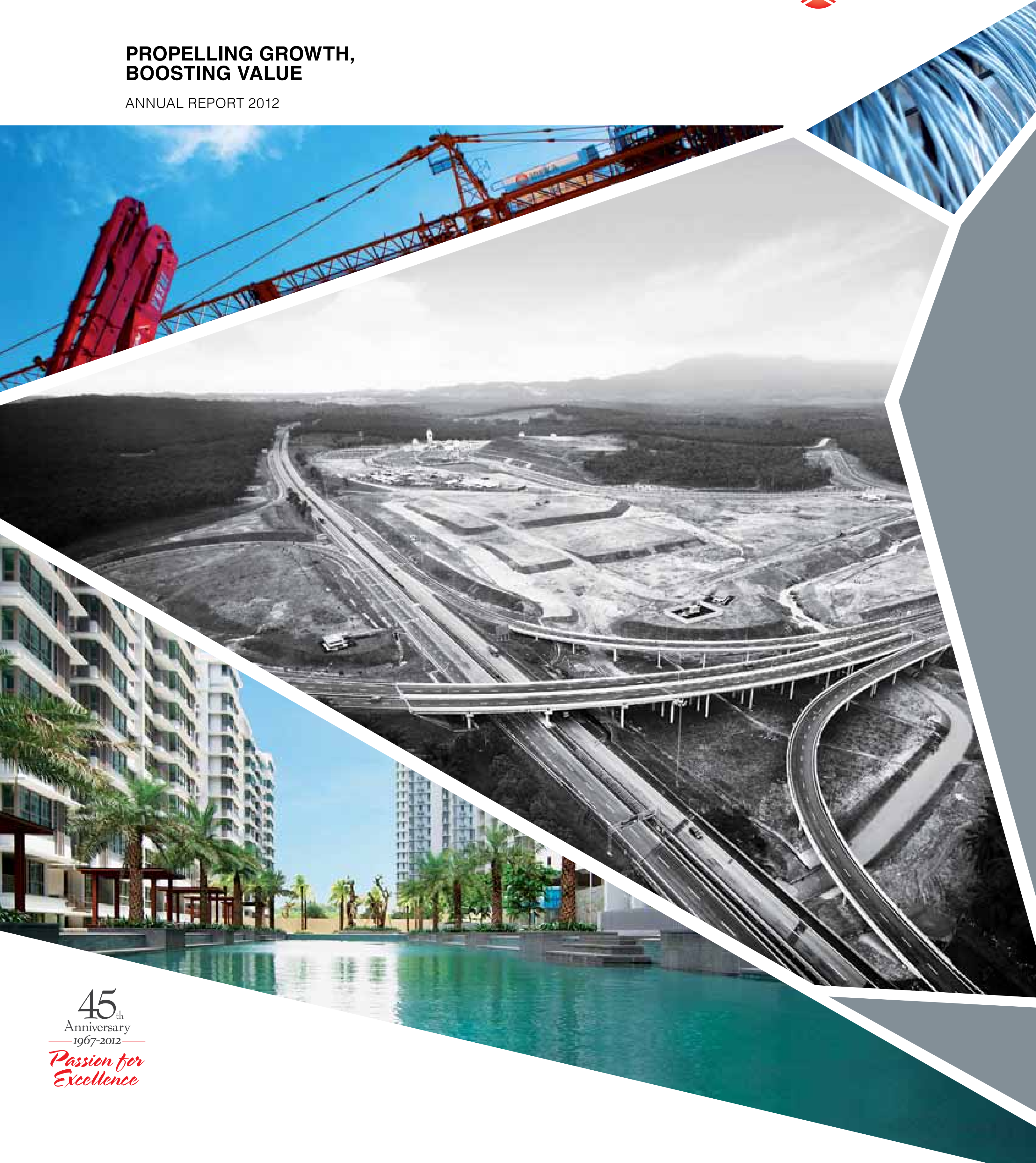
IREKA

PROPELLING GROWTH, BOOSTING VALUE

ANNUAL REPORT 2012



45th
Anniversary
1967-2012
Passion for Excellence

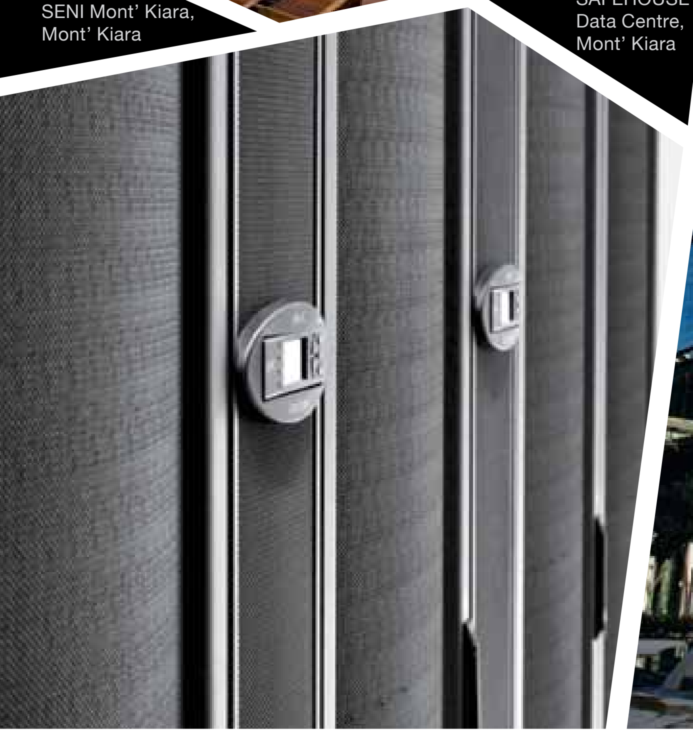
This year's annual report cover reflects both our expertise and leadership in the Group's core businesses: Infrastructure, Real Estate and Technology.

Our cover showcases an ambitious and diverse portfolio of ongoing and recently completed projects across Malaysia, including a wide spectrum of residential, commercial, industrial and mixed used developments as well as major infrastructure facilities.

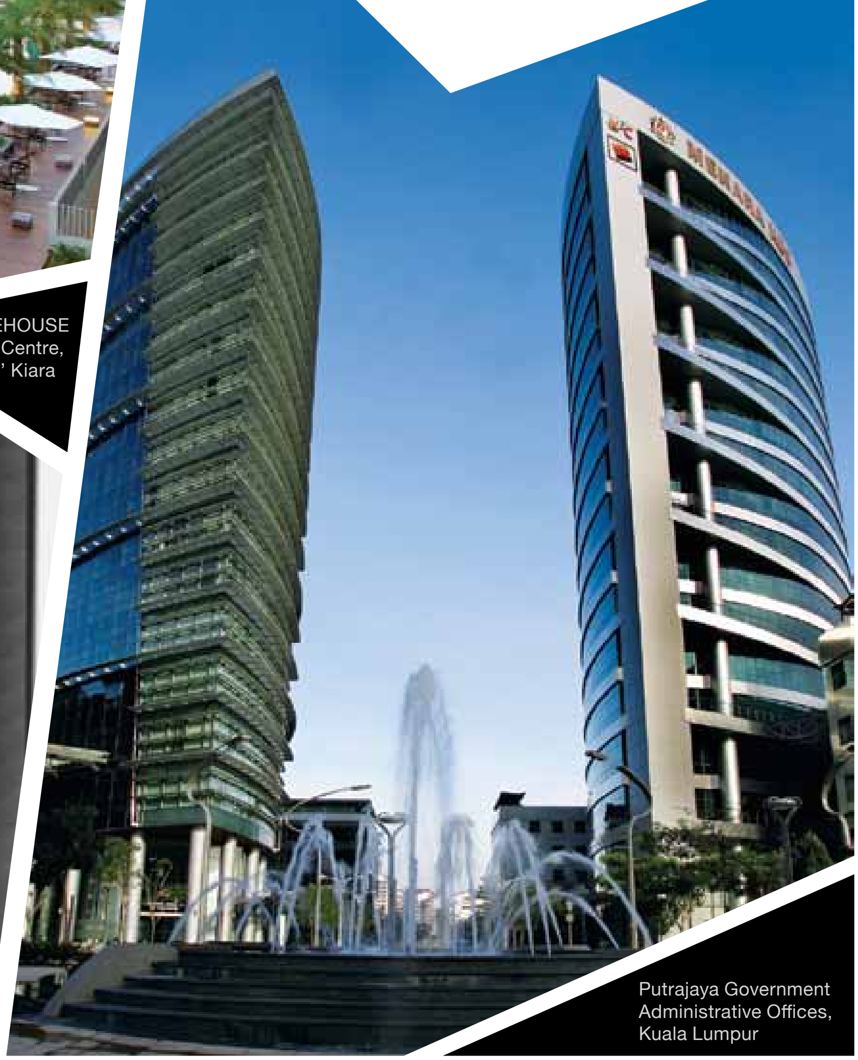
The asymmetrical "jigsaw" design is expressive of the ways that Ireka projects are well integrated into the development, infrastructural and technological framework of the country, becoming a vital part of Malaysia's economic and industrial fabric.

This year's annual report cover also proudly celebrates 45 years of growth and success for Ireka, demonstrating our "Passion for Excellence".

SENI Mont' Kiara,
Mont' Kiara



SAFEHOUSE
Data Centre,
Mont' Kiara



Putrajaya Government
Administrative Offices,
Kuala Lumpur

Contents

...in trusted hands

VISION

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

Kasia Greens, Nilai, Negeri Sembilan

About Ireka

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

KL Sentral Office Towers and Aloft Hotel, Kuala Lumpur

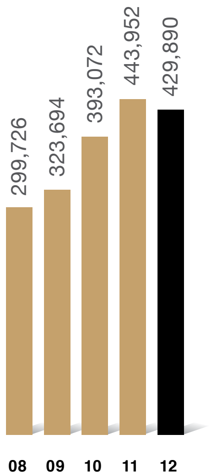
SAFEHOUSE Data Centre, Mont' Kiara

Sandakan Harbour Square, Sabah

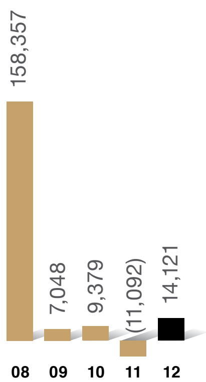
Kulai-Second
Link Expressway
Interchange, Johor

Five-Year Financial Highlights

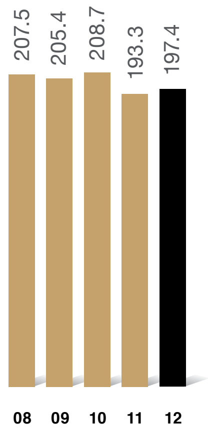
REVENUE
RM'000



PROFIT / (LOSS) BEFORE TAXATION
RM'000

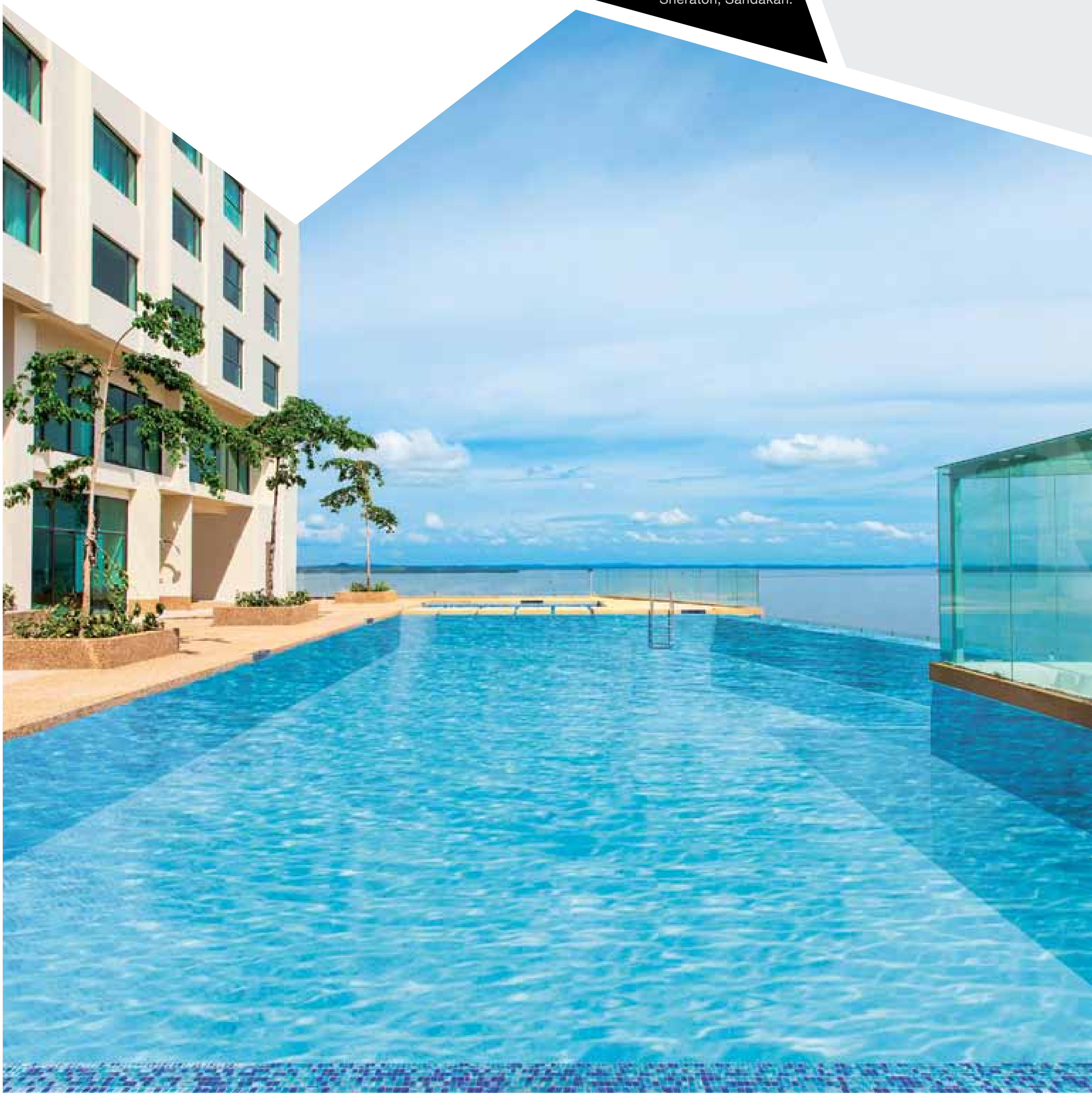


NET TANGIBLE ASSETS PER SHARE
SEN



Group	12 months to 31.03.08	12 months to 31.03.09	12 months to 31.03.10	12 months to 31.03.11	12 months to 31.03.12
In RM'000					
Revenue	299,726	323,694	393,072	443,952	429,890
Profit / (Loss) before taxation	158,357	7,048	9,379	(11,092)	14,121
Profit / (Loss) after taxation and minority interest	152,865	6,036	8,669	(11,742)	10,402
Issued share capital	113,914.7	113,914.7	113,914.7	113,914.7	113,914.7
Shareholders' funds	236,410	234,001	237,710	220,206	224,844
Total assets	635,819	497,696	545,075	571,733	593,796
In Sen					
Gross dividend per share	20.0	5.0	5.0	5.0	5.0*
Net earnings per share – Basic	134.2	5.3	7.6	(10.3)	9.1
Net tangible assets per share	207.5	205.4	208.7	193.3	197.4
In Percentage					
Return on shareholders' fund	64.7	2.6	3.6	(5.3)	4.6
Gearing	50	47	79	81	78
Gearing (net of cash)	19	35	62	60	60

NOTE:
* SUBJECT TO THE APPROVAL BY SHAREHOLDERS OF THE COMPANY AT THE 36TH ANNUAL GENERAL MEETING.



Infinity pool at
Four Points by
Sheraton, Sandakan.

Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF IREKA CORPORATION BERHAD (THE "GROUP") FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012.

For the financial year under review, the Group recorded a revenue of RM429.89 million as compared to RM443.95 million recorded in the previous year which reflects lower volume of construction work completed locally and in Vietnam. Operating profit was RM14.58 million and after allowing for higher finance cost and improved contribution from share of profit and dividend from associate, Aseana Properties Limited ("Aseana Properties"), profit before tax was RM14.12 million compared to a loss of RM11.09 million for the previous year.

The Directors have recommended a single-tier dividend of 5% in respect of the financial year ended 31 March 2012 for approval by shareholders at the forthcoming Annual General Meeting. The dividend payment of RM5.69 million is equivalent to about 54.7% of the Group's profit for the year.

The Group continued to work closely with its associate, Aseana Properties, in implementing property development projects in Malaysia and Vietnam. One of the projects which has been successfully completed is the Sandakan Harbour Square project which includes Harbour Mall and the Four Points by Sheraton Sandakan Hotel. In Vietnam, the construction of the City International Hospital at the International Hi-Tech Healthcare Park in Ho Chi Minh City is in progress. In Malaysia, the hotel suites and serviced residences project in Kia Peng @ KLCC has received development order approval and construction works will start in the last quarter of the year.

On the construction front, the Group has RM425.81 million remaining in its order book. The Group was awarded a RM268.60 million contract for the construction of a high-rise serviced apartment and office project (the Imperia Puteri Harbour) at Puteri Harbour in Nusajaya, Iskandar Johor. On property development, the Group is currently working on four projects, two of which will commence during the second half of the current year.

The Group's IT business under i-Tech Network Solutions Sdn Bhd ("i-Tech") continued its expansion through i-Tech's 'green' data centre which offers disaster recovery and co-location services which is now in the second phase of construction. The data centre branded as SAFEHOUSE is now listed in the Multimedia Development Corporation directory distributed and marketed worldwide. As a start, the data centre is already proving its usefulness to the Group's various business divisions. iTech ELV Solutions Sdn Bhd ("iTech ELV") performed well in its structured cabling, audio visual and building automation systems, CCTV and security access control.

Prospects for the current year are satisfactory. The Group has sufficient work in hand for the current year both from the construction and property development work coming on stream. The Group will continue to bid for public and private sector projects in the country as well as work with the Group's associate, Aseana Properties, in Vietnam.

