IREKA

BETTER TOGETHER

50 ANNIVERSARY

ANNUAL REPORT 2017

BETTER TOGETHER

This year Ireka Corporation Berhad celebrates our 50th Anniversary with a striking gold colour which portrays the spirit of prestige and sophistication.

Our theme of “Better Together” spells out Ireka’s “united in strength” message as we continue to forge ahead into the future.

A bold numerical “50” is embossed to signify the company’s endurance and reliability over the half century.

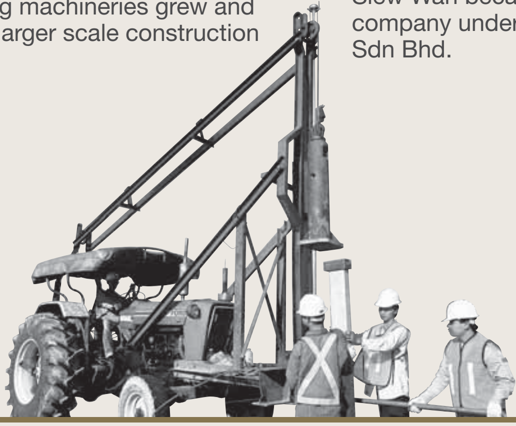
THE JOURNEY BEGINS...

1960s–1970s

- The formative years of Syarikat Lai Siew Wah saw Ireka working as a small earth-moving sub-contractor for site-clearings and road works construction. As Ireka progressed into the 70s, its fleet of plants and earth-moving machineries grew and it started taking larger scale construction works.

- Ireka started business as Syarikat Lai Siew Wah, a sole proprietor performing general contracting works for earth-moving contractors in Malaysia.

- On 31 December 1975, Syarikat Lai Siew Wah became a private limited company under the name Lai Siew Wah Sdn Bhd.



1980s

- By the 80s, Lai Siew Wah Sdn Bhd has already established itself as one of the largest local earthworks contractors in Malaysia. Throughout the 80s, Ireka performed works for most of the country's top tin mining companies such as The Sungai Besi Mines, Ayer Hitam Tin Dredging, Selangor Dredging Bhd, Berjuntai Tin Dredging, Petaling Tin and Kuala Langat Mining.

  In mid 80s, Lai Siew Wah Sdn Bhd expanded its construction activities into civil engineering works, principally roads, bridges, interchange and public utilities.

- Lai Siew Wah Sdn Bhd changed its name to Ireka Construction Sdn Bhd on 28 January 1986 to reflect a more national business orientation.

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1990s

- The 1990s can be classified as the landmark decade for Ireka as it started diversifying out of its construction business.

At the beginning of the 1990s, Ireka started to work on its three pronged strategy to diversify into other core businesses to widen its income stream, expand its construction operation overseas and list Ireka on the Kuala Lumpur Stock Exchange (KLSE).

With the listing of the company, Ireka went on to build capabilities in three core businesses, namely construction, property development and hotel and leisure business.

The early 1990s were construction boom years for Malaysia and Ireka. Ireka benefited from the various mega projects to transform Malaysia into a developed nation. Ireka played a role in constructing some of these infra-structures which included works in the Kuala Lumpur International Airport, Kuala Lumpur Middle-Ring Road II, North-South Expressway, Technology Park Malaysia and the Cheras-Kajang Highway. In August 1997, Ireka was awarded the Master Builders Association of Malaysia's Gold Medal Service Award.

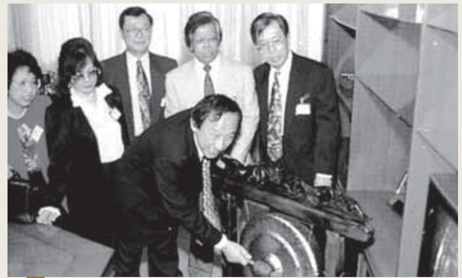
- In the property development business, Ireka started acquiring land banks in Mont' Kiara in early 1990 which enabled the Group to have continuous development projects throughout the later half of the 90s and into the 2000s.

- Regalmont Sdn Bhd (now known as Ireka Land Sdn Bhd) ("ILSB") was set up in 1994 as the development arm to develop up-market residential development in Mont' Kiara and subsequently launched the i-ZEN brand series of residential and commercial developments.

- During the year 1996, Ireka ventured into hotel and leisure business.

- In the hotel and leisure sector, the 1990s saw Ireka developing its first flagship five-star hotel, The Westin Kuala Lumpur. The Westin Kuala Lumpur had its ground-breaking ceremony in 1996.

- Ireka completed Kedah State Assembly in March 1993.



- Ireka made its debut on the Second Board of the Kuala Lumpur Stock Exchange on 12 July 1993.

- Ireka completed Tropicana Golf & Country Resort in October 1993.

- In 1994, Ireka ventured into property development business.

MILESTONES

2000s

- In 2000, Ireka expanded into e-commerce by forming Ireka iCapital Sdn Bhd to manage all e-commerce, IT ventures and systems within the Group. In 2003, i-Tech Network Solutions Sdn Bhd ("i-Tech") was incorporated. i-Tech was awarded IBM Top Global Financing Partner Award 2006, Top Achiever Award for Korea Challenge 2006, 1st Half IBM 2006 Outstanding Achievement for IBM e-Server x-Series Award, Lenovo Outstanding Contribution for Q1 2007 Award and The Highest Growth Partner Award for Microsoft Partner 2007.

- Ireka Engineering & Construction Sdn Bhd ("IECSB") was awarded MS ISO 9002 Accreditation by SIRIM in March 2002. This is a certification to the Group's commitment to high quality of work.

- Ireka was successfully transferred to the Main Board of the Kuala Lumpur Stock Exchange on 13 June 2002.

- For the first half of the 2000s IECSB secured a few major projects, namely two Ministries buildings in Putrajaya, Kiaraville condominium, DiGi Corporate Office, i-ZEN@Kiara I, Cineleisure and OCBC Bank Headquarters in Kuala Lumpur.

- In recognition of its excellent corporate governance and exemplary corporate conduct, Ireka was awarded the KLSE Corporate Sectoral Award 2001 and KLSE Corporate Excellence Award 2002.

- Between 2003 and 2005, ILSB successfully launched several property development projects, namely i-ZEN@Kiara II, i-ZEN@Villa Aseana, i-ZEN@Kiara I (Mont' Kiara), Luyang Perdana (Kota Kinabalu) and Sandakan Harbour Square (Sandakan).

- Ireka completed the refurbishment and fitting-out works of Wisma AIG in December 2003.

- ILSB launched Tiffani by i-ZEN in July 2006, in collaboration with CapitaLand Singapore. This project marks the first of the many subsequent projects with CapitaLand.

- The Westin Kuala Lumpur was opened in September 2003. Over the years, it had won much-coveted awards, such as the International Real Estate Federation (FIABCI) Malaysia Property Awards 2005 (Hotel Development category), Prix d'Excellence Award 2006 (Best Hotel and Leisure category) and Hospitality Asia Platinum Awards 2005 – 2006 (The Award for Excellence – Best New Hotel).

- Ireka-Charng Sheng Development Sdn Bhd (now known as ICSD Ventures Sdn Bhd) ("ICSD") was formed in November 2002, as a partnership between Ireka Group and Syarikat Charng Sheng Sdn Bhd to undertake the Sandakan Harbour Square project.

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MILESTONES

- Ireka completed RHB Bank Training & IT Centre, Bangi in September 2003.

- Ireka completed Embassy of Brunei, Beijing in February 2004.

- In August 2006, Ireka announced the disposal of The Westin Kuala Lumpur to Newood Assets Ltd, for a record price of RM455 million cash. The transaction was completed in January 2007.

- Bizhub, the office suites component within one Mont' Kiara by i-ZEN, an integrated commercial development project in partnership with CapitaLand Singapore was launched to i-ZEN customers in December 2006. All units launched were sold out.

- Ireka announced the disposals of ILSB and ICSD in November 2006 and the incorporation of a new subsidiary company named "Ireka Development Management Sdn Bhd ("IDM")" in January 2007 to carry out the businesses of property development management and the provision of other related professional services and consultancy. It was appointed the exclusive Development Manager of Aseana Properties Limited ("Aseana") for the day-to-day management of its property portfolio and the introduction and facilitation of new investment opportunities.

- Aseana, an associated company of Ireka, was successfully listed on the Main Market of London Stock Exchange on 5 April 2007.

- Ireka completed i-ZEN Kiara I, a 302-unit high-end serviced residences housed in a single 35-storey block in Mont' Kiara in 2008.

- Ireka completed Kiaraville, a 412-unit luxurious condominium development comprising 5 blocks ranging from 10 to 33-storey buildings in Mont' Kiara in 2008.

2000s

- In 2009, Ireka completed the construction of Tiffani by i-ZEN, a 399-unit luxurious condominium development, which comprised a 36-storey block and a 28-storey block in Mont' Kiara.

- In 2009, Sandakan Harbour Square, a project in the initial portfolio of Aseana, won the prestigious CNBC-Asia Pacific Property Awards in the commercial redevelopment category. This is a testament to Ireka's strong capabilities in conceptualising and managing projects.

Beyond 2010

- In 2010, Ireka completed the construction of one Mont' Kiara by i-ZEN, a mixed development comprising a retail podium, office tower, car park bays and office suites located at the heart of Mont' Kiara.

- In 2011, Ireka completed the Kulai-Second Link Expressway Interchange, Johor.

- Ireka marked the Group's first maiden foray into Vietnam in 2010 by securing the construction contract of the City International Hospital in Ho Chi Minh City, a modern private care hospital conforming to international standards with 320 beds. The hospital was completed in 2013.

- In 2012, Ireka completed the construction of SENI Mont' Kiara, a development managed by IDM, comprising 605 units of prestigious residential condominium. SENI Mont' Kiara clinched the Asia Pacific Property Awards 2012 – 2013, FIABCI Malaysia Property Award 2013 and FIABCI World Prix d'Excellence Awards 2014 (Silver Winner) for residential (high rise) category.

- In 2012, Ireka completed the construction of the 300-room Four Points by Sheraton Sandakan Hotel and the 5-storey Harbour Mall. The hotel and mall was officially opened by the Sabah Chief Minister, Y.A.B Datuk Seri Panglima Musa Aman on 20 October 2012.

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MILESTONES

- In 2013, Ireka embarked on a joint-venture development project named The RuMa Hotel and Residences with its associated company, Aseana, on a prime site in KLCC area. This development comprised a block of 40-storey, 199 units of serviced residences, 253 hotel suites with 6-storey podium and a 3-storey basement car park. Ireka was awarded the construction contract of the project valued at RM249 million.

- In 2013, Ireka launched its Kasia Greens, a township sprawled across 17 acres located in Nilai, Negeri Sembilan. 142 units of terraced houses (Phase A) were completed in 2015.

- In 2013, Ireka completed the construction of the Aloft Kuala Lumpur Sentral Hotel, a development managed by IDM, won FIABCI Malaysia Property Awards 2014 and FIABCI World Prix d'Excellence Awards 2015 (Gold Winner) for hotel category.

- In 2013, Ireka completed the construction of Nu Sentral Towers comprising 2 blocks of 44-storey and 34-storey office towers in Kuala Lumpur Sentral.

- In 2015, Ireka completed the construction of a 35-storey Imperia Puteri Harbour serviced apartments and a 16-storey office tower with retail space in Johor.

- In 2016, Ireka officially launched the multi-functional industrial units, ASTA Enterprise Park, a 31.5 acres of freehold development located at Kajang.

- In 2016, Ireka completed the construction of Solstice @ Pan'gaea, comprising 2 blocks of 39 & 35-storey each with a total of 946 units of serviced apartment in Cyberjaya.


MRT Elevated Viaduct Civil V7

- In 2017, Ireka completed the construction of 10 Shopz comprising 10 units of double-storey shop lot in Nilai and MRT Elevated Viaduct Civil V7 (Bandar Tun Hussein Onn to Taman Mesra).

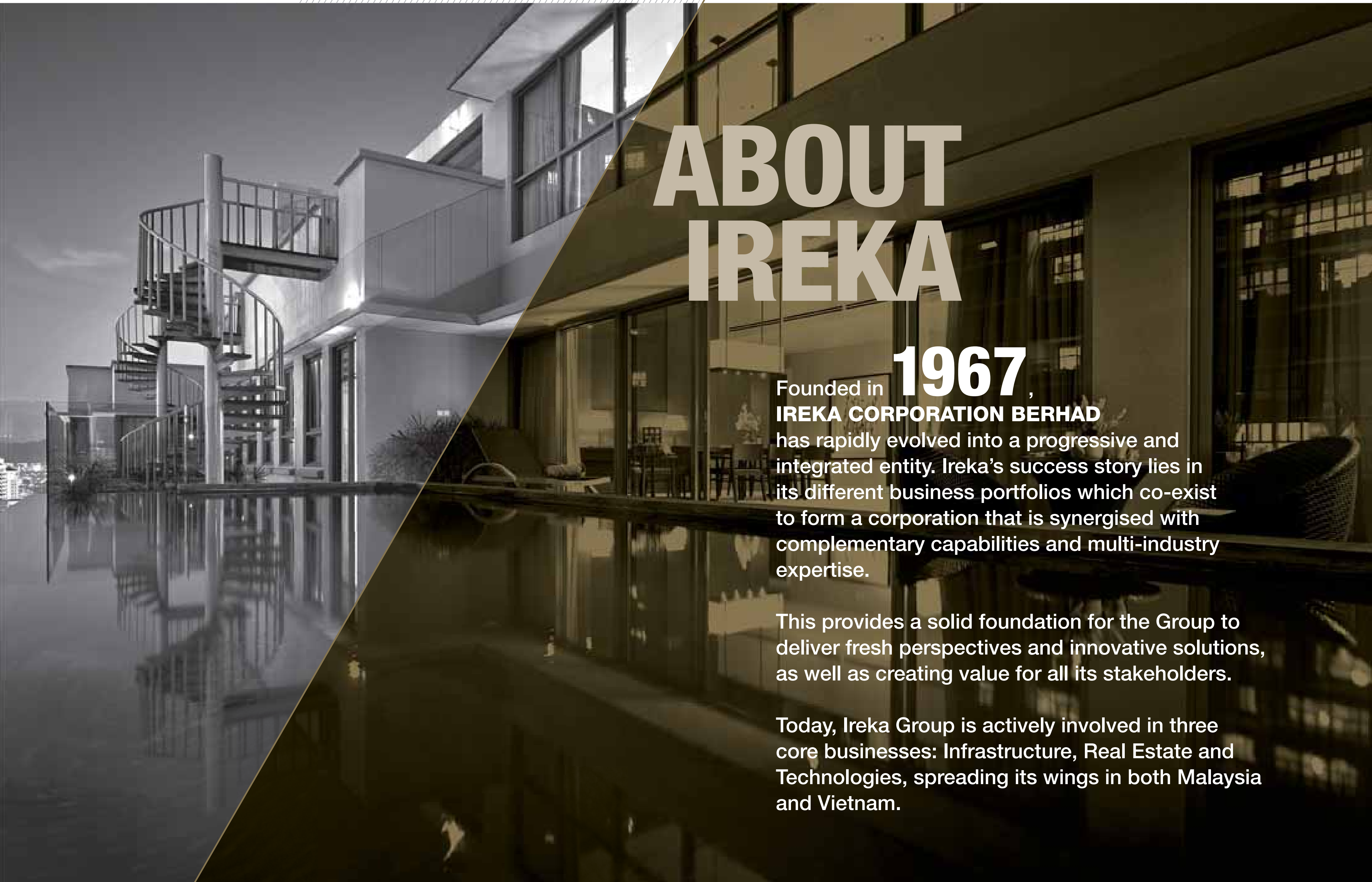
- The current projects that are under construction include KL Eco City Setia Tower, KL Eco City Vogue Suites 1, The RuMa Hotel and Residences and a design-and-build contract for industrial facilities at ASTA Enterprise Park.

...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.

WHAT'S INSIDE



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 value 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN
Datuk Lai Siew Wah

MANAGING DIRECTOR
Datuk Lai Voon Hon

DEPUTY MANAGING DIRECTOR
Lai Voon Huey, Monica

EXECUTIVE DIRECTORS
Chan Soo Har @ Chan Kay Chong
Lai Man Moi
Tan Thiam Chai

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
Datuk Lai Jaat Kong @ Lai Foot Kong

INDEPENDENT NON-EXECUTIVE DIRECTORS
Haji Mohd. Sharif bin Haji Yusof
Hoe Kah Soon
Dato' Azmi bin Abdullah

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
Haji Mohd. Sharif bin Haji Yusof
Tel : +603-6411 6388
Fax : +603-6411 6383
Email : mohdsharif@ireka.com.my

AUDIT COMMITTEE

CHAIRMAN
Haji Mohd. Sharif bin Haji Yusof

MEMBERS
Hoe Kah Soon
Dato' Azmi bin Abdullah

COMPANY SECRETARY

Wong Yim Cheng
MAICSA 7008092

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
Email : enquiry@ireka.com.my
Website : www.ireka.com.my

SHARE REGISTRAR

SYMPHONY SHARE REGISTRARS SDN BHD

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Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7849 0777
Fax : +603-7841 8151 / 8152

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

STOCK CODES

Shares : 8834
Warrants: 8834WB

AUDITORS

RAJA SALLEH, LIM & CO.

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

CHAIRMAN'S STATEMENT

THE YEAR 2017 MARKS IREKA'S 50TH ANNIVERSARY. OVER THIS PERIOD, IREKA HAS TRANSFORMED FROM A SOLE PROPRIETOR PERFORMING GENERAL EARTH-MOVING WORKS CONTRACTORS IN MALAYSIA INTO A LISTED CONSTRUCTION, PROPERTY DEVELOPMENT AND INVESTMENT GROUP OF COMPANIES.

Solstice @ Pan'gaea,
Cyberjaya

Ireka has developed a strong track record and sound reputation in delivering projects that are both unique and innovative to meet the requirements of clients and buyers. Ireka will look to build and grow upon this foundation as we move forward to the next 50 years for the company.

The Group recorded revenue of RM331.8 million for the financial year ended 31 March 2017 compared to RM263.1 million in the previous year. The increase of 26.1% in revenue is largely due to the increase in revenues from Real Estate and Infrastructure Divisions. The Real Estate Division in particular, has shown significant revenue improvement of more than 100.0% as a result of the disposal of land at ASTA Enterprise Park, Kajang as part of a design-and-build industrial facilities project that the Company is undertaking for a Japanese manufacturing client. In tandem with the increase in revenue, Ireka Group recorded an operating income of RM3.2 million as opposed to an operating loss of RM13.4 million in FY2016. Additionally, the share of profit of the Group's associate company, Aseana Properties Limited ("Aseana Properties" or "Aseana") of RM8.0 million has lifted the Group's profit for the year to RM4.2 million as compared to a loss of RM39.6 million last year.

The construction sector has remained a bright spot amid a less-than-rosy economic environment, both locally and globally. In Malaysia, the value of construction works done grew by 8.1% year-on-year to a record RM32.6 billion in the fourth quarter of 2016, whilst the overall growth in the construction sector reached 10.3% in 2016. The commencement of mega infrastructure projects under the 11th Malaysia Plan ("11MP") which began in 2016, will contribute to construction sector growth, thus expecting to contribute huge benefits from project development activities over the 5 year duration of the plan. The 11MP has an estimated development allocation of RM260.0 billion and is the final phase of the government's plan for Malaysia to be a developed and inclusive nation by 2020. Large-scale projects that will propel the sector include the Pan Borneo Highway in Sabah and Sarawak, Johor's Refinery and Petrochemical Integrated Development, high-speed rail from Kuala Lumpur to Singapore and the Mass Rapid Transit Line Two in Klang Valley. The Group hopes to be able to contribute its expertise towards the implementation of the 11MP in the coming years.

The Group's construction division has shown resilience during the year under review and has performed satisfactorily amid tapering growth in the real estate sector. The Group has a RM1.0 billion order book as at 30 April 2017, of which RM715.3 million has been completed, leaving an outstanding order book of RM265.4 million. FY2017 saw the completion of the Solstice @ Pangaea project at Cyberjaya. In addition, two projects were secured during the year with a total contract value of RM109.8 million, which include the design and build contract for industrial facilities at ASTA Enterprise Park, Kajang, as well as Phase 1 of the ASTA Enterprise Park. The Group is planning a number of internal projects scheduled to commence in the next 15 months, which is expected to bring its total order book to approximately RM887 million. This bodes well for the growth prospects of the Group's construction division and it will also continue to bid for external construction work, both in the public and private sectors.

MRT V7, Bandar Tun Hussein Onn to Taman Mesra

CHAIRMAN'S STATEMENT CONT'D

Rimbun Kasia, Nilai

Meanwhile, 2016 saw property buyers and aspiring house owners being plagued with negative sentiments especially with the depreciating Ringgit and headwinds in the Malaysian economy. Increasing cost of living and economic uncertainties have led to an increase in worries about job security, resulting in more cautious consumer spending. Nevertheless, Ireka Group is now shifting its focus to develop properties in the mid-market segment by launching the first phase of Rimbun Kasia in Nilai, with the impending launch of courtyard apartments, known as dwi@Rimbun Kasia in the last quarter of 2017. Besides that, the Group has also launched the first phase of the ASTA Enterprise Park, Kajang, a project consisting of semi-detached and detached light industrial factories in a guarded environment, in September 2016. The Group has entered into a fixed price lump sum design-and-build contract for a industrial facility for a Japanese manufacturing company at ASTA Enterprise Park, Kajang, and construction works have commenced in March 2017. In addition, the Group is working to develop the Mont' Kiara Residence, a 168-unit serviced residence and commercial project located in Mont' Kiara. Finally, planning approval has been obtained for Serika Residences (formerly known as Kajang Residences) and the project is targeted to be launched in the second quarter of 2018.

During the year under review, Ireka Development Management Sdn Bhd ("IDM"), being the manager of Aseana Properties, was also occupied with the divestments of Aseana's investments in Aloft Kuala Lumpur Sentral Hotel and the equity investment in Nam Long Investment Corporation Berhad. Following these disposals, Aseana Properties announced a capital return to its shareholders via a tender offer. This tender offer exercise was completed in January 2017 with Aseana Properties returning US$10,000,500 to its shareholders. Ireka received approximately US$3.0 million with its 23.07% stake in Aseana Properties. With the ongoing divestment plan, Ireka looks forward to receiving more capital returns in the near future from Aseana Properties.

The Group's Technologies businesses which consist of i-Tech Network Solutions Sdn Bhd ("i-Tech") and iTech ELV Solutions Sdn Bhd ("iTech ELV") have experienced mixed performances this financial year. The shift in technological trends has meant a change of direction for i-Tech. Cloud computing is taking over from the traditional business medium for on and off-site datacenters. I-Tech has had to reinvent itself by investing its effort in providing "managed services" such as Disaster Recovery to corporate clients. Meanwhile, iTech ELV has performed much better with a new electrical works contract in the RuMa Hotel and Residences project in Kuala Lumpur. iTech ELV is slowly developing a body of work which should stand it in good stead going forward.

In closing, I would like to thank my colleagues on the Ireka Board and our staff for their invaluable dedication and support towards achieving our shared goals and objectives. I also wish to extend my gratitude to all shareholders, customers, business partners, Government authorities and Aseana for their continued trust and support of our business endeavours.

DATUK LAI SIEW WAH
Executive Chairman
17 July 2017

MANAGEMENT DISCUSSION & ANALYSIS

GROUP PERFORMANCE REVIEW

The Malaysian economy registered a growth of 4.2% in 2016 despite immense pressure from external and domestic headwinds. The country's economy continued to be challenging with increasing high cost of living and gloomy employment conditions. Likewise, business and consumer sentiments were affected by a combination of global and domestic factors, including the volatility in the financial markets as well as the Ringgit. The Ringgit has fallen 12.9% against the US Dollars since March 2016 to the RM4.4265/US$1.0 in March 2017. Notwithstanding these challenges, all sectors of the Malaysian economy recorded moderate growth during the year with domestic demand being the primary driver of the country's economic growth.

