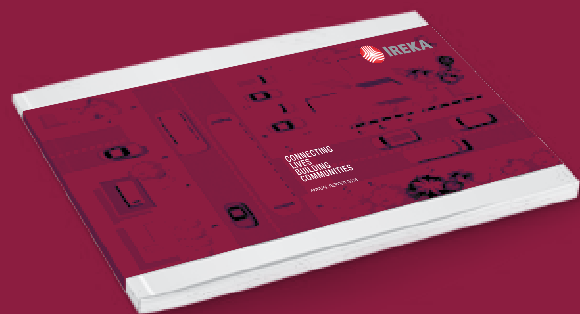
CONNECTING LIVES BUILDING COMMUNITIES

ANNUAL REPORT 2018

The RuMa Hotel and Residences, KLCC



The Company's history has strong connections with building up communities. Much of its development and infrastructure work brings together lives and communities; and its recent venture into urban transportation further enforces Ireka's contribution towards connecting lives.


KaMi Mont' Kiara, Kuala Lumpur

...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.

CONTENTS


ASTA Enterprise Park, Kajang

Rimbun Kasia, Nilai

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
Tan Thiam Chai
Chan Chee Kian

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)

COUNTRY OF DOMICILE & INCORPORATION

Malaysia

LEGAL STATUS

Public listed company limited by shares

REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS

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

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
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