City International Hospital

In closing and on behalf of the Board of Directors of Ireka Corporation Berhad, I wish to convey my sincere thanks to all shareholders, customers, business partners and Aseana Properties for their continuing support.

To my colleagues on the Board, I would like to express my gratitude for their contributions and guidance during the year. I would also like to take this opportunity to express the Board's appreciation to the late Mr Lim Che Wan for his contribution to the Group. Lastly, I take this opportunity to thank the management and staff at all levels for their support and contributions during the year.

Four Points by Sheraton Sandakan, Sabah

HAJI Ir. ABDULLAH BIN YUSOF

Chairman
29 August 2012

Penyata Pengerusi

BAGI PIHAK LEMBAGA PENGARAH, SAYA DENGAN SUKACITANYA MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN BAGI IREKA CORPORATION BERHAD ("KUMPULAN") UNTUK TAHUN KEWANGAN YANG BERAKHIR PADA 31 MAC 2012.

Kumpulan mencatatkan perolehan sebanyak RM429.89 juta pada tahun dalam tinjauan berbanding dengan RM443.95 juta pada tahun kewangan sebelumnya. Ini mencerminkan pengurangan jumlah projek-projek pembinaan yang telah diselesaikan dalam negeri dan di Vietnam sepanjang tahun dalam tinjauan. Kumpulan mencapai keuntungan sebanyak RM14.58 juta setelah mengambil kira peningkatan kos kewangan dan sumbangan yang lebih baik dari perkongsian keuntungan dan pembayaran dividen daripada syarikat bersekutu, iaitu Aseana Properties Limited ("Aseana Properties"). Keuntungan Kumpulan sebelum cukai yang dicapai ialah RM14.12 juta berbanding dengan kerugian sebanyak RM11.09 juta yang dicapai pada tahun sebelumnya.

Para Pengarah telah mencadangkan pembayaran dividen "single-tier" sebanyak 5% bagi tahun kewangan yang berakhir pada 31 Mac 2012 untuk kelulusan pemegang-pemegang saham pada Mesyuarat Agung Tahunan yang akan datang. Pembayaran dividen yang berjumlah RM5.69 juta ini adalah bersamaan dengan sekitar 54.7% daripada keuntungan Kumpulan untuk tahun kewangan dalam tinjauan.

Kumpulan akan terus bekerja rapat dengan syarikat bersekutunya, Aseana Properties, untuk melaksanakan projek-projek pembangunan hartanah di Malaysia dan Vietnam. Salah satu projek yang telah berjaya disempurnakan ialah projek Sandakan Harbour Square yang merangkumi Harbour Mall dan hotel Four Points by Sheraton, Sandakan. Di Vietnam, Kumpulan sedang melaksanakan pembinaan City International Hospital di International Hi-Tech Healthcare Park di Bandar Ho Chi Minh. Manakala di Malaysia, Kumpulan telah menerima kelulusan pembinaan untuk projek 'hotel suites and serviced residences' di Kia Peng @ KLCC dan kerja-kerja pembinaan akan bermula pada suku terakhir tahun ini.

Kumpulan mempunyai RM425.81 juta dalam buku pesanan di sektor pembinaan. Kumpulan telah memperoleh kontrak yang berjumlah RM268.60 juta untuk projek pembinaan servis apartmen bertingkat tinggi dan pejabat (the Imperia Puteri Harbour) di Puteri Harbour, Nusajaya, Iskandar Johor. Dalam sektor hartanah, Kumpulan kini sedang melaksanakan empat projek di mana dua daripadanya akan dijalankan pada penggal kedua tahun semasa.

Hotel suites and serviced residences, Kia Peng @ KLCC

Perniagaan Informasi Teknologi Kumpulan di bawah naungan i-Tech Network Solutions Sdn Bhd ("i-Tech") akan terus mengembangkan perniagaannya melalui i-Tech pusat data 'hijau' (mesra alam) yang menawarkan servis sistem pemulihan bencana dan ko-lokasi dan ianya kini berada di fasa kedua pembinaan. Pusat data yang dijenamakan sebagai SAFEHOUSE kini telah disenaraikan dalam Direktori Perbadanan Pembangunan Multimedia untuk diedarkan dan dipasarkan di seluruh dunia. Sebagai permulaan, pusat data telah membuktikan kegunaannya kepada pelbagai bahagian perniagaan Kumpulan. iTech ELV Solutions Sdn Bhd ("iTech ELV") telah menunjukkan prestasi yang baik dalam pengkabelan berstruktur, sistem audio visual dan pembinaan automasi, CCTV dan kawalan akses keselamatan.

Prospek bagi tahun semasa adalah memuaskan. Kumpulan mempunyai kerja yang mencukupi dalam tangan bagi tahun semasa dari kerja-kerja pembinaan dan pembangunan hartanah yang mula beroperasi. Kumpulan akan terus membida projek-projek dari kedua-dua sektor awam dan swasta di dalam negara serta kerja-kerja di Vietnam dari syarikat bersekutu Kumpulan, Aseana Properties.

Sebagai penutup dan bagi pihak Lembaga Pengarah Ireka Corporation Berhad, saya ingin merakamkan terima kasih kepada semua pemegang saham, pelanggan, rakan kongsi perniagaan serta Aseana Properties di atas sokongan berterusan mereka.

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

HAJI Ir. ABDULLAH BIN YUSOF

Pengerusi
29 Ogos 2012

SAFEHOUSE
data centre facility

KL Sentral Office
Towers and Aloft
Hotel, Kuala Lumpur

Management Discussion & Analysis

GROUP PERFORMANCE REVIEW

For the financial year ended 31 March 2012 (FY2012), the Ireka Group recorded total revenue of RM429.89 million, a marginal 3.2% decrease compared to the previous financial year (FY2011). The Infrastructure division, through its construction activities, continued to be the main contributor of the Group's turnover, accounting for approximately 94.2% of the Group's total revenue. The Real Estate division, through development management services provided to Aseana Properties Limited (*a 23.07% associate of Ireka Corporation Berhad*) and the Technologies division are the contributors to nearly all of the remaining of the Group's total revenue.

The profitability of the Group in FY2012 saw a significant increase from a loss of RM11.74 million to a profit of RM10.40 million, largely on the back of improved performance of the Group's construction activities and positive results of its associate, Aseana Properties Limited ("Aseana Properties").

The general business environment for Malaysia in FY2012 had remained robust despite the global uncertainties that were still unfolding particularly in respect of the debt crisis in Europe, and an impending slowdown of growth in China. The Malaysian economy grew 4.5% in year 2011 driven by strong domestic consumption that was supported in large part by government pump priming. The efforts by the government bolstered an inevitable slowdown in exports to the West and China, as well as a decline in commodities prices globally.

In contrast to Malaysia, the general business environment in Vietnam in FY2012 has remained sluggish, reflected in the slow property market and the low transaction volumes of the Vietnam stock markets. The economy in Vietnam, although continuing to grow at a relatively healthy pace of 5.9% in year 2011, will remain vulnerable to the slowing demands for its exports globally and deferments in capital investments by local and foreign companies due to the financial crisis. The July 2012 inflation rate of 5.4%, the lowest recorded since November 2009, and down from a peak of 23.0% in August 2011, presented a silver lining as the economy responded positively to the credit tightening measures by the government.

The Group's business strategy has remained conservative in managing through the challenging business environment. In line with our sound track record and our resilience throughout our 45 years history, we aim to become the trusted partner of choice for our clients, buyers and business associates in these uncertain times.

INFRASTRUCTURE DIVISION PERFORMANCE REVIEW

The construction sector was robust and expanded at a moderate rate of 3.4% in year 2011, supported by the implementation of major infrastructure projects and the acceleration of projects under the 10th Malaysia Plan in the second half of 2011. The construction sector has always been a strong driver of growth for the Malaysian economy and currently contributes approximately 3.3% to the country's gross domestic product.

The construction sector is anticipated to record a stronger growth in 2012 with the ongoing implementation of the various projects under the banner of Government Transformation Programme and Economic Transformation Programme. These projects include the LRT line extension, Klang Valley MRT, Kuala Lumpur International Airport 2 and KL Metropolis development. Whilst these projects are expected to continue to propel the nation forward over the longer term, the implementation of these projects over the short term remains vulnerable to the threats of a global slowdown. The 6.0% price increase by cement producers in Malaysia in August 2012 highlights the risks and dislocation of the construction industry with the global economic trend, which serves to heighten the vulnerability of the industry in the event of a sudden slowdown.

During FY2012, Ireka Engineering & Construction Sdn Bhd ("IECSB") had successfully completed a few key construction projects. Works at Phase 2 of SENI Mont' Kiara was completed in third quarter of year 2011, marking the completion of a RM588.74 million project for IECSB. The Kulai-Second Link Expressway in Johor was completed on time for the opening of the Johor Premium Outlet in December 2011. FY2011 saw Ireka Group's maiden foray into Vietnam via its 100% owned subsidiary, Ireka Engineering And Construction Vietnam Company Limited ("IECVCL"). In FY2012, IECVCL had successfully completed the RM27.58 million structural works package for the City International Hospital in Ho Chi Minh City, Vietnam. With this completion, IECVCL then built on its success by winning a RM77.70 million follow-up contract for the main building works package of the City International Hospital. Works for this package commenced in October 2011, with completion expected in December 2012.

International
Hi-Tech
Healthcare Park,
Ho Chi Minh City

Kulai-Second
Link Expressway
Interchange, Johor

Aside from this notable success in Vietnam, IECSB secured two other projects in Malaysia in FY2012 and year-to-date. They are the interior fit-out works for Aloft Hotel in Kuala Lumpur Sentral worth RM45.80 million and the construction works for Imperia Puteri Harbour Serviced Apartments and Office of RM268.60 million. These new construction contracts are expected to contribute positively to Ireka's earnings in the coming financial year.

In the current financial year, IECSB will also see the completion of construction works for the Four Points by Sheraton Sandakan Hotel and Harbour Mall, as well as the KL Sentral office towers and Aloft Hotel main building works. The Group's construction order book as at end June stood at about RM961.20 million, with approximately RM425.81 million remaining outstanding. Replenishment of order book in this current financial year remains a priority for the Group. However, despite keen competition from other construction players, the Group will continue to be cautious in its pricing to ensure profitablity targets are maintained. IECVCL will also continue to seek out opportunities in Vietnam, but will be exercising caution in taking on construction contracts from clients amidst the poor sentiments of the general property market in Vietnam.

In pursuit of operational efficiency, IECSB is taking proactive steps in revamping its management information system through the implementation of COINS, an industry leading integrated system for procurement, cost-revenue reconciliation, project accounting and financial accounting. The system will be fully operational in third quarter of 2012 and is expected to improve and streamline management reporting and decision making processes within the company.

Management Discussion & Analysis

cont'd

REAL ESTATE DIVISION PERFORMANCE REVIEW

In year 2011, the real estate market in Malaysia saw the highest growth in transactions over the last five years with a total of 430,403 transactions worth RM137.83 billion, representing a 14.3% growth in volume and 28.3% growth in value compared to year 2010.

The residential sector continues to drive the real estate market in Malaysia, accounting for over 77.7% of the total volume and 62.7% of total value of transactions recorded in year 2011. Market prices and rental rates for the commercial sector of both retail and offices have remained largely stable throughout year 2011 and year to date. The retail segment in particular have seen vibrant activities with the RM3.50 billion initial public offering and listing of Pavillion Real Estate Investment Trust in December 2011. Pavillion REIT are the owners of the Pavillion, one of Kuala Lumpur's premier shopping malls. Occupancy levels of prime retail malls in Klang Valley have continued to stay above 85%. Although the office segment had fared well in year 2011, the occupany levels and rental rates in Klang Valley are expected to come under pressure in year 2012 as some 6.8 million square feet of office space is scheduled for completion in year 2012, adding approximately 7.2% to the total stock.

At the end of year 2011, the National Property Information Centre's House Price Index indicated a 6.6% increase compared to previous year across Malaysia. Anecdotal observations suggest that the increase in residential property prices has been more drastic across the Klang Valley particularly in the medium end segment of the market. This has prompted the Bank Negara to introduce the 'responsible lending guidelines' in January 2012 that places the onus on financial institutions to exercise extra restraint in approving loans. The guidelines include requirements for financial institutions to provide detailed assessment on individual affordability of the borrowers, and for loan margin to be approved based on direct net income of borrowers. These guidelines are compounded on an earlier Bank Negara guideline in November 2010 that restricts the loan-to-value to 70% for borrowers purchasing their third residential property and above. To date, these measures have significant impacts on slowing down property transactions in Malaysia, particularly in the higher end segment of the residential property market.

THE REAL ESTATE MARKET IN MALAYSIA SAW THE HIGHEST GROWTH OVER THE LAST FIVE YEARS WITH 28.3% GROWTH IN VALUE COMPARED TO YEAR 2010.

In FY2012, Ireka Development Management Sdn Bhd ("IDM"), as the development manager for Aseana Properties, has achieved another milestone with the completion of the SENI Mont' Kiara in FY2012. SENI Mont' Kiara is a 605-unit luxury residential development, and is the largest project in Aseana Properties' development portfolio. For the current financial year, amidst the challenging property market, IDM will focus its efforts in realising the approximately 20% remaining stock in SENI Mont' Kiara. The completion of SENI Mont' Kiara has contributed positively to the results of Aseana Properties, hence boosting Ireka's earnings for FY2012.

The year to date also saw IDM managing the completion and soft opening of the Sandakan Harbour Square ("SHS") properties, consisting of the Harbour Mall and the Four Points by Sheraton Sandakan Hotel. The SHS properties are another key component of Aseana Properties' portfolio. IDM will continue to play an active role in managing and nurturing the SHS properties in preparation for realisation when the opportunity arises.

The current financial year will be another busy year as the joint venture project between Aseana Properties and Ireka - hotel suites and serviced residences in Kia Peng @ KLCC, readies for launch in the final quarter of year 2012. IDM will also be managing the completion, handover and opening of the KL Sentral office towers and Aloft Hotel in Kuala Lumpur Sentral towards the end of year 2012.

SENI Mont' Kiara,
Kuala Lumpur

Waterside Estate
luxury villas and
apartments,
Ho Chi Minh City

Efforts will also be focused on furthering Aseana Properties' portfolio in Vietnam. The City International Hospital, the flagship development in Aseana Properties' International Hi-Tech Healthcare Park, will be completed at the end of year 2012 with planned opening in 2013. IDM is also putting the final touches to the planned launch of the first phase of Waterside Estate (*formerly known as Phuoc Long B project*) in Ho Chi Minh City, Vietnam in the final quarter of year 2012. The Waterside Estate is a joint venture between Aseana Properties and Nam Long Investment Corporation consisting of 37 units of luxury riverfront villas (phase one) and 460 units of apartments. The projects in Vietnam will be undertaken with caution given the challenging economic and property market conditions at this point in time.

FY2012 also marks the return of the Ireka Group into direct property development activities in Malaysia, with Aseana Properties having fully invested its funds since its initial public offering in year 2007. In September 2011, Ireka announced the acquisitions of an industrial land in Kajang measuring 21.83 acres and a residential land in Nilai measuring 27.76 acres respectively.

It is envisaged that the Kajang land, together with an existing adjoining piece of land of approximately 10.94 acres (*currently owned and used by Ireka Group as its central workshop*) will be developed into prime industrial properties for sale. Planning is currently underway for this project. Since the acquisition of the Nilai land, planning approvals have been obtained for the first phase of the development called Kasia Greens. Kasia Greens, consisting of 142 units of super-linked houses, is located in the heart of Nilai's educational hub and close to key amenities such as hypermarkets, golf courses and the Kuala Lumpur International Airport. This development will be officially launched in October 2012 and is expected to appeal to both first-time homebuyers and 'upgraders' seeking for a high quality home in an established location.

In FY2012, Ireka has also completed an acquisition for another piece of 5.1 acres land in the heart of Kajang Town. Detailed planning is currently underway for the development of a mixed commercial and residential project that will take advantage of its strategic location in Kajang Town and near the upcoming Kajang My Rapid Transit ("MRT") station.

The three new projects above represent a concerted effort to diversify and grow Ireka Group's real estate business beyond the high-end and hospitality segments of the market. Ireka is committed in bringing innovation to these three projects that is often the hallmark of Ireka's past successful property projects.

TECHNOLOGIES DIVISION PERFORMANCE REVIEW

i-Tech Network Solutions Sdn. Bhd. ("i-Tech") improved on its performance in FY2012 with revenues increasing by 4.5% compared to FY2011. However, the continuing challenges in the ICT industry as a whole amidst the global economic uncertainties and the delays in building our data centre inhibited greater growth plans.

i-Tech's 'green' data centre in Mont' Kiara, branded as SAFEHOUSE, offering co-location and disaster recovery services is now in its second phase of construction, with the first phase consisting of basic infrastructure works such as cabling, installation of fire fighting equipment and the Network Operating Centre (NOC), with rentable space of 20 racks. Since commencing operations in August 2011, SAFEHOUSE has already managed to secure clients in its first few months of operations. With completion of Phase 2, which consists of installation of all the data centre's redundancy requirements, in September 2012, we are hopeful of expanding this specialist services to a larger client base. SAFEHOUSE is listed in Multimedia Development Corporation's ("MDec") directory (which is distributed and marketed worldwide) as one of the 16 data centres in Malaysia. MDec is a government agency tasked to promote and oversee national ICT initiatives in Malaysia.

Kasia Greens,
Nilai, Negeri Sembilan

SAFEHOUSE
Data Centre, Mont' Kiara

The government's Economic Transformation Program to make Malaysia a world-class hub for data centres in the region is now fully operational. i-Tech recently participated in a 'Think Tank' session organised by the MDec and Performance Management & Delivery Unit (PEMANDU) to discuss Malaysia's ICT industry's direction to build the country's position and competitiveness as a regional ICT and data centre hub. We are proud that the SAFEHOUSE is well on the way to making this contribution to the national agenda.

A recent Business Monitor Report suggests that Malaysian IT spending is expected to reach US$5.2 billion in 2012, up 4.9% from 2011. The Government's push for greater broadband penetration, the development of a national cloud computing program and other positive factors that include lower interest rates and government import tax exemptions for IT equipment should provide bigger opportunities for i-Tech as an integrated ICT player in the coming year.

