
As at 31.3.2009 _	_	250,969	16,774,472	6,819,842	2,424,026	935,662	602,305	85,639	27,892,915
Net carrying amount As at 31.3.2009	9.552.128	27.710.423	21.133.753	3.643.399	1.295.162	760.501	354.245	571.509	65.021.120

For the year ended 31 March 2010

Company	Freehold land RM	Buildings RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Total RM
As at 31.3.2009						
Cost						
As at 1.4.2008	9,552,128	1,856,134	6,129,163	1,527,655	550,295	19,615,375
Additions	_	_	616,277	28,597	_	644,874
Disposals		_	(144,794)	(154,291)	(1,328)	(300,413)
As at 31.3.2009	9,552,128	1,856,134	6,600,646	1,401,961	548,967	19,959,836
Accumulated depreciation and impairment						
As at 1.4.2008	_	227,554	3,601,696	1,117,469	434,510	5,381,229
Depreciation charge for the year	_	23,415	575,589	55,456	11,520	665,980
Disposals		_	(135,777)	(123,558)	(750)	(260,085)
As at 31.3.2009		250,969	4,041,508	1,049,367	445,280	5,787,124
Net carrying amount						
As at 31.3.2009	9,552,128	1,605,165	2,559,138	352,594	103,687	14,172,712

TROTERT THE ENTER THE EQUIL MENT (OUT D)				
	G	roup	Com	ipany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
(a) Details of assets under hire purchase –				
Hire purchase –				
Plant and machinery –				
Additions during the year, at cost	2,624,695	8,380,357	_	_
Net book value at year end	6,593,837	11,090,490	_	
Motor vehicles -				
Additions during the year, at cost	94,538	704,864	_	616,277
Net book value at year end	2,193,413	2,696,321	1,644,651	2,058,741
Finance lease –				
Plant and machinery –				
Net book value at year end	97,867	122,334		
Motor vehicles -				
Net book value at year end	5,418	6,772	_	
(b) The net carrying amounts of property, plant and equipment	t pledged as secu	rities for borro	wings (Note 24)	are as follows:
	G	roup	Com	pany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Freehold land	15,606,455	_	_	8,687,420
Buildings	837,118	_	_	855,572
	16,443,573	_		9,542,992
(c) No borrowing costs were capitalised during the financial y	/ear.			
		_	Group an 31.3.2010 RM	d Company 31.3.2009 RM
Accumulated borrowing costs capitalised			_	2,188,244
5 1 1 5 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		_		, ,

For the year ended 31 March 2010

#### 9 INVESTMENT PROPERTIES

	31.3.201	0 31.3.2009
	R	VI RM
As at 31 March	4,272,10	0 4,272,100

Group

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

All the investments properties are pledged as securities for borrowings as disclosed in Note 24 to the financial statements.

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM258,740 (31.3.2009 – RM12,087).

#### 10 INVESTMENT IN SUBSIDIARIES

	C	ompany
	31.3.2010	31.3.2009
	RM	RM
Unquoted shares at cost		
As at 31 March	52,336,985	52,086,987

As at the balance sheet date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM3,336,989 (31.3.2009 – RM1,536,235). The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investments. The Directors believe that there is no permanent impairment in value of these investments.

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

	Country of incorporation	Principal activities	Holding ii 2010 %	n equity 2009 %
Subsidiaries –				
Ireka Sdn Bhd	Malaysia	Investment holding	100	100
Ireka iCapital Sdn Bhd (i)	Malaysia	Investment holding	100	100
Ireka Corporation (HK) Ltd (i)	Hong Kong	Structural and building construction	100	100

# 10 INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of incorporation	Principal activities	Holding i 2010 %	n equity 2009 %
Subsidiaries –				
Ireka Development management Sdn Bhd	Malaysia	Property development management, provision of other related profession services and consultancy	nal 100	100
i-Zen Property Services Sdn Bhd	Malaysia	Property services	100	100
i-Zen Commercial Sdn Bhd	Malaysia	Property investment	100	100
i-Residence Sdn Bhd	Malaysia	Property investment	100	100
Subsidiary companies of Ireka Sdn Bhd -				
Ireka Engineering & Construction Sdn Bhd	Malaysia	Civil, structural and building construction earthworks and renting of constructions.		
		plant and machinery	100	100
Regalmont (Sabah) Sdn Bhd	Malaysia	Property development	100	100
Regal Variety Sdn Bhd	Malaysia	Dormant	100	100
Iswaja Enterprise Sdn Bhd	Malaysia	Dormant	100	100
i-Zen Hospitality Sdn Bhd	Malaysia	Property management, provision of o	ther	
		related professional services and consultancy	100	100
Unique Legacy Sdn Bhd (i) (iii)	Malaysia	Dormant	90	90
Subsidiary company of Iswaja Enterprise Sdn	Bhd –			
Awarni Sdn Bhd (i) (ii)	Malaysia	Dormant	_	100

For the year ended 31 March 2010

## 10 INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of incorporation Principal activities		Holding in 2010 %	n equity 2009 %
Subsidiaries –				
Subsidiary company of Ireka Engineering & Construction Sdn Bhd –				
United Time Development Sdn Bhd (i)	Malaysia	Property development	100	100
Subsidiary companies of Ireka iCapital Sd	n Bhd –			
e-Auction Sdn Bhd (i)	Malaysia	Trading and rental of industrial and construction equipment	96	96
Ireka Venture Capital Ltd (i)	British Virgin Islands	Investment holding and provision of venture capital function to internet, e-commerce and related technology based companies		100
asiaegolf Tours Sdn Bhd (i)	Malaysia	Providing golf related services for international or overseas golf tour parties, business golfing and to individual golfer on the internet	100	100
i-Tech Network Solutions Sdn Bhd (i)	Malaysia	Providing system integration, software solution and trading in computer hardware	100	100
iTech ELV Solutions Sdn Bhd (i)	Malaysia	Providing supply and install structured cabling system and services	l 100	-

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

<sup>(</sup>ii) This subsidiary is wound up by way of members' voluntary liquidation during the financial year.

<sup>(</sup>iii)10% of the shareholding held directly by Ireka Corporation Berhad.

## 11 INVESTMENT IN ASSOCIATES

		Group		(	Company	ıy	
		31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	3′	1.3.2009 RM	
Quoted shares outside Malaysia, at cost		168,751,999	-	168,751,999		_	
Unquoted shares		300,000	_	300,000		_	
		169,051,999	_	169,051,999		_	
Share of loss of associates		(2,925,208)	_	_		_	
		166,126,791		169,051,999			
Market value of quoted shares		72,597,198		72,597,198			
Details of the associates are as follows:							
Name of associates	Country of incorporation	Principal activ	ities		2010 %	2009	
Aseana Properties Ltd (i) (ii) (iii)	Jersey		nent of upsc commercial	ale	23.02	-	
World Trade Frontier Sdn Bhd (ii)	Malaysia				30.00	-	
(i) The financial year end is 31 December 2	009.						

- (ii) The financial statements of the Company are not audited by Raja Salleh, Lim & Co.
- (iii)The Company became an associate on 1 June 2009.