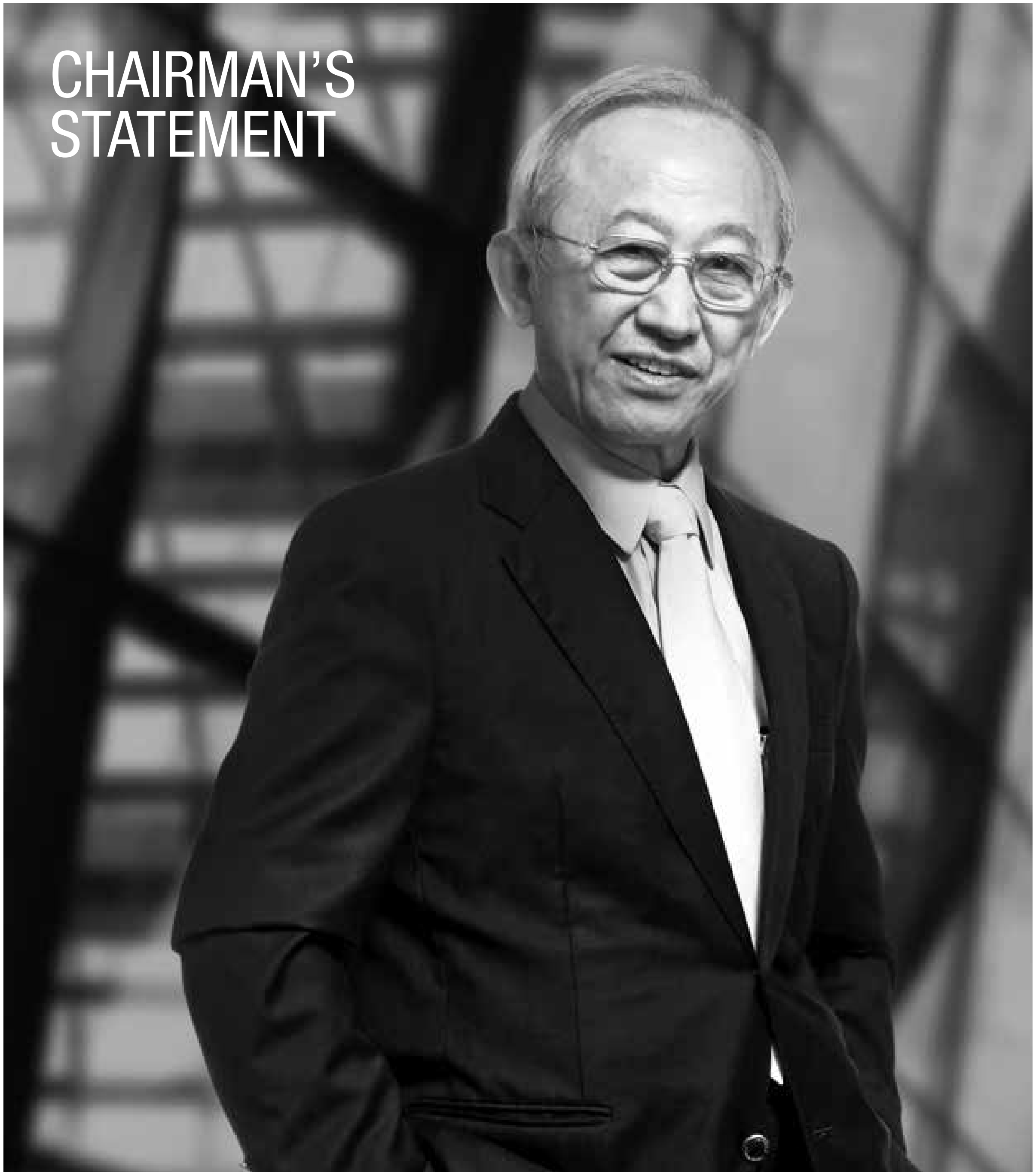
Shares : 8834
Warrants: 8834WB

AUDITORS

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

PRINCIPAL BANKERS

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



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Ireka Corporation Berhad ("Ireka" or "the Group") for the financial year ended 31 March 2018 ("FY2018").

The financial year 2018 was an eventful and exciting year for Ireka Group despite the challenging environment. Ireka Group delivered a steady performance with a revenue of RM300.7 million for FY2018 compared to RM331.8 million recorded in the previous year. The revenue was mainly contributed by the Group's Infrastructure Division's construction activities, in particular the RuMa Hotel and Residences project in Kuala Lumpur ("KL") and KL Eco City Office Tower 2. On the other hand, the Group's pre-tax profit increased significantly by 93.1% to RM7.6 million in FY2018 from RM3.9 million in FY2017. This is largely contributed by the reduction in finance cost following repayment of debts of approximately RM29.0 million within the Group. The profit after tax of RM7.4 million in FY2018 includes the share of profit of the Group associate company, Aseana Properties Limited ("Aseana Properties" or "Aseana") of RM1.2 million. The share of the associate profit reduced from RM8.0 million achieved in FY2017 to RM1.2 million in FY2018, largely due to the lack of major asset sales during the year compared to the sale of the Aloft Kuala Lumpur Sentral Hotel in 2016.

In Malaysia, the construction sector continued to benefit from the Government's Budget 2018 with more state funded projects involving the development of new infrastructure and affordable housing throughout the country. Over the last two years, some mega infrastructure projects for instance, Refinery and Petrochemicals Integrated Development ("RAPID") Petronas, Mass Rapid Transit Line 2 ("MRT2"), Tun Razak Exchange ("TRX") and East Coast Rail Link ("ECRL") have commenced under the 11th Malaysia Plan ("11MP") (2016-2020). These projects dominated the activities of the Malaysian construction sector and are currently at various stages of development. The results of the recent 14th General Election may reverse this trend resulting in some short-term uncertainty on the construction industry.

Ireka Group has an RM841.7 million order book as at 30 April 2018, of which RM315.3 million remains outstanding. In supporting the Group's Real Estate Division's activities, Ireka Engineering & Construction Sdn Bhd ("IECSB") has also planned for a number of internally generated projects which will take place over the next 18 months, with a construction value of RM532.0 million. When these internal projects are fully implemented, the Group's outstanding order book will increase to approximately RM847.0 million. Given the current economic and market conditions, Ireka Group is exercising caution in implementing its investment and construction plans.