Now in its second full year of operations, iTech ELV Solutions Sdn Bhd ("iTech ELV") has performed admirably, improving on its revenues compared to 2011. iTech ELV is a specialist contractor offering installation services for extra low voltage components such as structured cabling, building automation system, audio visual, security access control system, close-circuit television system, lighting control system, master antenna television system and public address system. We are confident of further successes in the coming years. iTech ELV's order book is healthy and we are anticipating new projects in the coming months.

The Technologies division continues to tap on the synergies between the Infrastructure and Real Estate divisions by supporting and recommending technologies to enhance the products and services they offer. In recent years, i-Tech and iTech ELV has provided integrated IT solutions to a few of Ireka Group's projects. At the Technologies division, our commitment is to continue to improve on all aspects of our business processes and systems that will help sharpen Ireka Group's competitiveness in this digitally and technologically integrated economy.

LAI SIEW WAH

Group Managing Director
29 August 2012

Corporate Structure

IREKA

Ireka Corporation Berhad

- **23.07%** Aseana Properties Limited
  - **70%** Urban DNA Sdn Bhd
- **30%** Urban DNA Sdn Bhd
- **100%** Ireka Property Services Sdn Bhd
- **100%** Ireka Development Management Sdn Bhd
- **100%** Ireka Sdn Bhd
  - **90%** Unique Legacy Sdn Bhd
  - **100%** Iswaja Enterprise Sdn Bhd
  - **100%** Ireka Engineering & Construction Sdn Bhd
    - **100%** United Time Development Sdn Bhd
  - **100%** Regal Variety Sdn Bhd
  - **100%** Regalmont (Sabah) Sdn Bhd
  - **100%** Ireka Hospitality Sdn Bhd
- **10%** Unique Legacy Sdn Bhd
- **100%** Ireka Engineering And Construction Vietnam Company Limited
- **100%** Ireka iCapital Sdn Bhd
  - **100%** Ireka Venture Capital Ltd
  - **96%** e-Auction Sdn Bhd
  - **100%** asiaegolf Tours Sdn Bhd
  - **100%** i-Tech Network Solutions Sdn Bhd
  - **100%** iTech ELV Solutions Sdn Bhd
- **100%** Ireka Corporation (HK) Limited
- **100%** Ireka Commercial Sdn Bhd
- **100%** i-Residence Sdn Bhd
- **100%** Meadowfield Sdn Bhd

Corporate Information

BOARD OF DIRECTORS

Independent Non-executive Chairman
Haji Ir. Abdullah bin Yusof

Managing Director
Lai Siew Wah

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

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

Independent Non-executive Directors
Haji Mohd. Sharif bin Haji Yusof
Kwok Yoke How

Senior Independent Non-executive Director
Haji Mohd. Sharif bin Haji Yusof
Tel : +603-6411 6388
Fax : +603-6411 6383
e-mail : mohdsharif@ireka.com.my

AUDIT COMMITTEE

Chairman
Haji Mohd. Sharif bin Haji Yusof

Members
Haji Ir. Abdullah bin Yusof
Kwok Yoke How

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

Level 18, Wisma Mont' Kiara
No. 1, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Tel : +603-6411 6388
Fax : +603-6411 6383
e-mail : enquiry@ireka.com.my
Website : www.ireka.com.my

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 Darul Ehsan
Tel : +603-7841 8000
Fax : +603-7841 8008

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

STOCK CODE

Shares 8834

AUDITORS

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

PRINCIPAL BANKERS

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

Board of Directors

HAJI Ir. ABDULLAH BIN YUSOF

Aged 76, a Malaysian, is the Independent Non-executive Chairman of Ireka and was appointed to the Board of Directors in 1992. He is a member of the Audit Committee and a Director of several subsidiaries within Ireka Group. He graduated from the Camborne School of Metalliferous Mining, United Kingdom in 1961. He has extensive experience in the tin mining industry, and is currently the Executive Chairman of Osborne & Chappel International Sdn Bhd, a local mine management and engineering group which was involved in the field of mining operations and related construction works, mine management and consultancy, both locally and internationally. He is also an Independent Non-executive Director of Gopeng Berhad and Time Engineering Berhad, and is a council member of the Malaysian Chamber of Mines and the Tin Industry (Research and Development) Board.

LAI SIEW WAH

Aged 72, 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 69, a Malaysian, is the Group Deputy Managing Director of Ireka. He was appointed a Director of Ireka in 1977 and was made the Deputy Managing Director in 1993. He is also a Director of several subsidiaries within Ireka Group. He has over 35 years experience in the construction industry and is actively involved in activities of related trade organization locally and regionally. Currently, he is the Honorary Life President of Master Builders Association Malaysia. He was the Past President/Honorary Advisor of the Master Builders Association Malaysia and had also served as Board Member/Secretary-General/Rapporteur of International Federation of Asia & Western Pacific Contractors' Association (IFAWPCA) and Council Member of ASEAN Constructors Federation (ACF), as 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 66, a Malaysian, is an Executive Director of Ireka. He joined Ireka in 1975 and was appointed to the Board of Directors in 1990. He is also a Director of several subsidiaries within Ireka Group. He has over 40 years experience in the construction industry with sound knowledge in building materials and heavy plants and machineries.

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

LAI MAN MOI

Aged 64, a Malaysian, is an Executive Director of Ireka. She joined Ireka in 1975 and was appointed to the Board of Directors in 1990. She is also a Director of several subsidiaries within Ireka Group. She has over 40 years experience in finance and accounting and is a member of several institutes including the Association of Accounting Technicians, United Kingdom; The International Association of Book-Keepers (UK); and The Institute of Commercial Management.

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

LAI VOON HON

Aged 48, 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 Ireka Group. He graduated from University College London, London University and Ashridge Management College with Bachelor of Science (Hons) Degree in Architecture in 1987 and Post-graduate Diploma in Architecture (Dip-Arch) in 1989 and a Master in Business Administration ("MBA") (Distinction) degree in 1993 respectively. An architect by profession, he has practiced in London, Hong Kong and Malaysia prior to joining Ireka. He is a registered Professional Architect with the Board of Architects, Malaysia.

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

LAI VOON HUEY, MONICA

Aged 46, 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 Ireka Group. She graduated from City University, London, with a Bachelor of Science (Hons) Degree in Accountancy and Economics. She has worked for two international accounting firms in England and Hong Kong prior to joining Ireka. She is a fellow member of several institutes that include the Institute of Chartered Accountants, England and Wales; Chartered Accountants, Malaysia; and the Malaysian Institute of Taxation.

She is the daughter of Mr Lai Siew Wah.

HAJI MOHD. SHARIF BIN HAJI YUSOF

Aged 73, a Malaysian, is the Senior Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 2002. He is the Chairman of the Audit Committee and a Director of several subsidiaries within Ireka Group. He is a fellow member of the Institute of Chartered Accountants, England and Wales, Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants. He is also an Independent Non-executive Chairman of AYS Ventures Berhad and Independent Non-executive Director of Atlan Holdings Berhad and Axis REIT Managers Berhad.

KWOK YOKE HOW

Aged 72, a Malaysian, is an Independent Non-executive Director of Ireka. He was appointed to the Board of Directors in 1992. He is a member of the Audit Committee and a Director of several subsidiaries within Ireka Group. A lawyer by profession, he was a consultant to a reputable legal firm in Kuala Lumpur.

Senior Management

WONG YIM CHENG
Director of Group Corporate Services / Group Company Secretary
Ireka Corporation Berhad

TAN THIAM CHAI
Chief Executive Officer
Ireka Engineering & Construction Sdn Bhd

NG YAU SIONG
Director (Operations)
Ireka Engineering & Construction Sdn Bhd

BEH CHUN CHONG
Chief Operating Officer
Ireka Development Management Sdn Bhd

CHAN CHEE KIAN
Chief Investment Officer
Ireka Development Management Sdn Bhd

LEONARD YEE YUKE DIEN
Chief Executive Officer
i-Tech Network Solutions Sdn Bhd

YAP KET BIN
Chief Operating Officer
i-Tech Network Solutions Sdn Bhd

Corporate Calendar

APRIL 2011

Ireka Corporation Berhad moved to a new head office in Wisma Mont' Kiara (Mont' Kiara), uniting all its subsidiaries under one roof.

In line with the office move, Ireka unveiled its refreshed corporate identity and refined its brand promise to create and unlock value - through a unique combination of complementary capabilities and innovative solutions.

MAY 2011

Ireka Engineering & Construction Sdn Bhd clinched a RM109.75 million contract for the construction of a 25-storey hotel tower in KL Sentral.

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 March 2011.

JUNE 2011

IREKA CARES hosted a farewell party for Lighthouse Children's Welfare Home which was adopted since July 2010. Drawing on Ireka's expertise in infrastructure, real estate and technology, the volunteers have carried out refurbishment works, IT support training as well as monthly outreach activities for the Home.

Ireka Toastmasters Club held its third Annual General Meeting and elected a new committee for 2011/ 2012 term. The Club achieved "Select Distinguished Club" status for the third consecutive year.

Ireka's Town Hall Address and Office Warming Event.

IREKA CARES' finale event with Lighthouse Children's Welfare Home.

JULY 2011

Ireka organised a Town Hall Address and Office Warming Event for employees to understand the Group's current priorities, business strategy and performance.

Ireka proposed a first and final dividend in respect of the financial year ended 31 March 2011 of approximately RM5.69 million (5 sen net per ordinary share), based on single-tier dividend of 5% on 113,914,700 ordinary shares.

AUGUST 2011

Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2011.

SEPTEMBER 2011

Ireka announced the acquisition of two parcels of development land in Kajang and Nilai for consideration of RM22.43 million and RM24.50 million respectively.

Ireka held its 35th Annual General Meeting and Extraordinary General Meeting at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.

IREKA CARES held its Housewarming Party at Rumah Hope, Petaling Jaya to mark the adoption of the children's home.

i-Tech Network Solutions Sdn Bhd together with IBM had a soft launch for SAFEHOUSE Data Centre. SAFEHOUSE is a 'green' data centre offering disaster recovery solutions, co-location and managed services.

Ireka participated in The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2011 for the third consecutive year.

OCTOBER 2011
Ireka Engineering And Construction Vietnam Company Limited has been awarded a RM85.15 million contract to build the nine-storey City International Hospital in International Hi-Tech Healthcare Park, Ho Chi Minh City, Vietnam.

NOVEMBER 2011
Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2011.

DECEMBER 2011
Ireka paid a first and final dividend in respect of the financial year ended 31 March 2011 of approximately RM5.69 million (5 sen net per ordinary share), based on single-tier dividend of 5% on 113,914,700 ordinary shares.

Employees across the Group spent a fun-filled day with their fellow colleagues and members of the Management team, during the Ireka Teambuilding Day-Out at Sunway Lagoon. The event was aimed to promote teamwork and camaraderie.

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

JANUARY 2012
Ireka ushered the Lunar New Year with lion dance performance at head office and its developments in Mont' Kiara.

FEBRUARY 2012
Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 December 2011.

MARCH 2012
SENI Mont' Kiara, a project managed by Ireka Development Management Sdn Bhd and constructed by Ireka Engineering & Construction Sdn Bhd, clinched the Asia Pacific Property Awards 2012 in the Residential High Rise Development category.

Ireka Engineering & Construction Sdn Bhd won a contract worth RM45.81 million to carry out fit-out works for the Aloft Hotel, KL Sentral.

Lion dance at Ireka's new head office.

Ireka Teambuilding Day-Out at Sunway Lagoon.

Corporate Social Responsibility Statement

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

IREKA STRIVES TO UNDERTAKE ITS CORE BUSINESSES IN A RESPONSIBLE MANNER TO PROTECT AND IMPROVE THE ENVIRONMENT.

1. ENVIRONMENT

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

– The Infrastructure unit constantly looks for environmentally-friendly construction materials and technology.

– The Real Estate unit has formed a Green Committee which is tasked to ensure all new projects take into consideration sustainability aspect right from the development design stage. This includes orientation of buildings, layout design, building materials selection and energy efficient lighting systems, to name a few.

– Ireka always takes into consideration environmentally-friendly measures to reduce energy consumption during project construction and the maintenance of the project over its life cycle:-

Luyang Perdana, Kota Kinabalu:

- Luyang Perdana, a gated and guarded residential development in Kota Kinabalu, is rehabilitated from unused oxidation ponds.

- Some of the environmentally-friendly features include tropical gardens and tree-lined boulevards. Lushly landscaped back lanes convert this usually under-utilised area into safe children's playgrounds and green areas.

- The planning sets out to clearly separate traffic from the recreational areas so as to enhance the living qualities.

Sandakan Harbour Square, Sandakan:

- A modern, eco-compliant land reclamation method is adopted to pump sand from the harbour sea-bed, rather than hill-cutting/ excavation. This allows conservation of hillsides and forestry or green lungs around Sandakan.

- Although the Environmental Impact Assessment (EIA) conditions are for land reclamation, the developer applies the same eco-compliant considerations at all stages of the project.

- Landscaped open space provided is approximately 14% of the site area (40% more than the requirements), reintroducing a green-zone into Sandakan city.

- The Central Market is designed with high ceiling and roof with natural ventilation to conserve energy consumption. Sea water system is provided to all operators at some collection points for cleaning purposes.

- Shop / office buildings come with smaller glaze area and clear glass windows and canopy are used to reduce the heat reflections and transmission into the building.

- External wall of the Harbour Mall are mostly clad with aluminum composite panels to reduce heat entering the building.

- Four Points by Sheraton Sandakan Hotel uses low reflection glazing for its external windows.

- Bollard's down lights along the 1.5km waterfront esplanade use Low Energy LED lighting.

SENI Mont' Kiara, Mont' Kiara:
- SENI Mont' Kiara utilises the Green label laminated pre-engineered timber flooring for all its bedrooms within each condominium units. The engineered timber flooring system adopts environmentally-friendly methods in all stages of its production.

- The car park podium is designed to suit the existing typography in order to minimise earth removal, and to create a naturally-ventilated space.

- The lobbies are lifted up to ensure the space is brightened comfortably aside from allowing natural air ventilation.

Kuala Lumpur Sentral Office Towers and Aloft Hotel, Kuala Lumpur:
- The project is equipped with rainwater harvesting tank with rainwater collected being used for irrigation and refuse-washing.

– Working closely with Home Owners Association and Joint Management Body, recycling initiatives such as placement of recycling bins and implementation of energy-saving exercise; are also encouraged within completed residential developments.

– The Technologies unit has developed SAFEHOUSE, a secure 'green' data centre offering disaster recovery solutions, co-location and managed services. The date centre is designed for efficient energy consumption.

SENI Mont' Kiara lobby

Corporate Social Responsibility Statement

cont'd

Rumah Hope is the adopted children's home for IREKA CARES 2011/ 2012.

IREKA CARES volunteers and Rumah Hope children enjoying their batik painting.

2. COMMUNITY

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

The acronym "CARES" stands for: Community, Arts, Recreation, Environment and Sports – which form the core elements of IREKA CARES.

The theme for IREKA CARES Year 1 (July 2010 – July 2011) was Community. Drawing on Ireka's expertise in infrastructure, real estate and technology, the volunteers carried out refurbishment works, IT support training as well as outreach activities of life skills; creative arts and games & sports for Lighthouse Children's Welfare Home.

During Year 2 (July 2011 – June 2012), IREKA CARES focused on Arts in three key areas:

Arts & Craft: Clay Pottery, Fridge Magnet, Batik Printing and Mosaic Mirrors
- To boost the children's creativity and develop their passion for the arts.

Living Skills: Friendship Bracelets, Cross-stitching and Sushi-Making.
- To increase the children's self-reliance and independence.

Performing Arts: Dance, Drama and Singing lessons.
- To hone the children's artistic talents and enhance self-confidence.

THE ACRONYM “CARES” STANDS FOR: COMMUNITY, ARTS, RECREATION, ENVIRONMENT AND SPORTS

Rumah Hope children showing off their own handmade sushi platter.

Drama performance by Rumah Hope children.

The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2011.

Aside from IREKA CARES, listed below are some of Ireka’s other community engagement activities, as well as organisations Ireka supported during the year:

- Caring For the Future Malaysia (CCFM) for its fund to build a Children’s Home in Papar, Sabah.
- ‘A Charity Evening of Ultimate Italian Dream – SOGNO ITALIANO’ organised by Malaysia Tatler and Italian Trade Commision to raise funds for Yayasan Nurul Yaqeen (funding school-going children who undergo long-term medical treatments to continue studies in hospitals), PIBG-SMKPP (fund to build computer labs for poor students) and patients with congenital heart defect.
- Persatuan Kanak-Kanak Istimewa Hulu Langat via ‘A Piece of Hope Charity Drive’
- The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2011
- Pertubuhan Kebajikan Skizofrenia Malaysia
- Charity musical ‘Buddy vs The Killer’ in support of the Yayasan Tunku Naquiyuddin to raise funds for its ‘Stop Dengue Mission’ programme for schools.
- Heartbeat Vietnam’s ‘Scar of Life’ project to help children born with congenital heart diseases.
- Musical production by the Young KL Singers which celebrated Malaysia’s cultural diversity and promoted understanding towards each other’s beliefs and faith.

Corporate Social Responsibility Statement

cont'd

3. WORKPLACE

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

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

Some of the initiatives in place include:

- Ireka Sports & Recreation Club (ISRC)
- Human capital development programmes (Ireka Toastmasters Club, internal and external staff training programmes)
- OSHA (Occupational Safety and Health Act) which initiates and implements safety measures at construction sites
- Health, Safety and Environment (HSE) initiative which promotes positive and safe work environment for its employees (fire drills, evacuation plans, Crisis Management Response Team (CMRT))

First Aid training for Crisis Management Response Team.