Meanwhile, Vietnam's economy remains buoyant despite slower growth recorded in 2016 amid the slowdown in the growth of emerging markets. Vietnam's economy rebounded to emerge as one of the strongest performing economies in the Asean region in 2016. Vietnam's Gross Domestic Product ("GDP") growth reached 6.2% in 2016, underpinned by robust domestic demand and record high foreign investment inflows.

Ireka Group's performance has shown relative resilience in FY2017. The Group's revenue for financial year ended 31 March 2017 grew 26.1% to RM331.8 million, compared to RM263.1 million in FY2016. In addition, the Group achieved a pre-tax profit of RM3.9 million on the back of higher revenue. The Infrastructure Division of the Group through its construction activities remains the major revenue contributor to the Group, accounting for approximately 80.7% of the Group's total revenue. This is followed by the Real Estate Division and the Trading and Services Division at 12.9% and 6.3% respectively.

During the year under review, revenue from the Real Estate Division has contributed significantly to the increase in the Group's revenue owing to contribution from the ASTA Enterprise Park project in Kajang. Furthermore, share of profit from the Group's associate company, Aseana Properties which has reported a notable increase in revenue mainly due to the disposal of the Aloft Kuala Lumpur Sentral Hotel ("AKLS") in 2016, has also provided a boost to the Group's overall financial results.

ASTA Enterprise Park, Kajang

International Healthcare Park, Ho Chi Minh City

MANAGEMENT DISCUSSION & ANALYSIS CONT'D

KL Eco City Residential Tower 1

KL Eco City Office Tower 2

Subsequent to the disposals of the Aloft Kuala Lumpur Sentral Hotel and its equity investment in Nam Long Corporation Berhad, Aseana Properties returned cash of approximately US$10.0 million to shareholders via a tender offer exercise. With Ireka's 23.07% stake in Aseana Properties, Ireka received approximately US$3.0 million (equivalent to approximately RM10.3 million) as part of the capital return exercise in January 2017.

Moving forward, the Group will continue to develop its three core businesses of infrastructure, real estate and technologies in line with its mid and long term strategic goals.

INFRASTRUCTURE DIVISION PERFORMANCE REVIEW

Notwithstanding global and local economic uncertainties, the Malaysian construction sector demonstrated its resilience once again by achieving a growth of 10.3% in 2016, boosted by numerous mega infrastructure projects in the country. The total value of construction works done in the last quarter of 2016 grew 8.1% as compared to the last quarter of 2015 to reach RM32.6 billion, mainly driven by the civil engineering sub-sector. Projects such as the Refinery and Petrochemical Integrated Development project in Pengerang, Johor, Mass Rapid Transit Two, SUKE and DASH highways in the Klang Valley and the Pan Borneo Highway connecting Sabah and Sarawak are major impetuses to the growth of the construction industry and the country.

The Malaysian Government, through the Construction Industry Development Board proactively formulated the Construction Industry Transformation Programme ("CITP"), recognising the need to transform the construction sector of the country to support the strategies of the 11th Malaysia Plan. CITP sets important goals and milestones to elevate Malaysia's construction industry to the next level by enhancing knowledge content, driving productivity, fostering sustainable practices and increasing global competitiveness.

During the year under review the Group's construction arm, IECSB has performed well with revenue increasing from RM237.5 million in FY2016 to RM267.8 million in FY2017. The increase in revenue is contributed by revenues from on-going projects such as the RuMa Hotel and Residences, KL Eco City Residential Tower 1 and the KL Eco City Office Tower 2, all of which are nearing completion. In addition, IECSB has successfully clinched two new projects, namely the design-and-build contract for an industrial facility at ASTA Enterprise Park, Kajang for Malaysia Packaging Industry Berhad ("Maypak"), as well as Phase 1 of the ASTA Enterprise Park, both with a construction value of approximately RM109.8 million. Further to these, IECSB completed a mid to high end residential high rise project in Cyberjaya, Solstice @ Pan'gea, for the OSK group at the end of the second quarter of 2016.

IECSB's order book currently consists of building projects ranging from luxury serviced residences and hotel, commercial offices, factories and shop lots as well as civil and structural works for the Mass Rapid Transit project. The Group's total construction order book as at 30 April 2017 stood at RM1.0 billion, of which RM715.3 million has been completed, leaving an outstanding order book of RM265.4 million. The Group is also anticipating the commencement of 6 internal projects over the next 15 months, which, when implemented, would bring the total outstanding order book to approximately RM887.4 million.

The Group is actively tendering for new projects to replenish its order book to ensure sustainable earnings in the coming years. Additionally, IECSB is also geared towards ensuring all current projects are progressing as planned and will be delivered on time, and to the expectations of its clients.

Malaysia Packaging Industry Berhad (Maypak)

REAL ESTATE DIVISION PERFORMANCE REVIEW

The Malaysian property market continued its softening streak in 2016 in light of lacklustre global and local economic climate. On-going concerns of the volatile Ringgit and cautious buyer sentiment in the property market have driven down property transactions and prices across the country. According to the National Property Information Centre ("NAPIC"), the year recorded 320,425 transactions worth RM145.4 billion, indicating a decline of 11.5% in volume and 3.0% in value. Property transactions in 2016 continued to be driven by the residential sub-sector with 203,064 transactions worth RM65.6 billion, a decline of 13.9% in volume and 10.7% in value as compared to 2015. In addition, the number of new launches declined to 52,713 units, which was a 9.8% reduction compared to 58,411 units recorded in 2015.

In view of the current market condition, it is not uncommon for property developers to introduce enticing marketing packages such as low to zero down payment, guaranteed rental return and cashback schemes. More stringent loan processing by banks have resulted in higher rejection rates and an overall decline in approvals. Loan growth is expected to slow further resulting from uncertainties in the global and local political scenes coupled with low domestic economic growth.

The highlight of FY2016 for Ireka Development Management Sdn Bhd ("IDM") as the development manager for Aseana Properties was the disposal of Aloft Kuala Lumpur Sentral Hotel to Prosper Group Holdings Limited in June 2016 at a gross transaction value of RM418.7 million (approx. US$104.2 million). The disposal represents a significant milestone to realise Aseana Properties' assets in a controlled, orderly and timely manner in accordance with its divestment strategy. Additionally, Aseana Properties also disposed of its remaining shares in Nam Long Investment Corporation during the year, raising total gross proceeds of approximately US$9.9 million.

Despite the soft property market condition, subdued investors' confidence and depreciating Ringgit, the Group's revenue and income contribution from the Real Estate division has shown a huge increase in FY2017 as a result of the successful sale of a land lot at ASTA Enterprise Park, to Maypak. Simulateneously, IECSB has entered into an agreement with Maypak to undertake a fixed price lump sum design-build contract for an industrial facility at ASTA Enterprise Park, Kajang during the period under review and construction works have commenced in March 2017.

Furthermore, the Group launched the first phase of the ASTA Enterprise Park, Kajang, in September 2016. This 31.5 acres of freehold industrial development is located at a thriving neighbourhood south of Kuala Lumpur near Jade Hill township and a manufacturing hub that is home to the likes of Dunham Bush, Giant Cold Storage Processing and Distribution Centre, Ginvera and Muda Paper Mill. The project consists of industrial lots, semi-detached and detached light industrial factories in a guarded environment, with the first phase accounting for 18 units out of a total of 36 units for the overall development. The design of the units emphasises on multi functionality and versatile utilisation to cater for the total industrial needs of companies.

dwi@Rimbun Kasia, Nilai

Meanwhile, Ireka Group is also now focusing on developing its second development in Nilai following the success of its earlier Kasia Greens project. The second development, known as Rimbun Kasia, consists of 6 parcels of lands measuring 30.6 acres which will be developed into courtyard apartments, condominiums, town villas and commercial centre. The sales launch of the courtyard apartments, dwi@ Rimbun Kasia, is scheduled for Q4 2017. The project, dwi@Rimbun Kasia, consists of a 9-storey, 328 units apartment block with sizes ranging from 650 square feet to 980 square feet in line with the demand for such accommodation in the surrounding education hub in Nilai.

The RuMa Hotel and Residences, Kuala Lumpur

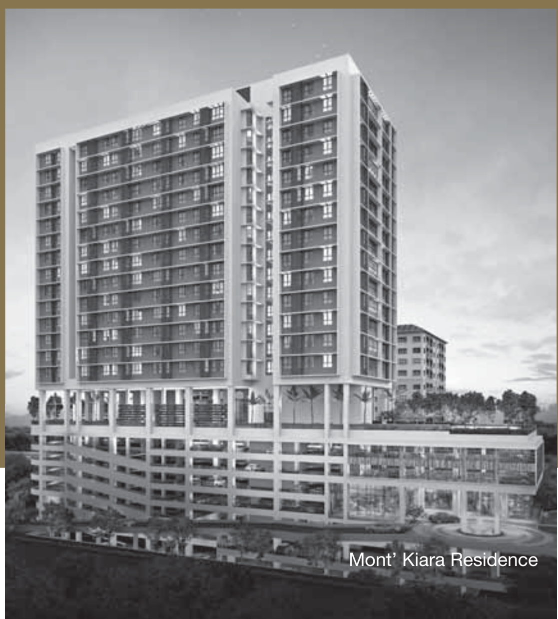
Separately, the Group is also working on the impending launch of the Mont' Kiara Residence, a serviced residence and commercial project located in the heart of the established and exclusive Mont' Kiara enclave. The development is aimed primarily, although not exclusively at the Japanese and other expatriate communities in Mont' Kiara. The 168-unit development which is now under development planning stage, is set to be launched by Q3 2017. In the meantime, planning approval has been obtained for the Serika Residences. The Serika Residences will be positioned as a stylish and trendy new urban resort of serviced residences under the Group's mid-market brand, zenZ, in the thriving area of Kajang. The project is targeted to be launched in the second quarter of 2018.

Despite the cautious outlook of the property market, the Group is optimistic that its current and upcoming projects will progress well. These will be supported by each of the projects' advantage of unique concepts within strategic locations in well-established neighbourhoods.

TECHNOLOGIES DIVISION PERFORMANCE REVIEW

i-Tech Network Solutions Sdn Bhd ("i-Tech") has had a difficult year. The company's sales revenue dropped in FY2017 compared to the previous year. The IT industry has experienced a significant shift in trends over the past 12 months. The boom in cloud computing in Malaysia, where enterprises are more willing to accept and adopt new programmes such as software as a service ("SaaS") and disaster recovery as a service ("DRaas"), have disrupted and challenged conventional IT business models. On-premise data centres and co-location business models are slowly becoming obsolete. The Internet of Things, Big Data business analytics, blockchain technology are taking over as the new norm now.

The RuMa Hotel and Residences, Kuala Lumpur



Mont' Kiara Residence

Tech giants such as Alibaba, AWS, Google, Microsoft Azure have all aggressively entered the Malaysia market and are driving forces behind this change. I-Tech has also had to adjust its business offerings to meet these new demands.

As predicted by all the global major leading marketing firms, the entire world economy will be re-shaped by digital transformation, i.e. cloud computing. IDC predicts that 67% of enterprise IT infrastructure and software will be for cloud-based offerings (Top 10 Tech Predictions in Forbes Magazine November 2016). Therefore, we are investing our assets and resources to enable i-Tech to perform as a cloud managed service provider. We have begun by developing strong relationships with international cloud providers and enablers in order to do so.

i-Tech's "green" datacenter in Mont' Kiara, branded as SAFEHOUSE, focuses on Disaster Recovery as a Service ("DRaaS"), providing its clients with the ability to recover from downtime, with affordable conventional or cloud-based solutions. The recent ransomware hacks affecting around 200,000 computers worldwide have made many companies reevaluate their IT security protocols and we have seen an increase in the requirement for DRaaS. SAFEHOUSE hopes to be able to benefit from this.

iTech ELV Solutions Sdn Bhd ("iTech ELV") sales revenue increased significantly from FY2016. This is due to the acquisition of ELV and electrical works for the RuMa Hotel and Residences project in Kuala Lumpur. iTech ELV is a certified Electrical Class A license Contractor by Suruhan Tenaga offering low voltage ("LV") electrical services namely switch gear, transformer, LV switch board to structure calling, building automation, security access system and audio-visual systems.

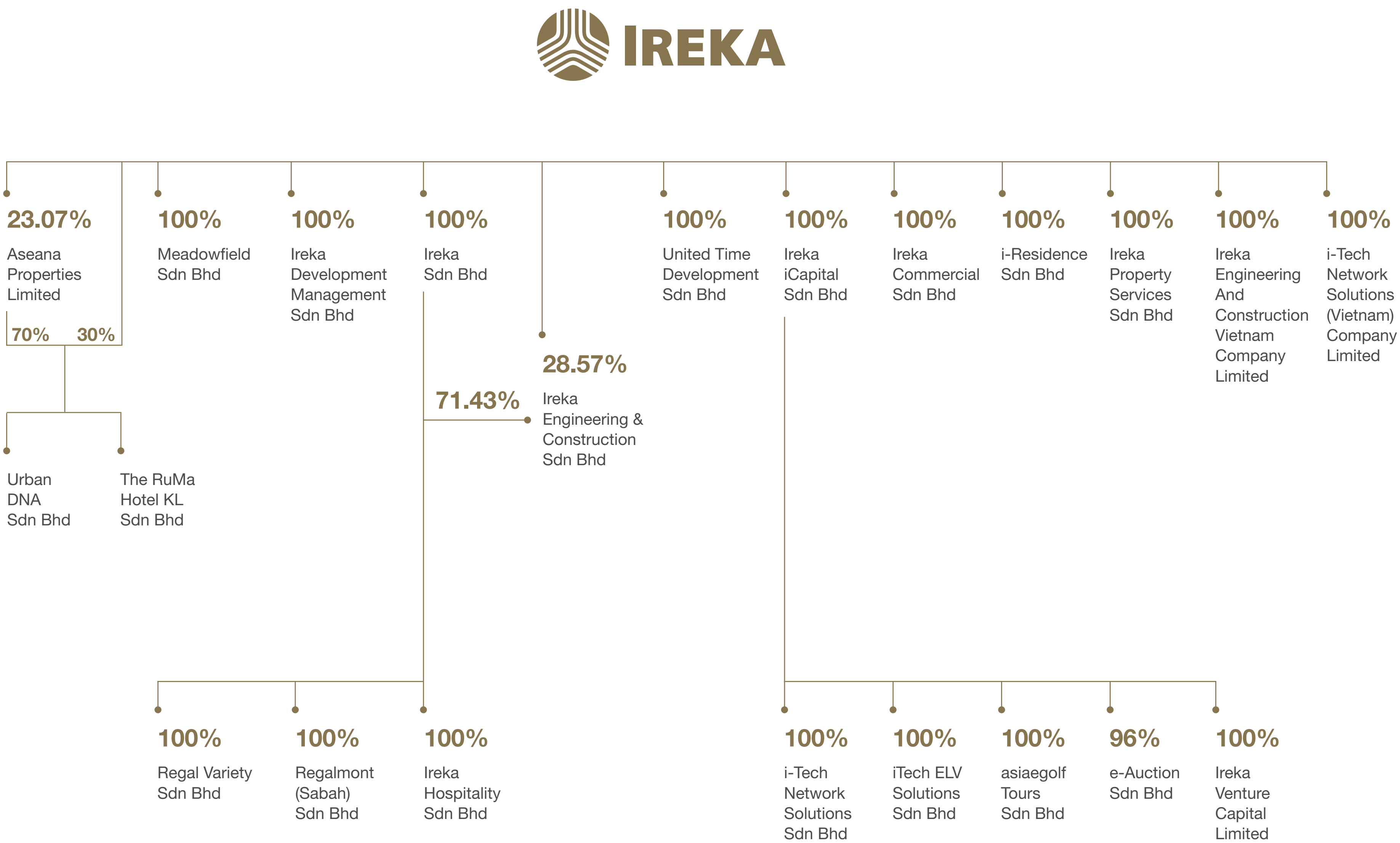
i-Tech Network Solutions (Vietnam) Company Limited ("ITV"), positioned as an IT security company in Vietnam, has also replicated the cloud managed service model adopted in Malaysia. ITV continues to also provide IT services to City International Hospital in Ho Chi Minh City – maintaining the hospital's IT infrastructure and providing IT helpdesk services.

The Technologies Division will continue to heavily market SAFEHOUSE locally and internationally using this as a platform to evolve into a cloud managed service and slowly moving the company away from the extremely competitive hardware and software market segments of the IT industry. IDC predicts (Top 10 Tech Predictions in Forbes Magazine November 2016) that "the cloud will be trusted and by 2020 it will be where trusted and secured IT lives, enhanced by blockchain-based security" and that "by 2020, over 70% of Cloud services providers' revenues will be mediated by channel partners/brokers". I-Tech is positioning itself now to take advantage of such trends.

FY2017 was a challenging year for all three core businesses of the Group. Ireka will remain committed and focused to perform resiliently in the current financial year against the prevailing market uncertainties, and to steer the growth of its core businesses in the right direction. I would like to thank my colleagues on the Ireka Board and our staff, for their hard work and support throughout the years. Your endless commitment proves that there are no challenges that we, as a team, cannot overcome. I also wish to extend my gratitude to our shareholders, government authorities, bankers and business associates for their continued support.

DATUK LAI VOON HON
Group Managing Director
17 July 2017

CORPORATE STRUCTURE



5-YEAR FINANCIAL HIGHLIGHTS

GROUP	12 MONTHS to 31.03.13	12 MONTHS to 31.03.14	12 MONTHS to 31.03.15	12 MONTHS to 31.03.16	12 MONTHS to 31.03.17
IN RM'000					
Revenue	329,932	289,676	426,203	263,122	**331,759**
Profit / (Loss) before taxation	(38,427)	(25,681)	(2,881)	(39,048)	**3,946**
Profit / (Loss) after taxation and minority interest	(40,213)	(27,318)	(2,419)	(39,556)	**4,195**
Shareholders' funds	178,812	151,746	185,831	140,336	**144,098**
Total assets	511,964	543,752	547,106	483,649	**498,821**
IN SEN					
Gross dividend per share	–	–	3.0	–	**2.0***
Net earnings per share – Basic	(35.30)	(22.30)	(1.54)	(23.15)	**2.45**
Net tangible assets per share	157.0	133.2	108.8	82.1	**84.3**
IN PERCENTAGE					
Return on shareholders' fund	(22.5)	(18.0)	(1.3)	(28.2)	**2.9**
Gearing	85	125	82	102	**88**
Gearing (net of cash)	75	101	66	83	**79**

Note:
* Subject to the approval by shareholders of the Company at the 41st Annual General Meeting.

BOARD OF DIRECTORS

SEATED (LEFT TO RIGHT)

DATUK LAI VOON HON 拿督赖文翰
HAJI MOHD. SHARIF BIN HAJI YUSOF
DATUK LAI SIEW WAH 拿督赖昭华
DATUK LAI JAAT KONG @ LAI FOOT KONG 拿督赖佛光
DATO' AZMI BIN ABDULLAH

STANDING (LEFT TO RIGHT)

LAI VOON HUEY, MONICA 赖玟妃
HOE KAH SOON 何嘉顺
TAN THIAM CHAI 陈添财
CHAN SOO HAR @ CHAN KAY CHONG 陈启章
LAI MAN MOI 赖满妹

DATUK LAI SIEW WAH 拿督赖昭华
Executive Chairman

Aged 77, Male, Malaysian

Date first appointed to the Board:
31 December 1975

Board Committee Membership:
Member of the Remuneration Committee

Datuk Lai Siew Wah is the founder of Ireka. He was made the Managing Director of Ireka on 5 April 1993 and redesignated as Executive Chairman on 1 April 2015. 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 VOON HON 拿督赖文翰
Group Managing Director

Aged 53, Male, Malaysian

Date first appointed to the Board:
18 March 1996

Datuk Lai Voon Hon is also the Chief Executive Officer of Ireka Development Management Sdn Bhd. He joined Ireka in 1994 as the Group General Manager and was made the Group Managing Director of Ireka on 1 April 2015. He is also a Director of several subsidiaries within Ireka Group. He graduated from University College London and Ashridge Management College with a 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 currently a Member of the Young Presidents Organisation, Member of the Board of Trustees for the Malaysian AIDS Foundation; as well as a National Committee Member for the International Federation of Real Estate (FIABCI) Malaysia.

He was the Past Council Member of the Master Builder Malaysia, Industrialised Building System Steering Committee Member of the Construction Industry Development Board (CIDB); as well as past President of the Young Entrepreneurs' Organisation Malaysia.

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

LAI VOON HUEY, MONICA 赖玟妃
Group Deputy Managing Director

Aged 51, Female, Malaysian

Date first appointed to the Board:
30 June 1999

Lai Voon Huey, Monica is also the Chief Financial Officer of Ireka Development Management Sdn Bhd. She joined Ireka as the Group Financial Controller in 1993 and was made the Group Deputy Managing Director on 1 April 2015. 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 a major shareholder of Ireka, through her interest in Ideal Land Holdings Sdn Bhd. She is the daughter of Datuk Lai Siew Wah.

BOARD OF DIRECTORS CONT'D

CHAN SOO HAR @ CHAN KAY CHONG 陈启章

Executive Director

Aged 71, Male, Malaysian

Date first appointed to the Board:
1 April 1990

Chan Soo Har @ Chan Kay Chong joined Ireka in 1975 and he is also a Director of several subsidiaries within Ireka Group. He has over 40 years of 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 赖满妹

Executive Director

Aged 69, Female, Malaysian

Date first appointed to the Board:
1 April 1990

Lai Man Moi joined Ireka in 1975 and she is also a Director of several subsidiaries within Ireka Group. She has over 40 years of 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 Datuk Lai Siew Wah and the spouse of Chan Soo Har @ Chan Kay Chong.

TAN THIAM CHAI 陈添财

Executive Director

Aged 58, Male, Malaysian

Date first appointed to the Board:
1 April 2015

Tan Thiam Chai graduated from University of Bristol, United Kingdom, with a Bachelor of Science (Hons) Degree in Civil Engineering. He is an engineer by profession and has been the Chief Executive Officer for Ireka's construction arm, Ireka Engineering & Construction Sdn Bhd since June 2003. He has worked for Ireka for 28 years and brings with him a wealth of expertise and know-how, having led many of the company's major civil engineering and building projects over the years.

DATUK LAI JAAT KONG @ LAI FOOT KONG 拿督赖佛光

Non-independent Non-executive Director

Aged 74, Male, Malaysian

Date first appointed to the Board:
13 August 1977

Datuk Lai Jaat Kong @ Lai Foot Kong was made the Deputy Managing Director on 8 May 1993. He was redesignated as Executive Director on 1 April 2015 and subsequently redesignated as Non-independent Non-executive Director as well as advisor of Ireka on 31 March 2017.

He has over 35 years of experience in the construction industry and is actively involved in activities of related trade organisation 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 currently the Honorary Lifetime Member of IFAWPCA.

He is the brother of Datuk Lai Siew Wah.

HAJI MOHD. SHARIF BIN HAJI YUSOF

Senior Independent Non-executive Director

Aged 78, Male, Malaysian

Date first appointed to the Board:
2 January 2002

Board Committee Membership:
Chairman of the Audit Committee, Nomination Committee and Remuneration Committee

Haji Mohd. Sharif bin Haji Yusof is also 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.

HOE KAH SOON 何嘉顺

Independent Non-executive Director

Aged 58, Male, Malaysian

Date first appointed to the Board:
1 April 2015

Board Committee Membership:
Member of the Audit Committee, Nomination Committee and Remuneration Committee

Hoe Kah Soon graduated from University of Malaya in 1982 with a Bachelor of Accounting (First Class Honours) and in the same year successfully completed the MICPA examinations. He is a management consultant by profession and comes to Ireka with vast experience in helping global and local organisations successfully implement their strategic change programmes. While at Accenture, previously known as Andersen Consulting (1982 to 2006), he assumed numerous country, regional and global leadership roles. He is currently an Independent Non-executive Director of IFCA MSC Berhad and Diversified Gateway Solutions Berhad. He also sits on the board of University of Malaya.