In line with the Government's Economic Transformation Program, with the objective to upgrade the country's public transportation and infrastructure system, and to promote higher utilisation of public transportation, Ireka Group is now venturing into the urban transportation business in collaboration with Shanghai-based CRRC Urban Traffic Co Ltd ("CRRC UT"). Ireka and CRRC UT will focus on projects in urban rail traffic solutions, tourism and infrastructure in Malaysia and South-East Asia. In December 2017, Ireka signed a memorandum of understanding ("MoU") with CRRC UT to outline its cooperation in the urban transportation business. Simultaneous to the MoU, Ireka also signed a share subscription agreement with CRRC UT that resulted in CRRC UT emerging as a substantial shareholder holding an 8.48% stake in Ireka based on the enlarged share capital. Subsequently in January 2018, Ireka signed another MoU between CRRC UT and Shanghai-based Shentong Express Co Ltd ("STO"), to establish a formal and exclusive collaborative business relationship to pursue business together in the area of urban transportation and logistics. The partnership of Ireka, CRRC UT and STO will create a strong strategic alliance that provides an important platform to leverage on each other's technical knowledge, expertise and experience for expansion and growth in Malaysia and South-East Asia. The tri-partite relationship is looking at introducing green urban transportation technology to complement Malaysia's urban traffic. This includes clean energy electric buses ("E-Bus") and the Autonomous-Rail Rapid Transit ("ART") vehicles, which integrates conventional tram technology with leading-edge rail-less and autonomous driving technology.

On the property front, Malaysia's property market in 2017 remained relatively soft with sluggish market activities, in particular in the high-end and luxury segments. Nevertheless, the property market seems to be taking a positive turn as the banks approved approximately RM161.0 billion worth of housing financing to more than 375,000 borrowers across the nation in 2017 of which 71.0% of the housing loan borrowers were first-time owners of affordable homes. The housing loan approval rates were 73.0% compared to 73.8% recorded in 2016. In April 2018, Osaka-based Hankyu Hanshin Properties Corporation ("Hankyu Hanshin"), the property arm of Japanese conglomerate Hankyu Hanshin Holdings Inc, took a 45% share in Meadowfield Sdn Bhd ("Meadowfield") (a subsidiary of Ireka), while Ireka will hold the remaining


The RuMa Hotel and Residences, KLCC

The Group's pre-tax profit increased significantly by 93.1% to RM7.6 million in FY2018 from RM3.9 million in FY2017

KaMi Mont' Kiara, Kuala Lumpur

55%. Through Meadowfield, Ireka and Hankyu Hanshin will jointly develop the Rimbun Kasia project in Nilai which has an overall Gross Development Value ("GDV") of over RM1.3 billion. The development is a new residential enclave covering a commercial and five residential projects on a 30.56-acre piece of land in Nilai. For the initial phase to be jointly developed with Hankyu Hanshin, the GDV is estimated at over RM400.0 million. The sales launch of the project is targeted to be in the second half of 2018. Ireka Group is looking forward to forming a long-term collaboration with Hankyu Hanshin to develop more medium-end residential homes in the future to serve the community.

In addition, Ireka also successfully launched the KaMi Mont' Kiara Residences, a 168-unit serviced apartment project located in the heart of Mont' Kiara in June 2018 with a take up rate of 50.0% to date. The piling and foundation works commenced at the beginning of Q2 2018.

Aseana Properties, Ireka's 23%-owned associate Company listed on the London stock exchange, held its general meeting on 23 April 2018. At this general meeting, the shareholders of Aseana Properties voted in favour of the board's proposal to reject the 2018 Discontinuation Resolution and to continue with Aseana's investment policy, for a further period of 18 months. This is to enable a realisation of the Company's assets in a controlled, orderly and timely manner, with the objective of achieving a balance between periodically returning cash to shareholders and maximising the realisation value of Aseana's investments.

The performance of the Ireka Group's Technology businesses, both i-Tech Network Solutions Sdn Bhd ("i-Tech") and iTech ELV Solutions Sdn Bhd ("iTech ELV") have delivered satisfactory result during the year under review, which was mainly attributed to the reinvention of i-Tech into a Cloud Managed Services Provider. This has enabled i-Tech to successfully rebrand SAFEHOUSE and improve cost efficiency, leading to improved financial results in FY2018. Concurrently, iTech ELV has exhibited stronger financial performance as the Company continues to benefit from the RuMa Hotel and Residences project in Kuala Lumpur. The Technologies Division will focus its strategy on evolving into a Cloud Managed Services Provider company as a measure to mitigate the risk from the volatile and competitive hardware and software market segment of the IT industry.