- Quality Control and Training Unit (QCT) to continuously improve on quality of works at construction sites
- Intranet and R&R Graffiti Wall (in staff's Chill Out lounge) for internal communication amongst employees
- Provision of a staff lounge at the corporate office to encourage interaction and bonding among employees
- Provision of a Mother's Room for nursing mothers

4. MARKETPLACE

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

Some of the key initiatives in place include:

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

Corporate Governance Statement

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

As required under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), this Statement reports on how the Malaysian Code on Corporate Governance ("the Code") are applied by the Group in addition to the Listing Requirements throughout the financial year ended 31 March 2012.

A. THE BOARD OF DIRECTORS

i. The Board

The Group is led by an effective Board which comprises members of calibre from a diverse blend of professional backgrounds ranging from business, legal, finance and accounting experience. The Board views its current composition encompasses right mix of skills and strength in qualities which are relevant and enable the Board to discharge its responsibilities in an effective and competent manner. The profiles of these Directors are provided on pages 18 to 20 of the Annual Report.

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

ii. Board Balance and Independence

The Board currently has nine (9) members comprising an Independent Non-executive Chairman, two (2) Independent Non-executive Directors and six (6) 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 Non-executive Director to whom concerns may be conveyed.

iii. Board Meetings and Supply of Information

The Board meets at least four (4) times a year, with additional meetings being held as and when necessary. During the year ended 31 March 2012, the Board met for a total of seven (7) times and their respective attendance are as follows:

Name of Directors	Attendance
Haji Ir. Abdullah bin Yusof	7/7
Lai Siew Wah	7/7
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	7/7
Chan Soo Har @ Chan Kay Chong	7/7
Lai Man Moi	7/7
Lai Voon Hon	7/7
Lai Voon Huey, Monica	7/7
Haji Mohd. Sharif bin Haji Yusof	7/7
Kwok Yoke How	5/7

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

The Board, whether as a full Board or in their individual capacity, has a right to seek 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. The Directors may also seek advice from the management on issues under their respective purview.

iv. Appointments to the Board

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

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

The Directors from time to time attend training programmes, seminars and talks to keep abreast with recent developments of corporate governance and listing requirements, the state of economy, management strategies and 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/re-appointment:

(i) Chan Soo Har @ Chan Kay Chong, Lai Man Moi and Lai Voon Hon retiring pursuant to Article 91 of the Articles, may be re-elected with a simple majority of such members of the Company at the meeting; and

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

B. DIRECTORS' REMUNERATION

i. The level and make-up of remuneration

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

ii. Procedure

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

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

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

iii. Disclosure

The details of the remuneration of Directors during the financial year ended 31 March 2012 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	3,808	234	313	0	4,355
Non-executive Directors	0	119	0	0	119

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

	Number of Directors	
Range of Remuneration	Executive	Non-executive
Below RM50,000	-	3
RM600,001 – RM650,000	2	-
RM650,001 – RM700,000	1	-
RM700,001 – RM750,000	1	-
RM750,001 – RM800,000	1	-
RM900,001 – RM950,000	1	-

C. SHAREHOLDERS

i. Dialogue Between The Company and Investors

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

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

ii. Dividend Policy

The Company has established a Dividend Policy of distributing a minimum of 40% of the Group's net earnings to its shareholders, subject to a number of factors which include availability of distributable reserves and the Group's future cash flow requirements.

For the financial year ended 31 March 2012, 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

The Annual General Meeting is the principal forum for dialogue with shareholders. The Board presents an overview of the performance of businesses in the Group to keep the shareholders informed and updated on current developments of the Group. All shareholders are encouraged to participate in the question and answer sessions. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and affairs of the Company and the Group.

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.

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. The outcome of all resolutions proposed at the general meeting is announced via Bursa LINK at the end of the meeting day.

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 and Management Discussion & Analysis.

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 so as to give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements, the Directors have:

- applied suitable and approved accounting policies consistently;
- made reasonable, prudent judgment and estimates;
- ensured strict adherence of all applicable accounting standards; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Company and the Group 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 Company and the Group which enable them to ensure that the financial statements comply with the financial reporting standard and the Companies Act, 1965.

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

iii. Internal Control

The Group's Statement of Internal Control is set out on pages 34 to 35.

iv. Relationship With The Auditors

The role of the Audit Committee in relation to the external auditors is stated on page 36.

v. Audit Committee

In compliance with the good practice of the Code, the current Audit Committee comprises three (3) Independent Non-executive Directors. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants. The composition and report of the Audit Committee for the year ended 31 March 2012 are set out on pages 36 to 38 of this Annual Report.

HAJI Ir. ABDULLAH BIN YUSOF
Chairman

LAI SIEW WAH
Group Managing Director

29 August 2012

Statement of Internal Control

PURSUANT TO PARAGRAPH 15.26(B) OF THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") MAIN MARKET LISTING REQUIREMENTS, THE BOARD OF DIRECTORS OF IREKA CORPORATION BERHAD IS PLEASED TO REPORT TO THE SHAREHOLDERS THE STATE OF INTERNAL CONTROLS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012. THIS STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE ABOVE REQUIREMENTS AND GUIDED BY THE STATEMENT ON INTERNAL CONTROL: GUIDANCE FOR DIRECTORS OF PUBLIC LISTED COMPANIES.

RESPONSIBILITY

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

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

RISK MANAGEMENT

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

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

INTERNAL AUDIT FUNCTION

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- clearly defined delegation of responsibilities to committees of the Board and to Management of operating units, including authorization levels for all respects of the business which are set out in the authority matrix;
- clearly documented internal procedures in respect of operational and financial processes as set out in the MS ISO Quality System Documents and the Financial Processes Manual;
- regular and comprehensive information provided to Management, covering financial performance and key business indicators;
- a detailed budgeting process where operating units prepare budgets for coming year;
- monitoring of results against budget, with major variances being followed up and management actions taken, where necessary;
- regular visits to operating units by Board Members and Senior Management;
- 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 2012, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

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

Audit Committee Report

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 March 2012.

COMPOSITION

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

FREQUENCY OF MEETINGS

The Committee held five (5) meetings during the financial year ended 31 March 2012 and the details of the meeting attendance of each of the members are as follows:

Members	Attendance*
Haji Mohd. Sharif bin Haji Yusof	5/5
Kwok Yoke How	4/5
Haji Ir. Abdullah bin Yusof (appointed on 5 September 2011)	1/2

* Number of meetings attended/number of meetings held during their respective tenure of office

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

SUMMARY OF ACTIVITIES

During the financial year 2012, 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 annual audited financial statements of the Company and of the Group together with the external auditors prior to tabling to the Board for approval.

(ii) External Audit

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

(iii) Internal Audit

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

(iv) Related Party Transactions

- Reviewed all related party transactions entered into by the Company and the Group.
- Reviewed the actual values of recurrent related party transactions entered into by the Company and the Group against the approved estimated values mandated 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 directors.
- At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or similar qualification as prescribed in Part I or Part II of the First Schedule of the Accountants Act, 1967 with at least 3 years' working experience.
- No Alternate Director may be appointed as a member of the Committee.
- The members of the Committee shall elect a Chairman from among their members who shall be an Independent Non-executive Director.
- In the event of any vacancy in the Committee resulting in the number of Directors falling below three (3) members, the Board of Directors must fill the vacancy within three (3) months to make up the minimum number of three (3) members.
- The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and members have carried out their duties in accordance with their terms of reference.

(ii) Authority

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

(iii) Duties and Responsibilities

The duties of Committee shall be among others:

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

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

- the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
  - (i) changes in or implementation of major accounting policy;
  - (ii) compliance with accounting standards and other legal requirements; and
  - (iii) significant and unusual events.
- any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- any letter of resignation from the external auditors of the Company; and
- whether there is a reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

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

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

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

(iv) Meetings

- Meetings shall be held not less than four (4) times a year. In addition, the Chairman is required to call for a meeting of the Committee, if requested to do so by any Committee members, any Executive Directors or the external auditors.
- A quorum shall be two (2) members, majority of whom must be independent directors.
- Other directors and employees may attend any particular Audit Committee meeting only at the Committee's invitation, specific to the relevant meeting.
- The Company Secretary shall be the Secretary to the Committee.

(v) Reporting procedure

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

INTERNAL AUDIT FUNCTION

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

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

The total costs incurred for the outsourcing of the Internal Audit function for the financial year ended 31 March 2012 was approximately RM51,000.00.

Financial Statements

Directors' Report

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit before tax	14,121,489	35,378,503
Taxation	(3,719,456)	(2,515,942)
Profit for the year	10,402,033	32,862,561
Attributable to:		
Owners of the Company	10,402,033	32,862,561

DIVIDENDS

Since the end of the previous financial year, a first and final single-tier dividend of 5% (5 sen net per ordinary share) amounting to RM5,695,735 in respect of financial year ended 31 March 2011 was paid out during the financial year under review.

At the forthcoming Annual General Meeting, a first and final single-tier dividend in respect of the financial year ended 31 March 2012 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 2013.

DIRECTORS OF THE COMPANY

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

Haji Ir. Abdullah bin Yusof
Lai Siew Wah
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM
Haji Mohd Sharif bin Haji Yusof
Chan Soo Har @ Chan Kay Chong
Lai Man Moi
Kwok Yoke How
Lai Voon Hon
Lai Voon Huey
Lim Che Wan - Demised on 31 August 2011

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

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

Interest in ordinary shares of the Company:

Number of ordinary shares of RM1 each

	At 1.4.2011	Addition	Disposal	At 31.3.2012
Direct Holding -				
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	4,827,100	–	–	4,827,100
Chan Soo Har @ Chan Kay Chong	2,184,750	–	–	2,184,750
Lai Man Moi	2,040,750	–	–	2,040,750
Haji Ir. Abdullah bin Yusof	1,500,000	–	–	1,500,000
Kwok Yoke How	1,742,603	–	–	1,742,603
Lai Voon Hon	12,000	–	–	12,000
Lai Voon Huey	6,000	–	–	6,000
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
Chan Soo Har @ Chan Kay Chong (ii)	15,398,248	–	–	15,398,248
Lai Man Moi (ii)	15,398,248	–	–	15,398,248

(i) Deemed interest through Ideal Land Holdings Sdn Bhd
(ii) Deemed interest through Green Rivervale Holdings Sdn Bhd

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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 2012.

SHARE BUY-BACK

The Company did not purchase its own shares during the financial year ended 31 March 2012.

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 2012.

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 2012.

VARIANCES IN RESULTS

The variance between the financial results ended 31 March 2012 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 2012.

MATERIAL CONTRACTS

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

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made except disclosed in Note 43 to the financial statements.

AUDITORS

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

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

LAI SIEW WAH
Director

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

Kuala Lumpur
24 July 2012

Statement by Directors

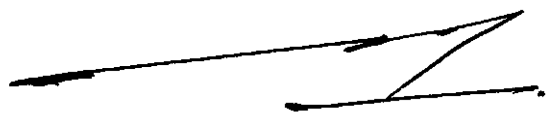
Pursuant to Section 169 (15) of the Companies Act, 1965

We, **LAI SIEW WAH** and **DATUK LAI JAAT KONG @ LAI FOOT KONG** PJN, JSM, being two of the Directors of **IREKA CORPORATION BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 50 to 132 are drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the year then ended.

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

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

LAI SIEW WAH
Director



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

Kuala Lumpur
24 July 2012

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 50 to 132 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 24 July 2012

LAI VOON HUEY

Before me,

COMMISSIONER FOR OATHS
W 378
K NERMALA
MALAYSIA

Commissioner for Oaths

No 50-10-1, Tingkat 10,
Wisma UOA Damansara
No 50, Jalan Dungun
Bukit Damansara
50490 Kuala Lumpur

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 statements of financial position as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 50 to 132.

Directors' Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONT'D)

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.

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

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

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

OTHER MATTERS

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

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

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

Petaling Jaya
24 July 2012

Statements of Financial Position
as at 31 March 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**55,732,466**	76,571,120	**5,051,465**	4,186,805
Investment properties	7	**25,161,611**	4,272,100	**–**	–
Investment in subsidiaries	8	**–**	–	**53,754,985**	53,254,985
Investment in associates	9	**168,534,741**	158,437,336	**169,051,999**	169,051,999
Investment in jointly controlled entity	10	**–**	–	**–**	70,000
Other investments	11	**2,709,840**	4,977,686	**631,632**	761,910
Land held for property development	12	**37,046,931**	10,840,032	**–**	–
Deferred tax assets	24	**–**	62,031	**–**	–
		289,185,589	255,160,305	**228,490,081**	227,325,699
Current assets					
Property development cost	13	**25,551,977**	–	**–**	–
Inventories	14	**11,042,389**	17,168,978	**–**	–
Trade and other receivables	15	**192,252,686**	175,952,089	**11,692,278**	12,962,682
Amounts due from customers on contracts	16	**24,062,522**	56,641,755	**–**	–
Amounts due from jointly controlled entity	17	**–**	9,513,264	**–**	11,594,883
Amounts due from subsidiaries	18	**–**	–	**30,650,451**	28,065,902
Amounts due from associates	19	**11,515,994**	8,928,494	**11,515,994**	8,928,494
Cash and cash equivalents	20	**40,184,877**	48,368,230	**4,986,037**	3,235,781
		304,610,445	316,572,810	**58,844,760**	64,787,742
Assets of disposal group classified as held for sale	33	**6**	6	**6**	6
		304,610,451	316,572,816	**58,844,766**	64,787,748
TOTAL ASSETS		**593,796,040**	571,733,121	**287,334,847**	292,113,447
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	**113,914,700**	113,914,700	**113,914,700**	113,914,700
Share premium	21	**21,870,960**	21,870,960	**21,870,960**	21,870,960
Foreign currency translation reserve	22	**(318,996)**	(251,161)	**–**	–
Retained earnings		**89,377,516**	84,671,218	**42,075,462**	14,908,636
Total equity		**224,844,180**	220,205,717	**177,861,122**	150,694,296

The accompanying notes form an integral part of the financial statements

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-current liabilities					
Borrowings	23	**38,016,643**	29,803,979	**305,766**	1,780,058
Deferred tax liabilities	24	**3,243,500**	3,252,500	**610,000**	610,000
		41,260,143	33,056,479	**915,766**	2,390,058
Current liabilities					
Provision	25	**14,000,000**	10,000,000	**–**	–
Trade and other payables	26	**175,345,924**	157,528,131	**3,654,024**	5,052,990
Amounts due to subsidiaries	18	**–**	–	**102,548,922**	131,378,702
Borrowings	23	**137,491,953**	149,654,059	**2,355,013**	2,597,401
Amounts due to customers on contracts	16	**55,920**	279,451	**–**	–
Tax payable		**797,920**	1,009,284	**–**	–
		327,691,717	318,470,925	**108,557,959**	139,029,093
Total liabilities		**368,951,860**	351,527,404	**109,473,725**	141,419,151
TOTAL EQUITY AND LIABILITIES		**593,796,040**	571,733,121	**287,334,847**	292,113,447

The accompanying notes form an integral part of the financial statements

Statements of Comprehensive Income

for the year ended 31 March 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Continuing operations					
Revenue	27	**429,889,585**	443,951,612	**57,727,981**	15,671,845
Cost of sales	28	**(378,890,196)**	(406,954,353)	**–**	–
Gross profit		**50,999,389**	36,997,259	**57,727,981**	15,671,845
Other income	29	**6,538,147**	3,373,603	**5,600,749**	1,131,233
Administration expenses		**(21,201,068)**	(19,756,612)	**(10,559,341)**	(10,799,675)
Other expenses		**(21,753,640)**	(10,952,841)	**(17,138,062)**	(2,682,266)
Operating profit		**14,582,828**	9,661,409	**35,631,327**	3,321,137
Finance costs	30	**(12,106,860)**	(11,464,086)	**(252,824)**	(260,595)
Share of profit/(loss) of associates		**11,645,521**	(7,689,455)	**–**	–
Loss from jointly controlled entities		**–**	(1,600,273)	**–**	–
Profit/(Loss) before tax	31	**14,121,489**	(11,092,405)	**35,378,503**	3,060,542
Income tax expense	32	**(3,719,456)**	(649,096)	**(2,515,942)**	–
Profit/(Loss) for the financial year		**10,402,033**	(11,741,501)	**32,862,561**	3,060,542
Other comprehensive loss:					
Currency translation differences		**(67,835)**	(66,552)	**–**	–
Others comprehensive loss for financial year, net of tax		**(67,835)**	(66,552)	**–**	–
Total comprehensive income/(loss) for the financial year		**10,334,198**	(11,808,053)	**32,862,561**	3,060,542
Profit/(Loss) attributable to owners of the Company		**10,402,033**	(11,741,501)	**32,862,561**	3,060,542
Total comprehensive income/(loss) attributable to owners of the Company		**10,334,198**	(11,808,053)	**32,862,561**	3,060,542
Earnings/(Loss) per share attributable to owners of the Company (sen)					
Basic	34	**9.13**	(10.31)		

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 March 2012

		Attributable to Owners of the Company			
		Non-distributable		Distributable	
	Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total Equity RM
As at 1 April 2010	113,914,700	21,870,960	(184,609)	102,108,454	237,709,505
Dividends	–	–	–	(5,695,735)	(5,695,735)
Total comprehensive loss for the year	–	–	(66,552)	(11,741,501)	(11,808,053)
As at 31 March 2011	**113,914,700**	**21,870,960**	**(251,161)**	**84,671,218**	**220,205,717**
Dividends	**–**	**–**	**–**	**(5,695,735)**	**(5,695,735)**
Total comprehensive income for the year	**–**	**–**	**(67,835)**	**10,402,033**	**10,334,198**
As at 31 March 2012	**113,914,700**	**21,870,960**	**(318,996)**	**89,377,516**	**224,844,180**

The accompanying notes form an integral part of the financial statements

Company Statement of Changes in Equity

for the year ended 31 March 2012

	Share Capital RM	Non-distributable Share Premium RM	Distributable Retained Earnings RM	Total RM
As at 1 April 2010	113,914,700	21,870,960	17,543,829	153,329,489
Dividends	–	–	(5,695,735)	(5,695,735)
Total comprehensive income for the year	–	–	3,060,542	3,060,542
As at 31 March 2011	**113,914,700**	**21,870,960**	**14,908,636**	**150,694,296**
Dividends	**–**	**–**	**(5,695,735)**	**(5,695,735)**
Total comprehensive income for the year	**–**	**–**	**32,862,561**	**32,862,561**
As at 31 March 2012	**113,914,700**	**21,870,960**	**42,075,462**	**177,861,122**