BOARD OF DIRECTORS CONT'D

DATO' AZMI BIN ABDULLAH
Independent Non-executive Director

Aged 66, Male, Malaysian

Date first appointed to the Board:
26 June 2015

Board Committee Membership:
Member of the Audit Committee and Nomination Committee

Dato' Azmi bin Abdullah graduated from Universiti Kebangsaan Malaysia (UKM) with a B.A. (Hons) Degree in Economics in 1974. He has an extensive banking experience as he was formerly the First Managing Director/ Chief Executive Officer of SME Bank and the Managing Director/Chief Executive Officer of Bumiputera-Commerce Bank Berhad, where he served for more than 26 years in various departments.

He is currently an Independent Non-executive Director of Bank Muamalat Malaysia Berhad, a Director of Transnational Insurance Brokers Sdn Bhd, Kumpulan Wang Amanah Pencen (KWAP) and a Director and a member of Investment Committee of Amanah Raya Berhad. He also sits on the board of several other limited companies.

Note:

Save as disclosed, all other Directors have no family relationship with any Director and/or Substantial Shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence within the past 5 years other than traffic offences, if any.

KEY SENIOR MANAGEMENT AND COMPANY SECRETARY

FROM LEFT TO RIGHT

WONG YIM CHENG 黄艳贞
LEONARD YEE YUKE DIEN 余易庭
YAP KET BIN 叶国彬
RAYMOND CHIN YUN CHOI 陈运财
NG YAU SIONG 黄耀祥
CHAN CHEE KIAN 陈子健

KEY SENIOR MANAGEMENT AND COMPANY SECRETARY CONT'D

LEONARD YEE YUKE DIEN 余易庭

Group General Manager
Ireka Corporation Berhad

Chief Executive Officer
i-Tech Network Solutions Sdn Bhd

Aged 53, Male, Malaysian

Leonard Yee joined Ireka as Chief Executive Officer of Ireka iCapital Sdn Bhd in May 2000 and was appointed Group General Manager on 1 November 2005. He is also the Chief Executive Officer of i-Tech Network Solutions Sdn Bhd and a Director of several subsidiaries within the Ireka Group. He graduated from University of Kingston, Kingston-Upon-Thames, England with a Bachelor of Arts (Honors) Degree in Social Sciences. He worked as a Surety and Financial Lines Underwriter with American International Group, Inc in London and New York before returning to Malaysia. He was previously an Executive Director of a local construction company and a Managing Director of an equities research firm before joining Ireka.

Leonard Yee is the spouse of Lai Voon Huey, Monica.

NG YAU SIONG 黄耀祥

Deputy Chief Executive Officer
Ireka Engineering & Construction Sdn Bhd

Aged 53, Male, Malaysian

Ng Yau Siong joined Ireka in 1991 and was promoted as Deputy Chief Executive Officer of Ireka Engineering & Construction Sdn Bhd on 1 December 2012. He is an engineer by profession and he holds a Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Canterbury, New Zealand. In the span of 26 years in Ireka Engineering & Construction Sdn Bhd, he has held various management positions and successfully completed numerous multi-million civil engineering and building projects.

RAYMOND CHIN YUN CHOI 陈运财

Chief Operating Officer
Ireka Development Management Sdn Bhd

Aged 56, Male, Malaysian

Raymond Chin joined Ireka as Chief Operating Officer of Ireka Development Management Sdn Bhd on 2 June 2014. He graduated from Liverpool Polytechnic, England with Bachelor of Civil Engineering (Honors) in 1984 and he is a civil engineer by profession. He was involved in the development of some high profile projects such as the Renaissance & New World Hotels, Cendana Residence, Desa Damansara & Federal Hill luxury Condominiums in Kuala Lumpur, and The Estella luxury condominium & Riviera Cove Waterfront Villas in Ho Chi Minh City.

CHAN CHEE KIAN 陈子健
Chief Investment Officer
Ireka Development Management Sdn Bhd

Aged 40, Male, Malaysian

Chan Chee Kian joined Ireka on 1 March 2006 and was appointed as Chief Investment Officer of Ireka Development Management Sdn Bhd on 1 January 2011. He was previously a management and strategy consultant with Accenture in Singapore, Bangkok and Kuala Lumpur where he advised a broad range of clients including large multi-national companies, Government linked agencies and local enterprises throughout Asia Pacific on strategic and operational issues. He graduated from University of Bristol, England with First Class Honors in Civil Engineering.

He is the son of Chan Soo Har @ Chan Kay Chong and Lai Man Moi.

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

Aged 39, Male, Malaysian

Yap Ket Bin joined Ireka on 4 August 2008 as Chief Operating Officer of i-Tech Network Solutions Sdn Bhd, one of Ireka's core businesses. He graduated from Iowa State University, Ames, USA with a Bachelor of Science Degree, majoring in Computer Science. He has over 17 years of experience in the Information Technology industry. Over the past 9 years in Ireka, he has expanded i-Tech's business to Vietnam and established a new business unit - iTech ELV Solutions Sdn Bhd. He has also been appointed as Ireka's Information Technology advisor to improve the Group's operational efficiency using technology.

WONG YIM CHENG 黄艳贞
Group Company Secretary
Ireka Corporation Berhad

Aged 53, Female, Malaysian

Wong Yim Cheng joined Ireka as Group Company Secretary on 1 July 2000. She is currently overseeing the corporate services and corporate communication divisions. She is an Associate of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("MAICSA") and has over 25 years of working experience in company secretarial practice and corporate work.

Note:

Save as disclosed, all other senior management have no family relationship with any Director and/or Substantial Shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence within the past 5 years other than traffic offences, if any.

CORPORATE CALENDAR

2016

// MAY 2016

- Ireka announced its consolidated unaudited results for the financial year ended 31 March 2016.
- Ireka's flagship Corporate Social Responsibility ("CSR") programme, IREKA CARES, organised a sports activity with the children from Lighthouse Children's Home and Rumah Hope to unleash their sense of adventure at Skytrex Adventure, an outdoor adventure park within the forest of Taman Botani Negara at Shah Alam.

- Ireka Roadshows were organised at Head Office and project sites, and hosted by the Group Managing Director, Datuk Lai Voon Hon as a platform to communicate directly with staff on relevant issues about the organisation's strategic direction and plan.

// JULY 2016

- IREKA CARES took children from Ireka's adopted homes to have a strike and splash day out at the Bukit Kiara Equestrian & Country Resort.
- Ireka announced that the sale and purchase agreements ("SPA") for the acquisition of a parcel of land located at Pekan Senawang, Daerah Seremban, Negeri Sembilan and subsequent disposal to AEON Co. (M) Bhd ("AEON") were both terminated consequent to the non-fulfillment of the conditions precedent under the SPA with AEON.

// AUGUST 2016

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2016.
- Ireka held its 40th Annual General Meeting at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur. All the resolutions tabled were approved by the shareholders.

// SEPTEMBER 2016

- Ireka officially launched the multi-functional industrial units, ASTA Enterprise Park, a 31.5 acres of freehold development located at Kajang.
- Ireka took part in the Danajamin Might7 Run 2016 for charity. 50% of the registration fee from this Might7 Run was contributed to the National Autism Society of Malaysia (NASOM).

// NOVEMBER 2016

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2016.
- IREKA CARES volunteers and the children from Ireka's adopted homes, The Lighthouse Children's Home and Rumah Kanak-Kanak Angels had a fun time at a giant urban playground at Jump Street, Petaling Jaya.

- Ireka conducted an emergency fire & mock drill at Harbour Mall Sandakan and Four Points by Sheraton Sandakan, as it's a mandatory requirement by BOMBA. This exercise was to test Ireka's Emergency Response Team in respect of their readiness and alertness on managing the safety and security of the mall and hotel.

2017

// JANUARY 2017

- Ireka celebrated its Golden Jubilee as the Group's foundation was laid on 1 January 1967 when Syarikat Lai Siew Wah registered as a sole proprietor undertaking general earth-moving works at the time. In conjunction with the 50th year of Ireka's establishment, it unveiled its official 50th anniversary logo with the slogan "Better Together" which carries the rationale that Ireka, working better together is testament to its success, longevity and endurance.

50TH
ANNIVERSARY
BETTER TOGETHER
1967-2017

// FEBRUARY 2017

- Ireka ushered in the Lunar New Year with a lion dance performance at its Head Office and at all of its developments in Mont' Kiara.
- Ireka Engineering & Construction Sdn Bhd entered into a Contract Agreement with Malaysia Packaging Industry Berhad to undertake a fixed price lump sum design-build contract for industrial facilities for production, warehousing and storage of goods with commercial office facilities and car parking space at an industrial factory lot in Kajang, at a contract sum of RM60,796,000.
- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 December 2016.

// MARCH 2017

- IREKA CARES has chosen Open Hands Fellowship Children's Home, Kajang to be its adopted home for the year. The first activity was to invite local Malaysian artist, Jake Goh to teach the children watercolour painting on canvas.

- Ireka announced that Datuk Lai Foot Kong retired from his role as Executive Director after 40 years of service. He remains on the board as a Non-independent Non-executive Director and an advisor to the Group.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

ENVIRONMENT | MARKETPLACE | WORKPLACE | COMMUNITY

"CORPORATE SOCIAL RESPONSIBILITY (CSR) IS A BIG DEAL FOR US AT IREKA AND WE ENCOURAGE ALL OUR MANAGEMENT AND STAFF TO TAKE THIS SERIOUSLY. THE FOUR KEY AREAS OF ENVIRONMENT, WORKPLACE, COMMUNITY AND MARKETPLACE MAKE UP OUR CSR PROGRAMME WHICH CAN ONLY BE DELIVERED IN PARTNERSHIP WITH OUR STAFF AND BUSINESS ASSOCIATES. IN IREKA, WE ARE DETERMINED THAT NOT ONLY IS OUR CSR PROGRAMME GOOD FOR BUSINESS BUT JUST AS IMPORTANT, IT ASSISTS THE COMMUNITIES IN WHICH WE OPERATE."

DATUK LAI VOON HON
GROUP MANAGING DIRECTOR
Ireka Corporation Berhad

CORPORATE SOCIAL RESPONSIBILITY STATEMENT CONT'D

Here are some examples of what we have done to show Ireka's commitment to creating value for our staff, for society and for our business.

ENVIRONMENT – BUILDING "GREEN" FOOTPRINTS FROM INCEPTION TO IMPLEMENTATION

It is widely acknowledged that the building and construction industries account for high energy consumption, solid waste generation, global greenhouse gas emission and environmental damage. Worldwide, governments have been promulgating policies and laws to promote and enforce "Green" building for both new constructions and existing buildings. "Green" building as defined by the Green Building Index focuses on increasing the efficiency of resource usage (energy, water, and materials) and reducing the impact on human health and the environment, through better siting, design, construction, operation, maintenance, and removal. "Green" buildings should be designed and operated to reduce the overall impact on the built environment and its surroundings.

For developers, there are many uncertainties in the process of delivering a "Green" building. Project managers on all Ireka's sites play the central co-ordinating role in integrating "Green" features to deliver a sustainable building throughout the design and construction process whilst meeting the target time and cost requirements of the project. The list of potential "Green" solutions are explored carefully by the project team to identify the most relevant, feasible, cost effective, and socially beneficial features to be included into the building base design.

"Green" Building Project

Ireka is committed to delivering "Green" building projects. There are currently three Ireka construction projects going for Green Certification:

- The RuMa Hotel and Residences – Gold Certification (GBI)
- KL ECO CITY: OT2 – Gold Certification (GBI)
- KL ECO CITY: RT1 – Certified (GBI)

In complying with the Green Certification, Ireka must ensure the following:

- The Company must subscribe to the Quality Assessment System in Building Construction works programme (QLASSIC) and achieve a minimum score of 70%.
- A Site Amenities Plan is implemented to provide proper accommodation, proper sanitary system and adequate hygiene facilities for workers on site.
- All adhesives, sealants, paints and coatings used for the interior of the building are to be certified with low Volatile Organic Content (VOC).
- The Erosion and Sedimentation Control Plan (ESCP) must comply to the standards of practices to prevent loss of soil and polluting the environment during construction.
- Ireka must achieve a minimum of 50% solid waste diversion from landfills.
- Waste materials have to be stored in separate bins for recycling and dedicated areas must be provided for waste materials.
- Materials with recycled content of at least 10% (based on cost) of the total value of the materials in the project must be used.
- Building materials or products that have been extracted and manufactured within 500 km from the project site, and at least 20% (based on cost) of the total project materials cost must be used.
- Prevention of mould growth is important to control construction moisture on site.
- The Company is expected to perform a building flush out (to test Internal Air Quality) before Vacant Possession and/or CCC.
- All the necessary documents and records for Green Certification Assessment must be kept safely.

Green Building Certification for The RuMa Hotel and Residences

The RuMa Hotel and Residences ("The RuMa"), sitting at a prime location in Jalan Kia Peng, KLCC is aiming for GBI (Green Building Index) certification, Gold rating. Delivering "Green" building projects involves additional features that are different to conventional buildings.

Glass Selection

A good example is the glass selection for The RuMa. From an engineering perspective, glass with lower U-value and shading will lower the amount of heat transfer into the building which will result in lowering the energy required from air-conditioners. The project team researched for the best glass product that meets all the requirements in terms of heat resistance (energy saving), visibility and cost. As a result, double glazed laminated Low e with the U-value of 3.9 W/m2 and shading co-efficient of 0.39 was selected for The RuMa and it will help the building achieve improved performance with overall thermal transmittance value (OTTV) of less than 40W/m2 compared to OTTV nominal standard of 50 W/m2.

Water Fitting Selection

A conventional building's water fitting is usually specified by the architect or developer's team based on the fitting's aesthetics and functionality. "Green" building on the other hand heavily emphasises on the amount of potable water usage reduction. The flow rate or flush rate of a fitting which can be translated into an amount of water saving compared to normal fittings becomes an important consideration during fitting selections. The RuMa's project team conducted studies, testing the fittings for performance of the water saving calculations. Most of the fittings selected were registered under the Water Efficiency Labeling Scheme (WELS), an international water fitting grading body that rates the water fitting performance based on their flow rate. A typical WELS "Excellent" rated fitting could save more than 60% of the amount of water used by conventional water fittings while a typical WELS "Good" rated fitting could save more than 30% of the amount of the water used compared to conventional fittings. The end result of the selection will make The RuMa consume 40% less water.

Construction Waste Management

"Green" building is not limited to building design, but it also involves construction practices in resource management at sites. A responsible construction waste management programme has been enforced at The RuMa site to reduce the solid waste generated on site. A detailed construction waste management plan was drafted before the construction works started and the waste handling strategy is modified from time to time as the construction reaches different stages to ensure the strategy is best suited for current site conditions. All construction material entering The RuMa site and waste material leaving the site is recorded to keep track of the waste management implementation. Paper boxes, timber pallets or metal trays that come with the construction materials are collected to be reused by sending them back to the material supplier or recycled, while the left-overs from the construction materials that are recyclable are segregated from general waste. Recyclable waste such as metal, timber, etc will be piled up in different bins and delivered to the recycling center at Sungai Kertas or sold to relevant recycling collection centres. It involves close co-operation and communication between the project team and contractors to monitor the waste management on site. The close working between these parties is the key success factor of construction waste reduction at The RuMa site by at least 50%.

Other Green Features

Every step taken to "Green" The RuMa is the result of co-ordination between various parties backed-up by studies to support the execution of the plan. Whether it's for the premium indoor air quality of the building, the usage of "Green" label products in building design, energy saving lighting design and control, centralised building energy and water monitoring using the Building automation system or other innovative "Green" solutions, these features have all been included in The RuMa. Construction material selection also has been carefully selected whereby preference is given to materials that come with recycled content or locally sourced. VOC and urea formaldehyde which are harmful to human health are avoided to ensure the indoor air quality of the building is maximised. The amount of recycled content products and regional materials used for The RuMa is estimated to be around 30% and 20% respectively while the products used for internal finishes are 100% low VOC.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT CONT'D

WORKPLACE

Roadshows

For Ireka, the welfare of its employees and their work environment is important. This includes listening to what they have to say and sharing with them about the direction of the Company. In May and June 2016, a series of roadshows were organised in Head Office and at the site offices. Datuk Lai Voon Hon presented on the Company's strategic direction and led on discussions afterwards. These sessions are always valuable for enabling staff to have their say.

Health & Safety

The Health & Safety of our staff and premises is also an important issue for Ireka. Throughout the year, our Head of Security & Safety audits, organises briefings and training events for all staff, whether they are based in Sandakan, Head Office or on site. For instance, in May and November 2016, security audits were conducted on Harbour Mall Sandakan and the Four Points by Sheraton Sandakan Hotel, including refresher training sessions on emergency response.

As part of the ISO requirement, we organised a fire drill exercise for i-TECH and Safehouse staff in September 2016 and this led, in October 2016, to a Fire Safety Awareness Talk for all staff on fire safety in the workplace and at home. This included hands-on experience of handling a fire extinguisher and familiarising staff (especially new ones) with the evacuation routes. Following this training, the Head of Security & Safety inspected all the company's first aid boxes ensuring that they comply with regulations and are visibly displayed and kept within easy reach, should they be needed.

In February and March 2017, Ireka project managers and senior managers attended talks organised by BOMBA on emergency fire drill procedures on all premises in Kuala Lumpur and the first National Emergency Preparedness and Response Seminar respectively.

Staff Activities

Ireka's Sports and Recreation Club has a noble history of providing a range of activities throughout the year for the benefit of all its members such as trips to Malacca and Jogjakarta organised in March 2016 and March 2017 respectively. The Club also organises weekly sports activities for staff and manages the Company's 8-team "House" programme which involves staff throughout the organisation competing in organised activities throughout the year.

The Ireka Toastmasters Club is in its ninth year and works hard to invest in leadership skills for staff. Members have competed in district and regional speech competitions outside Ireka and its aim for the year ahead is to recruit more Irekians to enjoy the benefits of developing leadership skills which the Toastmasters Club excels in.

COMMUNITY INVOLVEMENT

IREKA CARES is the company's flagship CSR programme which started in 2010 and is still going strong. Its focus has always been on the well-being of children and the commitment to make a difference to their lives. Datuk Lai Foot Kong has personally overseen the delivery of the IREKA CARES programme taking a keen interest in ensuring its success. IREKA CARES' volunteers spent time with the children from Rumah Hope, Rumah Kanak-Kanak Angels and Lighthouse throughout the last year taking them to several outings including Farm in the City in Seri Kembangan and Jump Street in Petaling Jaya. In March 2017, IREKA CARES adopted a new children's home in the Kajang area, Open Hands and this home for 19 girls will be the programme's focus for the year ahead.

Ireka also sets aside funds to donate to particular charities and listed below are some of the organisations supported during the year:

1. **Kwong Ngai Lion Dance Troupe**

2. **Association for Special Children, Kajang Selangor**
   (Persatuan Kanak-Kanak Istimewa Kajang Selangor)

3. **Mont' Kiara International School's Buy-A-Brick Campaign supporting Habitat for Humanity**

4. **"The 2016 Mont' Kiara Sports" Event** organised by the Mont' Kiara Consultative Council (MKCC)

5. **Danajamin Might7 Run 2016**

   The 7km charity run was organised by Danajamin Nasional Berhad in conjunction with their 7th anniversary celebration. 50% of the registration fee from this Might7 Run was contributed to the National Autism Society of Malaysia (NASOM).

6. **Malaysia Fire & Rescue Department's Community Learning Centre**

   This grant is to support the Malaysia Fire & Rescue Department to set up a Community Learning Centre at Hang Tuah, Kuala Lumpur.

MARKETPLACE

Interacting with its shareholders, investors, buyers, owners, suppliers, business associates, regulators and Government is important to Ireka and some of the initiatives in place are:

- Investor Relations Policy
- Quarterly CiTi-ZEN magazine
- Customer Relationship Management
- Crisis Communication Processes and Procedures
- Well-defined procurement systems and processes

Going forward, Ireka pledges to continue working to better understand the expectations of its stakeholders and to address the challenges and opportunities identified through all feedback received.

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 2012 ("the Code") are applied by the Group in addition to the Listing Requirements throughout the financial year ended 31 March 2017. Except for matters specifically identified, the Board of Directors has generally complied with the recommendations set out in the Code.

THE BOARD OF DIRECTORS

Roles and Responsibilities of 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, engineering, management, economics, 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 15 to 18 of the Annual Report.

The Board takes full responsibility for the overall performance and business affairs of the Company and the Group. The principal responsibilities include the following:-

- reviewing and adopting strategic plans for the Group;
- overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- succession planning, including identifying, developing and appointing the right persons for key positions, fixing the compensation of and, where appropriate, replacing senior management;
- overseeing the development and implementation of a shareholder and stakeholder communications policy for the Company; and
- reviewing the adequacy and effectiveness of the Group's internal control systems and management information systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Schedule of matters reserved for decision by the Board are as follows:

- approval of corporate strategies;
- approval of annual budget;
- approval of new projects;
- approval of material acquisitions and disposals of undertakings and properties;
- approval of quarterly results announcement, audited financial statements and annual report; and
- recommendation of dividends for the approval of shareholders.

The Board is supported by the Executive Directors who are responsible for making and implementing operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies. Non-executive Directors play key supporting roles, contributing knowledge and experience towards the formulation of policies and in the decision-making process. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

Board Charter

The Board has a Board Charter which sets out the functions, roles and responsibilities of the Board as well as the various internal processes and principles governing the Board. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

The Board reviews the Board Charter from time to time and makes any necessary amendments in accordance with the requirements of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter was last reviewed on 28 February 2017.

The Board Charter is available for reference at the Company's website at www.ireka.com.my.

Code of Conduct

The Board observes the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia ("Code of Ethics"). The Code of Ethics sets out the standard of conduct and ethical behaviour for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, encapsulated in the Group's Human Resource Policies, which has been communicated to all levels of employees in the Group. The whistleblowing policy is not implemented for the time being as such policy requires appropriate education and adequate training for the employees and the right calibre of personnel to ensure its effectiveness. Meanwhile, appropriate feedback and information can be channeled to the Management by the employees. However, the Board will continue to assess if such need is required.

Sustainability

The Board recognises the importance of sustainability and its increasing significance in the business. The Board is committed to implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

The Group has no immediate plan to implement a diversity policy for its workforce in terms of gender, ethnicity and age as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. However, the Group is committed to diversify and apply equal employment opportunity approach in promoting diversity in the Group.

Board Balance and Independence

During the financial year under review, the Board has ten (10) members comprising an Executive Chairman, three (3) Independent Non-executive Directors and six (6) Executive Directors. On 31 March 2017, Datuk Lai Jaat Kong @ Lai Foot Kong retired from his role as Executive Director and remained on the board as a Non-independent Non-executive Director and an advisor to the Company.

The Board takes cognisance that the Code recommends a majority composition of Independent Directors where the Chairman of the Board is a Non-independent Director to ensure a balance of power and authority. After due consideration, the Board has decided to depart from this recommendation. However, in doing so, the board remains steadfast with regard to the importance of having the right composition on the Board and strives to maintain the minimum one-third requirement of Independent Directors under the Listing Requirements.

Datuk Lai Siew Wah is the Executive Chairman and a substantial shareholder of the Company. His strategic leadership and entrepreneurial vision are important for the continued growth of the Company. He has vast experience and knowledge in managing the Group's operations and business activities that enable him to provide the Board with a diverse set of expertise and skills. He has shown great commitment and played an integral role in stewardship. During his tenure as the Executive Chairman of the Company, he has acted in the best interest of the Company and the Board is satisfied that there is no undue influence involved in all related party transactions. All related party transactions and the shareholders' mandate on the recurrent related party transactions were independently assessed by the Audit Committee to ensure compliance with the Listing Requirements of Bursa Malaysia. The Executive Chairman encourages open discussion and free expression of opinions and suggestions at board meetings.