The summarised financial information of the associates are as follows:

	31.3.2010 RM	Holding in equity 31.3.2009 RM
Assets and liabilities		
Current assets	1,667,864,026	_
Non-current assets	_189,358,202	
Total assets	<u>1,857,222,228</u>	
Current liabilities	800,367,310	_
Non-current liabilities	_386,337,941	
Total liabilities	<u>1,186,705,251</u>	

For the year ended 31 March 2010

## 11 INVESTMENT IN ASSOCIATES (CONT'D)

	31.3.2010 RM	31.3.2009 RM
sults		
	284,384,957	_
	(9,464,562)	_

## 12 INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Gi	Group		npany
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
	RM	RM	RM	RM
Capital contribution	70,000	140,000	70,000	70,000
Share of post-acquisition (loss)/reserves	(70,000)	44,873	_	_
		184,873	70,000	70,000

Details of the jointly controlled entities are as follows:

		Group		Company	
	:	31.3.2010	31.3.2009	31.3.2010	31.3.2009
			Proportion of	ownership inter	
Jointly controlled entities	Principal activities	%	%	%	<u></u> %_
(a) Ireka-Uspa Joint Venture (i) (ii)	Construction of passag including pipe-jackir bridge and culvert in Gombak	•	70	70	70
(b) Ireka-Sara Timur Joint Venture (iii)	Construction of a sewerage treatmen plant at Kincimount Lagoon, Luyang, Kota Kinabalu	t _	70	_	_

- (i) There are no contingencies and commitments relating to the Group's interest in the jointly controlled entities.
- (ii) The financial year end is 31 December 2009.
- (iii) The financial year end is 31 March 2010.

## 12 INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D)

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

		_	Group 31.3.2010 RM	Company 31.3.2009 RM
Assets and liabilities				
Current assets			7,069,445	7,468,058
Non-current assets		_	11,951	13,382
Total assets		_	7,081,396	7,481,440
Current liabilities			(7,081,396)	(7,296,567)
Total liabilities		_	(7,081,396)	(7,296,567)
Results			(21.704)	(00,000)
Expenses, including finance costs and taxation		_	(31,794)	(20,608)
13 OTHER INVESTMENTS				
	_		_	
	31.3.2010	Group 31.3.2009	Co 31.3.2010	mpany 31.3.2009
	RM	RM	RM	RM
At cost:				
Quoted shares				
– Outside Malaysia	8,612,435	184,935,781	-	168,751,999
Transferable corporate membership	601,900	601,900	601,900	601,900
Unquoted shares	1,050,948	1,050,948	10	10
Subordinated Bonds 2002/2007	2,360,000	2,360,000	2,360,000	2,360,000
Carrying amount	12,625,283	188,948,629	2,961,910	171,713,909
Less: Accumulated impairment loss				
Quoted shares	(38,756)	_	_	_
Unquoted shares	(1,050,948)	(1,050,948)	_	_
Subordinated Bonds 2002/2007	(2,200,000)	(2,200,000)	(2,200,000)	(2,200,000)
	(3,289,704)	(3,250,948)	(2,200,000)	(2,200,000)
	9,335,579	185,697,681	761,910	169,513,909
At market value:				
Quoted shares	0 572 / 70	07 005 457		10 700 100
<ul><li>Outside Malaysia</li></ul>	8,573,679	27,825,457		18,723,188

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

For the year ended 31 March 2010

# 14 LAND HELD FOR PROPERTY DEVELOPMENT

			24.2.2040	Group
		_	31.3.2010 RM	31.3.2009 RM
Erophold land at cost				
Freehold land, at cost As at 1 April			10,819,053	10,809,340
Development costs – Additions			10,017,035	9,713
As at 31 March		_	10,819,053	10,819,053
15 PROPERTY DEVELOPMENT COSTS				
			Borrowing	
	Freehold land	Development costs	costš capitalised	Total
Group	RM	RM	RM	RM
As at 31 March 2010				
Cumulative property development costs				
As at 1 April 2009	5,514,611	49,387,403	2,230,079	57,132,093
Costs incurred during the year	201,309	51,253	_	252,562
Transfers during the year		233,683	_	233,683
As at 31 March 2010	5,715,920	49,672,339	2,230,079	57,618,338
Cumulative costs recognised in income statement				
As at 1 April 2009				(53,878,613)
Recognised during the year				(128,706)
As at 31 March 2010				(54,007,319)
Property development costs as at 31 March 2010				3,611,019
As at 31 March 2009				
Cumulative property development costs				
As at 1 April 2008	4,543,772	48,402,038	2,230,079	55,175,889
Costs incurred during the year	970,839	1,205,115	-	2,175,954
Transfers during the year		(219,750)		(219,750)
As at 31 March 2009	5,514,611	49,387,403	2,230,079	57,132,093
Cumulative costs recognised in income statement				
As at 1 April 2008				(49,661,375)
Recognised during the year				(4,217,238)
As at 31 March 2009				(53,878,613)
Property development costs as at 31 March 2009				3,253,480

# 16 INVENTORIES

				Group
		_	31.3.2010 RM	31.3.2009 RM
At cost				
Construction materials			16,265,836	13,625,734
Finished goods		_	350,645	549,811
			16,616,481	14,175,545
At net realisable value				
Finished goods		_	240,044	248,036
		_	16,856,525	14,423,581
17 TRADE AND OTHER RECEIVABLES				
		Group	C	ompany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
	10101	IXIVI	12101	Kivi
Trade receivables	177,917,748	130,054,688	9,207,815	9,497,104
Accrued billings in respect of property development	100,000	924,392	_	_
	178,017,748	130,979,080	9,207,815	9,497,104
Less: Allowance for doubtful debts	(43,450)	(43,450)	_	_
Trade receivables, net	177,974,298	130,935,630	9,207,815	9,497,104
Other receivables				
Deposits	559,953	516,603	88,458	77,958
Prepayments	3,213,695	3,454,916	2,509,712	2,582,771
Other receivables	3,840,666	9,228,030	292,676	154,978
	7,614,314	13,199,549	2,890,846	2,815,707
	185,588,612	144,135,179	12,098,661	12,312,811

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.

# 18 AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

	(-	roup
	31.3.2010 RM	31.3.2009 RM
Construction contract costs incurred to date	577,211,467	778,950,507
Attributable profits	58,731,936	73,487,028
	635,943,403	852,437,535
Less: Progress billings	(611,486,086)	(821,109,668)
Amounts due from customers on contracts	24,457,317	31,327,867
Retention sums on contracts included within trade receivables	66,838,869	48,487,196

For the year ended 31 March 2010

#### 18 AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS (CONT'D)

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

	(	Group
	31.3.2010	31.3.2009
	RM	RM
Hire of plant and machinery	3,748,933	3,970,992
Property, plant and equipment - Depreciation	5,253,244	3,286,598
Rental expense for buildings	534,838	469,026

#### 19 AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

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

## 20 AMOUNTS DUE FROM OR TO SUBSIDIARIES

The amounts due from or to subsidiary companies are unsecured, repayable on demand and non-interest bearing.

## 21 CASH AND CASH EQUIVALENTS

	Group		Co	mpany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Cash on hand and at banks	21,400,938	15,130,636	4,928,383	2,370,915
Deposits with licensed banks	19,274,284	12,008,272	3,242,416	3,178,882
Cash and bank balances	40,675,222	27,138,908	8,170,799	5,549,797
Bank overdraft	(38,181,008)	(24,588,178)	(1,954,358)	(1,765,890)
Cash and bank balances classified as held for sale - Note 34	_	6	_	_
Total cash and cash equivalents	2,494,214	2,550,736	6,216,441	3,783,907

(i) Included in cash at banks of the Group are amounts of RM467,511 (31.3.2009 – RM1,988,558) held pursuant to Section 8A of the Housing (Control and Licensing of Developers) Enactment, 1978 and restricted from use in the other operations.