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Cash Flows

for the year ended 31 March 2012

	Note	2012 RM	2011 RM
Cash flow from operating activities			
Profit/(Loss) before tax from -			
Continuing operations		**14,121,489**	(11,092,405)
Adjustments for:			
Allowance for doubtful debts		**–**	44,326
Other investments - Impairment loss		**2,137,568**	2,697,493
- Loss on disposal		**122,778**	202,852
Unrealised loss on foreign exchange		**110,372**	111,105
Unrealised gain on foreign exchange		**(2,688)**	(1,322)
Impairment loss on amount due from jointly controlled entity		**9,546,714**	–
Interest expense - Continuing operations		**12,106,860**	11,464,086
Interest income		**(925,195)**	(980,808)
Share of (profit)/loss from associates		**(11,645,521)**	7,689,455
Share of loss of jointly controlled entities		**–**	1,600,273
Provision for foreseeable losses		**19,337**	–
Property, plant and equipment - Depreciation		**5,603,264**	6,130,462
- Gain on disposals		**(3,306,048)**	(46,941)
- Loss on disposals		**71,883**	1,408,744
- Written-off		**372,863**	21,699
		28,333,676	19,249,019
Property development costs		**(25,551,977)**	3,611,019
Inventories		**6,126,589**	(312,453)
Receivables		**(19,090,330)**	10,043,013
Amounts due from customers on contracts		**32,336,365**	(31,904,987)
Amounts due from jointly controlled entities		**(33,450)**	(1,360)
Amounts due from associates		**(2,587,500)**	(8,928,494)
Investment properties		**(781,580)**	–
Provision		**4,000,000**	10,000,000
Payables		**17,722,186**	41,396,569
Cash generated from operations		**40,473,979**	43,152,326
Income tax paid		**(1,087,659)**	(875,010)
Net cash flow generated from operating activities		**39,386,320**	42,277,316
Cash flow from investing activities			
Interest received		**925,195**	980,808
Property, plant and equipment - Additions		**(3,032,000)**	(9,706,073)
- Proceeds on disposals		**5,296,276**	1,740,142
Dividend received from an associate company		**1,548,116**	–
Land held for property development		**(26,206,899)**	(20,979)
Other investments - Proceeds on disposal		**7,500**	1,457,548
Net cash flow used in investing activities		**(21,461,812)**	(5,548,554)

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Cash Flows

for the year ended 31 March 2012

cont'd

	Note	2012 RM	2011 RM
Cash flow from financing activities			
Dividends paid to shareholders		**(5,695,735)**	(5,695,735)
Hire purchase principal repayments		**(4,934,698)**	(5,513,935)
Interest paid		**(12,106,860)**	(11,464,086)
Drawdown of bank borrowings		**183,692,835**	141,250,055
Repayment of bank borrowings		**(160,253,113)**	(143,062,191)
Net cash flow generated from/(used in) financing activities		**702,429**	(24,485,892)
Net increase in cash and cash equivalents		**18,626,937**	12,242,870
Effect of changes in exchange rates		**(81,226)**	–
Cash and cash equivalents			
- at start of financial year		**14,737,084**	2,494,214
- at end of financial year	20	**33,282,795**	14,737,084

The accompanying notes form an integral part of the financial statements

Company Statement of Cash Flows

for the year ended 31 March 2012

	Note	2012 RM	2011 RM
Cash flow from operating activities			
Profit before tax		**35,378,503**	3,060,542
Adjustments for:			
Dividend income		**(45,273,117)**	(2,500,002)
Impairment loss on amount due from jointly controlled entity		**11,628,333**	–
Impairment loss on investment in jointly controlled entity		**70,000**	–
Interest expenses		**252,824**	260,595
Interest income		**(329,975)**	(683,015)
Other investments - Loss on disposal		**122,778**	–
Unrealised loss on foreign exchange		**106,796**	–
Property, plant and equipment - Depreciation		**600,200**	578,936
- Gain on disposals		**(3,142,788)**	–
- Loss on disposals		**322**	1,424
- Written-off		**25,017**	–
		(561,107)	718,480
Receivables		**(1,245,538)**	(801,457)
Amount due from jointly controlled entity		**(33,450)**	–
Amounts due (to)/from subsidiaries		**(31,414,329)**	8,215,321
Amount due from associates		**(2,587,500)**	(8,928,494)
Payables		**(1,398,966)**	3,693,002
		(37,240,890)	2,896,852
Tax paid		**–**	(62,564)
Net cash flow (used in)/generated from operating activities		**(37,240,890)**	2,834,288
Cash flow from investing activities			
Investment in subsidiaries		**(500,000)**	(918,000)
Other investments - Proceeds on disposal		**7,500**	–
Interest received		**329,975**	683,015
Dividend received from subsidiary companies		**43,725,001**	2,500,002
Dividend received from an associate company		**1,548,116**	–
Property, plant and equipment - Additions		**(2,151,036)**	(192,826)
- Proceeds on disposals		**3,806,725**	28
Net cash flow generated from investing activities		**46,766,281**	2,072,219

The accompanying notes form an integral part of the financial statements

Company Statements of Cash Flows

for the year ended 31 March 2012

cont'd

	Note	2012 RM	2011 RM
Cash flow from financing activities			
Dividends paid to shareholders		**(5,695,735)**	(5,695,735)
Hire purchase principal repayments		**(661,902)**	(631,646)
Interest paid		**(252,824)**	(260,595)
Repayment of bank borrowings		**(1,227,229)**	(2,119,294)
Net cash flow used in financing activities		**(7,837,690)**	(8,707,270)
Net increase/(decrease) in cash and cash equivalents		**1,687,701**	(3,800,763)
Effect of changes in exchange rates		**(106,796)**	–
Cash and cash equivalents			
- at start of financial year		**2,415,678**	6,216,441
- at end of financial year	20	**3,996,583**	2,415,678

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements
for the year ended 31 March 2012

1. GENERAL INFORMATION

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

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

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 24 July 2012.

3. REVENUE AND SEGMENTAL INFORMATION

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards, the Companies Act, 1965 in Malaysia and applicable provisions of the Deed and applicable SC's Guidelines on REITs. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 April 2011 as disclosed in Note 4(b) to the financial statements.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies

(i) Adoption of new and revised financial reporting standards ("FRSs")

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following FRSs, Amendments to FRSs, IC Interpretations and Technical Release:

- FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 1, Limited Exemption from Comparative FRS 7, Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
- Amendments to FRS 2, Share-based Payment and Group Cash-settled Share-based Payment Transactions
- FRS 3, Business Combinations
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7, Improving Disclosures about Financial Instruments
- FRS 127, Consolidated and Separate Financial Statements
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 4, Determining Whether an Arrangement contains a Lease
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 12, Service Concession Arrangements
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distributions of Non-cash Assets to Owners
- IC Interpretation 18, Transfers of Assets from Customers
- Amendments to FRSs contained in Improvements to FRSs (2010)
- TR i-4, Shariah Compliant Sale Contract

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

(i) Adoption of new and revised financial reporting standards ("FRSs") (Cont'd)

Adoption of the above FRSs, Amendments to FRSs, IC Interpretations and Technical Release did not have any effect on the financial performance, position or presentation of financials of the Company except as discussed below:

Amendments to FRS 7: Improving Disclosures about Financial Instruments:

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed.

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

New/ Revised Malaysian Accounting Standard Boards		Effective Date From
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
Revised MFRS 127	Separate Financial Statements	1 January 2013
Revised MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendment MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendment MFRS 119	Employee Benefits	1 January 2013
Amendment MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

The Directors anticipate that the adoption of the above standards in future period will have no material impact on the financial information of the Group or the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Malaysian Financial Reporting Standards ("MFRS")

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

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 July 2014, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 April 2014 to amounts reflecting the application of MFRS Framework.

The Group has started a preliminary assessment of the differences between FRS and accounting standards under the MFRS Framework and are in the process of assessing the financial effects of the differences. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2015.

(c) Basis of consolidation

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Basis of consolidation (Cont'd)

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.

All earnings and losses of the subsidiaries are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value is its fair value on initial recognition as a financial asset in accordance with the FRS 139. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(d) Transaction with non-controlling interests

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

(e) Subsidiaries

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

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

(f) Associates

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Associates (Cont'd)

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

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

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

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

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

(g) Jointly controlled entities

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets

Goodwill

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

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

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

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

(i) Property, plant and equipment and depreciation

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property, plant and equipment and depreciation (Cont'd)

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

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

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

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

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

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

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

(j) Investment properties

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Investment properties (Cont'd)

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

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

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

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(n).

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Land held for property development and property development costs (Cont'd)

(ii) Property development costs (Cont'd)

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.

(l) Construction contracts

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

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

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

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

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

(m) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment of non-financial assets

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

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

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

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

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

(o) Financial instruments

(i) Non-derivatives financial assets

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(i) Non-derivatives financial assets (Cont'd)

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

(ii) Loans and receivables

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

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

(iii) Cash and cash equivalents

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

(iv) Available-for-sale investments

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

(v) Held-to-maturity investments

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(vi) Non-derivatives financial liabilities

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

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

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

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

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

(vii) Share capital

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

Repurchase of share capital (treasury shares)

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(viii) Derecognition

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

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

(ix) Impairment

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

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

  To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on a similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(ix) Impairment (Cont'd)

- **Trade and other receivables and other financial assets carried at amortised cost (Cont'd)**

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

- **Unquoted equity securities carried at cost**

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

- **Available-for-sale financial assets**

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

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

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

- **Non-derivative financial assets**

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(ix) Impairment (Cont'd)

- **Non-derivative financial assets (Cont'd)**

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

(x) Non-financial assets

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(xi) Financial guarantee contracts

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

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

(p) Leases

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

(i) Accounting by lessee

- **Finance leases**

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

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

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

- **Operating leases**

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Leases (Cont'd)

(ii) Accounting by lessor

Operating leases

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

(q) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(r) Income tax

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Provision

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

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

(iii) Termination benefit

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Foreign currencies (Cont'd)

(iii) Foreign operations (Cont'd)

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

	31.3.2012 RM	31.3.2011 RM
United States Dollars	**3.062**	3.026
Vietnam Dong	**0.000147**	0.000145

(v) Revenue recognition

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

(i) Construction contracts

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

(ii) Property development

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

(iii) Sale of goods

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

(iv) Revenue from services rendered

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

(v) Rental income

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Revenue recognition (Cont'd)

(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.

(viii) Management fees

Management fees are recognised when services are rendered.

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

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

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

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

(x) Commitments and contingencies

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Critical judgements made in applying accounting policies

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

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

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

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

(ii) Operating lease commitments – The Group as lessor

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

(b) Key sources of estimation uncertainty

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

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

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

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

(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

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

(iv) Impairment of assets

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

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

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

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

The Directors have carefully assessed the terms of the contracts, advice from the qualified external party, the amount of damages and the estimated claims payable for late delivery. Based on the Directors' assessment, the Group estimated with reasonable certainty the amounts of claims that are expected to be payable for the project and these amounts have been recognised accordingly as at 31 March 2012. In view of the ongoing negotiations on the claims, any further disclosure may be prejudicial to the Group's negotiating position.

6. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Buildings RM	Plant and Machinery RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings RM	Computers RM	Office Renovation RM	Assets Under Construction RM	Total RM
As at 31.3.2012										
Cost										
As at 1.4.2011	**16,462,592**	**33,580,868**	**44,988,825**	**10,543,796**	**3,647,048**	**1,407,929**	**995,115**	**737,666**	**1,311,392**	**113,675,231**
Additions	–	–	1,090,623	277,910	755,599	1,727,208	86,184	113,594	3,255,480	7,306,598
Transfer to investment properties (Note 7)	–	(20,215,218)	–	–	–	–	–	–	–	(20,215,218)
Disposals	(411,215)	(1,717,616)	(238,034)	–	(253,757)	(99,110)	–	–	–	(2,719,732)
Written-off	–	–	–	–	(40,506)	(331,113)	(360,576)	(479,108)	–	(1,211,303)
Exchange adjustments	–	–	–	958	–	–	–	–	–	958
As at 31.3.2012	**16,051,377**	**11,648,034**	**45,841,414**	**10,822,664**	**4,108,384**	**2,704,914**	**720,723**	**372,152**	**4,566,872**	**96,836,534**
Accumulated depreciation and impairment										
As at 1.4.2011	–	**826,283**	**24,668,041**	**7,146,821**	**2,535,805**	**964,482**	**731,534**	**231,145**	–	**37,104,111**
Depreciation charge for the year	–	226,999	4,172,043	681,660	236,369	133,294	103,295	49,604	–	5,603,264
Disposals	–	(183,771)	(224,412)	–	(188,928)	(60,510)	–	–	–	(657,621)
Transfer to investment properties (Note 7)	–	(107,287)	–	–	–	–	–	–	–	(107,287)
Written-off	–	–	–	–	(26,764)	(289,282)	(349,823)	(172,571)	–	(838,440)
Exchange adjustments	–	–	–	41	–	–	–	–	–	41
As at 31.3.2012	–	**762,224**	**28,615,672**	**7,828,522**	**2,556,482**	**747,984**	**485,006**	**108,178**	–	**41,104,068**
Net carrying amount										
As at 31.3.2012	**16,051,377**	**10,885,810**	**17,225,742**	**2,994,142**	**1,551,902**	**1,956,930**	**235,717**	**263,974**	**4,566,872**	**55,732,466**

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold Land RM	Buildings RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings RM	Total RM
As at 31.3.2012						
Cost						
As at 1.4.2011	**864,708**	**893,600**	**6,944,560**	**1,429,760**	**548,967**	**10,681,595**
Additions	**–**	**–**	**4,429**	**478,404**	**1,671,303**	**2,154,136**
Disposals	**(411,215)**	**(394,800)**	**–**	**–**	**(5,084)**	**(811,099)**
Written-off	**–**	**–**	**–**	**(720)**	**(273,342)**	**(274,062)**
As at 31.3.2012	**453,493**	**498,800**	**6,948,989**	**1,907,444**	**1,941,844**	**11,750,570**
Accumulated depreciation and impairment						
As at 1.4.2011	**–**	**155,559**	**4,744,603**	**1,129,647**	**464,981**	**6,494,790**
Depreciation charge for the year	**–**	**567**	**440,656**	**62,780**	**96,197**	**600,200**
Disposals	**–**	**(142,957)**	**–**	**–**	**(3,883)**	**(146,840)**
Written-off	**–**	**–**	**–**	**(481)**	**(248,564)**	**(249,045)**
As at 31.3.2012	**–**	**13,169**	**5,185,259**	**1,191,946**	**308,731**	**6,699,105**
Net carrying amount						
As at 31.3.2012	**453,493**	**485,631**	**1,763,730**	**715,498**	**1,633,113**	**5,051,465**

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
(a) Details of assets under hire purchase -				
Hire purchase -				
Plant and machinery -				
Additions during the year, at cost	**–**	3,023,000	**–**	–
Net book value at year end	**6,444,126**	7,573,752	**–**	–
Motor vehicles -				
Additions during the year, at cost	**172,577**	1,016,370	**4,429**	622,259
Net book value at year end	**1,964,107**	2,604,743	**1,346,493**	1,834,270

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

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Freehold land	**15,606,455**	15,606,455	**–**	–
Buildings	**10,391,608**	26,414,954	**–**	–
	25,998,063	42,021,409	**–**	–

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

7. INVESTMENT PROPERTIES

	Group 31.3.2012 RM	Group 31.3.2011 RM
At fair value		
As at 1 April	**4,272,100**	4,272,100
Addition	**781,580**	–
Transfer from property, plant and equipment (Note 6)	**20,107,931**	–
As at 31 March	**25,161,611**	4,272,100

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

Investment properties are pledged as securities for borrowings as disclosed in Note 23 to the financial statements amounting to RM20,083,371 (31.3.2011 - RM4,272,100).

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM498,598 (31.3.2011 - RM460,014).

8. INVESTMENT IN SUBSIDIARIES

	Company 31.3.2012 RM	Company 31.3.2011 RM
Unquoted shares at cost		
As at 31 March	**53,754,985**	53,254,985

As at the balance sheet date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM2,336,983 (31.3.2011 - RM1,941,949). 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.

8. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

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

	Country of Incorporation	Principal Activities	Holding in Equity 2012 %	2011 %
Subsidiaries -				
Ireka Sdn Bhd	Malaysia	Investment holding	**100**	100
Ireka iCapital Sdn Bhd (i)	Malaysia	Investment holding	**100**	100
Ireka Corporation (HK) Ltd (i)	Hong Kong	Structural and building construction	**100**	100
Ireka Development Management Sdn Bhd	Malaysia	Property development management, provision of other related professional services and consultancy	**100**	100
Ireka Property Services Sdn Bhd	Malaysia	Property services	**100**	100
Ireka Commercial Sdn Bhd	Malaysia	Property investment	**100**	100
i-Residence Sdn Bhd	Malaysia	Property investment	**100**	100
Ireka Engineering And Construction Vietnam Company Limited (i)	Vietnam	Civil and industrial construction work	**100**	100
Meadowfield Sdn Bhd (i)	Malaysia	Property development	**100**	–

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The particulars of the subsidiaries within the Group are as follows: (Cont'd)

	Country of Incorporation	Principal Activities	Holding in Equity 2012 %	Holding in Equity 2011 %
Subsidiary companies of Ireka Sdn Bhd -				
Ireka Engineering & Construction Sdn Bhd	Malaysia	Earthworks, civil, structural and building construction and renting of construction plant and machinery	**100**	100
Regalmont (Sabah) Sdn Bhd	Malaysia	Property development	**100**	100
Regal Variety Sdn Bhd	Malaysia	Dormant	**100**	100
Iswaja Enterprise Sdn Bhd	Malaysia	Dormant	**100**	100
Ireka Hospitality Sdn Bhd	Malaysia	Property management, provision of other related professional services and consultancy	**100**	100
Unique Legacy Sdn Bhd (ii)	Malaysia	Dormant	**90**	90
Subsidiary company of Ireka Engineering & Construction Sdn Bhd -				
United Time Development Sdn Bhd	Malaysia	Property development	**100**	100

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The particulars of the subsidiaries within the Group are as follows: (Cont'd)

	Country of Incorporation	Principal Activities	Holding in Equity 2012 %	2011 %
Subsidiary companies of Ireka iCapital Sdn Bhd -				
e-Auction Sdn Bhd (i)	Malaysia	Trading and rental of industrial and construction equipment	**96**	96
Ireka Venture Capital Ltd (i)	British Virgin Islands	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies	**100**	100
asiaegolf Tours Sdn Bhd (i)	Malaysia	Providing golf related services for international or overseas golf tour parties, business golfing and to individual golfer on the internet	**100**	100
i-Tech Network Solutions Sdn Bhd (i)	Malaysia	System integration, software solutions and trading in computer hardware	**100**	100
iTech ELV Solutions Sdn Bhd (i)	Malaysia	Supply and install structured cabling system and extra low voltage systems	**100**	100

(i) The financial statements of these companies are not audited by Raja Salleh, Lim & Co..
(ii) 10% of the shareholding held directly by Ireka Corporation Berhad.