As of now, the Board also does not consider the urgent need to increase independent directors to form a majority of the Board. The Board is of the opinion that current number of independent directors is sufficient to ensure balance of power and authority on the Board. The Board is also satisfied with the Board's composition in respect of representation of minority shareholders by the Independent Non-executive Directors. However, the Board will continuously review and evaluate such recommendation.

The roles and responsibilities of the Executive Chairman and the Managing Director are held by two different individuals to exercise clearly separated functions to enable a balance of power and authority. This is in line with the recommendation of the Code, which requires the Board to establish clear functions reserved for the Board and those delegated to the management.

The Board is led by Datuk Lai Siew Wah, as the Executive Chairman, whilst the executive management is helmed by Datuk Lai Voon Hon, the Group Managing Director. Both have many years of experience in managing the Group's core businesses.

The Executive Chairman is responsible for looking after the best interest of all shareholders by ensuring Board effectiveness and conduct. He ensures the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings. Every Board resolution is put to a vote, if necessary, which would reflect the collective decision of the Board and not individuals or an interest group. He also maintains regular dialogues/meetings with the Managing Director/Head of business units on all operational matters.

The Managing Director, with the assistance of the Deputy Managing Director, has the overall responsibility for the profitability and development of the Group. He is responsible for the stewardship of all the Group's assets, day-to-day running of the business and effective implementation of Board decisions and policies, annual operating plan and budget as approved by the Board. The Managing Director's in-depth and intimate knowledge of the Group's affairs contribute significantly towards the ability of the Group to achieve its goals and objectives.

The segregation of duties between the Executive Chairman and the Managing Director facilitates an appropriate balance of role, responsibility and accountability, and promotes appropriate supervision of the management.

The Board has the 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 and other stakeholders.

The Board is aware of the importance of boardroom diversity to facilitate good decision-making as this enables different insights and perspectives to be harnessed. This diversity criteria includes gender, ethnicity and age. However, the Board is of the view that the selection criteria of a Director, based on the candidates' competency, skills, character, knowledge and experience should remain a priority. Nonetheless, the Board is actively exploring avenues to improve board diversity including gender, ethnicity and age. When given the opportunity of meeting the suitable female candidates, the Board through its Nomination Committee will consider gender diversity as part of its future selection process. Presently, Lai Voon Huey, Monica and Lai Man Moi are the female Directors comprised in the Board of ten (10) Directors.

Tenure of Independent Directors

The Board noted the recommendation of the Code on the tenure of independent directors should not exceed a cumulative term of nine (9) years. To ensure smooth transition on the Board composition following the retirement of the two (2) Independent Non-executive Directors in 2015, the Board has retained Haji Mohd. Sharif bin Haji Yusof as Independent Non-executive Director who has served on the Board for more than nine (9) years.

The Board has reviewed and determined that Haji Mohd. Sharif bin Haji Yusof remains objective and independent in expressing his views and in participating in deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interest of the Company and the shareholders.

The Independent Non-executive Directors do not participate in the day-to-day management of the Company and they remain free of material business or relationship with the Company which could reasonably be perceived to materially interfere with their exercise of independent judgment. The suitability and ability of an Independent Director to carry out his roles and responsibilities effectively are very much a function of his calibre, qualifications, experience and personal qualities.

The Board does not impose a term of limit for Independent Non-executive Directors as the Board believes that continued contribution provides benefits for the Board and the Company as a whole. The Board is of the view that there are significant advantages to be gained from the long-serving Independent Non-executive Directors who provide invaluable insight and possesses knowledge of the affairs of the Company.

The Board is unanimous in its opinion that Haji Mohd. Sharif bin Haji Yusof is able to discharge the duties and responsibilities of an Independent Non-executive Director and thus, recommends to shareholders for approval to retain him as an Independent Non-executive Director at the forthcoming Annual General Meeting of the Company. Details of the ordinary resolution seeking the re-appointment of Haji Mohd. Sharif bin Haji Yusof as an Independent Non-executive Director is set out in the notice of the 41st Annual General Meeting of the Company and his profile is provided on page 17 of the Annual Report.

Board Meetings and Supply of Information

An annual corporate meeting calendar is prepared in advance and circulated to all Board members before the beginning of every year which provides the scheduled meetings dates for the Board, Board Committees and the Annual General Meeting to be organised by the Company to facilitate the planning of Directors' time. The Board is satisfied with the amount of time committed by the Directors in discharging their duties and roles as Directors of the Company. All the Directors of the Company complied with the Listing Requirements on the number of directorships held in the public listed companies, which is not more than five (5) directorships.

The Board meets at least five (5) times a year, with additional meetings being held as and when necessary. During the year ended 31 March 2017, the Board met for a total of five (5) times and their respective attendance are as follows:

NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
Datuk Lai Siew Wah	5/5
Datuk Lai Voon Hon	5/5
Lai Voon Huey, Monica	5/5
Datuk Lai Jaat Kong @ Lai Foot Kong	5/5
Chan Soo Har @ Chan Kay Chong	5/5
Lai Man Moi	4/5
Tan Thiam Chai	5/5
Haji Mohd. Sharif bin Haji Yusof	5/5
Hoe Kah Soon	5/5
Dato' Azmi bin Abdullah	5/5

All Board members are provided with Board reports containing relevant documents and information around seven (7) days in advance of the board meetings to facilitate well-informed Board deliberation and decision-making. The Board reports include minutes of the previous meetings, updates on financial, operational and corporate developments of the Group. All Directors have the right and duty to make further enquiries where they consider necessary. Members of the senior management team are invited to provide insight and to furnish clarification on issues that may be raised by the Board. At the quarterly board meetings, the Board reviews and discusses the business performance of the Group. 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. Where a potential conflict of interest may arise, it is mandatory practice for the Director concerned to declare his interest and abstain from the decision-making process.

The Board, whether as a full Board or in their individual capacity, has access to all information pertaining to the Group's business affairs and right to seek independent professional advice, if necessary, at the Group's expense, in furtherance of their duties. Any request for independent professional advice from external consultants shall be raised for the consideration and consent of the Chairman. Upon his consent of the request, the Chairman shall authorise a Director or the Board to source for the advice of a suitable external consultant, based on the requirements of the Board.

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.

Company Secretary

The Board is supported by a qualified Company Secretary who is experienced, competent and knowledgeable on the laws and regulations issued by the regulatory authorities. The Company Secretary plays an important role in ensuring that all governance matters and Board procedures are adhered to and that applicable laws and regulations are complied with.

Appointments to the Board

All board appointments are approved by the Board upon the recommendation of the Nomination Committee ("NC"). The NC is made up exclusively of Independent Non-executive Directors namely Haji Mohd. Sharif bin Haji Yusof (Chairman), Hoe Kah Soon and Dato' Azmi bin Abdullah. The NC's Terms of Reference are available on the Company's website at www.ireka.com.my.

The NC is responsible for identifying, recommending and recruiting candidates for directorships and also to fill the seats of Board Committees. The Board is in the midst of formalising a boardroom appointment and performance evaluation processes and will be adopted in 2017. For new appointments to the Board, the NC shall meet with the shortlisted candidates to assess their suitability before formally considering and recommending them for appointment to the Board. In assessing the suitability of the candidates, the NC shall consider the candidates' character, experiences, competencies, integrity, time commitment and other qualities which the candidates would contribute to the overall desired composition of the Board. Based on the recommendation of the NC, the Board will evaluate and decide on the appointment of the proposed candidates. In addition, an assessment mechanism will be in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees, and also the contribution of each Director. The Board, through the NC, reviews periodically the succession plans of the Board, its required mix of skills and experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board, and make recommendations to the Board with regard to any changes. All Directors retiring pursuant to the Company's Articles of Association and standing for re-election and re-appointment are assessed by the NC before they are recommended for re-election and re-appointment by shareholders in the Annual General Meeting. All assessments and evaluations carried out by the NC in the discharge of all its functions are properly documented.

The NC deliberated on the retirement of Datuk Lai Foot Kong prior to him stepping down as an Executive Director. Datuk Lai Foot Kong has joined the Company for 40 years and played an important role in contributing to the success of the Group. In view of his vast experience in the construction industry and in-depth knowledge of the Group's affairs, the Board, on the recommendation of the NC, resolved that Datuk Lai Foot Kong be remained on the Board as a Non-independent Non-executive Director and an advisor to the Company to ensure smooth transition of the Board.

Re-election and Re-appointment of Directors

Article 91(3) 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 all Directors who are appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following Annual General Meeting and shall be eligible for election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board. The re-election of each director will be voted on separately. At the forthcoming Annual General Meeting, Lai Voon Huey, Monica and Dato' Azmi bin Abdullah retiring pursuant to Article 91(3) of the Articles, and being eligible, offered themselves for re-election.

Article 101(a) of the Articles provides that the office of a Director shall, ipso facto, be vacated upon his attainment of the age of seventy (70) years and the following Directors who are of or over the age of seventy (70) years retiring in accordance with Article 101(a) of the Articles, and being eligible, offered themselves for re-appointment at the forthcoming Annual General Meeting:

(i) Datuk Lai Siew Wah;
(ii) Datuk Lai Jaat Kong @ Lai Foot Kong;
(iii) Chan Soo Har @ Chan Kay Chong; and
(iv) Haji Mohd. Sharif bin Haji Yusof.

Article 101(a) of the Articles will be repealed in due course in view of the abolishment of age limit on directors of public listed company or the subsidiaries of a public listed company under the Companies Act 2016.

The Board was satisfied with the performance of the abovementioned Directors and recommended their respective proposed re-election and re-appointment to be tabled for shareholders' approval at the forthcoming Annual General Meeting. To assist the shareholders in their decision, information on their personal profiles are provided on pages 15 to 18 of the Annual Report.

Directors' Training

All the Directors of the Company have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia and from time to time attended training programmes, seminars and talks to keep abreast with recent developments of the state of economy, management strategies and practices, laws and regulations to enhance their knowledge and skills in order to discharge their duties effectively. In addition, the Company Secretary updated the Directors the changes to the Listing Requirements and key corporate governance developments from time to time.

Newly appointed Directors received induction on joining the Board which include briefings by the Board members with the necessary information to assist them in understanding the operations of the Company, current issues and corporate strategies, as well as the structure and management of the Company.

The training programmes and briefings attended by the Directors during the financial year ended 31 March 2017 are as follows:-

NAME OF DIRECTORS	TITLE OF TRAININGS/BRIEFINGS/WORKSHOPS
Datuk Lai Siew Wah	• Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers
Datuk Lai Voon Hon	• Conversation with the Situation • The 17th International Architecture Interior Design and Building Exhibition • Kuala Lumpur Architecture Festival Datum Conference • Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers
Lai Voon Huey, Monica	• Invest Malaysia 2016 – The Capital Market Conversation • C-Suite Women Networking Series • Mid-Year Outlook – Investing in a Turbulent World • Credit Suisse Market Outlook Lunch Seminar • Bank of Singapore Global Outlook 2017 – A Brave New World • 2017 Economic Outlook & Lunar New Year Luncheon • Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers
Datuk Lai Jaat Kong @ Lai Foot Kong	• Malaysia Construction Summit • Power & Infrastructure Business & Related Legal Issues in the Philippines • Anti-corruption & Integrity – Foundation of Corporate Sustainability • Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers
Chan Soo Har @ Chan Kay Chong	• Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers

NAME OF DIRECTORS	TITLE OF TRAININGS/BRIEFINGS/WORKSHOPS
Lai Man Moi	• Company Secretaries Training Programme Essential (Part A), (Part B) & (Part C) • Company's Statutory Records and Minutes and Resolutions – The Shortcomings Noted in an Audit • Effect of Memorandum & Articles of Association • Anti-corruption & Integrity – Foundation of Corporate Sustainability • Financial Statements Frauds • Frequently Committed Offences by Directors/ Secretaries under the New Companies Bill – Clear and Present Danger! • A Guide on Closure of a Company • Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers
Tan Thiam Chai	• Briefing on the Companies Act 2016 • Briefing on the Immigration Department's E-card programme for the illegal foreign workers
Haji Mohd. Sharif bin Haji Yusof	• Proposed Amendments to the SC's Guidelines • Bursa Malaysia Listing Requirements on REITS • Anti-Corruption and Integrity – Foundation of Corporate Sustainability
Hoe Kah Soon	• Bank of Singapore Market Outlook • Credit Suisse Market Update • Program Latihan Pengarah-Pengarah Badan-Badan Berkanun • Bank of Singapore Global Outlook 2017 – A Brave New World • Credit Suisse Seminar
Dato' Azmi bin Abdullah	• Financial Institutions Directors' Education Forum – Director Register • Bank Negara Malaysia Seminar • Kumpulan Wang Persaraan Training – Corporate Governance • KLIFF – Yearly Seminar on Islamic Banking

Directors' 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, retain and motivate the Directors needed to manage the Group successfully. In the case of Executive Directors, in addition to directors' fee, their remuneration packages are structured so as to link rewards to corporate and individual performance and to commensurate with their experience, skills and responsibilities arising from their respective executive/management positions in the Group as well as benchmarking against industry standards. 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. Non-executive Directors will be paid a basic fee and a sum based on their responsibilities in Board committees and for their attendances at the meetings. The fees are subject to the approval of the shareholders at the Annual General Meeting.

The Remuneration Committee ("RC") consists of a majority of Non-executive Directors namely Haji Mohd. Sharif bin Haji Yusof (Chairman), Datuk Lai Siew Wah and Hoe Kah Soon. The RC is responsible for recommending the remuneration packages of Executive Directors for consideration and approval by the Board. The determination of the remuneration of the Non-executive Directors is a matter for the Board as a whole. No Board members, whether executive or non-executive, will participate in deciding his own remuneration packages.

The details of the remuneration of the Directors during the financial year ended 31 March 2017 are as follows:

1. Aggregate remuneration of the Directors categorised into appropriate components:

	SALARIES (RM'000)	FEES (RM'000)	BONUS & INCENTIVES (RM'000)	BENEFITS-IN-KIND (RM'000)	TOTAL (RM'000)
Executive Directors	4,788	276	33	–	**5,097**
Non-executive Directors	–	111	–	–	**111**

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

RANGE OF REMUNERATION	NUMBER OF DIRECTORS EXECUTIVE	NUMBER OF DIRECTORS NON-EXECUTIVE
RM50,000 and below	–	3
RM600,001 – RM650,000	4	–
RM700,001 – RM750,000	1	–
RM750,001 – RM800,000	1	–
RM900,001 – RM950,000	1	–

DISCLOSURE POLICY AND SHAREHOLDER COMMUNICATION

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, announcements on quarterly and annual financial results, which provide shareholders with an overview of the Group's business and financial performances. The Chairman and Executive Directors hold discussions via press conference 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 on 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. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. enquiry@ireka.com.my to which stakeholders can direct their queries or concerns.

The Board has identified Haji Mohd. Sharif bin Haji Yusof as the Senior Independent Non-executive Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders.

RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting is the principal forum for dialogue and interaction with the 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. Extraordinary general meetings are held as and when required.

Notice of the 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. All the resolutions set out in the notice of the Annual General Meeting shall be voted by poll. An independent scrutineer shall be appointed to verify the results of the poll. The outcome of all resolutions proposed at the general meeting is announced via Bursa LINK showing the number of votes cast for and against each resolution at the end of the meeting day. The extract of minutes of general meetings are also made available to shareholders and public for reference at www.ireka.com.my.

ACCOUNTABILITY AND AUDIT

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, Management Discussion & Analysis, annual financial statements and quarterly announcement of results through Bursa LINK. The Audit Committee assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial results and annual audited financial statements to ensure they are drawn up in accordance with the Companies Act 2016 and applicable accounting standards prior to recommending them for approval by the Board and issuance to shareholders.

Statement of Directors' Responsibility for preparing the Financial Statements

The Directors are required by the Companies Act 2016 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 then ended.

In preparing the financial statements, the Directors have:

- applied suitable and approved accounting policies consistently;
- made reasonable, prudent judgments and estimates;
- ensured strict adherence of all applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; 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 2016 in Malaysia.

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.

Internal Control

The Board acknowledges its overall responsibility for ensuring that a sound system of internal control is maintained throughout the Group and the need to review its effectiveness regularly. The Board recognises that risks cannot be totally eliminated and the system of internal control instituted will only minimise and manage risks and provide some assurance that the assets of the Company and of the Group are safeguarded against material loss and unauthorised use and that financial statements are not materially misstated.

The Group's Internal Audit function is outsourced to a professional service firm which reports directly to the Audit Committee. The internal audit findings and investigations of business units of the Group are tabled at the Audit Committee meeting. The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control of this Annual Report.

External Auditors

A transparent and professional relationship with the external auditors to enable them to independently report to shareholders in accordance with the statutory and professional requirement is established through the Audit Committee. The role of the Audit Committee members in relation to the external auditors is stated in the Audit Committee Report of this Annual Report.

The Audit Committee had recommended to the Board for Raja Salleh, Lim & Co. to be re-appointed by shareholders as external auditors of the Company for the financial year ending 31 March 2018 at the forthcoming Annual General Meeting after the Audit Committee was satisfied with the assessment on the external auditors' engagement teams' calibre, performance, experience, independent and objectivity.

Audit Committee

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 functions of the Audit Committee for the year ended 31 March 2017 is presented in the Audit Committee Report of this Annual Report.

Additional Compliance Information Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Utilisation of Proceeds Raised from Any Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year ended 31 March 2017.

2. Non-Audit Fees

There were no non-audit fees incurred for services rendered to the Company and/or the Group by the Company's external auditors or their affiliated companies for the financial year ended 31 March 2017.

3. Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) which involved the interest of directors and/or major shareholders, either still subsisting at the end of the financial year or entered into by the Group since the end of the previous financial year.

4. Recurrent Related Party Transactions ("RRPT")

The Company had at the 40th Annual General Meeting ("AGM") of the Company held on 30 August 2016 obtained shareholders' mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business, with related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming AGM. The Company intends to seek a renewal of the shareholders' mandate for the RRPT at the Company's forthcoming AGM.

The details of the renewal of the shareholders' mandate to be sought are set out in the Circular to Shareholders dated 31 July 2017 which is dispatched together with this Annual Report.

The details of the RRPT transacted during the financial year ended 31 March 2017 are disclosed in Note 36 to the financial statements contained in this Annual Report.

(This Corporate Governance Statement has been approved by the Board of Directors at the Board meeting held on 17 July 2017)

STATEMENT ON RISK MANAGEMENT AND 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 risk management and internal controls of the Group for the financial year ended 31 March 2017. This Statement has been prepared in accordance with the above requirements and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of risk management and 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 risk management and internal controls, 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, loss or fraud.

The Group's risk management process and internal control systems do not apply to jointly controlled entities where the Group does not have full management control. The Group's interests in these jointly controlled entities are closely monitored through periodic receipt of their management accounts and Board's representation in these jointly controlled entities.

The Board is of the view that the system of risk management and internal controls in place for the year under review and up to the date of issuance of this Statement, is appropriate to business operations and that risks taken are at a reasonable level within the operations of the Group. The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's system of risk management and internal controls is operating adequately and effectively, in all material aspects, based on the system of risk management and internal controls of the Group.

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 divisional operation meetings attended by the Executive Directors and Key Management staff. Significant risks are communicated to the Audit Committee ("AC") and the Board at their scheduled meetings.

As part of the Board's evaluation and improvement of the Group's Risk Management Framework, the internal auditors carried out a review of this framework during the financial year under review. The results of these reviews were presented to the AC at their meeting held on 26 May 2016. The AC reported the same to the Board at the Board Meeting on 30 May 2016. At this meeting, the Board instructed Management to implement the recommendations of the internal auditors, reviewed the Risk Reports of Ireka's core business units and the revised Group's Risk Policies and Procedure.

The above mentioned practices are the initiatives carried out by Management for the ongoing identification and mitigation of risks of the Group for the year under review and up to the date of issuance of this Statement.

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's system of internal controls is adequate and effective. The Internal Audit function reports directly to the AC.

During the financial year ended 31 March 2017, the outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan approved by the AC. The entities and business processes reviewed were as follows:

ENTITY	BUSINESS PROCESSES
Ireka Corporation Berhad	• Review of Risk Management Framework
i-Tech Network Solutions Sdn Bhd	• Sales & Marketing • Data Centre Operations
Ireka Development Management Sdn Bhd	• Sales & Marketing • Credit Control & Collection

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

The results of the audit reviews were discussed with the Senior Management and subsequently, the audit findings including the recommendations for improvement were presented to the AC at scheduled meetings. In addition, the internal audit function carried out follow up reviews to ensure that corrective actions have been implemented in a timely manner by Management and the results of such reviews are also periodically reported to the AC. 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 2017 was RM58,550.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- clearly defined delegation of responsibilities to committees of the Board and to Management of operating units, including authorisation levels for all respects of the business which are set out in the authority matrix;
- clearly documented internal procedures in respect of operational and financial processes as set out in the MS ISO Quality System Documents and the Financial Processes Manual;
- regular and comprehensive information provided to the Board and AC covering financial performance and key business indicators;
- a detailed budgeting process where operating units prepare budgets for coming year and approved by the Executive Management;
- monitoring of results against budget, with major variances being followed up and management actions taken, where necessary during Board's scheduled meetings; and
- regular visits to operating units by Board members and Senior Management; compliance with the Group's rules and regulations and employee conduct as set out in the Group's Human Resource Policies.

REVIEW OF STATEMENT

The external auditors have reviewed this Statement for inclusion in the Annual Report 2017, 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 risk management and internal controls.

CONCLUSION

There have been no significant weaknesses noted during the year which have resulted in any material losses. The Board is of the view that the Group's system of risk management and internal controls is adequate and effective to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of risk management and internal controls practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board shall continue to take appropriate and necessary measures and implement the recommendations of the internal auditors to further enhance the existing system of risk management and internal controls.

(This Statement on Risk Management and Internal Control has been approved by the Board of Directors at the Board meeting held on 17 July 2017)

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following members:

(1) **Haji Mohd. Sharif bin Haji Yusof**
Chairman/Senior Independent Non-executive Director

(2) **Hoe Kah Soon**
Member/ Independent Non-executive Director

(3) **Dato' Azmi bin Abdullah**
Member/ Independent Non-executive Director

The members of the AC consist solely of Independent Non-executive Directors. All members are financially literate and the Chairman of the AC is a fellow member of the Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants.

ATTENDANCE OF MEETINGS

During the financial year ended 31 March 2017, a total of five (5) AC meetings were held and the details of the attendance of the members are as follows:

NAME	NUMBER OF MEETINGS ATTENDED
Haji Mohd. Sharif bin Haji Yusof	5/5
Hoe Kah Soon	5/5
Dato' Azmi bin Abdullah	5/5

TERMS OF REFERENCE

The terms of reference of the AC are available on the Company's website at www.ireka.com.my.

SUMMARY OF ACTIVITIES

The following activities were carried out by the AC during the financial year ended 31 March 2017 in discharging its functions:

(1) Reviewed the quarterly unaudited financial results and year-end financial statements of the Group before recommending for the approval by the Board, focusing particularly on:

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

  (ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters were addressed; and

  (iii) compliance with accounting standards and other legal requirements

(2) Reviewed the external auditors' report on their audit plan, scope of works and the audit procedures to be adopted in the annual audit;

(3) Reviewed and discussed with the external auditors on the results of their audit, the management letter and the audit report;

(4) Invited one of the Executive Directors (the officer primarily responsible for the accounting records and financial management of the Group) to all the AC meetings to facilitate direct communication and to provide clarification on issues relating to the financial results of the Group, significant financial reporting issues and judgments made on the accounting matters;

(5) Reviewed and approved the risk based audit plan of the internal auditors to ensure the adequacy of the scope and coverage of the work, and that it has the necessary authority to carry out its work;

(6) Reviewed and deliberated on internal audit reports tabled during the year, the audit recommendations made and Management's response to these recommendations. The AC briefed the Board on audit findings, sought clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements could be made;

(7) Reviewed the results of follow-up audits conducted by the internal auditors on the Management's implementation of audit recommendations to ensure that corrective actions have been implemented in a timely manner;

(8) Reviewed all related party transactions entered into by the Company and the Group to ensure that such transactions were undertaken at arm's length and on normal commercial terms prior to submission for the Board's approval;

(9) 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 on a quarterly basis;

(10) Reviewed the Risk Management Framework Assessment Report on the Group to ensure the frameworks and practices are adequate and effective in managing the Group's risks;

(11) Reviewed the revised Group's Risk Policies and Procedures which includes a risk management framework for identification and mitigation of risks by the respective business unit;

(12) Reviewed the Risk Reports of Ireka's core business units; and

(13) Reviewed, assessed and monitored the performance, suitability and independence of the external auditors. The AC was satisfied with the performance and the audit independence of the external auditors and accordingly, it was recommended to the Board for their re-appointment to be tabled for approval at the forthcoming Annual General Meeting.