## 22 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of RM 1 each Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM
As at 1 April 2008	113,914,700	21,891,585	135,806,285
Transaction costs		(15,500)	(15,500)
As at 31 March 2009 and 1 April 2009	113,914,700	21,876,085	135,790,785
Transaction costs		(5,125)	(5,125)
As at 31 March 2010	113,914,700	21,870,960	135,785,660

## 22 SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

Number of o	rdinary shares		
	/11 each	Amo	unt
31.3.2010	31.3.2009	31.3.2010	31.3.2009
		RM	RM

Authorised share capital As at 31 March

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

The Company did not purchase or re-sell any of its own shares during the financial year ended 31 March 2010.

## 23 OTHER RESERVES

			G	roup
		_	31.3.2010 RM	31.3.2009 RM
Foreign currency translation reserve		_	184,609	184,609
24 BORROWINGS				
		Group	Cor	npany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Short-term borrowings				
Secured:				
Term loans	46,698,798	1,732,484	75,210	75,210
Hire purchase and finance lease liabilities	4,707,688	3,943,762	555,080	531,985
	51,406,486	5,676,246	630,290	607,195
Unsecured:				
Bank overdrafts	38,181,008	24,588,178	1,954,358	1,765,890
Revolving credits	26,113,689	12,383,218	3,042,306	3,044,452
Trade finance	39,161,000	28,882,254		_
	103,455,697	65,853,650	4,996,664	4,810,342
	154.862.183	71.529.896	5.626.954	5.417.537

For the year ended 31 March 2010

## 24 BORROWINGS (CONT'D)

	Group Company			npany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Long-term borrowings				
Secured:				
Term loans	26,692,810	12,065,295	1,243,901	1,333,698
Hire purchase and finance lease liabilities	5,880,118	9,629,531	803,799	1,371,011
	32,572,928	21,694,826	2,047,700	2,704,709
Unsecured:				
Revolving credits		16,000,000	_	_
	32,572,928	37,694,826	2,047,700	2,704,709
Total borrowings				
Revolving credits	26,113,689	28,383,218	3,042,306	3,044,452
Trade finance	39,161,000	28,882,254	_	_
Term loans	73,391,608	13,797,779	1,319,111	1,408,908
Bank overdrafts	38,181,008	24,588,178	1,954,358	1,765,890
Hire purchase and finance lease liabilities	10,587,806	13,573,293	1,358,879	1,902,996
	187,435,111	109,224,722	7,674,654	8,122,246

The term loans are secured by the following:

- (a) First legal charge over the freehold land, leasehold land and buildings of the Company and certain subsidiaries as disclosed in Note 8(b) and Note 9.
- (b) Corporate guarantees granted by the Company and certain subsidiaries.

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

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

## 24 BORROWINGS (CONT'D)

Hire purchase and finance lease liabilities

	(	Group		npany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Future minimum lease payments				
Not later than 1 year	5,296,900	4,677,255	604,073	604,883
Later than 1 year and not later than 2 years	4,120,600	4,429,034	604,069	604,073
Later than 2 years and not later than 5 years	1,891,758	5,238,325	302,389	906,489
Total future minimum lease payments	11,309,258	14,344,614	1,510,531	2,115,445
Less: Future finance charges	(721,452)	(771,321)	(151,652)	(212,449)
Present value of finance lease liabilities	10,587,806	13,573,293	1,358,879	1,902,996
Analysis of present value of finance lease liabilities				
Not later than 1 year	4,707,688	3,943,762	555,080	531,985
Later than 1 year and not later than 2 years	3,798,810	3,940,580	578,899	555,080
Later than 2 years and not later than 5 years	2,081,308	5,688,951	224,900	815,931
	10,587,806	13,573,293	1,358,879	1,902,996
Less: Amount due within 12 months	(4,707,688)	(3,943,762)	(555,080)	(531,985)
Amount due after 12 months	5,880,118	9,629,531	803,799	1,371,011

The Group has finance lease and hire purchase contracts for various items of property, plant and equipment as disclosed in Note 8. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

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

For the year ended 31 March 2010

## 25 DEFERRED TAX

	G	Group		npany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
As at 1 April	3,252,500	3,222,500	610,000	610,000
Recognised in income statement		30,000	_	_
As at 31 March	3,252,500	3,252,500	610,000	610,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(51,000)	(51,000)	_	_
Deferred tax liabilities subject to income tax	3,303,500	3,303,500	610,000	610,000
	3,252,500	3,252,500	610,000	610,000
The components and movements of deferred tax liabilities and a	ssets during the fi	nancial year pri	or to offsetting a	are as follows:
Deferred tax liabilities of the Group:				

	31.3.2010 RM	31.3.2009 RM	Con 31.3.2010 RM	npany 31.3.2009 RM
Property, plant and equipment As at 1 April Recognised in income statement As at 31 March	3,303,500	3,273,500	610,000	610,000
	-	30,000	-	
	3,303,500	3,303,500	610,000	610,000

# Deferred tax assets of the Group:

	Provisions RM	Others RM	Unused tax losses and unabsorbed capital allowances RM	Total RM_
As at 31 March 2009 and 31 March 2010	18.500	_	32.500	51.000

## 25 DEFERRED TAX (CONT'D)

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

	Group		Con	npany
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
	RM	RM	RM	RM
Unused tax losses	57,284,432	73,081,530	_	4,483,047
Unabsorbed capital allowances	280,385	385,341	_	44,498
	57,564,817	73,466,871	_	4,527,545

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

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

## 26 TRADE AND OTHER PAYABLES

	Group		Cor	npany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Current				
Trade payables (i)	97,913,541	121,318,991	19,933	210,241
Other payables				
Accruals	2,049,487	1,921,099	_	_
Other payables (ii)	15,927,231	26,110,748	1,340,055	1,156,599
Trade deposits	64,968	58,870	_	
	18,041,686	28,090,717	1,340,055	1,156,599
	115,955,227	149,409,708	1,359,988	1,366,840
			·	

- (i) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days.
- (ii) Included an amount of RM9,720,540 (31.3.2009 RM9,720,540) which represented the balance purchase price payable for the acquisition of land held for property development referred in Note 14 to the financial statements.

For the year ended 31 March 2010

# 27 REVENUE

<del></del>				
		Group	Co	mpany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Construction contracts	365,807,120	286,487,471	_	_
Property development	378,000	5,191,372	_	_
Trading and services	24,004,325	31,190,586	_	_
Rental income	186,911	343,053	_	_
Hospitality and leisure	2,696,031	481,643	_	_
Management fees	-	_	12,130,144	11,834,922
Dividend income		_	4,200,003	750,001
	393,072,387	323,694,125	16,330,147	12,584,923
28 COST OF SALES				
		Group	Co	mpany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Construction contracts costs	335,830,984	263,869,101	_	_
Property development costs	128,706	4,217,238	_	_
Cost of inventories sold	12,582,353	18,986,224	_	
Cost of services rendered	361,123	349,051	255,000	_
	348,903,166	287,421,614	255,000	_
29 OTHER INCOME				
		Group	Co	mpany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Gain on sales of property plant and equipment	333,097	86,309	43,000	8,783
Interest income	83,250	799,422	364,926	370,069
Gain on foreign exchange	,	,	·	,
– realised	271,722	1,377,823	_	_
Rental of motor vehicle recoverable	69,063	67,742	69,063	67,742
Gain on disposal of subsidiaries	_	29,913	_	_
Other	2,093,145	492,617	258,688	3,000
	2,850,277	2,853,826	735,677	449,594
		, -,		-,