9. INVESTMENT IN ASSOCIATES

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Quoted shares outside Malaysia, at cost	**168,751,999**	168,751,999	**168,751,999**	168,751,999
Unquoted shares in Malaysia	**300,000**	300,000	**300,000**	300,000
	169,051,999	169,051,999	**169,051,999**	169,051,999
Share of post-acquisition profit/(loss)	**1,030,858**	(10,614,663)	**–**	–
Dividend	**(1,548,116)**	–	**–**	–
	168,534,741	158,437,336	**169,051,999**	169,051,999
Market value of quoted shares	**64,458,651**	75,486,438	**64,458,651**	75,486,438

Details of the associates are as follows:

Name of Associates	Country of Incorporation	Principal Activities	Holding in Equity 2012 %	Holding in Equity 2011 %
Aseana Properties Ltd (i) (ii) (iii)	Jersey, Channel Islands	Acquisition, development and redevelopment of upscale residential, commercial and hospitality projects	**23.07**	23.02
Urban DNA Sdn Bhd (i) (ii) (iii)	Malaysia	Property development	**30.00**	30.00

(i) The financial year end is 31 December 2011.
(ii) The financial statements of the Company are not audited by Raja Salleh, Lim & Co..
(iii) There are no contingencies and commitments relating to the Group's interest in the associates.

9. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows:

	31.3.2012 RM	31.3.2011 RM
Assets and liabilities		
Current assets	**1,352,086,428**	1,655,254,673
Non-current assets	**128,323,359**	198,419,822
Total assets	**1,480,409,787**	1,853,674,495
Current liabilities	**453,847,679**	1,122,211,543
Non-current liabilities	**381,262,145**	139,994,266
Total liabilities	**835,109,824**	1,262,205,809
Results		
Revenue	**873,413,285**	551,177,252
Profit/(Loss) for the financial year	**50,586,737**	(33,445,487)

10. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Capital contribution	**70,000**	70,000	**70,000**	70,000
Share of post-acquisition loss	**(70,000)**	(70,000)	**–**	–
Impairment loss	**–**	–	**(70,000)**	–
	–	–	**–**	70,000

10. INVESTMENT IN JOINTLY CONTROLLED ENTITY (CONT'D)

Details of the jointly controlled entity are as follows:

Jointly Controlled Entity	Principal Activities	Group 31.3.2012 %	Group 31.3.2011 %	Company 31.3.2012 %	Company 31.3.2011 %
		Proportion of ownership interest			
Ireka-Uspa Joint Venture (i) (ii)	Construction of passage including pipe-jacking, bridge and culvert in Gombak	**70**	70	**70**	70

(i) There are no contingencies and commitments relating to the Group's interest in the jointly controlled entity.
(ii) The financial year end is 31 December 2011.

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

	31.3.2012 RM	31.3.2011 RM
Assets and liabilities		
Current assets	**7,814**	5,479,611
Non-current assets	**–**	10,682
Total assets	**7,814**	5,490,293
Current liabilities	**(7,814)**	(5,490,293)
Total liabilities	**(7,814)**	(5,490,293)
Results		
Expenses	**(5,484,839)**	(1,600,273)

11. OTHER INVESTMENTS

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
At cost:				
Available for sale financial assets				
Quoted shares				
- Outside Malaysia	**6,952,035**	6,952,035	**–**	–
Investments in club membership (i)	**471,622**	601,900	**471,622**	601,900
Unquoted shares	**1,050,948**	1,050,948	**10**	10
	8,474,605	8,604,883	**471,632**	601,910
Held to maturity investments				
Subordinated Bonds 2002/2007 (ii)	**2,360,000**	2,360,000	**2,360,000**	2,360,000
Carrying amount	**10,834,605**	10,964,883	**2,831,632**	2,961,910
Less: Accumulated impairment loss				
Quoted shares	**(4,873,817)**	(2,736,249)	**–**	–
Unquoted shares	**(1,050,948)**	(1,050,948)	**–**	–
Subordinated Bonds 2002/2007 (ii)	**(2,200,000)**	(2,200,000)	**(2,200,000)**	(2,200,000)
	(8,124,765)	(5,987,197)	**(2,200,000)**	(2,200,000)
	2,709,840	4,977,686	**631,632**	761,910
At market value:				
Quoted shares				
- Outside Malaysia	**2,078,218**	4,215,786	**–**	–

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

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

12. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 31.3.2012 RM	31.3.2011 RM
Freehold land, at cost		
As at 1 April	**10,800,600**	10,800,600
Additions:	**24,524,212**	–
As at 31 March	**35,324,812**	10,800,600
Development costs		
As at 1 April	**39,432**	18,453
Additions:	**1,682,687**	20,979
As at 31 March	**1,722,119**	39,432
Carrying amount as at 31 March	**37,046,931**	10,840,032

Freehold land are pledged as securities for borrowings as disclosed in Note 23 to the financial statements amounting to RM22,426,558 (31.3.2011 - RM Nil).

The borrowing costs capitalised on the land held for property development during the financial year is RM432,349 (31.3.2011 - RM Nil).

13. PROPERTY DEVELOPMENT COST

Group As at 31.3.2012	Freehold Land RM	Development Costs RM	Borrowing Costs Capitalised RM	Total RM
Cumulative property development costs				
As at 1.4.2011	**–**	**–**	**–**	**–**
Costs incurred during the year	**24,500,000**	**784,418**	**267,559**	**25,551,977**
As at 31.3.2012	**24,500,000**	**784,418**	**267,559**	**25,551,977**
Cumulative costs recognised in income statement				**–**
Property development costs as at 31.3.2012				**25,551,977**
As at 31.3.2011				
Cumulative property development costs				
As at 1.4.2010	5,715,920	49,672,339	2,230,079	57,618,338
Costs incurred during the year	–	–	–	–
Reversal	(5,715,920)	(49,672,339)	(2,230,079)	(57,618,338)
As at 31.3.2011	–	–	–	–
Cumulative costs recognised in income statement				
As at 1.4.2010				(54,007,319)
Reversal				54,007,319
As at 31.3.2011				–
Property development costs as at 31.3.2011				–

Notes to the Financial Statements

for the year ended 31 March 2012

cont'd

14. INVENTORIES

	Group 31.3.2012 RM	Group 31.3.2011 RM
At cost		
Construction materials	**10,848,145**	15,374,028
Finished goods	**143,685**	258,932
Property held for sale	**–**	1,458,695
	10,991,830	17,091,655
At net realisable value		
Finished goods	**50,559**	77,323
	11,042,389	17,168,978

15. TRADE AND OTHER RECEIVABLES

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Trade receivables	**181,841,826**	165,660,707	**8,718,885**	9,018,885
Less: Allowance for doubtful debts	**(87,776)**	(87,776)	**–**	–
Trade receivables, net	**181,754,050**	165,572,931	**8,718,885**	9,018,885
Other receivables				
Deposits	**1,931,467**	1,376,133	**873,359**	905,233
Prepayments	**1,248,384**	3,320,041	**79,405**	2,565,753
Other receivables	**7,318,785**	5,682,984	**2,020,629**	472,811
	10,498,636	10,379,158	**2,973,393**	3,943,797
	192,252,686	175,952,089	**11,692,278**	12,962,682
Total trade and other receivables	**192,252,686**	175,952,089	**11,692,278**	12,962,682
Add: Deposits, cash and bank balances	**40,184,877**	48,368,230	**4,986,037**	3,235,781
Total loans and receivables	**232,437,563**	224,320,319	**16,678,315**	16,198,463

15. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Within credit terms	**126,934,371**	123,441,152	**–**	–
Past due but not impaired				
90 to 120 days	**29,603,025**	14,876,710	**–**	–
More than 120 days	**25,304,430**	27,342,845	**8,718,885**	9,018,885
	181,841,826	165,660,707	**8,718,885**	9,018,885
Impairment	**(87,776)**	(87,776)	**–**	–
	181,754,050	165,572,931	**8,718,885**	9,018,885

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

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired

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

16. AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group 31.3.2012 RM	Group 31.3.2011 RM
Construction contract costs incurred to date	**487,831,434**	936,135,918
Attributable profits	**39,767,461**	112,107,597
	527,598,895	1,048,243,515
Less: Progress billings	**(503,592,293)**	(991,881,211)
	24,006,602	56,362,304
Amount due from customers on contracts	**24,062,522**	56,641,755
Amount due to customers on contracts	**(55,920)**	(279,451)
	24,006,602	56,362,304
Retention sums on contracts included within trade receivables	**61,880,575**	53,254,066

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

	Group 31.3.2012 RM	Group 31.3.2011 RM
Hire of plant and machinery	**2,465,662**	4,012,415
Property, plant and equipment - Depreciation	**4,170,153**	4,572,468
Rental expense for buildings	**571,579**	730,466

17. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITY

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

18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, repayable on demand and non-interest bearing except for a total amount of RM7,511,978 (31.3.2011 - RM6,102,521) from a subsidiary which bear interest of 5.5% (31.3.2011 - 5.5%) per annum.

19. AMOUNTS DUE FROM ASSOCIATES

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

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Cash on hand and at banks (i) (ii) (iii)	**16,337,900**	15,656,891	**4,986,037**	3,235,781
Deposits with licensed banks (iv)	**23,846,977**	32,711,339	**–**	–
Cash and bank balances	**40,184,877**	48,368,230	**4,986,037**	3,235,781
Bank overdrafts	**(6,902,082)**	(33,631,146)	**(989,454)**	(820,103)
Total cash and cash equivalents	**33,282,795**	14,737,084	**3,996,583**	2,415,678

(i) Included in cash at banks of the Group are amounts of RM48,498 (31.3.2011 - RM47,569) held pursuant to Section 8A of the Housing (Control and Licensing of Developers) Enactment, 1978 and restricted from use in the other operations.

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

(iii) Included in cash at banks of the Group are amounts of RM1,275 (31.3.2011 – RM4,093,046) held under Escrow Account pursuant to banking facilities agreements and therefore it is restricted from use in the other operations.

(iv) Deposits of the Group amounting to RM6,530,977 (31.3.2011 – RM32,711,339) are held on lien by bank pursuant to banking facilities agreements and restricted from use in the other operations.

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

	Group	
	31.3.2012 %	31.3.2011 %
Deposits with financial institutions	**2.70**	2.18
Weighted average maturity (days)	**90**	90

21. SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary Shares of RM1 Each Share Capital (Issued and Fully Paid) RM	Share Premium RM	Total Share Capital and Share Premium RM
As at 1.4.2010	113,914,700	21,870,960	135,785,660
Transaction costs	–	–	–
As at 31.3.2011 and 1.4.2011	**113,914,700**	**21,870,960**	**135,785,660**
Transaction costs	**–**	**–**	**–**
As at 31.3.2012	**113,914,700**	**21,870,960**	**135,785,660**

	Number of Ordinary Shares of RM1 Each		Amount	
	31.3.2012 Unit	31.3.2011 Unit	31.3.2012 RM	31.3.2011 RM
Authorised share capital				
As at 31 March	**500,000,000**	500,000,000	**500,000,000**	500,000,000

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

The Company did not purchase or re-sell any of its own shares during the financial year ended 31.3.2012.

22. FOREIGN CURRENCY TRANSLATION RESERVE

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

23. BORROWINGS

	Group		Company	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM	RM	RM	RM
Short-term borrowings				
Secured:				
Term loans	**25,098,449**	46,587,378	**–**	75,210
Hire purchase and finance lease liabilities	**4,900,092**	4,800,470	**350,665**	687,974
	29,998,541	51,387,848	**350,665**	763,184
Unsecured:				
Bank overdrafts	**6,902,082**	33,631,146	**989,454**	820,103
Revolving credits	**75,481,330**	29,161,065	**1,014,894**	1,014,114
Trade finance	**25,110,000**	35,474,000	**–**	–
	107,493,412	98,266,211	**2,004,348**	1,834,217
	137,491,953	149,654,059	**2,355,013**	2,597,401
Long-term borrowings				
Secured:				
Term loans	**34,604,104**	25,631,718	**–**	1,152,799
Hire purchase and finance lease liabilities	**3,412,539**	4,172,261	**305,766**	627,259
	38,016,643	29,803,979	**305,766**	1,780,058
Total borrowings				
Revolving credits	**75,481,330**	29,161,065	**1,014,894**	1,014,114
Trade finance	**25,110,000**	35,474,000	**–**	–
Term loans	**59,702,553**	72,219,096	**–**	1,228,009
Bank overdrafts	**6,902,082**	33,631,146	**989,454**	820,103
Hire purchase and finance lease liabilities	**8,312,631**	8,972,731	**656,431**	1,315,233
	175,508,596	179,458,038	**2,660,779**	4,377,459

23. BORROWINGS (CONT'D)

The term loans are secured by the following:

(a) First legal charge over the respective freehold land and buildings of certain subsidiaries as disclosed in Note 6(b), Note 7 and Note 12.

(b) Corporate guarantees granted by the Company.

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

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

Hire purchase and finance lease liabilities

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Future minimum lease payments				
Not later than 1 year	**5,439,875**	5,279,276	**376,259**	739,021
Later than 1 year and not later than 2 years	**2,953,401**	3,670,921	**198,758**	374,399
Later than 2 years and not later than 5 years	**1,225,285**	1,511,270	**168,555**	366,523
Total future minimum lease payments	**9,618,561**	10,461,467	**743,572**	1,479,943
Less: Future finance charges	**(1,305,930)**	(1,488,736)	**(87,141)**	(164,710)
Present value of finance lease liabilities	**8,312,631**	8,972,731	**656,431**	1,315,233
Analysis of present value of finance lease liabilities				
Not later than 1 year	**4,900,092**	4,800,470	**350,665**	687,974
Later than 1 year and not later than 2 years	**2,424,945**	3,468,536	**185,768**	349,090
Later than 2 years and not later than 5 years	**987,594**	703,725	**119,998**	278,169
	8,312,631	8,972,731	**656,431**	1,315,233
Less: Amount due within 12 months	**(4,900,092)**	(4,800,470)	**(350,665)**	(687,974)
Amount due after 12 months	**3,412,539**	4,172,261	**305,766**	627,259

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

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

24. DEFERRED TAX

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
As at 1 April	**3,190,469**	3,252,500	**610,000**	610,000
Recognised in income statement	**53,428**	(62,031)	**–**	–
Exchange adjustments	**(397)**	–	**–**	–
As at 31 March	**3,243,500**	3,190,469	**610,000**	610,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	**–**	(62,031)	**–**	–
Deferred tax liabilities	**3,243,500**	3,252,500	**610,000**	610,000
	3,243,500	3,190,469	**610,000**	610,000

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

Deferred tax liabilities of the Group:

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Property, plant and equipment				
As at 1 April	**3,252,500**	3,303,500	**610,000**	610,000
Recognised in income statement	**(9,000)**	(51,000)	**–**	–
As at 31 March	**3,243,500**	3,252,500	**610,000**	610,000

Deferred tax assets of the Group:

	Unabsorbed tax losses and unabsorbed capital allowances RM
As at 1 April	**62,031**
Recognised in income statement	**(62,428)**
Exchange adjustments	**397**
As at 31 March	**–**

24. DEFERRED TAX (CONT'D)

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

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Unused tax losses	**45,796,977**	62,201,503	**19,307,941**	18,765,978
Unabsorbed capital allowances	**1,119,230**	371,060	**631,130**	–
Others	**(1,446,000)**	88,000	**–**	–
	45,470,207	62,660,563	**19,939,071**	18,765,978

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

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

25. PROVISION

	Group	
	31.3.2012 RM	31.3.2011 RM
Liquidated ascertained damages		
As at 1 April	**10,000,000**	–
Additions	**4,000,000**	10,000,000
As at 31 March	**14,000,000**	10,000,000

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

26. TRADE AND OTHER PAYABLES

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Current				
Trade payables (i)	**125,149,691**	133,365,569	**–**	–
Other payables				
Accruals	**1,621,329**	967,153	**–**	–
Other payables (ii)	**48,479,009**	22,938,568	**3,654,024**	5,052,990
Trade deposits	**95,895**	256,841	**–**	–
	50,196,233	24,162,562	**3,654,024**	5,052,990
	175,345,924	157,528,131	**3,654,024**	5,052,990
Total trade and other payables	**175,345,924**	157,528,131	**3,654,024**	5,052,990
Add: Borrowings	**175,508,596**	179,458,038	**2,660,779**	4,377,459
Total financial liabilities at amortised cost	**350,854,520**	336,986,169	**6,314,803**	9,430,449

(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 RM31,770,540 (31.3.2011 - RM9,720,540) which represented the balance purchase price payable for the acquisition of land held for property development and property development cost referred in Note 12 and Note 13 to the financial statements.