On a final note, I believe our 51 years of experience and excellent track record will see Ireka Group overcome challenges and continue to sharpen its focus to grow the Company's core businesses. The Board is confident that the strategic plans that has been put in place will position the Group well to deliver attractive shareholders' return over the medium to long term. Lastly, I would like to thank Ireka's board members and all staff who have performed their duties with strong dedication and responsibility. I wish to express my sincere gratitude to all shareholders, customers, business partners, Government authorities and Aseana for their continued support and am confident that our business relations will continue to prosper.

DATUK LAI SIEW WAH
Executive Chairman
13 July 2018

The RuMa Hotel and Residences, KLCC

MANAGEMENT DISCUSSION & ANALYSIS

Group Performance Review

Ireka Corporation Berhad ("Ireka" or "the Group") delivered a relatively steady performance in FY2018. The Group's revenue for financial year ended 31 March 2018 decreased marginally by 9.4% to RM300.7 million, compared to RM331.8 million in FY2017. However, the pre-tax profit of the Group increased by 93.1% to RM7.6 million from RM3.9 million recorded in FY2017. The improvement was mainly attributable to the reduction of finance cost by 36.9% following repayment of the Group's total borrowing by RM28.5 million, coupled with a one-off gain on the disposal of investment properties and revaluation gained on the Group's investment properties.

The Infrastructure Division, through its construction activities remains the major revenue contributor to the Group, accounting for approximately 87.2% of its total revenue. This is followed by the Trading and Services business at 6.9% which includes contributions of development management services provided to Aseana Properties Limited ("Aseana Properties" or "Aseana"), a 23.07% associate of Ireka Corporation Berhad. The remaining revenue is contributed by the Real Estate Division and the Technologies Division.

Aside from the Group's core businesses of infrastructure, real estate and technologies, it embarked on a new business segment of urban transportation in FY2019 as part of its mid to long-term growth strategy.

Infrastructure Division Performance Review

The Malaysian construction sector continued to demonstrate resilience in the face of internal and external uncertainties by achieving a growth of 6.7% in 2017, driven by civil engineering and residential real estate developments, especially in affordable housing supported by Government initiatives. The total value of construction works done in the last quarter of 2017 grew 7.7% as compared to the last quarter of 2016 to reach RM35.1 billion, predominantly driven by the civil engineering sub-sector. Projects such as the Refinery and Petrochemical Integrated Development ("RAPID") Petronas project in Pengerang, Johor, the Tun Razak Exchange ("TRX") and the Pan Borneo Highway ("PBH") connecting Sabah and Sarawak. These are major impetus to the growth of the construction industry and the country.

However, following the 14th General Election, the new ruling government formed by the Pakatan Harapan coalition has pledged to review the implementation of both planned and on-going mega infrastructure projects. This has resulted in the cancellation or deferment of the Kuala Lumpur-Singapore High Speed Rail ("HSR") and Mass Rapid Transit Line 3 ("MRT3") projects. A firm decision has yet to be made for the East Coast Rail Line ("ECRL") project, another large rail infrastructure project. This is expected to have short-term repercussions on the construction industry, but will augur well in the longer term to ensure cost effectiveness and success of these large infrastructure investments.

MANAGEMENT DISCUSSION & ANALYSIS cont'd

KL Eco City Office Tower 2

During the year under review the Group's construction arm, Ireka Engineering & Construction Sdn Bhd ("IECSB") recorded a relatively steady performance with revenue reported at RM262.1 million in FY2018 (FY2017: RM267.8 million). The revenue is mainly contributed by on-going projects such as the RuMa Hotel and Residences in Kuala Lumpur ("KL"), KL Eco City Residential Tower 1 and the KL Eco City Office Tower 2, as well as the design and build contract of an industrial facility in Kajang for Taisei Lamick Malaysia Sdn Bhd ("formerly known as Malaysia Packaging Industry Berhad – Maypak"). In addition, IECSB has successfully secured two new projects from Pantai Hospital with a total construction value of approximately RM152.6 million, namely the refurbishment and improvement of two hospital blocks in Pantai Hospital Kuala Lumpur, as well as the construction of a one-storey basement and eight-storey hospital and to refurbish an existing hospital building for Pantai Hospital Ayer Keroh, Melaka. IECSB has also bagged a RM103.6 million contract to build KaMi Mont' Kiara serviced residences, a 19-storey tower block comprising of 168 luxury units. For year 2017 to date, IECSB had successfully completed KL Eco City Residential Tower 1 in June 2017 followed by the completion of MRT Elevated Viaduct Civil Works Package V7 in July 2017. In March 2018, IECSB handed over the Integrated Liquid Packaging Office & Factory for Taisei Lamick Malaysia Sdn Bhd at Asta Enterprise Park in Kajang.