# 30 FINANCE COSTS

	G	Group		npany
	31.3.2010 	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Interest expense on:				
Bank borrowings	7,225,236	5,810,213	364,924	453,147
Hire purchase and finance lease liabilities	671,373	490,399	61,449	54,553
Total interest expense	7,896,609	6,300,612	426,373	507,700

# 31 PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

		Group		mpany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
After charging:				
Auditors' remuneration				
<ul> <li>Current year</li> </ul>	296,869	299,716	94,500	94,500
<ul> <li>Underprovision in prior years</li> </ul>	9,147	21,591	-	_
Bad debts written off	-	696,063	_	_
Directors' remuneration				
- Fee	290,000	362,000	290,000	350,000
<ul><li>Emoluments</li></ul>	4,695,345	5,224,112	4,014,045	4,501,000
- Others	139,300	191,450	56,500	18,950
Impairment loss on other investments	38,756	1,050,948	_	_
Net loss on currency exchange	665,142	_	-	_
Property, plant and equipment				
<ul><li>Depreciation</li></ul>	6,665,634	4,612,951	555,351	665,980
<ul> <li>Loss on disposals</li> </ul>	52,686	281,025	13,755	30,910
<ul><li>Written-off</li></ul>	41,429	_	-	_
Rental				
<ul> <li>Plant and machinery</li> </ul>	3,743,833	3,964,542	-	_
<ul> <li>Land and buildings</li> </ul>	1,232,411	1,256,841	187,272	187,272
<ul> <li>Office equipment</li> </ul>	831,613	1,122,837	64,956	105,974
<ul> <li>Motor vehicle</li> </ul>	_	7,872	-	_
Staff cost (i)	37,046,949	34,075,874	4,398,966	4,130,558
Write-down of inventories		62,009	_	
(i) Staff costs				
Wages, salaries and other	33,158,334	30,356,438	3,602,290	3,315,961
Employees' Provident Fund	3,888,615	3,719,436	796,676	814,597
	37,046,949	34,075,874	4,398,966	4,130,558

For the year ended 31 March 2010

## 32 INCOME TAX EXPENSE

	Group	
	31.3.2010 RM	31.3.2009 RM
Continuing operations		
Current income tax		
Malaysian income tax	716,739	869,216
(Over)/Underprovision in prior years		
Malaysian income tax	(6,353)	99,684
	710,386	968,900
Deferred tax		
Relating to origination and reversal of differences		30,000
Total income tax expense from continuing operations	710,386	998,900
Total income tax expense	710,386	998,900

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

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

	(	Group
	31.3.2010 RM	31.3.2009 RM
Profit before tax from:		
Continuing operations	9,379,099	7,048,255
Discontinued operations – Note 33		(13,073)
	9,379,099	7,035,182
Taxation at Malaysian statutory tax rate of 25%	2,344,775	1,758,796
Income not subject to tax	(508,984)	(8,382)
Expenses not deductible for tax purposes	2,101,854	696,640
Deferred tax assets not recognised in respect of current year's tax losses		
and unabsorbed capital allowances	221,455	311,177
(Over)/Underprovision of tax expenses in prior years	(6,353)	99,684
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(3,442,361)	(1,859,015)
Income tax expense for the year	710,386	998,900

# 32 INCOME TAX EXPENSE (CONT'D)

						npany
				_	31.3.2010 RM	31.3.2009 RM
Current income tax					70.000	75.006
Malaysian incom	ie tax			_	70,000	75,000
Profit before tax				_	4,484,517	327,651
Taxation at Malaysia	-				1,121,129	81,913
Expenses not deduct					_	12,228
Utilisation of previous		x losses and unab	sorbed capital allowa	ances _	(1,051,129)	(19,141
Income tax expense	for the year			_	70,000	75,000
				oup		npany
			31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Tax savings during th	ne financial year ari	sing from:				
Utilisation of current	year's tax losses	_	1,051,129	19,141	1,051,129	19,141
I Itilia ation of provious						
·	sly unrecognised to		2,391,232	1,839,874		
3 DISCONTINUED OP  The major classes of a	ERATION AND DIS	POSAL GROUP C	LASSIFIED AS HELE	FOR SALE	coalance sheets a Group and 31.3.2010 RM	Company 31.3.2009
B DISCONTINUED OP	ERATION AND DIS	POSAL GROUP C	LASSIFIED AS HELE	FOR SALE	Group and 31.3.2010	
The major classes of a	ERATION AND DIS	POSAL GROUP C	LASSIFIED AS HELE ts classified as held fo	FOR SALE	Group and 31.3.2010 RM 6 Prop	Company 31.3.2009 RM ortion of g power
The major classes of a  Assets Investment in associates	ERATION AND DIS assets and liabilities ate Country of	SPOSAL GROUP Cl of non-current asse	LASSIFIED AS HELE ts classified as held fo	or sale on the	Group and 31.3.2010 RM 6	Company 31.3.2009 RM ortion of g power 31.3.2009
The major classes of a  Assets Investment in associa	ERATION AND DIS assets and liabilities ate Country of	SPOSAL GROUP Cl of non-current asse	LASSIFIED AS HELD ts classified as held for Projowners 31.3.2010	ortion of ship interest 31.3.2009	Group and 31.3.2010 RM 6	Company 31.3.2009 RM 6

For the year ended 31 March 2010

## 33 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

## Discontinued operation

The information presented below relates to the results of Legolas Capital Sdn Bhd in prior year.

An analysis of the results of the discontinued operations in prior year was as follows:

	Group 2009 RM
Other income	10,216,564
Administration expenses	(13,073)
Profit form operations	10,203,491
Finance cost	(10,216,564)
Loss for the year from discontinued operations	(13,073)
Earnings per share (sen):	(0.04)
- Basic, for discontinued operations	(0.01)
The following amounts had been included in arriving at profit before taxation from the discontinued open	rations: Group 2009 RM
Auditors' remuneration	5,000
Interest expenses	10,216,564
Interest income	(10,216,564)
The cash flows attributable to the discontinued operations were as follows:	
Operating cash flows	(7,799,020)
Investing cash flows	(42,214,765)
Financing cash flows	50,011,763
Total cash flows	(2,022)

## 34 EARNINGS PER SHARE

Profit per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	31.3.2010 RM	31.3.2009 RM
Profit from continuing operations attributable to ordinary equity holders of the Company	8,668,713	6,049,355
Loss from discontinued operation attributable to ordinary equity holders of the Company	_	(13,073)
Profit attributable to ordinary equity holders of the Company	8,668,713	6,036,282

#### 34 EARNINGS PER SHARE (CONT'D)

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	31.3.2010 RM	31.3.2009 RM
Weighted average number of ordinary shares in issue	113,914,700	113,914,700
Basic earnings per share for:		
Profit from continuing operations	7.61	5.31
Loss from discontinued operation		(0.01)
Profit for the year	7.61	5.30
35 DIVIDENDS		
	Group ar	nd Company
	31.3.2010 RM	31.3.2009 RM
Final dividend in respect of the financial year 2009, 2.6% per share less 25% taxation		
and single tier of 2.40%	4,955,289	8,429,688

## **36 OPERATING LEASE ARRANGEMENTS**

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

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

-	31.3.2010 RM	31.3.2009 RM
Not later than 1 year	874,230	194,400

Investment property rental income including contingent rent are recognised in profit or loss during the financial year as disclosed in Note 29 to the financial statements.