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's system of internal controls is adequate and effective. The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control of this Annual Report.

SUMMARY OF ACTIVITIES

A summary of the internal audit activities during the financial year is as follows:

(1) Prepared the risk based internal audit plan for the financial years ending 2018 and 2019 for the approval of the AC;

(2) Performed internal audit reviews on business units of the Group, as approved by the AC. These audit reviews were intended to assess the adequacy and effectiveness of the internal control and compliance with the Group's policies and procedures, and subsequently made recommendations for improvement;

(3) Conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management based on the audit recommendations and to provide updates on their status to the AC; and

(4) Carried out an evaluation on the Group's risk management framework to ascertain the adequacy and effectiveness of the current framework and practices in managing the risks of the Company and the Group.

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 2017.

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/ (Loss) before tax	3,946,348	(4,453,386)
Taxation	248,313	–
Profit/ (Loss) for the year	4,194,661	(4,453,386)
Attributable to :		
Owners of the Company	4,194,661	(4,453,386)

In the opinion of the directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

At the forthcoming Annual General Meeting, a first and final single-tier dividend in respect of the financial year ended 31 March 2017 of RM3,417,441 (2 sen per share on 170,872,050 ordinary shares) will be proposed for shareholders' approval. The financial statements for the current financial year have 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 2018.

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 :
Datuk Lai Siew Wah
Datuk Lai Voon Hon
Lai Voon Huey
Datuk Lai Jaat Kong @ Lai Foot Kong
Chan Soo Har @ Chan Kay Chong
Lai Man Moi
Haji Mohd. Sharif Bin Haji Yusof
Tan Thiam Chai
Hoe Kah Soon
Dato' Azmi Bin Abdullah

The persons who are Directors of the subsidiary companies of Ireka Corporation Berhad during the year are disclosed in Note 8 to the financial statements.

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 36 to the financial statements.

DIRECTORS' REMUNERATION

Directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 32 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 and warrants of the Company were as follows :

Interest in ordinary shares of the Company :

Number of ordinary shares

Direct Holding -	At 1.4.2016	Addition	Disposal	At 31.3.2017
Datuk Lai Jaat Kong @ Lai Foot Kong	8,943,750	–	–	8,943,750
Chan Soo Har @ Chan Kay Chong	3,277,125	–	–	3,277,125
Lai Man Moi	2,161,125	–	–	2,161,125
Datuk Lai Voon Hon	18,000	–	–	18,000
Lai Voon Huey	9,000	–	–	9,000
Tan Thiam Chai	29,250	–	–	29,250
Indirect Holding -				
Datuk Lai Siew Wah (i)	73,502,997	–	–	73,502,997
Datuk Lai Voon Hon (i)	73,502,997	–	–	73,502,997
Lai Voon Huey (i)	73,502,997	–	–	73,502,997
Chan Soo Har @ Chan Kay Chong (ii)	23,097,372	–	–	23,097,372
Lai Man Moi (ii)	23,097,372	–	–	23,097,372

DIRECTORS' INTERESTS (CONT'D)

Interest in warrants of the Company :

Number of warrants 2014/2019

Direct Holding -	At 1.4.2016	Addition	Disposal	At 31.3.2017
Datuk Lai Jaat Kong @ Lai Foot Kong	2,924,050	–	–	2,924,050
Chan Soo Har @ Chan Kay Chong	1,092,375	–	–	1,092,375
Lai Man Moi	720,375	–	–	720,375
Datuk Lai Voon Hon	6,000	–	–	6,000
Lai Voon Huey	3,000	–	–	3,000
Tan Thiam Chai	9,750	–	–	9,750
Indirect Holding -				
Datuk Lai Siew Wah (i)	24,500,999	–	–	24,500,999
Datuk Lai Voon Hon (i)	24,500,999	–	–	24,500,999
Lai Voon Huey (i)	24,500,999	–	–	24,500,999
Chan Soo Har @ Chan Kay Chong (ii)	7,699,124	–	–	7,699,124
Lai Man Moi (ii)	7,699,124	–	–	7,699,124

(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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains directors and officers' liability insurance for purpose of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM16,000.

OTHER STATUTORY INFORMATION

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made; and

b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render:

a) the amount written off for bad debts or the amount of the allowance for impairment in the financial statements of the Group and of the Company inadequate to any substantial extent; and

b) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

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.

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

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

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

b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year except as disclosed in Note 37 to the financial statements.

In the opinion of the directors:

a) 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 or of the Company to meet their obligations when they fall due; and

b) 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 or of the Company for the financial year in which this report is made.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Raja Salleh, Lim & Co., have indicated their willingness to accept reappointment.

The auditors' remuneration is disclosed in Note 32 to the financial statements.

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

DATUK LAI VOON HON
Director

LAI VOON HUEY
Director

Kuala Lumpur – 17 July 2017

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, **DATUK LAI VOON HON** and **LAI VOON HUEY**, 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 58 to 144 are drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 2016 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 2017 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 41 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, as issued by the Malaysian Institute of Accountants.

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

DATUK LAI VOON HON
Director

LAI VOON HUEY
Director

Kuala Lumpur – 17 July 2017

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

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 58 to 144 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 17 July 2017

LAI VOON HUEY

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Ireka Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ireka Corporation Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards, and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By–Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("ByLaws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") (Ref: Note (a)), and we have fulfilled our other ethical responsibilities in accordance with the By–Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Key Audit Matters	How the matter was addressed in our audit
Investment Properties	
The Group's Investment properties are carried at fair value. The Executive Directors engaged independent external values to determine the fair value of the investment properties every five years. On an annual basis, the Executive Directors performed internal valuation based on actual transactions of similar type of properties and location. We have identified the valuation of investment properties as a key audit matter because valuation included significant assumptions which are judgmental. Refer to Note 4(k) – Significant Accounting Policies: Investment properties; Note 7 – Investment properties.	Our audit procedures include: • Assessed the valuation methodology applied by the external valuers and the Group to ensure that they are appropriate for financial reporting purpose. • Considered the qualifications of competence of the external valuers and assessed the scope of work of the external valuers. • Assessed information used in internal valuation by the Group and discussed with Executive Directors on their relevance and appropriateness.
Investment in Associates	
The Group's investment in associates is carried at cost. The Group has an associated company listed on the London Stock Exchange main board – Aseana Properties Limited ("ASPL"). We have identified the quoted investment of ASPL of RM113,746,127 as at 31 March 2017 as a key audit matter because of the significance of the amount and the valuation models used by the valuers of ASPL to determine its fair value and its significant assumptions which are judgmental. Refer to Note 4(g) – Significant Accounting Policies: Associates; Note 9 – Investment in associates.	Our audit procedures include: • Assessed publicly available information of ASPL including annual reports, interim reporting, quarterly investor updates and corporate presentations. • Discussed with the Executive Directors on the reasonableness of valuation methodology applied by the external valuers' of ASPL which were "in accordance with the International Valuation Standards ("IVS") or in accordance with the Royal Institute of Chartered Surveyor Guidelines" ("RICS"). • Assessed the reasonableness of ASPL's cash flow model's key assumptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Key Audit Matters	How the matter was addressed in our audit
Revenue and cost recognition of construction contract	
A significant proportion of the Group's revenues and profits are derived from long term construction contracts which span over more than one accounting period. The Group use the percentage-of-completion method in accounting for these long–term contracts. The stage of completion is determined by the proportion that contract costs incurred for work performed to date against the estimated total construction costs. Refer to Note 4(m) and 4(v)(i) – Significant Accounting Policies: Construction contracts; Note 5(b)(ii) Significant Accounting Estimates And Judgments; Note 15 – Amount due from customers on contracts; Note 28 – Revenue; Note 29 – Cost of sales.	Our audit procedures performed in this area included: • Tested the Group's controls by checking for evidence of reviews and approvals over contract cost, setting budgets and authorising and recording of actual costs incurred; • Checked the architect certificate against stage of completion of certain contracts to ascertain the reasonableness of the percentage of completion recognised in the profit or loss; • Assessed the assumptions in deriving at the estimates contract cost. • Agreed a sample of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate contract, and met the definition of contract costs; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information other than the Financial Statements and Auditors' Report Thereon (cont'd)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 8 to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Reporting Responsibilities

The supplementary information set out in Note 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, *"Determination of Realised and Unrealised Profits or Losses in the Context of 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 respects, 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 266 of the Companies Act, 2016 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.	**LIM LIP CHIN**
AF–0071	01931/02/2019 J
Chartered Accountants	Chartered Accountant

Petaling Jaya – 17 July 2017

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2017

	NOTE	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non–current assets					
Property, plant and equipment	6	**33,531,659**	55,027,978	**3,294,820**	3,732,094
Investment properties	7	**11,098,505**	11,841,957	**–**	–
Investment in subsidiaries	8	**–**	–	**91,149,668**	91,149,668
Investment in associates	9	**101,280,616**	104,374,332	**158,439,392**	169,052,002
Other investments	10	**41,500**	188,690	**41,500**	41,500
Land held for property development	11	**24,326,446**	58,438,776	**–**	–
		170,278,726	229,871,733	**252,925,380**	263,975,264
Current assets					
Property development cost	12	**96,543,583**	32,261,513	**–**	–
Inventories	13	**14,095,114**	15,808,943	**–**	–
Trade and other receivables	14	**132,249,726**	122,525,013	**2,178,064**	2,428,318
Amounts due from customers on contracts	15	**58,340,116**	41,040,309	**–**	–
Amounts due from subsidiaries	16	**–**	–	**48,909,720**	36,709,608
Amounts due from associates	17	**14,884,994**	14,893,448	**14,884,994**	14,893,448
Cash and cash equivalents	18	**12,428,419**	27,247,674	**1,313,001**	152,965
		328,541,952	253,776,900	**67,285,779**	54,184,339
TOTAL ASSETS		**498,820,678**	483,648,633	**320,211,159**	318,159,603

STATEMENTS OF FINANCIAL POSITION CONT'D
as at 31 March 2017

		Group		Company	
	NOTE	2017 RM	2016 RM	2017 RM	2016 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	**170,872,050**	170,872,050	**170,872,050**	170,872,050
Share premium	19	**1,384,922**	1,384,922	**1,384,922**	1,384,922
Warrant reserves	20	**5,695,735**	5,695,735	**5,695,735**	5,695,735
Other reserves	21	**(5,695,735)**	(5,695,735)	**(5,695,735)**	(5,695,735)
Foreign currency translation reserve	22	**(1,404,478)**	(1,119,367)	**–**	–
Fair value reserve	23	**–**	147,230	**–**	–
(Accumulated losses)/ Retained earnings		**(26,754,578)**	(30,949,239)	**102,067,929**	106,521,315
Total equity		**144,097,916**	140,335,596	**274,324,901**	278,778,287
Non–current liabilities					
Borrowings	24	**30,109,966**	12,853,370	**–**	–
Deferred tax liabilities	25	**3,222,000**	3,222,000	**610,000**	610,000
		33,331,966	16,075,370	**610,000**	610,000
Current liabilities					
Provision	26	**–**	1,742,277	**–**	–
Trade and other payables	27	**224,278,438**	194,089,028	**21,704,215**	16,580,532
Amounts due to subsidiaries	16	**–**	–	**20,888,537**	19,494,908
Amounts due to associates	17	**1,610**	–	**1,610**	–
Borrowings	24	**96,107,787**	130,202,364	**1,997,827**	2,011,807
Tax payable		**1,002,961**	1,203,998	**684,069**	684,069
		321,390,796	327,237,667	**45,276,258**	38,771,316
Total liabilities		**354,722,762**	343,313,037	**45,886,258**	39,381,316
TOTAL EQUITY AND LIABILITIES		**498,820,678**	483,648,633	**320,211,159**	318,159,603

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2017

	NOTE	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Continuing operations					
Revenue	28	**331,758,638**	263,121,991	**12,673,821**	18,150,535
Cost of sales	29	**(300,188,428)**	(249,856,132)	**–**	–
Gross profit		**31,570,210**	13,265,859	**12,673,821**	18,150,535
Other income	30	**3,497,161**	3,930,793	**1,506,616**	1,729,279
Administration expenses		**(17,904,938)**	(19,710,769)	**(12,724,011)**	(11,425,803)
Other expenses		**(13,953,124)**	(10,922,886)	**(5,766,586)**	(5,658,335)
Operating profit/ (loss)		**3,209,309**	(13,437,003)	**(4,310,160)**	2,795,676
Finance costs	31	**(7,247,513)**	(8,530,793)	**(143,226)**	(144,357)
Share of profit/ (loss) of associates		**7,984,552**	(17,080,467)	**–**	–
Profit/ (Loss) before tax	32	**3,946,348**	(39,048,263)	**(4,453,386)**	2,651,319
Income tax	33	**248,313**	(507,695)	**–**	–
Profit/ (Loss) for the financial year		**4,194,661**	(39,555,958)	**(4,453,386)**	2,651,319
Other comprehensive loss:					
Currency translation differences		**(285,111)**	(777,177)	**–**	–
Loss on fair value changes		**(147,230)**	(36,599)	**–**	–
Other comprehensive loss for financial year, net of tax		**(432,341)**	(813,776)	**–**	–
Total comprehensive income/ (loss) for the financial year		**3,762,320**	(40,369,734)	**(4,453,386)**	2,651,319
Profit/ (Loss) attributable to owners of the Company		**4,194,661**	(39,555,958)	**(4,453,386)**	2,651,319
Total comprehensive income/ (loss) attributable to owners of the Company		**3,762,320**	(40,369,734)	**(4,453,386)**	2,651,319
Income/ (Loss) per share attributable to owners of the Company (sen)					
Basic and diluted	34	**2.45**	(23.15)		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2017

	Attributable to Owners of the Company							
	Non–distributable						Distributable	
	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Foreign currency translation reserve RM	Fair value reserve RM	Retained earnings/ (accumulated losses) RM	Total equity RM
As at 1 April 2015	170,872,050	1,384,922	5,695,735	(5,695,735)	(342,190)	183,829	13,732,881	185,831,492
Dividend paid	–	–	–	–	–	–	(5,126,162)	(5,126,162)
Total comprehensive loss for the year	–	–	–	–	(777,177)	(36,599)	(39,555,958)	(40,369,734)
As at 31 March 2016	**170,872,050**	**1,384,922**	**5,695,735**	**(5,695,735)**	**(1,119,367)**	**147,230**	**(30,949,239)**	**140,335,596**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(285,111)**	**(147,230)**	**4,194,661**	**3,762,320**
As at 31 March 2017	**170,872,050**	**1,384,922**	**5,695,735**	**(5,695,735)**	**(1,404,478)**	**–**	**(26,754,578)**	**144,097,916**

The accompanying notes form an integral part of the financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2017

	Attributable to Owners of the Company					
	Non–distributable					Distributable
	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Retained earnings RM	Total equity RM
As at 1 April 2015	170,872,050	1,384,922	5,695,735	(5,695,735)	108,996,158	281,253,130
Dividend paid	–	–	–	–	(5,126,162)	(5,126,162)
Total comprehensive income for the year	–	–	–	–	2,651,319	2,651,319
As at 31 March 2016	**170,872,050**	**1,384,922**	**5,695,735**	**(5,695,735)**	**106,521,315**	**278,778,287**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(4,453,386)**	**(4,453,386)**
As at 31 March 2017	**170,872,050**	**1,384,922**	**5,695,735**	**(5,695,735)**	**102,067,929**	**274,324,901**

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

	NOTE	2017 RM	2016 RM
Cash flow from operating activities			
Profit/(Loss) before tax from –			
Continuing operations		**3,946,348**	(39,048,263)
Adjustments for :			
Bad debt written off		**930**	–
Interest expense		**7,247,513**	8,530,793
Interest income		**(676,016)**	(822,074)
Investment properties – Gain on disposal		**(248,307)**	–
Investment in associates – Loss on disposal		**334,528**	–
Other investments – Gain on disposal		**(184,947)**	(26,469)
Property, plant and equipment – Depreciation		**5,091,999**	6,288,315
– Gain on disposal		**(536,119)**	(945,350)
– Loss on disposal		**470,195**	410,602
– Written–off		**14,779**	13,595
Share of (profit)/loss from associates		**(7,984,552)**	17,080,467
Stock value written down		**1,492**	–
Unrealised gain on foreign exchange		**(418,125)**	(226,994)
Unrealised loss on foreign exchange		**811**	5,176
Operating profit/(loss) before working capital changes		**7,060,529**	(8,740,202)
Amounts due from associates		**10,064**	(13,934)
Amounts due from customers on contracts		**(17,299,807)**	16,201,678
Inventories		**1,712,337**	5,343,378
Property development costs		**(8,070,278)**	(1,391,203)
Provision		**–**	(7,374,026)
Receivables		**(10,171,209)**	22,056,160
Payables		**28,868,812**	290,844
Cash generated from operations		**2,110,448**	26,372,695
Income tax refunded		**725,984**	97,864
Income tax paid		**(266,535)**	(365,801)
Net cash flow generated from operating activities		**2,569,897**	26,104,758

CONSOLIDATED STATEMENT OF CASH FLOWS CONT'D

for the year ended 31 March 2017

	NOTE	2017 RM	2016 RM
Cash flow from investing activities			
Dividend paid		–	(5,126,162)
Interest received		676,016	822,074
Investment properties – Additions		–	(79,455)
– Proceeds from disposal		1,000,000	–
Investment in associates – Proceeds from tender offer		10,278,083	–
Land held for property development		(6,493,007)	(5,319,206)
Other investments – Proceeds from disposal		184,907	522,081
Property, plant and equipment – Additions		(437,960)	(1,355,988)
– Proceeds from disposal		1,377,815	2,143,964
Net cash flow generated from/(used in) investing activities		6,585,854	(8,392,692)
Cash flow from financing activities			
Hire purchase principal repayments		(4,098,908)	(3,173,210)
Interest paid		(7,247,513)	(8,530,793)
Drawdown of bank borrowings		74,781,795	102,556,386
Repayment of bank borrowings		(64,491,013)	(116,339,193)
Net cash flow used in financing activities		(1,055,639)	(25,486,810)
Net increase/ (decrease) in cash and cash equivalents		8,100,112	(7,774,744)
Effect of changes in exchange rates		129,453	182,425
Cash and cash equivalents			
– at start of financial year		(14,500,377)	(6,908,058)
– at end of financial year	18	(6,270,812)	(14,500,377)

The accompanying notes form an integral part of the financial statements

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

		NOTE	2017 RM	2016 RM
Cash flow from operating activities				
(Loss)/Profit before tax			**(4,453,386)**	2,651,319
Adjustments for :				
Dividend income			**(31)**	(3,813,003)
Interest expenses			**143,226**	144,357
Interest income			**(140,368)**	(342,930)
Impairment loss on investment in subsidiary			**–**	1,000,000
Amount due from subsidiary	– Written-off		**1,121,245**	–
Investment in associates	– Loss on disposal		**334,528**	–
Property, plant and equipment	– Depreciation		**441,016**	535,510
	– Gain on disposal		**(754)**	–
Unrealised gain on foreign exchange			**(2,584)**	(14,346)
Unrealised loss on foreign exchange			**413**	2,840
Operating (loss)/profit before working capital changes			**(2,556,695)**	163,747
Amounts due from associates			**10,064**	(13,934)
Amounts due to subsidiaries			**(11,927,729)**	(7,177,879)
Receivables			**250,254**	(1,400,218)
Payables			**5,123,683**	5,574,078
Net cash flow used in operating activities			**(9,100,423)**	(2,854,206)
Cash flow from investing activities				
Dividend received from subsidiary companies			**–**	3,812,970
Dividend received			**31**	33
Interest received			**140,368**	342,930
Investment in associates	– Proceeds from tender offer		**10,278,083**	–
Property, plant and equipment	– Additions		**(4,120)**	(58,780)
	– Proceeds from disposal		**1,132**	–
Net cash flow generated from investing activities			**10,415,494**	4,097,153

COMPANY STATEMENT OF CASH FLOWS CONT'D
for the year ended 31 March 2017

	NOTE	2017 RM	2016 RM
Cash flow from financing activities			
Dividends paid to shareholders		**–**	(5,126,162)
Hire purchase principal repayments		**–**	(29,371)
Interest paid		**(143,226)**	(144,357)
Repayment of bank borrowings		**(558)**	(388)
Net cash flow used in financing activities		**(143,784)**	(5,300,278)
Net increase/(decrease) in cash and cash equivalents		**1,171,287**	(4,057,331)
Effect of changes in exchange rates		**2,171**	11,506
Cash and cash equivalents			
– at start of financial year		**(843,517)**	3,202,308
– at end of financial year	18	**329,941**	(843,517)

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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 17 July 2017.

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
- Property investment
- 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 under the historical basis unless otherwise indicated in the accounting policies below and in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revise FRS's which are mandatory for financial periods beginning on or after 1 April 2016 as described below.

Financial statements of certain subsidiaries are prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia but did not have any effect on the financial performance or position of the Group and of the Company.

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

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

b) Changes in accounting policies

The Group and the Company had adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/Improvements to FRSs	
FRS 5	Non–current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements FRS 12 Disclosure of Interest in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits FRS 127 Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
FRS 138	Intangible Assets

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 1	First–time adoption of MFRSs	1 January 2018
FRS 2	Share–based Payment	1 January 2018
FRS 4	Insurance Contracts	1 January 2018
FRS 10	Consolidated Financial Statements	Deferred
FRS 12	Disclosure of Interests in Other Entities	1 January 2017
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 128	Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140	Investment Property	1 January 2018

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

b) Changes in accounting policies (cont'd)

Standards issued but not yet effective (cont'd)

		Effective for financial periods beginning on or after
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

A brief discussion on the above significant new FRS, amendments/improvements to FRSs and new IC Int are summarised below. Due to the complexity of these new FRS, amendments/improvements to FRSs and new IC Int, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments
Key requirements of FRS 9:

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

- In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

- FRS 9 introduces a new, expected–loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- FRS 9 introduces a substantially–reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

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

b) Changes in accounting policies (cont'd)

Standards issued but not yet effective (cont'd)

Amendments to FRS 1 First–time Adoption of MFRSs
Amendments to FRS 1 deleted the short–term exemptions that relate to FRS 7 Financial Instruments: Disclosure, FRS 119 Employee Benefits and FRS 10 Consolidated Financial Statements because they are no longer applicable.

Amendments to FRS 2 Share–based Payment
Amendments to FRS 2 provide specific guidance on the accounting for:

a) the effects of vesting and non–vesting conditions on the measurement of cash–settled share–based payments;
b) share–based payment transactions with a net settlement feature for withholding tax obligations; and
c) a modification to the terms and conditions of a share–based payment that changes the classification of the transaction from cash–settled to equity–settled.

Amendments to FRS 12 Disclosure of Interests in Other Entities
Amendments to FRS 12 clarify that entities classified as held for sale are required to apply all the disclosure requirements of FRS 12 except for the disclosure requirements set out in paragraphs B10–B16.

Amendments to FRS 107 Statement of Cash Flows
Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non–cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to FRS 112 Income Taxes
Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this. The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to FRS 128 Investments in Associates and Joint Ventures
Amendments to FRS 128 clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment–by–investment choice to measure its investments in associates or joint ventures at fair value through profit or loss.