27. REVENUE

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Construction contracts	**404,874,207**	421,132,668	**–**	716,979
Dividend income	**–**	–	**45,273,117**	2,500,002
Hospitality and leisure	**4,800**	18,414	**–**	–
Management fees	**–**	–	**12,454,864**	12,454,864
Property development	**870,582**	1,315,192	**–**	–
Rental income	**512,764**	366,652	**–**	–
Trading and services	**23,627,232**	21,118,686	–	–
	429,889,585	443,951,612	**57,727,981**	15,671,845

28. COST OF SALES

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Construction contracts costs	**362,057,323**	391,679,163	**–**	–
Property development costs	**1,442,944**	721,173	**–**	–
Cost of inventories sold	**3,822,906**	3,282,560	**–**	–
Cost of services rendered	**11,567,023**	11,271,457	**–**	–
	378,890,196	406,954,353	**–**	–

29. OTHER INCOME

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Interest income	**925,195**	980,808	**329,975**	683,015
Gain on disposal of property, plant and equipment	**3,306,048**	46,941	**3,142,788**	–
Gain on foreign exchange				
- Realised	**140,676**	85,857	**33,311**	–
- Unrealised	**2,688**	1,322	**–**	–
Rental income	**103,614**	81,500	**1,529,641**	–
Rental of motor vehicle recoverable	**76,275**	185,692	**76,275**	71,885
Other	**1,983,651**	1,991,483	**488,759**	376,333
	6,538,147	3,373,603	**5,600,749**	1,131,233

Included in interest income from loan and receivables of the Company is interest of RM329,449 (31.3.2011 - RM311,632) from a fellow subsidiary.

30. FINANCE COSTS

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Interest expense on:				
Bank borrowings	**11,866,237**	10,750,754	**174,635**	186,923
Hire purchase and finance lease liabilities	**940,531**	713,332	**78,189**	73,672
	12,806,768	11,464,086	**252,824**	260,595
Less: Interest expense capitalised in:				
Land held for property development - Note 12	**(432,349)**	–	**–**	–
Property development cost - Note 13	**(267,559)**	–	**–**	–
Total interest expense	**12,106,860**	11,464,086	**252,824**	260,595

31. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
After charging:				
Allowance for doubtful debts	**–**	44,326	**–**	–
Auditors' remuneration -				
Current year	**310,853**	327,463	**95,400**	95,400
Over provision in prior years	**(13,740)**	(9,475)	**–**	–
Directors' remuneration -				
Fee	**305,750**	442,000	**293,750**	430,000
Emoluments	**5,015,205**	5,315,815	**4,121,195**	4,411,765
Impairment loss on amount due from jointly controlled entity	**9,546,714**	–	**11,628,333**	–
Impairment loss on investment in jointly controlled entity	**–**	–	**70,000**	–
Impairment loss on other investments	**2,137,568**	2,697,493	**–**	–
Loss on disposal on other investments	**122,778**	202,852	**122,778**	–
Loss on foreign exchange -				
Realised	**26,810**	20	**–**	–
Unrealised	**110,372**	111,105	**106,796**	–
Property, plant and equipment -				
Depreciation	**5,603,264**	6,130,462	**600,200**	578,936
Loss on disposals	**71,883**	1,408,744	**322**	1,424
Written-off	**372,863**	21,699	**25,017**	–
Provision for foreseeable losses	**19,337**	–	**–**	–
Rental -				
Plant and machinery	**2,465,662**	4,012,415	**–**	–
Land and buildings	**4,979,670**	1,647,819	**2,393,932**	385,466
Office equipment	**51,090**	126,360	**–**	52,775
Staff costs (i)	**43,537,238**	43,153,892	**5,405,506**	5,095,956
(i) Staff costs -				
Wages, salaries and other	**39,040,085**	38,745,980	**4,493,701**	4,194,974
Employees Provident Fund	**4,497,153**	4,407,912	**911,805**	900,982
	43,537,238	43,153,892	**5,405,506**	5,095,956

32. INCOME TAX EXPENSE

	Group 31.3.2012 RM	Group 31.3.2011 RM
Continuing operations		
Current income tax		
Malaysian income tax	**594,709**	301,283
Foreign tax	**621,030**	–
Under provision in prior years		
Malaysian income tax	**2,450,289**	409,844
	3,666,028	711,127
Deferred tax		
Relating to origination and reversal of differences	**53,428**	(62,031)
Total income tax expense	**3,719,456**	649,096

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

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

	Group 31.3.2012 RM	Group 31.3.2011 RM
Profit/(Loss) before tax from:		
Continuing operations	**14,121,489**	(11,092,405)
Taxation at Malaysian statutory tax rate of 25%	**3,530,372**	(2,773,101)
Income not subject to tax	**(997,777)**	–
Expenses not deductible for tax purposes	**2,406,652**	3,925,266
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**734,503**	403,688
Under provision of tax expenses in prior years	**2,450,289**	409,844
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(4,404,583)**	(1,316,601)
Income tax expense for the financial year	**3,719,456**	649,096

Notes to the Financial Statements

for the year ended 31 March 2012

cont'd

32. INCOME TAX EXPENSE (CONT'D)

	Company	
	31.3.2012 RM	31.3.2011 RM
Under provision in prior years		
Malaysian income tax	**2,515,942**	–
Profit before tax	**35,378,503**	3,060,542
Taxation at Malaysian statutory tax rate of 25%	**8,844,626**	765,136
Income not subject to tax	**(12,097,642)**	–
Expenses not deductible for tax purposes	**2,959,743**	–
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**293,273**	–
Under provision of tax expenses in prior years	**2,515,942**	–
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**–**	(765,136)
Income tax expense for the financial year	**2,515,942**	–

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Tax savings during the financial year arising from:				
Utilisation of current year's tax losses	**570,163**	113	**–**	–
Utilisation of previously unrecognised tax losses	**17,618,332**	10,313,440	**–**	526,254

33. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

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

	Group and Company 31.3.2012 RM	31.3.2011 RM
Assets		
Investment in associate	**6**	6

Name of Associate	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 31.3.2012 %	31.3.2011 %	Proportion of Voting Power 31.3.2012 %	31.3.2011 %
Sandakan Harbour Square Sdn Bhd	Malaysia	Investment holding	**29.4**	29.4	**29.4**	29.4

34. EARNINGS/(LOSS) PER SHARE

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

	31.3.2012 RM	31.3.2011 RM
Profit/(Loss) from continuing operations attributable to owners of the Company	**10,402,033**	(11,741,501)
Weighted average number of ordinary shares in issue	**113,914,700**	113,914,700
Earnings/(Loss) per share attributable to owners of the Company (sen)		
Basic	**9.13**	(10.31)

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

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

35. DIVIDENDS

	Company 31.3.2012 RM	Company 31.3.2011 RM
First and final dividend in respect of the financial year 2011, single-tier of 5.0% per share	**5,695,735**	–
First and final dividend in respect of the financial year 2010, single-tier of 5.0% per share	**–**	5,695,735

36. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements on its investment property portfolio. These leases have remaining lease terms of not later than 1 year. 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:

	31.3.2012 RM	31.3.2011 RM
Not later than 1 year	**247,938**	425,809

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

37. RELATED PARTY DISCLOSURES

	Group 31.3.2012 RM	Group 31.3.2011 RM
Service rendered by a Director		
Consultant fee charged by		
- Mr Kwok Yoke How	**99,000**	–
Companies in which certain Directors are deemed to have interests:		
Building materials and spare parts purchased from/(by)		
- Amatir Resources Sdn Bhd	**(38,940)**	(150)
- Ireka Land Sdn Bhd	**(502,022)**	–
- Quality Parts Sdn Bhd	**640,037**	802,191
Progress billings on contracts to		
- Amatir Resources Sdn Bhd	**(91,355,924)**	(227,386,940)
- Excellent Bonanza Sdn Bhd	**(45,352,818)**	–
- Ifonda Sdn Bhd	**(11,521)**	–
- ICSD Ventures Sdn Bhd	**(80,695,893)**	(51,981,941)
- Ireka Land Sdn Bhd	**(9,254,360)**	(55,093,935)
Reimbursement of expenses from/(to)		
- Amatir Resources Sdn Bhd	**181,663**	(8,192)
- Binaderas Sdn Bhd	**177,119**	(6,943)
- ICSD Ventures Sdn Bhd	**(9,243)**	(1,980)
- Imuda Sdn Bhd	**561,651**	(322,915)
- Ireka Land Sdn Bhd	**225,545**	(570,194)

	Company 31.3.2012 RM	Company 31.3.2011 RM
Subsidiary companies:		
Interest income	**(329,449)**	(311,632)
Labour charges recoverable	**(390,979)**	(336,333)
Management fees	**(12,454,864)**	(12,454,864)
Maintenance fees	**66,433**	52,775

37. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Included in trade receivables:				
Amatir Resources Sdn Bhd	**8,305,759**	59,223,869	**–**	–
ICSD Ventures Sdn Bhd	**12,043,833**	8,021,396	**–**	–
Imuda Sdn Bhd	**2,865,386**	2,759,844	**–**	–
Inovtecs Sdn Bhd	**1,735,937**	1,735,937	**–**	–
	24,950,915	71,741,046	**–**	–
Included in trade payables:				
Ireka Land Sdn Bhd	**6,073,166**	42,590	**–**	–
Quality Parts Sdn Bhd	**230,711**	219,772	**–**	–
	6,303,877	262,362	**–**	–

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	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Directors' remuneration - Note 31	**5,320,955**	5,757,815	**4,414,945**	4,841,765

38. COMMITMENTS

	Group 31.3.2012 RM	Group 31.3.2011 RM
Authorised and contracted	**1,754,747**	4,563,248
Analysed as follows:		
- Property, plant and equipment	**1,304,747**	4,563,248
- Purchase of freehold land	**450,000**	–
	1,754,747	4,563,248

39. CONTINGENT LIABILITIES

	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Unsecured -				
Claims by former lorry subcontractors pertaining to the deposits forfeited	**843,395**	843,395	**843,395**	843,395

40. SEGMENTAL INFORMATION

Primary Reporting - Business segments

	Continuing operations						
31.3.2012	Construction RM	Property Development RM	Trading and Services RM	Hospitality and Leisure RM	Investment Holding RM	Elimination RM	Total RM
Revenue							
External sales	404,874,206	870,582	23,627,232	4,800	512,765	–	429,889,585
Inter-segment sales	202,080	–	904,635	–	58,147,298	(59,254,013)	–
Total revenue	405,076,286	870,582	24,531,867	4,800	58,660,063	(59,254,013)	429,889,585
Result							
Segment result	13,549,658	(1,163,536)	(504,448)	(25,725)	44,926,203	(43,124,519)	13,657,633
Finance costs							(12,106,860)
Interest income							925,195
Share of profit of associates					11,645,521		11,645,521
Profit before tax							14,121,489
Income tax expense							(3,719,456)
Profit for the year							10,402,033

Information about a major customer

Revenue from major customer amounted to RM200,079,456 (31.3.2011 - RM324,704,096), arising from revenue earned by the construction segment.

40. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting - Other information

31.3.2012	Continuing operations Construction RM	Property Development RM	Trading and Services RM	Hospitality and Leisure RM	Investment Holding RM	Elimination RM	Total RM	Discontinued Operation RM	Per Consolidated Financial Statements Total RM
Other information									
Segment assets	305,135,685	39,382,450	14,344,393	48,059	235,405,736	(520,289)	593,796,034	6	593,796,040
Segment liabilities	303,946,026	32,436,508	7,369,701	8,246	25,191,379	–	368,951,860	–	368,951,860
Additions to non-current assets:									
Property, plant and equipment	1,353,510	8,849	3,793,124	–	2,154,136	(3,021)	7,306,598	–	7,306,598
Investment properties	5,078,240	–	15,811,271	–	–	–	20,889,511	–	20,889,511
Land held for property development	–	26,206,899	–	–	–	–	26,206,899	–	26,206,899
Depreciation	4,550,236	18,196	238,966	–	795,866	–	5,603,264	–	5,603,264
Provision for liquidated ascertained damages	4,000,000	–	–	–	–	–	4,000,000	–	4,000,000
Impairment loss	–	–	–	–	2,137,568	–	2,137,568	–	2,137,568

Notes to the Financial Statements
for the year ended 31 March 2012

cont'd

40. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting - Business segments

	Continuing operations						
31.3.2011	Construction RM	Property Development RM	Trading and Services RM	Hospitality and Leisure RM	Investment Holding RM	Elimination RM	Total RM
Revenue							
External sales	421,132,668	1,315,192	21,118,686	18,414	366,652	–	443,951,612
Inter-segment sales	–	–	986,697	–	15,543,794	(16,530,491)	–
Total revenue	421,132,668	1,315,192	22,105,383	18,414	15,910,446	(16,530,491)	443,951,612
Result							
Segment result	12,773,551	433,705	(615,538)	(30,056)	(3,031,862)	(849,199)	8,680,601
Finance costs							(11,464,086)
Interest income							980,808
Share of loss of associates					(7,689,455)		(7,689,455)
Share of loss of jointly controlled entity	(1,600,273)						(1,600,273)
Loss before tax							(11,092,405)
Income tax expense							(649,096)
Loss for the year							(11,741,501)

40. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting - Other information

	Continuing operations							Discontinued Operation	Per Consolidated Financial Statements
31.3.2011	Construction RM	Property Development RM	Trading and Services RM	Hospitality and Leisure RM	Investment Holding RM	Elimination RM	Total RM	RM	Total RM
Other information									
Segment assets	307,719,239	15,936,360	15,426,492	63,277	245,284,039	(12,696,292)	571,733,115	6	571,733,121
Segment liabilities	307,929,712	10,331,982	3,376,998	7,716	29,880,996	–	351,527,404	–	351,527,404
Additions to non-current assets:									
Property, plant and equipment	9,981,572	1,322,816	1,519,719	–	780,826	–	13,604,933	–	13,604,933
Land held for property development	–	20,979	–	–	–	–	20,979	–	20,979
Depreciation	4,955,241	36,678	249,024	549	888,970	–	6,130,462	–	6,130,462
Provision for liquidated ascertained damages	10,000,000	–	–	–	–	–	10,000,000	–	10,000,000
Impairment loss	–	–	–	–	2,697,493	–	2,697,493	–	2,697,493

40. SEGMENTAL INFORMATION (CONT'D)

Geographical information

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

	Revenue 31.3.2012 RM	Revenue 31.3.2011 RM	Non-current Assets 31.3.2012 RM	Non-current Assets 31.3.2011 RM
Malaysia	**397,875,566**	443,951,612	**286,870,918**	250,739,253
Vietnam	**32,014,019**	–	**2,314,671**	4,421,052
	429,889,585	443,951,612	**289,185,589**	255,160,305

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

	Malaysia 31.3.2012 RM	Vietnam 31.3.2012 RM	Malaysia 31.3.2011 RM	Vietnam 31.3.2011 RM
Property, plant and equipment	**55,496,013**	**236,453**	76,427,885	143,235
Investment properties	**25,161,611**	**–**	4,272,100	–
Investment in associates	**168,534,741**	**–**	158,437,336	–
Others investments	**631,622**	**2,078,218**	761,900	4,215,786
Land held for property development	**37,046,931**	**–**	10,840,032	–
Deferred tax assets	**–**	**–**	–	62,031
	286,870,918	**2,314,671**	250,739,253	4,421,052

41. FINANCIAL INSTRUMENTS

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

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Foreign currency risk

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

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

Currency profile of major financial assets and liabilities

	Denominated in other than functional currencies			Denominated in functional Currencies	
	US Dollar	VND	SGD		Total
Group					
31.3.2012					
Other investments	**–**	**2,078,218**	**–**	**631,622**	**2,709,840**
Trade and other receivables	**–**	**391,519**	**–**	**191,861,167**	**192,252,686**
Cash and bank balances	**1,674,827**	**1,961,345**	**125,746**	**36,422,959**	**40,184,877**
	1,674,827	**4,431,082**	**125,746**	**228,915,748**	**235,147,403**
31.3.2011					
Other investments	–	4,215,786	–	761,900	4,977,686
Trade and other receivables	–	205,292	–	175,746,797	175,952,089
Cash and bank balances	450,959	3,013,434	128,662	44,775,175	48,368,230
	450,959	7,434,512	128,662	221,283,872	229,298,005
Company					
31.3.2012					
Cash and bank balances	**1,358,382**	**1,819**	**–**	**3,625,836**	**4,986,037**
31.3.2011					
Cash and bank balances	60,260	6,295	–	3,169,226	3,235,781

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

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

At 31 March 2012, if other investments, trade and other receivables and cash and bank balances denominated in a currency other than the functional currency of the Group entity strengthened/(weakened) by 10% and all other variables were held constant, the effects on the Group profit and loss and equity expressed in Ringgit Malaysia would have been RM623,166/(RM623,166)(31 March 2011 - RM801,413/(RM801,413)).

(b) Interest rate risk

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

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

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

Exposure to interest rate risk

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
Fixed rate instruments:				
Financial assets	**–**	–	**7,511,978**	6,102,521
Financial liabilities	**8,312,631**	8,972,731	**656,431**	1,315,233
Floating rate instruments:				
Financial assets	**40,184,877**	48,368,230	**4,986,037**	3,235,781
Financial liabilities	**167,195,965**	170,485,307	**2,004,348**	3,062,226

41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

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

At 31 March 2012, if interest rate had been 100 basis point higher/lower and all other variables were held constant, this would (decrease)/increase the Group's profit for the year by (RM952,583)/RM952,583 (31.3.2011 - increase/(decrease) by RM915,878/(RM915,878), increase/(decrease) the Company's profit for the year by RM22,363/(RM22,363) (31.3.2011 - increase/(decrease) by RM1,302/(RM1,302)).

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investments securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

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

(i) Financial guarantees

Risk managements objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounted to RM3,250,671 (31.3.2011 - RM23,516,485) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Credit risk (Cont'd)

(i) Financial guarantees (Cont'd)

Exposure to credit risk, credit quality and collateral (Cont'd)

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

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

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

(ii) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a major customer which constituted approximately 17% (31 March 2011 - 41%) of its trade receivables as at the end of the reporting period.

(d) Price risk

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

Sensitivity analysis for equity price risk

At 31 March 2012, if the Vietnam Ho Chi Minh Stock Index had been 10% higher/lower, with all other variables held constant, the Group's other reserve in equity would have been RM207,822 (31 March 2011 - RM421,579) higher/lower, as a result of an increase/(decrease) in the fair value of equity instruments classified as available-for-sale. As at the reporting date, the impact of changes in 10% in Vietnam Ho Chi Minh Stock Index, with all other variables held constant, is insignificant to the Group's profit net of tax and equity.