For the year ended 31 March 2010

# 37 RELATED PARTY DISCLOSURES

	_		
	31.3.2010 RM	Group 31.3.2009 RM	
Companies in which certain Directors are deemed to have interests:			
Building materials and spare parts purchased from			
- Binaderas Sdn Bhd	4,013	157,000	
- Imuda Sdn Bhd	_	6,704	
- Ireka Land Sdn Bhd	38,500	1,500	
<ul> <li>Quality Parts Sdn Bhd</li> </ul>	663,541	723,443	
Consultant fees charged by			
- Amatir Resources Sdn Bhd		34,650	
Progress billings on contracts (to)/from			
- Amatir Resources Sdn Bhd	(172,660,732)	(88,685,319)	
- Binaderas Sdn Bhd	(10,640,972)	(1,572,875)	
- ICSD Ventures Sdn Bhd	(42,659,077)	(21,939,138)	
- Ireka Land Sdn Bhd	(110,743,085)	(135,896,895)	
Purchase of land from			
- Texsol (M) Sdn Bhd	6,515,520		
Rental of machinery charged by/(to)			
- Binaderas Sdn Bhd	_	(400)	
- Imuda Sdn Bhd	90,460	106,314	
- Texsol (M) Sdn Bhd	77,000	-	
Supply of labour (to)/from			
- Amatir Resources Sdn Bhd	(11,297)	59,060	
- Binaderas Sdn Bhd	37,147	14,179	
- Imuda Sdn Bhd	(91,145)	(42,807)	
- Imuda Sdn Bhd	579,218	489,781	
- Inovtecs Sdn Bhd	(1,004)	(3,789)	
- Ireka Land Sdn Bhd	44,556	_	
- Ireka Land Sdn Bhd	(71,482)		
Supply of transport to			
- Imuda Sdn Bhd	(2,250)	(13,900)	

## 37 RELATED PARTY DISCLOSURES (CONT'D)

		mpany
	31.3.2010 RM	31.3.2009 RM
Subsidiary companies:		
Interest income	(255,496)	(254,796)
Labour charges recoverable	(230,689)	_
Management fee	(12,130,144)	(11,834,922)
Outstanding balances arising from trade transactions during the financial year are as follow	/s:	
	G	roup
	31.3.2010 RM	31.3.2009 RM
	KIVI	KIVI
Included in trade receivables:		
Amatir Resources Sdn Bhd	65,282,037	15,759,760
Binaderas Sdn Bhd	86,347	10,005,000
Imuda Sdn Bhd	2,636,935	2,552,192
Inovtecs Sdn Bhd	1,735,938	1,730,224
Ireka Land Sdn Bhd	3,471,725	30,457,905
	73,212,982	60,505,081
Included in trade payables:		
Ifonda Sdn Bhd	456,486	457,569
Ireka Land Sdn Bhd	8,512,445	29,999,655
Quality Parts Sdn Bhd	308,365	319,010
	9,277,296	30,776,234

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

Included in the total key management personnel are:

	Group		Company	
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Directors' remuneration – Note 31	5.124.645	5.777.562	4.360.545	4,869,950

For the year ended 31 March 2010

# 38 COMMITMENTS

			(	Group
		_	31.3.2010 RM	31.3.2009 RM
Authorised and contracted		_	5,365,800	
Analysed as follows:  - Property, plant and equipment		_	5,365,800	
9 CONTINGENT LIABILITIES				
	G	roup	Co	mpany
	31.3.2010 RM	31.3.2009 RM	31.3.2010 RM	31.3.2009 RM
Unsecured –				
<ul> <li>(a) Corporate guarantees for credit facilities granted to suppliers.</li> </ul>	-	-	13,044,347	10,143,319
(b) Corporate guarantees for credit facilities.	49,051,731	15,487,336	277,393,011	170,617,785
(c) Claims by former lorry subcontractors pertaining				
to the deposits forfeited.	843,395	843,395	843,395	843,395

# 40 SEGMENTAL INFORMATION

# Primary Reporting – Business segments

	Continuing operations Dis					discontinued operation			
31.3.2010	Construction RM	Property Development RM	Trading and services RM	Hospitality and leisure RM	Investment holding RM	Elimination RM	Total RM	RM	Total RM
Revenue									
External sales	365,853,347	378,000	24,004,325	140,684	2,696,031	_	393,072,387	_	393,072,387
Inter-segment	-	-	1,386,001	-		(18,325,757)		_	-
sales			,,		.,,	( -,, -,			
Total revenue	365,853,347	378,000	25,390,326	140,684	19,635,787	(18,325,757)	393,072,387	_	393,072,387
Daardk									
Result Segment result	16,615,747	122,454	1,476,537	(10,540)	6,333,901	(4,273,766)	20,264,333		20,264,333
Finance costs	10,015,747	122,454	1,470,337	(10,340)	0,333,701	(4,273,700)	(7,896,609)	_	(7,896,609)
Interest income							83,250	_	83,250
Share of loss							03,230		03,230
of associates					(2,925,208)		(2,925,208)	_	(2,925,208)
Share of net prof	fit				( ) - , - ,		( ) /		( )
of jointly									
controlled enti	ties (146,667)	)					(146,667)	_	(146,667)
Profit/(Loss) before	tav						9,379,099		9,379,099
,							(710,386)	_	
Income tax expe Profit/(Loss) for t							8,668,713		(710,386) 8,668,713
year							3,000,713		0,000,713

For the year ended 31 March 2010

# 40 SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Other information

	Continuing operations				Dis				
31.3.2010	Construction RM	Property Development RM	Trading and services RM	Hospitality and leisure RM		Elimination RM	Total RM	operation RM	Total RM
Other information	274 254 200	15 7/0 500	1/ 420 014	04.420	245.072.420	(2.52/.002)	F4F 074 / 00	,	F4F 074 / 04
Segment assets Investment in join controlled entiti	•	15,760,582	10,439,814	84,438	245,062,439	(3,526,883)	545,074,688	6	545,074,694
Consolidated total assets						-	545,074,688	6	545,074,694
Segment liabilities Consolidated tota		10,466,836	3,148,948	14,136	30,809,792	(25,217,387)	307,365,189	_	307,365,189
liabilities						-	307,365,189	_	307,365,189
Capital expenditu	re 15,207,727	17,567	293,906	_	23,095		15,542,295	_	15,542,295
Depreciation	5,636,454	20,953	221,391	722	786,114		6,665,634	-	6,665,634
Impairment loss	-	-	-	-	38,756	_	38,756	_	38,756

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

# 40 SEGMENTAL INFORMATION

# Primary Reporting – Business segments

			Conti	nuing operat	ions		D	iscontinued	
31.3.2009	Construction RM	Property Development RM	Trading and services RM	Hospitality and leisure RM	Investment holding RM	Elimination RM	Total RM	operation RM	Total RM
Revenue									
External sales	286,487,471	5,191,372	31,190,586	481,643	343,053	_	323,694,125	_	323,694,125
Inter-segment sale	<u>es – </u>	_	1,145,284	_	13,205,328	(14,350,612)	_	_	
Total revenue	286,487,471	5,191,372	32,335,870	481,643	13,548,381	(14,350,612)	323,694,125	_	323,694,125
Result Segment result Finance costs Interest income Share of net loss of jointly	12,081,632	(78,155)	1,661,207	(183,607)	(329,369)	(604,177)	12,547,531 (6,300,612) 799,422	(13,073) (10,216,564) 10,216,564	12,534,458 (16,517,176) 11,015,986
controlled entiti	es 1,914						1,914	_	1,914
Profit before tax							7,048,255	(13,073)	7,035,182
Income tax expen	se						(998,900)	_	(998,900)
Profit for the year							6,049,355	(13,073)	6,036,282