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

b) Changes in accounting policies (cont'd)

Standards issued but not yet effective (cont'd)

Amendments to FRS 140 Investment Property
Amendments to FRS 140 clarify that to transfer to, or from, investment properties there must be evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition of investment property. A change in intention, in isolation, does not provide evidence of a change in use. The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures
These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

IC Int 22 Foreign Currency Transactions and Advance Consideration
IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non–monetary asset or non–monetary liability arising from the payment or receipt of advance consideration.

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

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continued to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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

b) Changes in accounting policies (cont'd)

Standards issued but not yet effective (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)
The Group considers that it is achieving its schedule milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for financial year ending 31 March 2019. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First–time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")
MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers
The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

i) identify the contracts with a customer;
ii) identify the performance obligation in the contract;
iii) determine the transaction price;
iv) allocate the transaction price to the performance obligations in the contract;
v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The Group is currently assessing the impact of the adoption of this standard.

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

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017.

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 for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra–group balances, income and expenses and unrealised gains and losses resulting from intra–group transactions are eliminated in full. Losses within a subsidiary are attributed to the non–controlling interests even if that result in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non–controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non–controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

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

d) Business combination

Acquisition of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non–controlling interest in the acquiree. The Group elects on a transaction–by–transaction basis whether to measure the non–controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non–controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note (i).

e) 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.

f) Subsidiaries

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

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

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

g) Associates

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

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

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

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

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

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

h) Jointly controlled entities

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

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

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

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

i) Intangible assets

Goodwill

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

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

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

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

j) Property, plant and equipment and depreciation

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

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

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

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

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

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

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

	%
Buildings	2
Plant and machinery	10–20
Motor vehicles	20
Office equipment	10–25
Furniture and fittings	10
Computers	25
Office renovation	10–25
Data centre	6.7

Assets under construction included in property, 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.

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

k) Investment properties

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

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

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

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

l) Land held for property development and property development costs

i) Land held for property development

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

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.

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

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

ii) Property development costs (cont'd)

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

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

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

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

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

m) Construction contracts

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

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

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

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

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

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

n) Inventories

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

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

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

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

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

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

ii) Loans and receivables

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

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

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

o) Financial instruments (cont'd)

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 recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, 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.

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.

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

o) Financial instruments (cont'd)

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

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.

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

o) Financial instruments (cont'd)

ix) Impairment

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

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

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

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

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

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

- **Unquoted equity securities carried at cost**

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

- **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.

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

o) Financial instruments (cont'd)

ix) Impairment (cont'd)

- **Available-for-sale financial assets (cont'd)**

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

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

- **Non-derivative financial assets**

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

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

x) Non-financial assets

The carrying amounts of non–financial assets (except for inventories, amount due from contract customers, deferred tax asset and investment property measured at fair value.) 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.

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

o) Financial instruments (cont'd)

x) Non–financial assets (cont'd)

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

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

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

xi) Financial guarantee contracts

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

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

xii) Warrant reserve

The warrant reserve assume the relative fair value method of the warrants, being the values determined and used to allocate the proceeds of the Right Issue With Warrants and after deducting issue expenses.

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.

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

p) Leases (cont'd)

i) Accounting by lessee

- **Finance leases**

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

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

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

- **Operating leases**

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

ii) Accounting by lessor

Operating leases

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

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.

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

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.

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 absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non–accumulating compensated absences such as sick leave are recognised when the absences occur.

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

t) Employee benefits (cont'd)

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.

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.

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

u) Foreign currencies (cont'd)

ii) Foreign currency transactions (cont'd)

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

iii) Foreign operations

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

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

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

	2017 RM	2016 RM
United States Dollars	**4.427**	3.902
Vietnam Dong	**0.000194**	0.000174

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.

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

v) Revenue recognition (cont'd)

ii) Property development

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

iii) Sale of goods

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

iv) Revenue from services rendered

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

v) Rental income

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

vi) Interest income

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

vii) Dividend income

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

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.

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

w) Non–current assets (or disposal Groups) held for sale and discontinued operation (cont'd)

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.

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

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

ii) Operating lease commitments – The Group as lessor

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

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting 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 reporting date.

ii) Amount due from customers for construction contracts

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

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.

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

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

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 2017. 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	Data centre RM	Total RM
2017										
Cost										
As at 1.4.2016	16,051,377	10,374,089	48,845,866	10,407,106	4,951,478	3,134,769	938,453	338,113	8,534,412	103,575,663
Additions	–	–	454,757	20,000	5,540	–	15,810	–	29,950	526,057
Transfer to property development cost (Note 12)	(15,606,455)	–	–	–	–	–	–	–	–	(15,606,455)
Disposals	–	–	(4,673,880)	(433,839)	(61,944)	(39,053)	–	–	–	(5,208,716)
Written–off	–	(5,620)	(24,930)	–	(91,314)	(6,423)	–	–	–	(128,287)
Exchange adjustments	–	–	–	–	1,324	–	3,310	–	–	4,634
As at 31.3.2017	444,922	10,368,469	44,601,813	9,993,267	4,805,084	3,089,293	957,573	338,113	8,564,362	83,162,896
Accumulated depreciation										
As at 1.4.2016	–	1,401,483	31,740,460	8,365,196	3,012,585	1,360,183	749,105	120,317	1,798,356	48,547,685
Depreciation charge for the year	–	170,456	3,372,017	429,857	358,553	186,853	143,490	28,971	401,802	5,091,999
Disposals	–	–	(3,467,333)	(366,659)	(36,266)	(26,569)	–	–	–	(3,896,827)
Written–off	–	(811)	(16,217)	–	(91,276)	(5,204)	–	–	–	(113,508)
Exchange adjustments	–	–	–	–	1,147	–	741	–	–	1,888
As at 31.3.2017	–	1,571,128	31,628,927	8,428,394	3,244,743	1,515,263	893,336	149,288	2,200,158	49,631,237
Net carrying amount										
As at 31.3.2017	444,922	8,797,341	12,972,886	1,564,873	1,560,341	1,574,030	64,237	188,825	6,364,204	33,531,659

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
2017						
Cost						
As at 1.4.2016	453,493	498,800	6,285,986	2,628,861	1,883,501	11,750,641
Additions	–	–	–	4,120	–	4,120
Disposal	–	–	(43,174)	–	–	(43,174)
As at 31.3.2017	453,493	498,800	6,242,812	2,632,981	1,883,501	11,711,587
Accumulated depreciation						
As at 1.4.2016	–	15,328	5,606,837	1,594,944	801,438	8,018,547
Depreciation charge for the year	–	513	135,788	196,509	108,206	441,016
Disposal	–	–	(42,796)	–	–	(42,796)
As at 31.3.2017	–	15,841	5,699,829	1,791,453	909,644	8,416,767
Net carrying amount						
As at 31.3.2017	453,493	482,959	542,983	841,528	973,857	3,294,820

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	Data centre RM	Total RM
2016										
Cost										
As at 1.4.2015	16,051,377	10,368,469	54,503,204	10,411,238	4,905,715	3,179,278	1,131,685	338,113	8,330,658	109,219,737
Additions	–	5,620	2,543,240	–	130,391	–	45,920	–	203,754	2,928,925
Disposals	–	–	(8,200,578)	–	(70,094)	(12,820)	(234,371)	–	–	(8,517,863)
Written–off	–	–	–	(4,132)	(14,773)	(31,689)	(5,080)	–	–	(55,674)
Exchange adjustments	–	–	–	–	239	–	299	–	–	538
As at 31.3.2016	16,051,377	10,374,089	48,845,866	10,407,106	4,951,478	3,134,769	938,453	338,113	8,534,412	103,575,663
Accumulated depreciation										
As at 1.4.2015	–	1,227,619	34,110,900	7,830,029	2,634,808	1,188,609	825,047	90,397	1,302,473	49,209,882
Depreciation charge for the year	–	173,864	4,290,585	537,941	450,065	207,068	102,989	29,920	495,883	6,288,315
Disposals	–	–	(6,661,025)	–	(61,733)	(10,744)	(175,145)	–	–	(6,908,647)
Written–off	–	–	–	(2,774)	(10,714)	(24,750)	(3,841)	–	–	(42,079)
Exchange adjustments	–	–	–	–	159	–	55	–	–	214
As at 31.3.2016	–	1,401,483	31,740,460	8,365,196	3,012,585	1,360,183	749,105	120,317	1,798,356	48,547,685
Net carrying amount										
As at 31.3.2016	16,051,377	8,972,606	17,105,406	2,041,910	1,938,893	1,774,586	189,348	217,796	6,736,056	55,027,978

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
2016						
Cost						
As at 1.4.2015	453,493	498,800	6,285,986	2,570,081	1,883,501	11,691,861
Additions	–	–	–	58,780	–	58,780
As at 31.3.2016	453,493	498,800	6,285,986	2,628,861	1,883,501	11,750,641
Accumulated depreciation						
As at 1.4.2015	–	14,804	5,437,049	1,349,975	681,209	7,483,037
Depreciation charge for the year	–	524	169,788	244,969	120,229	535,510
As at 31.3.2016	–	15,328	5,606,837	1,594,944	801,438	8,018,547
Net carrying amount						
As at 31.3.2016	453,493	483,472	679,149	1,033,917	1,082,063	3,732,094

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

a) Purchase of property, plant and equipment

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Aggregate costs of property, plant and equipment acquired	**526,057**	2,928,925	**4,120**	58,780
Amount financed through hire purchase and finance lease	**(88,097)**	(1,572,937)	**–**	–
Cash disbursed for purchase of property, plant and equipment	**437,960**	1,355,988	**4,120**	58,780

b) Details of assets under hire purchase and finance lease

Net carrying amounts of property, plant and equipment held under hire purchase and finance lease are as follows:

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Net carrying amounts				
Plant and machinery	**5,472,151**	7,381,890	**–**	–
Motor vehicles	**839,639**	1,144,152	**–**	–
	6,311,790	8,526,042	**–**	–

c) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 24) are as follows :

	Group 2017 RM	Group 2016 RM
Freehold land	**–**	15,606,455
Buildings	**727,950**	742,805
	727,950	16,349,260

d) No borrowing costs were capitalised during the financial year.

7. INVESTMENT PROPERTIES

	Company	
	2017 RM	**2016 RM**
Level 3 fair value		
As at 1 April	**11,841,957**	11,762,502
Additions	**–**	79,455
Disposal	**(743,452)**	–
As at 31 March	**11,098,505**	11,841,957

Investment properties comprise a number of commercial properties leased to third parties as disclosed in Note 35 to the financial statements.

Investment properties are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM7,860,993 (2016 - RM7,860,993).

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM395,474 (2016 - RM376,090).

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison approach which seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Where dissimilarities exist, adjustments are made.	Price per square foot (RM437 – RM750).	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The registered independent valuers provides the fair value of the Group's investment property portfolio every 5 years. Changes in level 3 fair values are analysed by the management every 5 years after obtaining valuation report from the valuation company.

8. INVESTMENT IN SUBSIDIARIES

	Company 2017 RM	2016 RM
Unquoted shares at cost		
As at 31 March	**91,149,668**	91,149,668

As at the reporting date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM14,049,006 (2016 – RM14,914,601). The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investments. The Directors believe that there is no permanent impairment in value of these investments.

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

	Country of Incorporation	Principal Activities	Holding in Equity 2017 %	2016 %
Subsidiaries –				
Ireka Sdn Bhd	Malaysia	Investment holding	**100**	100
Ireka iCapital Sdn Bhd (i) (v)	Malaysia	Investment holding	**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 (v)	Malaysia	Property services	**100**	100
Ireka Commercial Sdn Bhd (v)	Malaysia	Property investment and renting of property	**100**	100
i-Residence Sdn Bhd (v)	Malaysia	Property investment and renting of property	**100**	100

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of Incorporation	Principal Activities	Holding in Equity	
			2017 %	2016 %
Subsidiaries (cont'd) –				
Ireka Engineering and Construction Vietnam Company Limited (i)	Vietnam	Civil, structural and building construction	**100**	100
Meadowfield Sdn Bhd	Malaysia	Property development	**100**	100
i-Tech Network Solutions (Vietnam) Company Limited (i)	Vietnam	Import and distribution of computer hardware, computer programming, consultancy and computer system management	**100**	100
United Time Development Sdn Bhd	Malaysia	Property development	**100**	100
Subsidiary companies of Ireka Sdn Bhd –				
Ireka Engineering & Construction Sdn Bhd (iv)	Malaysia	Earthworks, civil, structural and building construction and renting of construction plant and machinery	**71.43**	71.43
Regalmont (Sabah) Sdn Sdn (v)	Malaysia	Property development	**100**	100
Regal Variety Sdn Bhd (v)	Malaysia	Investment holding	**100**	100
Iswaja Enterprise Sdn Bhd (iii)	Malaysia	Dormant	**–**	100
Ireka Hospitality Sdn Bhd (v)	Malaysia	Property management, provision of other related professional services and consultancy	**100**	100
Unique Legacy Sdn Bhd (ii) (iii)	Malaysia	Dormant	**–**	90

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of Incorporation	Principal Activities	Holding in Equity	
			2017 %	2016 %
Subsidiary companies of Ireka iCapital Sdn Bhd –				
e-Auction Sdn Bhd (i)(v)	Malaysia	Dormant	**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)(v)	Malaysia	Dormant	**100**	100
i-Tech Network Solutions Sdn Bhd (i)(v)	Malaysia	System integration, software solutions and trading in computer hardware	**100**	100
iTech ELV Solutions Sdn Bhd (i)(v)	Malaysia	Provide, supply and install high voltage power system and low voltage power system, and structured cabling system and extra low voltage system	**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.

(iii) The subsidiary has been wound up during the financial year ended 31 March 2017.

(iv) 28.57% of the shareholding held directly by Ireka Corporation Berhad.

(v) The auditors' report on financial statements of these subsidiaries contain a modification in respect of the appropriateness of going concern assumption.

(vi) The persons who are directors of the subsidiary companies of Ireka Corporation Berhad during the year are:

- Datuk Lai Siew Wah
- Datuk Lai Voon Hon
- Lai Voon Huey
- Datuk Lai Jaat Kong @ Lai Foot Kong
- Chan Soo Har @ Chan Kay Chong
- Lai Man Moi
- Haji Mohd. Sharif Bin Haji Yusof
- Tan Thiam Chai
- Leonard Yee Yuke Dien
- Chan Huan Khim
- Ng Yau Siong

9. INVESTMENT IN ASSOCIATES

	GROUP 2017 RM	GROUP 2016 RM	COMPANY 2017 RM	COMPANY 2016 RM
Quoted shares outside Malaysia, at cost	**158,139,389**	168,751,999	**158,139,389**	168,751,999
Unquoted shares in Malaysia	**300,003**	300,003	**300,003**	300,003
	158,439,392	169,052,002	**158,439,392**	169,052,002
Share of post-acquisition reserve	**(57,158,776)**	(64,677,670)	**–**	–
	101,280,616	104,374,332	**158,439,392**	169,052,002
Market value of quoted shares	**105,522,145**	79,201,207	**105,522,145**	79,201,207

Details of the associates are as follows :

Name of associates	Country of Incorporation	Principal Activities	Holding in Equity 2017 %	Holding in Equity 2016 %
Aseana Properties Limited ("ASPL") (i)(ii)(iii)	Jersey, Channel Islands	Development of upscale residential and hospitality projects, sale of development land and operation of hotel, mall and hospital in Malaysia and Vietnam	**23.07**	23.07
Urban DNA Sdn Bhd ("URBAN") (i)(ii)(iii)	Malaysia	Property development	**30.00**	30.00
The RuMa Hotel KL Sdn Bhd ("RUMA") (i)(ii)(iii)	Malaysia	Investment holding	**30.00**	30.00

(i) The financial year end is 31 December 2016.

(ii) The financial statements of these companies 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 :

	ASPL RM	URBAN RM	RUMA RM	TOTAL RM
2017				
Assets and liabilities				
Current assets	**1,261,422,838**	**312,323,005**	**5,393**	**1,573,751,236**
Non-current assets	**34,639,483**	**–**	**–**	**34,639,483**
Total assets	**1,296,062,321**	**312,323,005**	**5,393**	**1,608,390,719**
Current liabilities	**468,203,312**	**332,557,079**	**27,200**	**800,787,591**
Non-current liabilities	**198,252,353**	**–**	**–**	**198,252,353**
Total liabilities	**666,455,665**	**332,557,079**	**27,200**	**999,039,944**
Results				
Revenue	**483,354,353**	**–**	**–**	**483,354,353**
Profit/(Loss) for the financial year/ Total comprehensive profit/(loss) for the financial year	**41,011,323**	**(4,915,691)**	**(6,842)**	**36,088,790**
Group's share :				
Net assets/(liabilities)	**113,746,127**	**(12,456,269)**	**(9,242)**	**101,280,616**
Profit/(Loss) for the financial year/ Total comprehensive profit/(loss) for the financial year	**9,461,312**	**(1,474,707)**	**(2,053)**	**7,984,552**
Dividends received by the Group	**–**	**–**	**–**	**–**
2016				
Assets and liabilities				
Current assets	1,449,478,373	263,802,745	3,786	1,713,284,904
Non-current assets	75,476,270	–	–	75,476,270
Total assets	1,524,954,643	263,802,745	3,786	1,788,761,174

9. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows (cont'd) :

	ASPL RM	URBAN RM	RUMA RM	TOTAL RM
2016 (cont'd)				
Current liabilities	741,165,369	253,830,898	27,750	995,024,017
Non-current liabilities	256,481,077	25,290,230	–	281,771,307
Total liabilities	997,646,446	279,121,128	27,750	1,276,795,324
Results				
Revenue	70,458,073	–	–	70,458,073
Loss for the financial year/ Total comprehensive loss for the financial year	(70,138,314)	(2,989,945)	(8,580)	(73,136,839)
Group's share :				
Net assets/(liabilities)	114,897,424	(10,515,903)	(7,189)	104,374,332
Loss for the financial year/ Total comprehensive loss for the financial year	(16,180,909)	(896,984)	(2,574)	(17,080,467)
Dividends received by the Group	–	–	–	–

10. OTHER INVESTMENTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At cost :				
Available-for-sale financial assets				
Quoted shares				
– Outside Malaysia	**–**	147,190	**–**	–
Investments in club membership	**237,778**	237,778	**237,778**	237,778
Unquoted shares	**–**	1,050,948	**–**	–
Carrying amount	**237,778**	1,435,916	**237,778**	237,778

10. OTHER INVESTMENTS (CONT'D)

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Less : Accumulated impairment loss				
Investments in club membership	**(196,278)**	(196,278)	**(196,278)**	(196,278)
Unquoted shares	**–**	(1,050,948)	**–**	–
	(196,278)	(1,247,226)	**(196,278)**	(196,278)
	41,500	188,690	**41,500**	41,500
At market value : Quoted shares				
– Outside Malaysia	**–**	147,190	**–**	–

11. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2017 RM	Group 2016 RM
Freehold land, at cost		
As at 1 April	**35,324,812**	35,324,812
Transfer to property development cost (Note 12)	**(22,426,559)**	–
As at 31 March	**12,898,253**	35,324,812

11. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D)

	Group 2017 RM	2016 RM
Development costs		
As at 1 April	**23,113,964**	17,794,758
Additions	**6,493,007**	5,319,206
Transfer to property development cost (Note 12)	**(18,178,778)**	–
As at 31 March	**11,428,193**	23,113,964
Carrying amount as at 31 March	**24,326,446**	58,438,776

Freehold land are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM NIL (2016 - RM22,426,558).

The borrowing costs capitalised on the land held for property development during the financial year is RM NIL (2016 - RM593,189).

12. PROPERTY DEVELOPMENT COST

	Freehold land RM	Development cost RM	Borrowing costs capitalised RM	Total RM
Group				
Cumulative property development costs				
2017				
As at 1.4.2016	**25,000,000**	**65,919,664**	**4,285,443**	**95,205,107**
Transfer from land held for property development (Note 11)	**17,273,900**	**18,178,778**	**5,152,659**	**40,605,337**
Transfer from property, plant and equipment (Note 6)	**15,606,455**	**–**	**–**	**15,606,455**
Costs incurred during the year	**–**	**33,717,586**	**1,111,686**	**34,829,272**
As at 31.3.2017	**57,880,355**	**117,816,028**	**10,549,788**	**186,246,171**

12. PROPERTY DEVELOPMENT COST (CONT'D)

	Total RM
Cumulative costs recognised in income statement	
As at 1.4.2016	**(62,943,594)**
Recognised during the year	**(26,758,994)**
As at 31.3.2017	**(89,702,588)**
Property development costs as at 31.3.2017	**96,543,583**

	Freehold land RM	Development cost RM	Borrowing costs capitalised RM	Total RM
2016				
As at 1.4.2015	25,000,000	61,019,129	3,726,077	89,745,206
Costs incurred during the year	–	4,900,535	559,366	5,459,901
As at 31.3.2016	25,000,000	65,919,664	4,285,443	95,205,107
Cumulative costs recognised in income statement				
As at 1.4.2015				(58,874,896)
Recognised during the year				(4,068,698)
As at 31.3.2016				(62,943,594)
Property development costs as at 31.3.2016				32,261,513

Freehold land are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM36,082,550 (2016 - RM18,808,650).

13. INVENTORIES

	Group 2017 RM	2016 RM
At cost		
Construction materials	**13,635,876**	15,616,243
Finished goods	**21,623**	192,700
Property held for sales	**437,615**	–
	14,095,114	15,808,943

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables	**125,647,305**	116,697,027	**–**	–
Other receivables				
Accrued billing	**–**	115,022	**–**	–
Deposits	**2,142,177**	2,024,159	**827,275**	829,075
Prepayments	**2,639,427**	1,058,523	**105,205**	306,678
Other receivables	**1,820,817**	2,630,282	**1,245,584**	1,292,565
	6,602,421	5,827,986	**2,178,064**	2,428,318
	132,249,726	122,525,013	**2,178,064**	2,428,318

14. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total trade and other receivables	**132,249,726**	122,525,013	**2,178,064**	2,428,318
Add : Deposits, cash and bank balances	**12,428,419**	27,247,674	**1,313,001**	152,965
Total loans and receivables	**144,678,145**	149,772,687	**3,491,065**	2,581,283

The Group'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	
	2017 RM	2016 RM	2017 RM	2016 RM
Within credit terms	**49,567,013**	89,811,487	**–**	–
Past due but not impaired				
90 to 120 days	**511,123**	863,844	**–**	–
More than 120 days	**75,569,169**	26,021,696	**–**	–
	125,647,305	116,697,027	**–**	–

At the end of the reporting period, trade receivables that are individually impaired were those insignificant 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 Group 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 Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables and collection.

15. AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

	Group 2017 RM	Group 2016 RM
Construction contract costs incurred to date	**498,987,164**	354,609,322
Attributable profits	**42,883,454**	18,354,291
	541,870,618	372,963,613
Less : Progress billings	**(483,530,502)**	(331,923,304)
	58,340,116	41,040,309
Amount due from customers on contracts	**58,340,116**	41,040,309
Retention sums on contracts included within trade receivables	**41,465,419**	47,715,708

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

	Group 2017 RM	Group 2016 RM
Hire of plant and machinery	**881,690**	1,780,686
Property, plant and equipment - Depreciation	**3,372,017**	4,290,526
Rental expense for buildings	**1,329,836**	1,362,955

16. 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 RM2,682,221 (2016 - RM2,542,389) from a subsidiary which bear interest of 5.5% (2016 - 5.5%) per annum.