Pantai Hospital Kuala Lumpur

The Group's total construction order book as at 30 April 2018 stood at RM841.7 million, of which RM526.4 million was completed, leaving an outstanding order book of RM315.3 million. The Group is also anticipating the commencement of 5 internally generated projects over the next 18 months, which when implemented, would bring the total outstanding order book to approximately RM847.0 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.

Real Estate Division Performance Review

The Malaysian property market in 2017 remained subdued with sluggish market activities. However there are signs that the property market is on the road to recovery. Despite Malaysia's improved economic growth, the commercial and housing property markets continued to face over-supply in certain segments of the market. The main issues of price unaffordability, overhang of high-rise homes, rising cost of living and tight lending guidelines has had a dampening effect on the property market. According to the National Property Information

Centre ("NAPIC"), the property sector recorded 311,824 transactions worth RM139.8 billion in 2017, down by 2.7% in volume and 3.8% in value compared with 2016. The residential property market continued to support the overall property sector with 62.4% of the market share. The residential property market recorded 194,684 transactions worth RM68.4 billion in 2017, 4.1% lower in volume but increased by 4.4% in value compared with 2016. The volume of residential overhang rose to a record high to 24,738 units by 67.2% whilst value grew higher at 82.8% to RM15.6 billion in 2017. This has led to the issuance of a future development freeze on luxury properties priced more than RM1 million in major cities. The market demand continued to focus on properties worth RM200,000 and below accounting for nearly 45% of the residential market volume. In view of the current market conditions, the Central Bank of Malaysia ("Bank Negara") has outlined a plan to strengthen the residential market and improve access to affordable housing as persistent oversupply and high prices continue to weigh on the sector's growth.

In April 2018, Ireka teamed up with Japan's Hankyu Hanshin Properties Corporation ("Hankyu Hanshin"), a wholly-owned subsidiary of Hankyu Hanshin Holdings Inc, with core businesses in real estate, urban transportation, entertainment, communications, travel, international transportations and hotels, to jointly develop the Rimbun Kasia project in Nilai with a Gross Development Value ("GDV") of over RM400.0 million. Rimbun Kasia is a new residential enclave covering five parcels of residential projects, and one parcel of commercial project, over a 30.56-acre piece of land located in the town of Nilai. As a start, the joint venture between Ireka and Hankyu Hanshin will focus on the development of Dwi@Rimbun Kasia project, consisting of 382 residential units (203 of them dual-key units) in a 9-storey block, and another parcel of land which will have 465 residential units in two blocks of 29 and 19-storey developed on it. The official sales launch of Dwi@Rimbun Kasia is planned for the fourth quarter of 2018. The remaining land parcels at Rimbun Kasia shall be developed by Meadowfield Sdn Bhd ("Meadowfield") (a subsidiary of Ireka) at subsequent stages following the launch of the first two developments. These properties will be developed under the zenZ brand, the sister brand to Ireka's iconic i-ZEN brand, and also leveraging off Hankyu Hanshin's highly successful Geo brand of properties. This marks an important milestone for Ireka as it looks towards forming a strategic, long term collaboration with Hankyu Hanshin to develop medium-end residential homes in Rimbun Kasia, riding on the efforts of the Government to develop more affordable housing.

Separately, in June 2018, Ireka recently officially launched KaMi Mont' Kiara under its iconic "i-ZEN" brand. This brand has successfully delivered over 2,000 units to its exclusive buyers. KaMi Mont' Kiara

Taisei Lamick Malaysia Sdn Bhd, Kajang

ASTA Enterprise Park, Kajang

KaMi Mont' Kiara, Kuala Lumpur

is a serviced residence project located in the heart of the established and exclusive Mont' Kiara enclave. This is also the eighth development under i-ZEN, featuring a low density 168 units, with a Japanese-inspired design. Following its official launch, the project has achieved a commendable 50% take-up rate. The foundation and piling works for KaMi Mont' Kiara commenced in April 2018 and the project is slated for completion by year 2021.