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 March 2010

# 40 SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Other information

			Conti	nuing operat	ions		Di	scontinued	
31.3.2009	ConstructionE RM	Property Development RM	Trading and services RM	Hospitality and leisure RM	Investment holding E RM	Elimination RM	Total RM	operation RM	Total RM
Other information Segment assets Investment in joint	199,155,018 lv	17,801,772	20,676,879	132,521	260,195,835	(450,912)	497,511,113	6	497,511,119
controlled entitie	•						184,873	_	184,873
total assets							497,695,986	6	497,695,992
Segment liabilities Consolidated	215,179,231	10,871,879	3,085,804	28,966	34,528,906		263,694,786	_	263,694,786
total liabilities							263,694,786	_	263,694,786
Capital expenditur		-	216,275	-	769,082		18,323,324	-	18,323,324
Depreciation Impairment loss	3,700,358	23,411 –	204,243	6,721 –	678,218 1,050,948		4,612,951 1,050,948	-	4,612,951 1,050,948
Non-cash expense other than	es								
depreciation	-	-	62,009	-	696,063		758,072	_	758,072

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

# 41 FINANCIAL INSTRUMENTS

### (a) Interest rate risk

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

As at 31.3.2010	Note	WAEIR %	Within 1 Year RM	1 to 2 Years RM	2 to 3 Years RM	3 to 4 Years RM	5 to 6 Years RM	More than 5 Years RM	Total RM
Group									
Fixed rate Hire purchase and finance lease liabilities	24	3.69	4,704,655	3,826,508	2,056,643				10,587,806
Floating rate Cash and									
bank balances	21	2.00	40,675,222	-	-	_	-	-	40,675,222
Bank overdrafts	24	6.78	38,181,008	-	-	_	-	-	38,181,008
Revolving credits	24	4.88	26,113,689	-	-	_	-	-	26,113,689
Trade finance	24	3.53	39,161,000	-	-	_	-	-	39,161,000
Term loans	24	6.25	46,698,798	4,511,542	4,511,542	4,511,542	4,511,527	8,646,657	73,391,608
Subordinated									
Bonds 2002/2007	13	-	160,000			_			160,000
Company									
Fixed rate									
Hire purchase and									
finance lease liabilities	s 24	2.23	555,080	578,899	224,900		_		1,358,879
Floating rate									
Cash and bank balances	21	2.00	8,170,799	-	-	-	-	-	8,170,799
Bank overdrafts	24	6.35	1,954,358	_	_	_	_	_	1,954,358
Revolving credits	24	6.02	3,042,306	_	_	_	_	_	3,042,306
Term loans	24	6.04	75,210	75,210	75,210	75,210	75,210	943,061	1,319,111
Subordinated									
Bonds 2002/2007	13	_	160,000	_	_	_	_	_	160,000

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 March 2010

### 41 FINANCIAL INSTRUMENTS (CONT'D)

### (a) Interest rate risk (cont'd)

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

As at 31.3.2009	Note	WAEIR %	Within 1 Year RM	1 to 2 Years RM	2 to 3 Years RM	3 to 4 Years RM	5 to 6 Years RM	More than 5 Years RM	Total RM
Group									
Fixed rate Hire purchase and									
finance lease liabilities	24	3.58	3,943,762	3,940,580	3,400,181	2,190,523	98,247	_	13,573,293
Floating rate									
Cash and bank balances	21	3.00	27,138,908	_	_	_	_	_	27,138,908
Bank overdrafts	24	7.14	24,588,178	_	_	_	_	_	24,588,178
Revolving credits	24	6.07	12,383,218	16,000,000	_	_	_	_	28,383,218
Trade finance	24	4.39	28,882,254	_	_	_	_	_	28,882,254
Term loans	24	5.13	1,732,484	1,732,484	1,732,484	1,732,484	1,732,484	5,135,359	13,797,779
Subordinated									
Bonds 2002/2007	13	_	160,000	_	_	_	_	_	160,000
Company									
Fixed rate									
Hire purchase and									
finance lease liabilities	24	2.28	531,985	555,080	578,899	233,190	3,842	_	1,902,996
Floating rate									
Cash and bank balances	21	3.00	5,549,797	-	-	-	-	-	5,549,797
Bank overdrafts	24	7.33	1,765,890	-	-	-	-	-	1,765,890
Revolving credits	24	7.00	3,044,452	-	-	_	-	-	3,044,452
Term loans	24	7.00	75,210	75,210	75,210	75,210	75,210	1,032,858	1,408,908
Subordinated									
Bonds 2002/2007	13	-	160,000	_	_	_	_	_	160,000

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than six (6) months except for term loans which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risk.

### 41 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Currency profile of major financial assets and liabilities

Group 31.3.2010	Denominated in other than functional currencies US Dollar	Denominated in functional currencies	Total_
Other investments	8,573,679	761,900	9,335,579
Trade and other receivables	1,209,055	•	185,588,612
Cash and bank balances	173,492	40,501,730	40,675,222
		225,643,187	235,599,413
31.3.2009			
Other investments	184,935,781	761,900	185,697,681
Trade and other receivables	97,197	144,037,982	144,135,179
Cash and bank balances	1,776,365	25,362,543	27,138,908
	186,809,343	170,162,425	356,971,768
Company			
31.3.2010 Other investments		761,910	761,910
31.3.2009			
Other investments	168,751,999	761,910	169,513,909

### (c) Fair values

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

The carrying amounts of cash and bank balances, receivables, deposits and prepayments, other payables, and accruals, and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of finance lease liabilities approximate the carrying amounts shown in the balance sheets.

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

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

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

# STATISTICS OF SHAREHOLDINGS

As at 28 July 2010

Authorised share capital : RM500,000,000.00 Issued & fully paid-up capital: RM113,914,700.00

Class of shares : Ordinary Share of RM1.00 each Voting right : 1 vote per ordinary share

Size of holdings	No. of shareholders	No. of shares	%
1 – 999	141	28.963	0.03
1,000 – 10,000	3,075	9,490,150	8.33
10,001 – 100,000	387	9,791,138	8.60
100,001 – 5,695,734 *	50	36,898,701	32.39
5,695,735 and above **	5	57,705,748	50.66
Total	3.658	113.914.700	100.00

Remark: \* Less than 5% of issued shares 5% and above of issued shares

### DIRECTORS' SHAREHOLDINGS

DIRECTORS SHAREHOLDINGS	Direct			ect
	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	_	_
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	_	_
Lai Man Moi	2,040,750	1.79	_	-
Lai Voon Hon	12,000	#	49,001,998**	43.02
Lai Voon Huey, Monica	6,000	#	49,001,998**	43.02
Haji Mohd. Sharif Bin Haji Yusof	_	_	_	_
Kwok Yoke How	1,742,603	1.53	_	_
Lim Che Wan	194,500	0.17	_	