17. AMOUNTS DUE FROM/(TO) ASSOCIATES

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

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash on hand and at banks (i) (ii)	**4,696,314**	3,336,973	**1,313,001**	152,965
Deposits with licensed banks (iii)	**7,732,105**	23,910,701	**–**	–
Cash and bank balances	**12,428,419**	27,247,674	**1,313,001**	152,965
Bank overdrafts	**(18,699,231)**	(41,748,051)	**(983,060)**	(996,482)
Total cash and cash equivalents	**(6,270,812)**	(14,500,377)	**329,941**	(843,517)

i) Included in cash at banks of the Group are amounts of RM246,616 (2016 - RM351,036) held pursuant to Section 8A of the Housing (Control and Licensing of Developers) Enactment, 1978 and Section 7A of the Housing Development (Control Licensing) Act, 1966 which restricted from use in the other operations.

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

iii) Deposits of the Group amounting to RM7,732,105 (2016 – RM23,867,399) are held on lien by bank pursuant to banking facilities agreements and restricted from use in the other operations.

The interest rate as at the reporting date and the remaining maturities of the Group and the Company deposits placed with licensed banks are as follows:-

	Group	
	2017	2016
Interest rate (%) (per annum)	**2.85 – 3.00**	3.06 – 3.15
Average maturity (days)	**30 – 90**	30 – 90

19. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM
As at 1.4.2016/31.3.2017	**170,872,050**	**1,384,922**	**172,256,972**

	Number of ordinary shares		Amount	
	2017 UNIT	2016 UNIT	2017 RM	2016 RM
Authorised share capital	–	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 31.3.2017.

The Company's issued and fully paid-up share capital comprises ordinary shares with a par value of RM1.00 each. The new Companies Act, 2016, which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

20. WARRANT RESERVES

On 26 June 2014, the Company increased its issued and paid-up share capital from RM113,914,700 to RM170,872,050 by way of a renounceable two-call rights issue of 56,957,350 new ordinary shares of RM1.00 each in the Company ("Rights Share(s)") together with 56,957,350 free detachable warrants ("Warrant(s)") on the basis of one (1) Rights Share with one (1) free Warrant for every two (2) existing ordinary shares of RM1.00 each held in the Company at an issue price of RM1.00 per Rights Share, of which the first call of RM0.65 per Rights Share is payable in cash on application and the second call of RM0.35 is to be capitalised from the Company's share premium account.

The Company had recognised the value of the warrants by debiting the other reserves account and crediting the same amount in full to the warrant reserves.

20. WARRANT RESERVES (CONT'D)

The value of warrant is based on the relative fair value of the ordinary shares by reference to the following assumptions comprising :

Share price :	RM0.92
Exercise price :	RM1.00
Tenure :	5 Years
Volatility :	10.000%
Dividend :	No dividend
Interest rate :	3.953%

21. OTHER RESERVES

Other reserves shall be set off against the warrant reserves upon the full exercise of the warrants.

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. FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

24. BORROWINGS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Short-term borrowings				
Secured :				
Term loans	**15,626,536**	18,270,028	**–**	–
Hire purchase and finance lease liabilities	**3,749,082**	3,197,414	**–**	–
Bank overdrafts	**17,716,171**	40,751,569	**–**	–
Revolving credits	**32,269,171**	42,155,546	**–**	–
Trade finance	**24,749,000**	23,816,000	**–**	–
	94,109,960	128,190,557	**–**	–
Unsecured :				
Bank overdrafts	**983,060**	996,482	**983,060**	996,482
Revolving credits	**1,014,767**	1,015,325	**1,014,767**	1,015,325
	1,997,827	2,011,807	**1,997,827**	2,011,807
	96,107,787	130,202,364	**1,997,827**	2,011,807
Long-term borrowings				
Secured :				
Term loans	**26,891,182**	8,002,975	**–**	–
Hire purchase and finance lease liabilities	**3,218,784**	4,850,395	**–**	–
	30,109,966	12,853,370	**–**	–
Total borrowings				
Revolving credits	**33,283,938**	43,170,871	**1,014,767**	1,015,325
Trade finance	**24,749,000**	23,816,000	**–**	–
Term loans	**42,517,718**	26,273,003	**–**	–
Bank overdrafts	**18,699,231**	41,748,051	**983,060**	996,482
Hire purchase and finance lease liabilities	**6,967,866**	8,047,809	**–**	–
	126,217,753	143,055,734	**1,997,827**	2,011,807

24. 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(c), Note 7 and Note 12.

b) Corporate guarantees granted by the Company.

The secured bridging loans, bank overdrafts, revolving credits and trade finance are secured by assignment of contract proceeds and corporate guarantees of the Company.

Other information on financial risks of borrowings are disclosed in Note 39.

Hire purchase and finance lease liabilities

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Future minimum lease payments				
Not later than 1 year	**4,128,261**	3,655,357	**–**	–
Later than 1 year and not later than 2 years	**3,852,372**	2,994,631	**–**	–
Later than 2 years and not later than 5 years	**–**	2,632,578	**–**	–
Total future minimum lease payments	**7,980,633**	9,282,566	**–**	–
Less : Future finance charges	**(1,012,767)**	(1,234,757)	**–**	–
Present value of finance lease liabilities	**6,967,866**	8,047,809	**–**	–
Analysis of present value of finance lease liabilities				
Not later than 1 year	**3,749,082**	3,197,414	**–**	–
Later than 1 year and not later than 2 years	**3,218,784**	2,732,095	**–**	–
Later than 2 years and not later than 5 years	**–**	2,118,300	**–**	–
	6,967,866	8,047,809	**–**	–
Less : Amount due within 12 months	**(3,749,082)**	(3,197,414)	**–**	–
Amount due after 12 months	**3,218,784**	4,850,395	**–**	–

24. BORROWINGS (CONT'D)

Hire purchase and finance lease liabilities (cont'd)

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 39.

25. DEFERRED TAX

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
As at 1 April	**3,222,000**	3,223,100	**610,000**	610,000
Recognised in income statement	**–**	(1,100)	**–**	–
As at 31 March	**3,222,000**	3,222,000	**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 :

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Property, plant and equipment				
As at 1 April	**3,222,000**	3,223,100	**610,000**	610,000
Recognised in income statement	**–**	(1,100)	**–**	–
As at 31 March	**3,222,000**	3,222,000	**610,000**	610,000
Deferred tax assets :				
As at 31 March	**–**	–	**–**	–

25. DEFERRED TAX (CONT'D)

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Unused tax losses	**92,170,289**	88,167,176	**27,243,696**	24,592,998
Unabsorbed capital allowances	**13,690,979**	18,409,435	**1,997,044**	1,775,659
Accelerated capital allowances	**(5,653,367)**	(6,223,847)	**–**	–
	100,207,901	100,352,764	**29,240,740**	26,368,657

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

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

26. PROVISION

	Group	
	2017 RM	2016 RM
Provision for sub-contractor's valuation		
As at 1 April	**1,742,277**	9,116,303
Addition	**–**	1,742,277
Reversal	**(1,742,277)**	(9,116,303)
As at 31 March	**–**	1,742,277

This is estimate liability, as assessed by the Directors, arising from the provision for value work done by site valuation to subcontractors.

27. TRADE AND OTHER PAYABLES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Current				
Trade payables (i)	**153,024,548**	150,575,271	**–**	–
Progress billings in respect of property development cost	**1,346,362**	1,841,954	**–**	–
	154,370,910	152,417,225	**–**	–
Other payables				
Accruals	**9,953,852**	2,631,199	**–**	–
Other payables	**52,848,548**	29,684,853	**21,704,215**	16,580,532
Trade deposits	**7,105,128**	9,355,751	**–**	–
	69,907,528	41,671,803	**21,704,215**	16,580,532
	224,278,438	194,089,028	**21,704,215**	16,580,532
Total trade and other payables	**224,278,438**	194,089,028	**21,704,215**	16,580,532
Add : Borrowings	**126,217,753**	143,055,734	**1,997,827**	2,011,807
Total financial liabilities at amortised cost	**350,496,191**	337,144,762	**23,702,042**	18,592,339

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

28. REVENUE

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Construction contracts	**267,826,957**	237,469,613	**–**	–
Dividend income	**–**	–	**–**	3,812,970
Management fees	**–**	–	**12,673,821**	14,337,565
Property development	**42,775,990**	5,481,404	**–**	–
Rental income	**130,436**	244,954	**–**	–
Trading and services	**21,025,255**	19,926,020	**–**	–
	331,758,638	263,121,991	**12,673,821**	18,150,535

29. COST OF SALES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Construction contracts costs	**282,507,678**	232,556,969	**–**	–
Property development costs	**2,841,810**	4,068,698	**–**	–
Cost of inventories sold	**4,198,303**	5,733,211	**–**	–
Cost of services rendered	**10,640,637**	7,497,254	**–**	–
	300,188,428	249,856,132	**–**	–

30. OTHER INCOME

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Dividend income	**31**	33	**31**	33
Interest income	**676,016**	822,074	**140,368**	342,930
Gain on disposal of property, plant and equipment	**536,119**	945,350	**754**	–
Gain on disposal of				
– Investment properties	**248,307**	–	**–**	–
– Other investments	**184,947**	26,469	**–**	–
Gain on foreign exchange				
– Realised	**–**	1,075,304	**–**	–
– Unrealised	**418,125**	226,994	**2,584**	14,346
Rental income	**142,372**	189,993	**1,309,679**	1,283,927
Upkeep of motor vehicle recoverable	**49,200**	51,300	**49,200**	51,300
Other	**1,242,044**	593,276	**4,000**	36,743
	3,497,161	3,930,793	**1,506,616**	1,729,279

Included in interest income from loan and receivables of the Company is interest of RM139,831 (2016 - RM337,103) from a fellow subsidiary.

31. FINANCE COSTS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Interest expense on :				
Bank borrowings	**7,811,049**	9,239,912	**143,226**	140,020
Hire purchase and finance lease liabilities	**548,150**	443,436	**–**	4,337
	8,359,199	9,683,348	**143,226**	144,357
Less : Interest expense capitalised in :				
Land held for property development - Note 11	**–**	(593,189)	**–**	–
Property development cost - Note 12	**(1,111,686)**	(559,366)	**–**	–
Total interest expense	**7,247,513**	8,530,793	**143,226**	144,357

32. PROFIT/(LOSS) BEFORE TAX

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

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
After charging :				
Amount due from subsidiary - Written off	**–**	–	**1,121,245**	–
Auditors' remuneration -				
Current year	**294,696**	324,049	**90,000**	90,000
Under provision in prior years	**–**	386	**–**	–
Bad debt written off	**930**	–	**–**	–

32. PROFIT/(LOSS) BEFORE TAX (CONT'D)

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

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
After charging (cont'd) :				
Directors' remuneration -				
Executive directors				
Fee	**299,500**	282,000	**293,500**	276,000
Emoluments	**5,231,490**	5,352,513	**4,218,720**	4,218,720
Employees Provident Fund	**462,854**	455,268	**334,248**	334,248
Non-executive directors				
Fee	**96,000**	88,000	**96,000**	88,000
Loss on disposal on investments of associates	**334,528**	–	**334,528**	–
Impairment loss on investment in subsidiary	**–**	–	**–**	1,000,000
Loss on foreign exchange -				
Realised	**25,611**	817	**–**	–
Unrealised	**811**	5,176	**413**	2,840
Property, plant and equipment -				
Depreciation	**5,091,999**	6,288,315	**441,016**	535,510
Loss on disposal	**470,195**	410,602	**–**	–
Written-off	**14,779**	13,595	**–**	–
Rental -				
Plant and machinery	**860,208**	1,569,324	**–**	–
Land and buildings	**1,478,693**	3,484,140	**1,966,366**	1,928,143
Office equipment	**2,201,378**	13,836	**–**	–
Stock value written down	**1,492**	–	**–**	–
Staff costs (i)	**44,607,193**	46,299,281	**6,507,792**	6,079,339
(i) **Staff costs -**				
Wages, salaries and other	**40,255,488**	41,809,039	**5,536,204**	5,153,465
Employees Provident Fund	**4,351,705**	4,490,242	**971,588**	925,874
	44,607,193	46,299,281	**6,507,792**	6,079,339

33. INCOME TAX

	Group 2017 RM	2016 RM
Continuing operations		
Current income tax		
Malaysian income tax	**142,850**	434,670
(Over) Under provision in prior years		
Malaysian income tax	**(391,163)**	74,125
	(248,313)	508,795
Deferred tax		
Relating to origination and reversal of differences	**–**	(1,100)
Total income tax	**(248,313)**	507,695

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

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

	Group 2017 RM	2016 RM
Profit/(Loss) before tax from :		
Continuing operations	**3,946,348**	(39,048,263)
Taxation at Malaysian statutory tax rate of 24%	**947,124**	(9,371,583)
Change in tax rate	**–**	(214)
Income not subject to tax	**(115,092)**	(560,253)
Effect of share of loss of associates	**(1,916,292)**	4,099,312
Expenses not deductible for tax purposes	**1,253,610**	2,602,985
Deferred tax recognised at different tax rates	**8,267**	16,141
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**–**	4,512,939
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(34,767)**	(865,757)
(Over)/Under provision of tax expenses in prior years	**(391,163)**	74,125
Income tax for the financial year	**(248,313)**	507,695

33. INCOME TAX (CONT'D)

	Company 2017 RM	Company 2016 RM
(Loss)/Profit before tax	**(4,453,386)**	2,651,319
Taxation at Malaysian statutory tax rate of 24%	**(1,068,813)**	636,317
Income not subject to tax	**(54,621)**	(1,067,382)
Expenses not deductible for tax purposes	**434,134**	430,459
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**689,300**	606
Income tax for the financial year	**–**	–

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Tax savings during the financial year arising from :				
Utilisation of current year's tax losses	**2,165,332**	–	**140,368**	–
Utilisation of previously unrecognised tax losses	**1,155,596**	–	**–**	–

34. PROFIT/(LOSS) PER SHARE

Loss per share is calculated by dividing 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.

	Company 2017 RM	Company 2016 RM
Profit/(Loss) from continuing operations attributable to owners of the Company	**4,194,661**	(39,555,958)
Weighted average number of ordinary shares in issue	**170,872,050**	170,872,050
Profit/(Loss) per share attributable to owners of the Company (sen)		
Basic and diluted	**2.45**	(23.15)

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.

35. 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 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

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

	2017 RM	2016 RM
Not later than 1 year	**103,467**	146,782
Later than 1 year but not later than 5 years	**–**	58,386
	103,467	205,168

Investment property rental income including contingent rent are recognised in profit or loss during the financial year as disclosed in Note 28 to the financial statements.

36. RELATED PARTY DISCLOSURES

	Group 2017 RM	Group 2016 RM
Companies in which certain Directors are deemed to have interests :		
Building materials and spare parts purchased from/(by)		
- Imuda Sdn Bhd	**(40,303)**	42,979
- Quality Parts Sdn Bhd	**1,502,605**	1,608,128
Management contractor services charged to		
- ICSD Ventures Sdn Bhd	**(70,000)**	(148,400)
Progress billings on contracts (to)/from		
- Amatir Resources Sdn Bhd	**–**	(1,514,206)
- Urban DNA Sdn Bhd	**(43,815,354)**	(28,754,037)
Reimbursement of expenses from/(to)		
- Amatir Resources Sdn Bhd	**52,767**	105,878
- ICSD Ventures Sdn Bhd	**25,179**	19,156
- Imuda Sdn Bhd	**397,221**	540,057
- Ireka Land Sdn Bhd	**11,966**	34,161
- Quality Parts Sdn Bhd	**–**	123,731
- Urban DNA Sdn Bhd	**–**	(424)

	Company 2017 RM	Company 2016 RM
Subsidiary companies :		
Dividend income	**–**	(3,812,970)
Interest income	**(139,831)**	(337,103)
Labour charges recoverable	**–**	(34,653)
Management fees	**(12,673,821)**	(14,337,565)
Maintenance fees	**–**	81,000
Rental income	**(1,309,679)**	(1,283,927)
Upkeep of motor vehicle	**63,360**	52,464

36. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group 2017 RM	Group 2016 RM
Included in trade and other receivables :		
Aseana Properties Limited	–	225,108
Amatir Resources Sdn Bhd	**70,106**	75,944
Bumijaya Mawar Sdn Bhd	**35**	10
Bumijaya Mahligai Sdn Bhd	**35**	10
Bumiraya Impian Sdn Bhd	**35**	10
ICSD Ventures Sdn Bhd	–	327,406
Ireka Land Sdn Bhd	–	35,510
Imuda Sdn Bhd	**2,132,444**	2,399,554
Inovtecs Sdn Bhd	**1,735,938**	1,735,938
Priority Elite Sdn Bhd	–	154,412
Urban DNA Sdn Bhd	**4,835,804**	2,658,942
Uspa Construction Sdn Bhd	**3,795,722**	3,795,722
	12,570,119	11,408,566
Included in trade and other payables :		
Aseana Properties Limited	–	20,109
Amatir Resources Sdn Bhd	**9,911,319**	9,473,335
Binaderas Sdn Bhd	**3,765,229**	3,765,229
ICSD Ventures Sdn Bhd	**736,536**	703,633
Imuda Sdn Bhd	**304,355**	6,019,236
Ireka Land Sdn Bhd	**554,932**	2,084,899
Iringan Flora Sdn Bhd	–	174,427
Quality Parts Sdn Bhd	**674,461**	365,945
Texsol Sdn Bhd	**200,000**	200,000
Urban DNA Sdn Bhd	**13,682,960**	10,478,488
	29,829,792	33,285,301

36. RELATED PARTY DISCLOSURES (CONT'D)

Outstanding balances arising from trade transactions during the financial year are as follows (cont'd) :

	Company 2017 RM	Company 2016 RM
Included in other receivables :		
ICSD Ventures Sdn Bhd	**135,873**	198,124
Imuda Sdn Bhd	**–**	8,632
	135,873	206,756

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 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Directors' remuneration				
- Note 32	**6,089,844**	6,177,781	**4,942,468**	4,916,968

37. CONTINGENT LIABILITIES

	Company 2017 RM	Company 2016 RM
Unsecured - Notices of assessment from the Inland Revenue Board	**1,833,342**	–

38. SEGMENTAL INFORMATION

Primary Reporting - Business segments

	Continuing Operations						
	Construction RM	Property development RM	Trading and services RM	Property investment RM	Investment holding RM	Elimination RM	Total RM
2017							
Revenue							
External sales	267,826,957	42,775,990	21,025,255	130,436	–	–	331,758,638
Inter-segment sales	5,654,316	–	3,651,881	599,424	12,673,821	(22,579,442)	–
Total revenue	273,481,273	42,775,990	24,677,136	729,860	12,673,821	(22,579,442)	331,758,638
Result							
Segment result	(2,429,753)	9,921,700	(943,968)	342,219	(2,830,649)	(1,526,256)	2,533,293
Finance costs							(7,247,513)
Interest income							676,016
Share of profit of associates					7,984,552		7,984,552
Profit before tax							3,946,348
Income tax expense							248,313
Profit for the year							4,194,661

Information about a major customer

Revenue from major customer amounted to RM207,793,708, arising from revenue earned by the construction segment.

38. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting - Other Information

	Continuing Operations Construction RM	Property development RM	Trading and services RM	Property investment RM	Investment holding RM	Elimination RM	Total RM	Discontinued operation RM	Per consolidated financial statements Total RM
2017									
Other information									
Segment assets	254,333,449	147,204,873	38,703,492	23,522,016	96,478,871	(61,422,023)	498,820,678	–	498,820,678
Segment liabilities	239,535,520	69,258,991	5,071,705	16,252,822	25,028,799	(425,075)	354,722,762	–	354,722,762
Additions to non-current assets :									
Property, plant and equipment	476,177	–	45,760	–	4,120	–	526,057	–	526,057
Land held for property development	–	6,493,007	–	–	–	–	6,493,007	–	6,493,007
Depreciation	3,852,091	2,232	626,717	155,087	455,872	–	5,091,999	–	5,091,999

38. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting - Business segments

	Continuing Operations						
	Construction RM	Property development RM	Trading and services RM	Property investment RM	Investment holding RM	Elimination RM	Total RM
2016							
Revenue							
External sales	237,469,613	5,481,404	19,926,020	244,954	–	–	263,121,991
Inter-segment sales	15,737,653	–	974,146	575,684	18,150,535	(35,438,018)	–
Total revenue	253,207,266	5,481,404	20,900,166	820,638	18,150,535	(35,438,018)	263,121,991
Result							
Segment result	(6,892,770)	(5,195,179)	(1,457,522)	205,464	1,610,860	(2,529,930)	(14,259,077)
Finance costs							(8,530,793)
Interest income							822,074
Share of loss of associates					(17,080,467)		(17,080,467)
Loss before tax							(39,048,263)
Income tax expense							(507,695)
Loss for the year							(39,555,958)

Information about a major customer

Revenue from major customer amounted to RM24,860,933, arising from revenue earned by the construction segment.

38. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting - Other Information

	Continuing Operations							Discontinued operation	Per consolidated financial statements
	Construction RM	Property development RM	Trading and services RM	Property investment RM	Investment holding RM	Elimination RM	Total RM	RM	Total RM
2016									
Other information									
Segment assets	269,783,122	59,733,898	11,259,767	20,465,640	190,946,853	(68,540,647)	483,648,633	–	483,648,633
Segment liabilities	291,414,915	13,537,114	4,894,293	14,628,803	19,923,312	(1,085,400)	343,313,037	–	343,313,037
Additions to non-current assets :									
Property, plant and equipment	2,614,851	–	249,674	5,620	58,780	–	2,928,925	–	2,928,925
Investment properties	–	–	–	79,455	–	–	79,455	–	79,455
Land held for property development	–	5,319,206	–	–	–	–	5,319,206	–	5,319,206
Depreciation	4,887,794	3,853	687,817	158,181	550,670	–	6,288,315	–	6,288,315

38. 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 2017 RM	Revenue 2016 RM	Non-current assets 2017 RM	Non-current assets 2016 RM
Malaysia	**331,449,628**	262,423,885	**170,259,696**	229,699,890
Vietnam	**309,010**	698,106	**19,030**	171,843
	331,758,638	263,121,991	**170,278,726**	229,871,733

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

	2017 Malaysia RM	2017 Vietnam RM	2016 Malaysia RM	2016 Vietnam RM
Property, plant and equipment	**33,512,629**	**19,030**	55,003,325	24,653
Investment properties	**11,098,505**	**–**	11,841,957	–
Investment in associates	**101,280,616**	**–**	104,374,332	–
Others investments	**41,500**	**–**	41,500	147,190
Land held for property development	**24,326,446**	**–**	58,438,776	–
	170,259,696	**19,030**	229,699,890	171,843

39. FINANCIAL RISK MANAGEMENT

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

a) Foreign currency risk

The Group has investments in United Kingdom and Vietnam and is exposed to United State Dollars and 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.

39. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Foreign currency risk

Currency profile of major financial assets and liabilities

	← Denominated in other thanfunctional currencies			→	Denominated in functional	
	US Dollar	VND	GBP	SGD	currencies	Total
Group						
2017						
Other investments	**–**	**–**	**–**	**–**	**41,500**	**41,500**
Trade and other receivables	**–**	**625,958**	**–**	**–**	**131,623,768**	**132,249,726**
Cash and bank balances	**81,317**	**1,012,445**	**338**	**–**	**11,334,319**	**12,428,419**
	81,317	**1,638,403**	**338**	**–**	**142,999,587**	**144,719,645**
2016						
Other investments	–	147,190	–	–	41,500	188,690
Trade and other receivables	–	109,820	–	–	122,415,193	122,525,013
Cash and bank balances	139,099	268,132	345	130,996	26,709,102	27,247,674
	139,099	525,142	345	130,996	149,165,795	149,961,377
Company						
2017						
Cash and bank balances	**75,309**	**90**	**–**	**–**	**1,237,602**	**1,313,001**
2016						
Cash and bank balances	109,588	967	–	–	42,410	152,965

The group is exposed to currency translation risk arising from its net investments in foreign operations in Vietnam.

39. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

At 31 March 2017, if other investments, trade and other receivables and cash and bank balances denominated in a currency other than the functional currency of the Group and of the Company entity strengthened/(weakened) by 10% and all other variables were held constant, the effects on the Group's profit and loss and equity expressed in Ringgit Malaysia would have been RM172,006/(RM72,006) (2016 - RM79,558/(RM79,558)) and the Company's profit and loss and equity would have been RM7,540/(RM7,540) (2016 - RM11,056/(RM11,056)).