(e) Liquidity and cash flow risks

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months with the objective of ensuring adequate funds to meet commitments associated with its financial liabilities. When funds are sought, the Group balances the costs and benefits of equity and debt financing against the construction contracts to be undertaken. At 31 March 2012, the Group's borrowings to fund the construction had tenors of less than five years.

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

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

41. FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity and cash flow risks (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 31.3.2012	Note	WAEIR %	On Demand or Within 1 Year RM	1 to 2 Years RM	2 to 3 Years RM	3 to 4 Years RM	4 to 5 Years RM	More Than 5 Years RM	Total RM
Group									
Financial liabilities									
Fixed rate									
Hire purchase and finance lease liabilities	23	2.98	**4,900,092**	**2,424,945**	**919,888**	**33,119**	**34,587**	**–**	**8,312,631**
Floating rate									
Bank overdrafts	23	8.79	**6,902,082**	**–**	**–**	**–**	**–**	**–**	**6,902,082**
Revolving credits	23	5.40	**75,481,330**	**–**	**–**	**–**	**–**	**–**	**75,481,330**
Trade finance	23	4.59	**25,110,000**	**–**	**–**	**–**	**–**	**–**	**25,110,000**
Term loans	23	6.29	**25,098,449**	**7,290,614**	**7,290,614**	**7,290,614**	**5,174,038**	**7,558,224**	**59,702,553**
Trade and other payables	26		**175,345,924**	**–**	**–**	**–**	**–**	**–**	**175,345,924**
Total undiscounted financial liabilities			**307,937,785**	**7,290,614**	**7,290,614**	**7,290,614**	**5,174,038**	**7,558,224**	**342,541,889**
Company									
Fixed rate									
Hire purchase and finance lease liabilities	23	3.43	**350,665**	**185,768**	**119,998**	**–**	**–**	**–**	**656,431**
Floating rate									
Bank overdrafts	23	7.04	**989,454**	**–**	**–**	**–**	**–**	**–**	**989,454**
Revolving credits	23	6.67	**1,014,894**	**–**	**–**	**–**	**–**	**–**	**1,014,894**
Trade and other payables	26		**3,654,024**	**–**	**–**	**–**	**–**	**–**	**3,654,024**
Total undiscounted financial liabilities			**5,658,372**	**–**	**–**	**–**	**–**	**–**	**5,658,372**

41. FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity and cash flow risks (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 31.3.2011	Note	WAEIR %	On Demand or Within 1 Year RM	1 to 2 Years RM	2 to 3 Years RM	3 to 4 Years RM	4 to 5 Years RM	More Than 5 Years RM	Total RM
Group									
Financial liabilities									
Fixed rate									
Hire purchase and finance lease liabilities	23	3.68	4,800,470	3,468,536	703,725	–	–	–	8,972,731
Floating rate									
Bank overdrafts	23	7.46	33,631,146	–	–	–	–	–	33,631,146
Revolving credits	23	5.43	29,161,065	–	–	–	–	–	29,161,065
Trade finance	23	4.46	35,474,000	–	–	–	–	–	35,474,000
Term loans	23	6.98	46,587,378	4,827,350	4,827,350	4,827,350	4,827,350	6,322,318	72,219,096
Trade and other payables	26		157,528,131	–	–	–	–	–	157,528,131
Total undiscounted financial liabilities			302,381,720	4,827,350	4,827,350	4,827,350	4,827,350	6,322,318	328,013,438
Company									
Fixed rate									
Hire purchase and finance lease liabilities	23	2.23	687,974	349,090	278,169	–	–	–	1,315,233
Floating rate									
Bank overdrafts	23	6.46	820,103	–	–	–	–	–	820,103
Revolving credits	23	6.48	1,014,114	–	–	–	–	–	1,014,114
Term loans	23	6.76	75,210	75,210	75,210	75,210	75,210	851,959	1,228,009
Trade and other payables	26		5,052,990	–	–	–	–	–	5,052,990
Total undiscounted financial liabilities			6,962,417	75,210	75,210	75,210	75,210	851,959	8,115,216

41. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair values

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

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

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees 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.

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

	31.3.2012		31.3.2011	
Group	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Hire purchase and finance lease	**8,312,631**	**9,505,682**	8,972,731	10,047,968
Company				
Hire purchase and finance lease	**656,431**	**720,300**	1,315,233	1,421,846

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

41. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair values (Cont'd)

Non-derivative financial liabilities

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

Interest rate used to determine fair value

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

	31.3.2012 %	31.3.2011 %
Hire purchase and finance lease liabilities	**4.61 - 10.87**	5.64 - 6.80

42. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust for the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2012 and 31 March 2011.

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

42. CAPITAL MANAGEMENT (CONT'D)

	Note	Group 31.3.2012 RM	Group 31.3.2011 RM	Company 31.3.2012 RM	Company 31.3.2011 RM
Bank borrowings	23	**175,508,596**	179,458,038	**2,660,779**	4,377,459
Less: Cash and cash equivalents	20	**(40,184,877)**	(48,368,230)	**(4,986,037)**	(3,235,781)
Net debt		**135,323,719**	131,089,808	**(2,325,258)**	1,141,678
Equity attributable to the owners of the Company		**224,844,180**	220,205,717	**177,861,122**	150,694,296
Capital and net debt		**360,167,899**	351,295,525	**175,535,864**	151,835,974
Gearing ratio (net cash)		**0.60**	0.60	**–**	0.01

43. SUBSEQUENT EVENTS

The Company has, via its wholly-owned subsidiary, Meadowfield Sdn Bhd ("Meadowfield"), entered into a sale and purchase agreement to acquire freehold lands located in Bandar Nilai Utama/Mukim Setul/Mukim Labu, Daerah Seremban, Negeri Sembilan, for a total cash consideration of RM24,500,000 on 21 September 2011. As at 31 March 2012, Meadowfield has paid a total cash deposit of RM2,450,000 representing 10% of the purchase consideration. The balance of RM22,050,000 was paid to the Vendor on 2 May 2012.

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

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia's Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

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

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2012 and 31 March 2011, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

	Group		Company	
	31.3.2012 RM	31.3.2011 RM	31.3.2012 RM	31.3.2011 RM
The retained earnings of the Company and its subsidiaries:				
- Realised	**93,138,274**	100,627,969	**42,685,462**	15,518,636
- Unrealised	**(3,243,500)**	(3,190,469)	**(610,000)**	(610,000)
	89,894,774	97,437,500	**42,075,462**	14,908,636
The shares of accumulated losses of its associates:				
- Realised	**(4,780,619)**	(23,434,519)	**–**	–
- Unrealised	**4,263,361**	12,819,856	**–**	–
	(517,258)	(10,614,663)	**–**	–
The shares of accumulated losses of its jointly controlled entity:				
- Realised	**–**	(2,151,619)	**–**	–
- Unrealised	**–**	–	**–**	–
	–	(2,151,619)	**–**	–
Total retained earnings	**89,377,516**	84,671,218	**42,075,462**	14,908,636

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia's Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

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

Statistics of Shareholdings
as at 9 August 2012

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

Size of holdings	No. of shareholders	No. of shares	%
1 – 99	63	1,013	0.00
100 – 1,000	1,026	975,700	0.86
1,001 – 10,000	1,791	7,561,050	6.64
10,001 – 100,000	371	9,516,588	8.35
100,001 – 5,695,734 ^	52	38,154,601	33.49
5,695,735 and above ^^	4	57,705,748	50.66
Total	3,307	113,914,700	100.00

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

DIRECTORS' SHAREHOLDINGS

Directors	Direct No. of shares	Direct %	Indirect No. of shares	Indirect %
Haji Ir. Abdullah bin Yusof	1,500,000	1.32	-	-
Lai Siew Wah	-	-	49,001,998 *	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong PJN, JSM	4,827,100	4.24	-	-
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	15,398,248 **	13.52
Lai Man Moi	2,040,750	1.79	15,398,248 **	13.52
Lai Voon Hon	12,000	#	49,001,998 *	43.02
Lai Voon Huey, Monica	6,000	#	49,001,998 *	43.02
Haji Mohd. Sharif bin Haji Yusof	188,500	0.17	-	-
Kwok Yoke How	1,742,603	1.53	-	-

Notes:
* Deemed interests through Ideal Land Holdings Sdn Bhd
** Deemed interests through Green Rivervale Holdings Sdn Bhd
# Negligible

Statistics of Shareholdings

as at 9 August 2012

cont'd

SUBSTANTIAL SHAREHOLDERS' HOLDINGS

Substantial shareholders	Direct No. of shares	%	Indirect No. of shares	%
Ideal Land Holdings Sdn Bhd	49,001,998	43.02	-	-
Magnipact Resources Sdn Bhd	15,398,248	13.52	-	-
Green Rivervale Holdings Sdn Bhd	-	-	15,398,248 ^	13.52
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	15,398,248 **	13.52
Lai Man Moi	2,040,750	1.79	15,398,248 **	13.52
Lai Siew Wah	-	-	49,001,998 *	43.02
Lai Voon Hon	12,000	#	49,001,998 *	43.02
Lai Voon Keat	-	-	49,001,998 *	43.02
Lai Voon Wai	-	-	49,001,998 *	43.02
Liw Yoke Yin	11,600	#	49,001,998 *	43.02

Notes:
- * Deemed interests through Ideal Land Holdings Sdn Bhd
- ** Deemed interests through Green Rivervale Holdings Sdn Bhd
- ^ Deemed interests through Magnipact Resources Sdn Bhd
- # Negligible

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Ideal Land Holdings Sdn Bhd	24,092,866	21.15
2.	AmSec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account - AmBank (M) Berhad for Ideal Land Holdings Sdn Bhd)	14,500,000	12.73
3.	Magnipact Resources Sdn Bhd	10,020,000	8.80
4.	Malaysia Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	9,092,882	7.98
5.	Malaysia Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Magnipact Resources Sdn Bhd)	5,378,248	4.72
6.	Lai Jaat Kong @ Lai Foot Kong	4,827,100	4.24
7.	Ling Siok Guong	4,258,900	3.74
8.	Sapiah @ Safiah Binti Hussin	1,800,000	1.58
9.	CimSec Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Lai Man Moi)	1,529,250	1.34
10.	Abdullah bin Yusof	1,500,000	1.32
11.	Lim Sow Mun	1,496,100	1.31
12.	CimSec Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Chan Soo Har @ Chan Kay Chong)	1,378,250	1.21
13.	Malaysia Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	1,316,250	1.16
14.	Kwok Yoke How	1,166,600	1.02
15.	Thong Kok Cheong	1,070,800	0.94
16.	How Sue Chan @ Ho Sue Chan	812,900	0.71
17.	Chan Lin Yau	778,800	0.68
18.	CimSec Nominees (Asing) Sdn Bhd (CIMB for Mahomed Ferheen (PB))	719,900	0.63
19.	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse (SG BR-TST-ASING))	706,100	0.62
20.	Choon Siew & Sons Sdn Berhad	700,000	0.61
21.	Kwok Yoke How	576,003	0.51
22.	Chan Yew Siang	568,400	0.50
23.	CIMB Group Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	511,500	0.45
24.	Lai Man Moi	511,500	0.45
25.	Tan Hwa Ling @ Tan Siew Leng	505,900	0.44
26.	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C))	435,200	0.38
27.	Loh Chen Peng	364,000	0.32
28.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Bhoopindar Singh A/L Harbans Singh (SS2/JUP))	317,000	0.28
29.	Chan Soo Har @ Chan Kay Chong	295,000	0.26
30.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Lak Chye @ Li Choy Hin (E-IMO))	273,300	0.24

List of Material Properties
as at 31 March 2012

No.	Location	Tenure	Approximate Land Area/ Built-Up Area (sq. ft.)	Description	Age (Years)	Net Book Value (RM)	Year Of Acquisition
1.	Geran 53316 Lot 1084 Mukim of Kajang Daerah Ulu Langat Negeri Selangor Darul Ehsan	Freehold	897,064	Industrial land for future development	N/A	22,426,558	2011
2.	Lot PT17741, Mukim Batu Kuala Lumpur, Level 29-31 1 Mont' Kiara, Mont' Kiara	Freehold	36,042	Office suites for investment	2	15,811,272	2007
3.	Lot PT17741, Mukim Batu Kuala Lumpur, Sectors 3-7, 11-13 i-ZEN@Kiara II, Mont' Kiara	Freehold	34,639	Office space for own/ external use	5	13,859,741	2007
4.	PT 37824, Mukim Kajang Selangor Darul Ehsan	Freehold	272,915	Industrial land with 2-storey office building for own use (workshop)	N/A	9,580,907	2009
5.	Lot PT37823, Mukim Kajang Daerah Hulu Langat Negeri Selangor	Freehold	203,610	Industrial land for own use (workshop)	N/A	6,829,516	2009
6.	Lot 8850, Mukim of Kajang Daerah Ulu Langat, Selangor	Freehold	220,806	Agricultural land for future development	N/A	2,097,654	2011
7.	MG-01-09 @ SENI Mont' Kiara Kuala Lumpur, within storey no. 01 of building no. Monet	Freehold	3,401	Condominium for investment	1	1,970,186	2009
8.	VB-02-02 @ SENI Mont' Kiara Kuala Lumpur, within storey no. 02 of building no. Van Gogh	Freehold	2,906	Condominium for investment	1	1,741,972	2009
9.	MF-01-03 @ SENI Mont' Kiara Kuala Lumpur, within storey no. 01 of building no. Monet	Freehold	2,347	Condominium for investment	1	1,366,083	2009

No.	Location	Tenure	Approximate Land Area/ Built-Up Area (sq. ft.)	Description	Age (Years)	Net Book Value (RM)	Year Of Acquisition
10.	Precinct 7, Plot G27 held under Geran 39540 Lot No. 1503 Mukim Sungai Gumut Daerah Hulu Selangor	Freehold	43,986	Homesteads for investment	N/A	439,570	1995
11.	Plot No. H21, Precinct 8 Lembah Beringin Mukim Sungai Gumut Daerah Hulu Selangor	Freehold	46,368	Homesteads for investment	N/A	278,208	2002
12.	Lot No. 2, Sector 1 Lembah Beringin Mukim Kuala Kelumpang Daerah Ulu Selangor	Freehold	7,185	Bungalow lot for investment	N/A	179,625	2002
13.	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong	Freehold	824	Walk-up flat for investment	25	41,719	1987

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON WEDNESDAY, 26 SEPTEMBER 2012 AT 10.30 A.M. FOR THE FOLLOWING PURPOSES:

AGENDA

Ordinary Business

1. To receive the audited financial statements of the Company and of the Group for the financial year ended 31 March 2012 and the reports of the Directors and Auditors thereon. **Resolution 1**

2. To approve the payment of a first and final single-tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2012. **Resolution 2**

3. To approve the payment of Directors' fees of RM353,000.00 for the financial year ended 31 March 2012 (2011: RM350,000.00). **Resolution 3**

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

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

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

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

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

5. To re-elect the following Directors who retire in accordance with Article 91(3) of the Company's Articles of Association:
    a. Chan Soo Har @ Chan Kay Chong **Resolution 8**
    b. Lai Man Moi **Resolution 9**
    c. Lai Voon Hon **Resolution 10**

6. To re-appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors. **Resolution 11**

Special Business

7. To consider and, if thought fit, to pass the following Ordinary Resolution: **Resolution 12**

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

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.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 36th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 64 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 September 2012. Only a depositor whose name appears on the Record of Depositors as at 19 September 2012 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

WONG YIM CHENG
Company Secretary
Kuala Lumpur

3 September 2012

NOTES:

1. A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. When a member appoints two (2) proxies to attend the Meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.
4. The Proxy Form duly completed, must be deposited at the Company's Registered Office at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory Notes on Special Business

The Ordinary Resolution 12, if passed, will empower the Directors to issue and allot shares not exceeding 10% of the Company's issued share capital for the time being without convening further general meetings for such purposes.

This authority is a renewal of the general mandate which will expire at the forthcoming 36th Annual General Meeting. As at the date of this Notice, the Company has not issued any shares pursuant to the mandate granted at the last Annual General Meeting.

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

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

Notes

IREKA CORPORATION BERHAD
(Company No: 25882-A)
(Incorporated in Malaysia)

Proxy Form

No. of Shares Held ______________________
CDS Account No. ______________________

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

of ______________________

being a member of Ireka Corporation Berhad, hereby appoint ______________________

NRIC No. ______________________ of ______________________

____

or failing him/her, the Chairman of the Meeting, as *my/our proxy, to vote for *me/us and on *my/our behalf at the 36th Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 26 September 2012 at 10.30 a.m. and at any adjournment thereof. *My/our proxy is to vote as indicated below:

No.	Ordinary Resolutions	For	Against
1	To receive the audited financial statements for the financial year ended 31 March 2012 and the reports of the Directors and Auditors thereon		
2	To approve the payment of a first and final single-tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2012		
3	To approve the payment of Directors' fees of RM353,000.00		
4	To re-appoint Haji Ir. Abdullah bin Yusof as a Director of the Company		
5	To re-appoint Lai Siew Wah as a Director of the Company		
6	To re-appoint Haji Mohd. Sharif bin Haji Yusof as a Director of the Company		
7	To re-appoint Kwok Yoke How as a Director of the Company		
8	To re-elect Chan Soo Har @ Chan Kay Chong as a Director of the Company		
9	To re-elect Lai Man Moi as a Director of the Company		
10	To re-elect Lai Voon Hon as a Director of the Company		
11	To re-appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company		
12	To issue and allot shares pursuant to Section 132D of the Companies Act, 1965		

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

* Delete if inapplicable

____
Signature/Seal

Dated this ______________ day of ______________ 2012

NOTES:

1. A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. When a member appoints two (2) proxies to attend the Meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.
4. The Proxy Form duly completed, must be deposited at the Company's Registered Office at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

PLEASE FOLD HERE

STAMP

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

ATTN: THE COMPANY SECRETARY

PLEASE FOLD HERE

IREKA CORPORATION BERHAD 25882-A
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