### SUBSTANTIAL SHAREHOLDERS

		Direct	Indire	ect
	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	11,600	#	49,001,998**	43.02

- 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	AmSec Nominees (Tempatan) Sdn Bhd	14,500,000	12.73
	(Pledged Securities Account - AmBank (M) Berhad for Ideal Land Holdings Sdn Bhd)		
2	Ideal Land Holdings Sdn Bhd	12,092,866	10.62
3	Mayban Nominees (Tempatan) Sdn Bhd	12,000,000	10.53
	(Pledged Securities Account for Ideal Land Holdings Sdn Bhd)		
4	Mayban Nominees (Tempatan) Sdn Bhd	10,020,000	8.80
	(Pledged Securities Account for Magnipact Resources Sdn Bhd)		
5	Malaysia Nominees (Tempatan) Sendirian Berhad	9,092,882	7.98
	(Pledged Securities Account for Ideal Land Holdings Sdn Bhd)		
6	Malaysia Nominees (Tempatan) Sendirian Berhad	5,378,248	4.72
	(Pledged Securities Account for Magnipact Resources Sdn Bhd)	, ,	
7	Datuk Lai Jaat Kong @ Lai Foot Kong РЈN, JSM	4,827,100	4.24
8	Ling Siok Guong	4,274,400	3.75
9	CimSec Nominees (Tempatan) Sdn Bhd	1,529,250	1.34
	(EON Finance Berhad for Lai Man Moi)	, ,	
10	Abdullah Bin Yusof	1,500,000	1.32
11	Mayban Nominees (Tempatan) Sdn Bhd	, ,	
	(Pledged Securities Account for Lim Sow Mun (BKBS))	1,439,800	1.26
12	CimSec Nominees (Tempatan) Sdn Bhd	1,378,250	1.21
	(EON Finance Berhad for Chan Soo Har @ Chan Kay Chong)	,,,	
13	Sapiah @ Safiah Binti Hussin	1,365,000	1.20
14	Malaysia Nominees (Tempatan) Sendirian Berhad	1,316,250	1.16
	(Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
15	Kwok Yoke How	1,166,600	1.02
16	Thong Kok Cheong	1,070,800	0.94
17	Chan Lin Yau	776,800	0.68
18	Mahomed Ferheen	719,900	0.63
19	HSBC Nominees (Asing) Sdn Bhd	706,100	0.62
	(Exempt An for Credit Suisse (SG BR-TST-ASING)		0.02
20	Kwok Yoke How	576,003	0.51
21	Choon Siew & Sons Sdn Berhad	550,000	0.48
22	CIMB Group Nominees (Tempatan) Sdn Bhd	511,500	0.45
	(Pledged Securities Account For Chan Soo Har @ Chan Kay Chong (4748 CWAY))	011,000	0.10
23	Lai Man Moi	511,500	0.45
24	HSBC Nominees (Asing) Sdn Bhd	435,200	0.38
	(Exempt An For HSBC Broking Securities (Asia) Limited (Client A/c))	400,200	0.00
25	Bhoopindar Singh A/L Harbans Singh	372,000	0.33
26	Public Nominees (Tempatan) Sdn Bhd	367,800	0.32
20	(Pledged Securities Account for Lee Lak Chye @ Li Choy Hin (E-IMO))	307,000	0.02
27	Affin Nominees (Asing) Sdn Bhd	364,100	0.32
<u>_</u>	(Exempt An For Phillip Securities (Hong Kong) Ltd (Clients' Account)	JU <del>4</del> ,100	0.02
28	Loh Chen Peng	364,000	0.32
20 29	Tan Hwa Ling @ Tan Siew Leng	360,000	0.32
29 30	How Sue Chan @ Ho Sue Chan	327,400	0.32
SU	HOW SUE CHAIT & HO SUE CHAIT	321,400	0.29

# **LIST OF MATERIAL PROPERTIES**

As At 31 March 2010

			Approximate				
No.	Location	Tenure	Land Area (Built-up Area)	Description	Age (Years)	Net Book Value (RM)	Year of Acquisition
1	Lot PT17741, Mukim Batu Kuala Lumpur, Level 29-31 1 Mont' Kiara, Mont' Kiara	Freehold	36,042 sq. ft.	Office Suites (under construction)	N/A	15,918,558	2007
2	Lot PT17741, Mukim Batu, Kuala Lumpur, Sectors 3 – 13 i-Zen@Kiara II, Mont' Kiara	Freehold	38,322 sq. ft.	Office space for own/external use	5	14,255,066	2007
3	PT 37824, Mukim Kajang Selangor Darul Ehsan	Freehold	272,915 sq. ft.	Workshop with 2-storey office building for own use	N/A	9,614,057	2009
4	Lot PT37823, Mukim Kajang Daerah Hulu Langat Negeri Selangor	Freehold	18,916 square meters	Industrial Land	N/A	6,829,516	2009
5	Geran 12740, Lot 50592 Mukim of Kuala Lumpur Wilayah Persekutuan	Freehold	1,528 sq. ft. (7,040 sq. ft.)	4 ½ – storey shop office for own use	22	668,198	1988
6	Percinct 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	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
8	Lot No. 2, Sector 1 Lembah Beringin Mukim Kuala Kelumpang Daerah Ulu Selangor	Freehold	7,185 sq. ft.	Bungalow lot for investment	N/A	179,625	2002
9	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong	Freehold	824 sq. ft. (884 sq. ft.)	Walk-up flat for investment	23	42,865	1987

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 34th Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 23 September 2010 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 2010.
- 2 To declare a first and final single tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2010.

  Resolution 2
- 3 To approve the payment of Directors' fees of RM350,000.00 for the financial year ended 31 March 2010 (2009: RM350,000.00).

  Resolution 3
- 4 To consider and if thought fit, pass the following resolution in accordance with Section 129 of the Companies Act, 1965:
  - (a) "THAT Haji Abdullah Bin Yusof who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." Resolution 4
  - (b) "THAT Lai Siew Wah who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." Resolution 5
  - (c) "THAT Haji Mohd. Sharif Bin Haji Yusof who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." Resolution 6
  - (d) "THAT Kwok Yoke How who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." Resolution 7
- 5 To re-elect Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM as a Director who retire in accordance with Article 91 of the Company's Articles of Association.

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

  Resolution 9

### 7 Special Business

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

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby empower 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".

# NOTICE OF ANNUAL GENERAL MEETING

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 1 September 2010

### Notes

- 1 A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- 2 Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- 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 10, if passed, will empower the Directors to issue and allot shares not exceeding 10% of the Company's issued share capital for the time being without convening further general meetings for such purposes.

# STATEMENT ACCOMPANYING NOTICE

Of 34th Annual General Meeting of Ireka Corporation Berhad

- 1 The names of individuals who are standing for re-election
  - i. Haii Abdullah Bin Yusof, retiring pursuant to Section 129 of the Companies Act, 1965.
  - ii. Lai Siew Wah, retiring pursuant to Section 129 of the Companies Act, 1965.
  - iii. Haji Mohd Sharif Bin Haji Yusof, retiring pursuant to Section 129 of the Companies Act, 1965.
  - iv. Kwok Yoke How, retiring pursuant to Section 129 of the Companies Act, 1965.
  - v. Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM, retiring by rotation pursuant to Article 91 of the Company's Articles of Association.
- 2 Date, time and place of general meeting

Type of Meeting	Date	Time	Place
34th Annual General Meeting	23 September 2010	10.30 a.m.	Dewan Berjaya
			Bukit Kiara Resort Berhad
			Jalan Bukit Kiara
			Off Jalan Damansara
			60000 Kuala Lumpur

3 Further details of Directors who are standing for election Not applicable

# **PROXY FORM**

No. of shares held	
CDS Account No.	