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	
	2017 RM	2016 RM	2017 RM	2016 RM
Fixed rate instruments:				
Financial assets	**–**	–	**2,682,221**	2,542,389
Financial liabilities	**6,967,866**	8,047,809	**–**	–
Floating rate instruments:				
Financial assets	**12,428,419**	27,247,674	**1,313,001**	152,965
Financial liabilities	**119,249,887**	135,007,925	**1,997,827**	2,011,807

39. FINANCIAL RISK MANAGEMENT (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 2017, if interest rate had been 100 basis point higher/lower and all other variables were held constant, the effects on the Group's profit and loss and equity expressed in Ringgit Malaysia would have been RM811,843/(RM811,843) (2016 - RM818,978/(RM818,978)) and the Company's profit and loss and equity would have been RM5,205/(RM5,205) (2016 - RM14,127/(RM14,127)).

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.

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 36 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

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 of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

39. FINANCIAL RISK MANAGEMENT (CONT'D)

c) Credit risk (cont'd)

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 28% (2016 - 3%) 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 profit and loss and equity.

Sensitivity analysis for equity price risk

The Group has considered the sensitivity of these financial instruments to market risk and are of the view that their impact is insignificant.

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 2017, the Group's borrowings to fund the construction had tenure 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.

39. FINANCIAL RISK MANAGEMENT (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 reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

	NOTE	WAEIR %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 3 years RM	Total RM
2017								
Group								
Financial liabilities								
Fixed rate								
Hire purchase and finance lease liabilities	24	2.88	6,967,866	6,967,866	3,749,082	3,218,784	–	6,967,866
Floating rate								
Bank overdrafts	24	8.02	18,699,231	18,699,231	18,699,231	–	–	18,699,231
Revolving credits	24	6.10	33,283,938	33,283,938	33,283,938	–	–	33,283,938
Trade finance	24	5.06	24,749,000	24,749,000	24,749,000	–	–	24,749,000
Term loans	24	8.31	42,517,718	42,517,718	15,626,536	26,891,182	–	42,517,718
Trade and other payables	27		224,278,438	224,278,438	224,278,438	–	–	224,278,438
Total undiscounted financial liabilities			343,528,325	343,528,325	316,637,143	26,891,182	–	343,528,325
Company								
Floating rate								
Bank overdrafts	24	6.41	983,060	983,060	983,060	–	–	983,060
Revolving credits	24	7.00	1,014,767	1,014,767	1,014,767	–	–	1,014,767
Other payables	27		21,704,215	21,704,215	21,704,215	–	–	21,704,215
Total undiscounted financial liabilities			23,702,042	23,702,042	23,702,042	–	–	23,702,042
Financial guarantee contracts (i)			NIL	90,360,878	90,360,878	–	–	NIL

i) The disclosure represents the maximum liquidity risk exposure in the event of default by the subsidiaries.

39. FINANCIAL RISK MANAGEMENT (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 reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

	NOTE	WAEIR %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 3 years RM	Total RM
2016								
Group								
Financial liabilities								
Fixed rate								
Hire purchase and finance lease liabilities	24	3.23	8,047,809	8,047,809	3,197,414	2,732,095	2,118,300	8,047,809
Floating rate								
Bank overdrafts	24	7.68	41,748,051	41,748,051	41,748,051	–	–	41,748,051
Revolving credits	24	5.81	43,170,871	43,170,871	43,170,871	–	–	43,170,871
Trade finance	24	5.09	23,816,000	23,816,000	23,816,000	–	–	23,816,000
Term loans	24	6.27	26,273,003	26,273,003	18,270,028	7,002,975	1,000,000	26,273,003
Trade and other payables	27		194,089,028	194,089,028	194,089,028	–	–	194,089,028
Total undiscounted financial liabilities			329,096,953	329,096,953	321,093,978	7,002,975	1,000,000	329,096,953
Company								
Floating rate								
Bank overdrafts	24	4.90	996,482	996,482	996,482	–	–	996,482
Revolving credits	24	7.16	1,015,325	1,015,325	1,015,325	–	–	1,015,325
Other payables	27		16,580,532	16,580,532	16,580,532	–	–	16,580,532
Total undiscounted financial liabilities			18,592,339	18,592,339	18,592,339	–	–	18,592,339
Financial guarantee contracts (i)			NIL	124,993,143	124,993,143	–	–	NIL

i) The disclosure represents the maximum liquidity risk exposure in the event of default by the subsidiaries.

39. FINANCIAL RISK MANAGEMENT (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 table below analyses financial instruments carried at fair value at the end of the reporting date by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (such as prices) or indirectly (such as derived from prices).
- Level 3: Inputs for the assets or liability that are not based on observable market date (unobservable inputs).

At the end of the reporting period, the Group held the following financial instruments carried at fair value on the statement of financial position:

	Level 1	
	2017 RM	2016 RM
Group		
Other investments		
Investment in quoted shares	–	147,190

There were no transfers between level 1, 2 and level 3 fair value measurements during the financial year ended 31 March 2017 and 31 March 2016.

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.

39. FINANCIAL RISK MANAGEMENT (CONT'D)

f) Fair values (cont'd)

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

	2017		2016	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Hire purchase and finance lease liabilities	**6,967,866**	**7,980,633**	8,047,809	8,980,660
Company				
Hire purchase and finance lease liabilities	**–**	**–**	–	–

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

Non-derivative financial liabilities

Fair value, which is determined for disclosures purposes, is calculated based on the present value of future 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:

	2017 %	2016 %
Hire purchase and finance lease liabilities	**5.28 - 6.87**	6.80 - 6.87

40. 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 2017 and 31 March 2016.

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.

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Bank borrowings	24	**126,217,753**	143,055,734	**1,997,827**	2,011,807
Less : Cash and cash equivalents	18	**(12,428,419)**	(27,247,674)	**(1,313,001)**	(152,965)
Net debt		**113,789,334**	115,808,060	**684,826**	1,858,842
Equity attributable to the owners of the Company		**144,097,916**	140,335,596	**274,324,901**	278,778,287
Capital and net debt		**257,887,250**	256,143,656	**275,009,727**	280,637,129
Gearing ratio (net cash)		**0.79**	0.83	**0.00**	0.01

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

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2017 and 31 March 2016, into realised and unrealised (losses)/profits, pursuant to the directive, is as follows :

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
The retained earnings of the Company and its subsidiaries :				
- Realised	**33,208,883**	36,728,613	**102,677,929**	107,131,315
- Unrealised	**(9,190,733)**	(8,920,570)	**(610,000)**	(610,000)
	24,018,150	27,808,043	**102,067,929**	106,521,315
The shares of accumulated losses of its associates :				
- Realised	**(48,340,658)**	(61,582,182)	**–**	–
- Unrealised	**(2,432,070)**	2,824,900	**–**	–
	(50,772,728)	(58,757,282)	**–**	–
Total (accumulated losses)/retained earnings	**(26,754,578)**	(30,949,239)	**102,067,929**	106,521,315

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.

ANALYSIS OF SHAREHOLDINGS

AS AT 20 JUNE 2017

Issued shares	:	170,872,050 Ordinary Shares
Voting right	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES	%
1 – 99	72	1,050	0.00
100 – 1,000	719	657,650	0.38
1,001 – 10,000	1,468	6,510,850	3.81
10,001 – 100,000	493	14,227,991	8.33
100,001 – less than 5% of issued shares	84	52,874,140	30.94
5% and above of issued shares	6	96,600,369	56.53
Total	**2,842**	**170,872,050**	**100.00**

DIRECTORS' SHAREHOLDINGS

	DIRECT		INDIRECT	
DIRECTORS	NO. OF SHARES	%	NO. OF SHARES	%
Datuk Lai Siew Wah	–	–	73,502,997*	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong	8,943,750	5.23	–	–
Chan Soo Har @ Chan Kay Chong	3,277,125	1.92	23,097,372**	13.52
Lai Man Moi	2,161,125	1.26	23,097,372**	13.52
Datuk Lai Voon Hon	18,000	0.01	73,502,997*	43.02
Lai Voon Huey, Monica	9,000	0.01	73,502,997*	43.02
Tan Thiam Chai	29,250	0.02	–	–
Haji Mohd. Sharif bin Haji Yusof	–	–	–	–
Hoe Kah Soon	–	–	–	–
Dato' Azmi bin Abdullah	–	–	–	–

ANALYSIS OF SHAREHOLDINGS CONT'D
AS AT 20 JUNE 2017

SUBSTANTIAL SHAREHOLDERS' HOLDINGS

	DIRECT		INDIRECT	
SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHARES	%
Ideal Land Holdings Sdn Bhd	73,502,997	43.02	–	–
Magnipact Resources Sdn Bhd	23,097,372	13.52	–	–
Green Rivervale Holdings Sdn Bhd	–	–	23,097,372^	13.52
Chan Soo Har @ Chan Kay Chong	3,277,125	1.92	23,097,372**	13.52
Lai Man Moi	2,161,125	1.26	23,097,372**	13.52
Datuk Lai Jaat Kong @ Lai Foot Kong	8,943,750	5.23	–	–
Datuk Lai Siew Wah	–	–	73,502,997*	43.02
Datuk Lai Voon Hon	18,000	0.01	73,502,997*	43.02
Lai Voon Keat	–	–	73,502,997*	43.02
Lai Voon Wai	–	–	73,502,997*	43.02
Liw Yoke Yin	18,000	0.01	73,502,997*	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

THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	Kenanga Capital Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	31,000,000	18.14
2	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	14,502,997	8.49
3	Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account - AmBank (M) Berhad for Ideal Land Holdings Sdn Bhd)	14,500,000	8.49
4	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd (Magnipact))	13,500,000	7.90
5	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	13,097,372	7.67
6	Kenanga Capital Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	10,000,000	5.85
7	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Jaat Kong @ Lai Foot Kong)	6,524,050	3.82
8	Thong Kok Cheong	5,465,850	3.20
9	Koon Woh	3,123,000	1.83
10	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	2,765,625	1.62
11	Lai Jaat Kong @ Lai Foot Kong	2,419,700	1.42
12	Lim Sow Mun	2,300,000	1.35
13	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	1,920,375	1.12
14	Sapiah @ Safiah binti Hussin	1,800,000	1.05

ANALYSIS OF SHAREHOLDINGS CONT'D

AS AT 20 JUNE 2017

NO.	NAME	NO. OF SHARES	%
15	Abdullah bin Yusof	1,500,000	0.88
16	JF APEX Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for GV Asia Fund Limited) (STA 1)	1,500,000	0.88
17	How Sue Chan @ Ho Sue Chan	1,369,900	0.80
18	Kwok Yoke How	1,166,600	0.68
19	Ang Yook Chu @ Ang Yoke Fong	1,108,100	0.65
20	Lim Jit Hai	1,079,500	0.63
21	Choon Siew & Sons Sdn. Berhad	1,030,000	0.60
22	Chan Lin Yau	1,015,700	0.59
23	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ang Yook Chu @ Ang Yoke Fong (8076574))	891,200	0.52
24	Tan Hwa Ling @ Tan Siew Leng	819,800	0.48
25	Maybank Nominees (Tempatan) Sdn Bhd (Nomura Singapore Limited for Lim Lian Hock (410242))	631,500	0.37
26	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C))	577,800	0.34
27	Kwok Yoke How	576,003	0.34
28	Yap Ai Synn @ Yap Ai Chin	545,000	0.32
29	CIMB Group Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong (4748 CWAY))	511,500	0.30
30	Chua Cheng Lang	500,000	0.29

ANALYSIS OF WARRANT HOLDINGS

AS AT 20 JUNE 2017

No. of Warrants in issue	:	56,957,350
Exercise Price per Warrant	:	RM1.00
Exercise Period	:	26 June 2014 – 25 June 2019
Exercise Rights	:	Each warrant entitles the holder to subscribe for one new ordinary share in the Company

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	NO. OF WARRANTS	%
1 – 99	8	312	0.00
100 – 1,000	158	115,928	0.20
1,001 – 10,000	362	1,445,900	2.54
10,001 – 100,000	160	6,483,800	11.38
100,001 – less than 5% of issued warrants	47	16,711,287	29.34
5% and above of issued warrants	2	32,200,123	56.53
Total	**737**	**56,957,350**	**100.00**

DIRECTORS' WARRANT HOLDINGS

	DIRECT		INDIRECT	
DIRECTORS	NO. OF WARRANTS	%	NO. OF WARRANTS	%
Datuk Lai Siew Wah	–	–	24,500,999*	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong	2,924,050	5.13	–	–
Chan Soo Har @ Chan Kay Chong	1,092,375	1.92	7,699,124**	13.52
Lai Man Moi	720,375	1.26	7,699,124**	13.52
Datuk Lai Voon Hon	6,000	0.01	24,500,999*	43.02
Lai Voon Huey, Monica	3,000	0.01	24,500,999*	43.02
Tan Thiam Chai	9,750	0.02	–	–
Haji Mohd. Sharif bin Haji Yusof	–	–	–	–
Hoe Kah Soon	–	–	–	–
Dato' Azmi bin Abdullah	–	–	–	–

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

ANALYSIS OF WARRANT HOLDINGS CONT'D
AS AT 20 JUNE 2017

THIRTY (30) LARGEST WARRANT HOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	24,500,999	43.02
2	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	7,699,124	13.52
3	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Jaat Kong @ Lai Foot Kong)	2,824,050	4.96
4	Lee Phooi Har	1,104,000	1.94
5	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	1,092,375	1.92
6	Lim Sow Mun	803,900	1.41
7	Koon Woh	780,200	1.37
8	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	720,375	1.26
9	Chan Thye Thian	655,000	1.15
10	RHB Nominees (Tempatan) Sdn Bhd (Maybank Kim Eng Securities Pte. Ltd. For Sin Khuan Oi)	525,100	0.92
11	Lian Wah Seng	500,000	0.88
12	Nee Kim Yip	413,300	0.73
13	Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Soon Moi (471430))	400,000	0.70
14	Teo Meng Hai	381,700	0.67
15	Chan Lin Yau	370,700	0.65

NO.	NAME	NO. OF WARRANTS	%
16	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Bee Hock (TAN1175C))	312,400	0.55
17	Khoo Boo Chin	300,000	0.53
18	Teo Ah Seng	297,700	0.52
19	GV Asia Fund Limited	285,300	0.50
20	Tan Hwa Ling @ Tan Siew Leng	254,000	0.45
21	Sinar Maju Enterprise Sdn Bhd	241,600	0.42
22	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ng Yik Toon @ Ng Yik Koon (CEB))	240,000	0.42
23	HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Boon Kim Yu (CCTS))	217,000	0.38
24	Lim E @ Lim Hoon Nam	201,700	0.35
25	Choon Siew & Sons Sdn. Berhad	200,000	0.35
26	JF Apex Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Voon Sze Lin)	200,000	0.35
27	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Yoong Fah)	200,000	0.35
28	Teoh Sai Boey	200,000	0.35
29	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C))	192,600	0.34
30	Khoo Su-Lin	190,000	0.33

LIST OF MATERIAL PROPERTIES

AS AT 31 MARCH 2017

NO.	LOCATION	TENURE	APPROXIMATE LAND AREA/ BUILT-UP AREA (SQ. FT.)	DESCRIPTION	AGE (YEARS)	NET BOOK VALUE (RM)	YEAR OF ACQUISITION
1	Lot 34197 (PT 20443) to Lot 34221 (PT 20467) Lot 29489 (PT 24684) to Lot 29631 (PT 24826) Lot 29833 (PT 25028), Bandar Nilai Utama Putra Nilai, Daerah Seremban	Freehold	925,295	Residential land for development	N/A	18,808,650	2011
2	H.S(D) 90326, PT No. 15224, Mukim Batu Daerah Kuala Lumpur, Wilayah Persekutuan	Freehold	54,003	Commercial land for development	N/A	10,800,600	2015
3	Lot PT17741, Mukim Batu, Kuala Lumpur Sectors 3, 5-7, 11-12 i-ZEN@Kiara II Mont' Kiara, Kuala Lumpur	Freehold	16,221	Office space for own/external use	10	8,745,998	2007
4	Lot PT17741, Mukim Batu, Kuala Lumpur Level 30-31, 1 Mont' Kiara Mont' Kiara, Kuala Lumpur	Freehold	18,406	Office suites for investment	7	7,860,993	2007
5	MG-01-09 @ SENI Mont' Kiara Kuala Lumpur	Freehold	3,401	Condominium for investment	6	2,630,205	2009
6	Lot 8850, Mukim of Kajang Daerah Ulu Langat, Selangor Darul Ehsan	Freehold	220,790	Agricultural land for future development	N/A	2,097,654	2011
7	GRN 280415, Lot 3911, Mukim Sungai Gumut Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	43,986	Homesteads for investment	N/A	439,570	1995
8	GRN 280622, Lot 4019, Mukim Sungai Gumut Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	46,368	Homesteads for investment	N/A	278,208	2002
9	Lot No. 2, Sector 1, Lembah Beringin, Mukim Kuala Kelumpang Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	7,185	Bungalow lot for investment	N/A	179,625	2002
10	Geran 42276/M2/2/44, Lot 32432 Mukim of Plentong, Johor Darul Takzim	Freehold	824	Walk-up flat for investment	30	39,048	1987

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 41st 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, 30 August 2017 at 10.00 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 2017 and the reports of the Directors and Auditors thereon.

2 To approve the payment of a first and final single-tier dividend of 2 sen per share for the financial year ended 31 March 2017. **(Ordinary Resolution 1)**

3 To approve the payment of Directors' fees of RM372,000.00 for the financial year ended 31 March 2017 (2016: RM364,000.00). **(Ordinary Resolution 2)**

4 To re-appoint the following Directors in accordance with Article 101(a) of the Company's Articles of Association, as Directors of the Company:

a. Datuk Lai Siew Wah **(Ordinary Resolution 3)**
b. Datuk Lai Jaat Kong @ Lai Foot Kong **(Ordinary Resolution 4)**
c. Chan Soo Har @ Chan Kay Chong **(Ordinary Resolution 5)**

5 To re-appoint Haji Mohd. Sharif bin Haji Yusof in accordance with Article 101(a) of the Company's Articles of Association as a Director of the Company and he shall continue to serve as an Independent Non-executive Director of the Company notwithstanding that he has exceeded a cumulative term of nine (9) years as a Director of the Company, as recommended by the Malaysian Code on Corporate Governance 2012. **(Ordinary Resolution 6)**

6 To re-elect the following Directors who retire in accordance with Article 91(3) of the Company's Articles of Association and, being eligible, offer themselves for re-election:

a. Lai Voon Huey, Monica **(Ordinary Resolution 7)**
b. Dato' Azmi bin Abdullah **(Ordinary Resolution 8)**

7 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. **(Ordinary Resolution 9)**

Special Business

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

8 **Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"**THAT** subject to the Companies Act 2016, Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company's Articles of Association and approvals of any other relevant governmental/regulatory authorities, 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 to be in force until the conclusion of the next Annual General Meeting of the Company." **(Ordinary Resolution 10)**

9 **Proposed Renewal of General Mandate and Additional General Mandate for Recurrent Related Party Transactions**

"**THAT** subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Directors to enter into and give effect to specified recurrent transactions of a revenue or trading nature with specified classes of Related Parties (as set out in Section 2.2.2 of the Circular to Shareholders dated 31 July 2017) which are necessary for the Group's day-to-day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company ("Proposed General Mandate") and such approval shall continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier, and that for the avoidance of doubt, all such transactions entered into by the Company prior to the date of this resolution be and are hereby approved and ratified.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed General Mandate." **(Ordinary Resolution 11)**

10 **Proposed Renewal of Share Buy-back Authority**

"**THAT,** subject to the Companies Act 2016 ("the Act"), Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company's Articles of Association and approvals of any other relevant governmental/regulatory authorities, the Company be and is hereby authorised to purchase and hold such number of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of the issued share capital of the Company and the amount allocated shall not exceed the total retained profits of the Company.

THAT such authority shall commence immediately upon passing of this ordinary resolution until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever occurs earlier.

THAT upon completion of the purchases of the shares of the Company, the Directors of the Company be and are hereby authorised to cancel the shares so purchased or to retain the shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the shares so purchased as treasury shares and cancel the remainder or in any other manners as may be permitted by the relevant legislations and regulations.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and in the best interest of the Company." **(Ordinary Resolution 12)**

11 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 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 41st 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 24 August 2017. Only a depositor whose name appears on the Record of Depositors as at 24 August 2017 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

31 July 2017

NOTES ON PROXY

1 A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. 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.

2 Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the authorised nominee shall specify the proportion of shareholdings to be represented by each proxy.

3 Where a member is an exempt authorised nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. If more than one (1) proxy is appointed, the EAN shall specify the proportion of shareholdings to be represented by each proxy.

4 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised 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 authorised. To be valid, the instrument appointing a proxy and 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.

5 The original signed Proxy Form or the power of attorney or other authority (if any), 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 at any adjournment thereof.

Explanatory Notes

1 **Item 1 on the Agenda - Audited Financial Statements for the Financial Year Ended 31 March 2017**

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require an approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2 **Ordinary Resolution 6 - Retention of Independent Non-executive Director**

The Ordinary Resolution 6, if passed, will enable Haji Mohd. Sharif bin Haji Yusof to continue to serve as an Independent Non-executive Director notwithstanding that he had served the Board as Independent Non-executive Director for a term of more than nine years. The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. The Board is of the view that the Director's length of service does not interfere with his exercise of independent judgment and ability to act in the best interests of the shareholders. In addition, the Board is of the view that his detailed knowledge of the Group's businesses and his proven commitment, experience and competence will benefit the Company.

3 **Ordinary Resolution 10 - Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

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

This authority is a renewal of the general mandate which will expire at the forthcoming 41st 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.

4 **Ordinary Resolution 11 - Proposed Renewal of General Mandate and Additional General Mandate for Recurrent Related Party Transactions**

The Ordinary Resolution 11, if passed, will enable the Group to enter into recurrent transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Further information on this resolution is set out in Part I of the Circular to Shareholders dated 31 July 2017.

5 **Ordinary Resolution 12 - Proposed Renewal of Share Buy-back Authority**

The Ordinary Resolution 12, if passed, will empower the Directors to purchase the Company's shares up to 10% of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. Further information on this resolution is set out in Part II of the Circular to Shareholders dated 31 July 2017.

PROXY FORM

IREKA

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

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 41st 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, 30 August 2017 at 10.00 a.m. and at any adjournment thereof. *My/our proxy is to vote as indicated below:

RESOLUTION	AGENDA	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of single-tier dividend of 2 sen per share		
Ordinary Resolution 2	To approve the payment of Directors' fees of RM372,000.00		
Ordinary Resolution 3	To re-appoint Datuk Lai Siew Wah as a Director of the Company		
Ordinary Resolution 4	To re-appoint Datuk Lai Jaat Kong @ Lai Foot Kong as a Director of the Company		
Ordinary Resolution 5	To re-appoint Chan Soo Har @ Chan Kay Chong as a Director of the Company		
Ordinary Resolution 6	To re-appoint Haji Mohd. Sharif bin Haji Yusof as a Director of the Company		
Ordinary Resolution 7	To re-elect Lai Voon Huey, Monica as a Director of the Company		
Ordinary Resolution 8	To re-elect Dato' Azmi bin Abdullah as a Director of the Company		
Ordinary Resolution 9	To re-appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company		
Ordinary Resolution 10	To propose the renewal of authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 11	To propose the renewal of general mandate and additional general mandate for Recurrent Related Party Transactions		
Ordinary Resolution 12	To propose the renewal of Share Buy-back Authority		

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 ________________ 2017

NOTES:

1 A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. 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.

2 Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the authorised nominee shall specify the proportion of shareholdings to be represented by each proxy.

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Please fold here to seal

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 to seal

IREKA CORPORATION BERHAD 25882-A
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