I/We	NRIC No.				
of					
being a member/members of Ireka Corporation Berhad hereby appoint					
	NRIC No				
or failing him, the Chairman of the Meeting as my/our provy to vote for me/us and on my/our hehalf at the 3/th Annual General Meeting					

or failing him, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 23 September 2010 at 10.30 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:

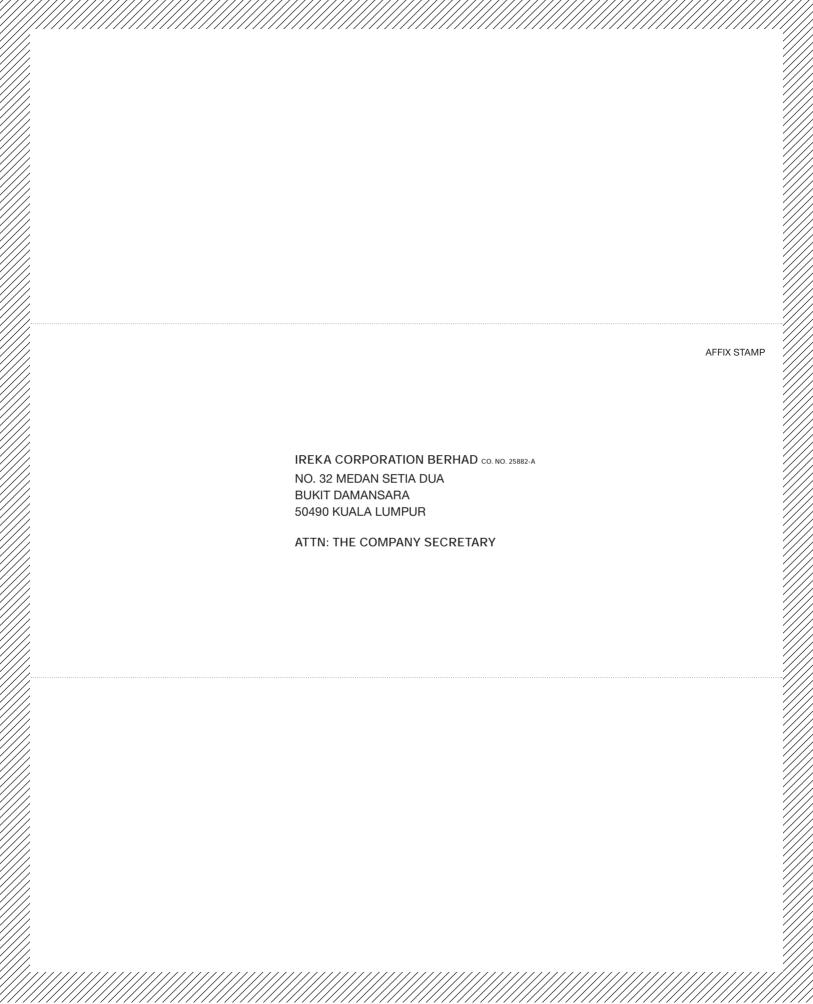
	Ordinary Resolutions	For	Against
1	To receive the audited financial statements for the financial year ended 31 March 2010		
2	To declare a first and final single tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2010		
3	To approve the payment of Directors' fee of RM350,000.00		
4	Re-election of Director, Haji Abdullah Bin Yusof		
5	Re-election of Director, Lai Siew Wah		
6	Re-election of Director, Haji Mohd. Sharif Bin Haji Yusof		
7	Re-election of Director, Kwok Yoke How		
8	Re-election of Director, Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM		
9	Re-appointment of Messrs Raja Salleh, Lim & Co. as Auditors		
10	To issue and allot shares pursuant to S132D of the Companies Act, 1965		

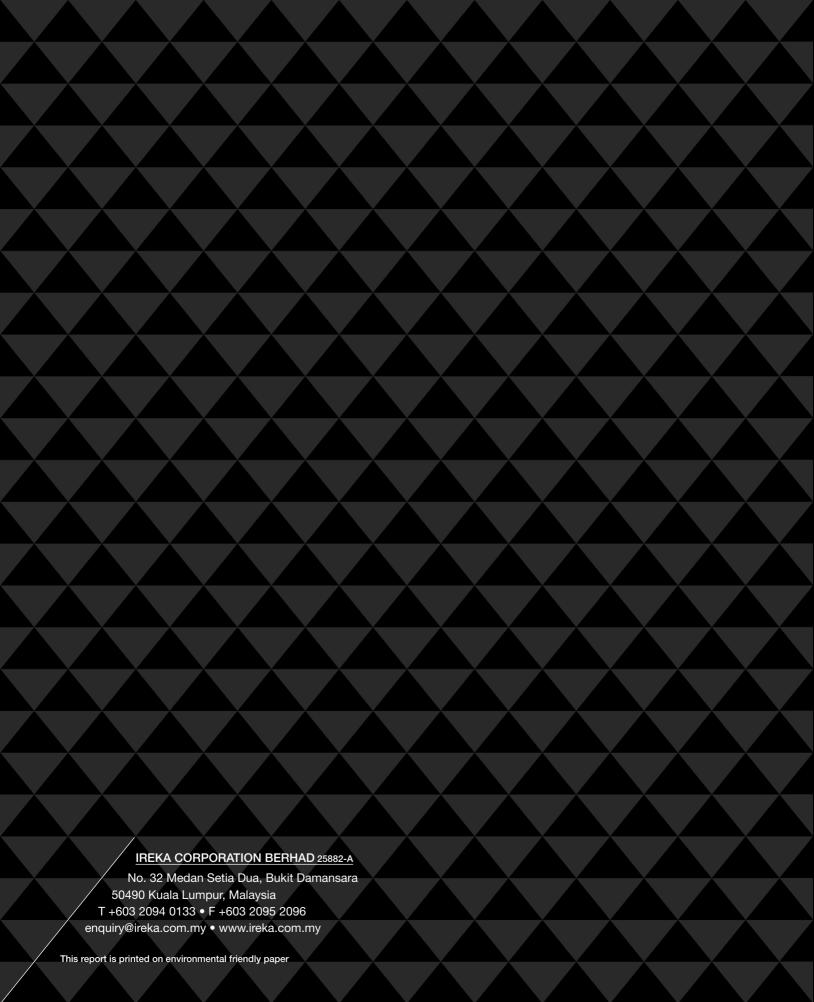
Please indicate with an 'X' in the appropriate spaces how you wish to cast your vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

Dated this	day of	2010	Signature/Seal
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### Notes

- A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- 2 Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.
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(Company No. 25882-A) (Incorporated in Malaysia)

## ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 1 SEPTEMBER 2010

To: The Shareholders of Ireka Corporation Berhad

### **Explanatory Notes On Special Business**

The following additional paragraph should be inserted immediately after the existing paragraph on page 116 of the Annual Report 2010:

"This authority is a renewal of the general mandate which will expire at the forthcoming 34<sup>th</sup> Annual General Meeting. As at the date of this Notice, the Company has not issued any shares pursuant to the mandate granted at the last Annual General Meeting."

By Order of The Board

Wong Yim Cheng Company Secretary Kuala Lumpur

Date: 2 September 2010