Meanwhile, the Group is continuing its development of the Asta Enterprise Park, Kajang. The project, located over a 31.5-acre piece of land, consists of industrial lots, plus semi-detached and detached light industrial factories in a guarded environment. The design of the units emphasises on multi-functionality and versatile utilisation to cater for the total industrial needs of companies. The first phase of the development of 18 units (out of a total of 36 units for the overall development) are approximately 78% sold to-date. Construction of the first phase is currently underway. Separately, a development order approval has been obtained for Serika Residences. The Serika Residences will be positioned as a stylish and trendy new urban resort 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 2019.

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 project's advantage of unique concept within strategic locations in well-established neighbourhoods.

Technologies Division Performance Review

i-Tech Network Solutions Sdn Bhd ("i-Tech") performed well in FY2018. The Company's sales revenue and gross profits increased by 35% and 100% respectively in FY2018 compared to the previous year. In FY2018, i-Tech embarked on a rationalisation programme and also focused its attention on investing assets and resources to enable the Company to perform as a Cloud Managed Services Provider, in line with strategies set out in the previous year. These strategies are paying dividends as i-Tech reduced its operating costs and rebranded SAFEHOUSE effectively. All these measures and strategies have improved the financial results in FY2018.

The IT industry in Malaysia and the world over continue to explore opportunities in digital business, blockchain, Internet of Things ("IoT") and the progression from big data to algorithms to machine learning to artificial intelligence ("AI"). i-Tech has taken steps to position itself to also take advantage of these new offerings.

In late 2017, i-Tech relocated SAFEHOUSE and its customers to two renowned data centres located in Cyberjaya and Bangsar South, with minimal disruption to the former. This business decision has helped to reduce significant costs in maintaining a privately owned data centre. i-Tech however, still maintains its data centre services such as co-location, backup and disaster recovery at the two new locations mentioned above.

As i-Tech shifted its focus to become a Cloud Managed Services Provider, the Company revamped its organisational structure to empower staff and the Company to be specialists in the Cloud services industry. Thus, i-Tech has established close partnerships with major cloud service providers. Team members are continuously sent for training on cloud-related technologies for certification and affiliations thereby increasing their competencies and skillsets. Services offered by i-Tech today, branded under SAFEHOUSE are Infrastructure As A Service ("IaaS"), Backup As A Service ("BaaS"), Disaster Recovery As A Service ("DRaaS"), Software As A Service ("SaaS") and Cloud Storage. These services are subscription-based services or based on the "pay-as-you-use" model.

iTech ELV Solutions Sdn Bhd's ("iTech ELV") sales revenue increased by 250% from FY2017 primarily due to contributions from the RuMa Hotel and Residences project secured in FY2016. iTech ELV is a certified Electrical Class A license Contractor by Suruhan Tenaga offering low voltage ("LV") electrical services, namely switch gears transformers, LV switch board to structured cabling, building automation, security access systems and audio-visual systems. iTech ELV will be aggressively looking to secure more electrical projects to build its profile and volume of work to take advantage of future opportunities.

i-Tech Network Solutions (Vietnam) Company Limited ("ITV") is now positioned as an IT security company in Vietnam. ITV primarily targets Malaysian companies that have expanded their businesses in Ho Chi Minh City, Vietnam. ITV is also replicating the Cloud Managed Services Provider model adopted in Malaysia.

The Technologies Division will continue to heavily market cloud services locally and internationally using this as a platform to evolve into a Cloud Managed Services Provider company thereby reducing its risk in the volatile and extremely competitive hardware and software market segments of the IT industry which is i-Tech's long-standing strategy.

Urban Transportation Business

Following the signing of a memorandum of understanding ("MoU") with CRRC Urban Traffic Co Ltd ("CRRC UT"), Ireka is now focusing on making its debut in the urban transportation's market in Malaysia.

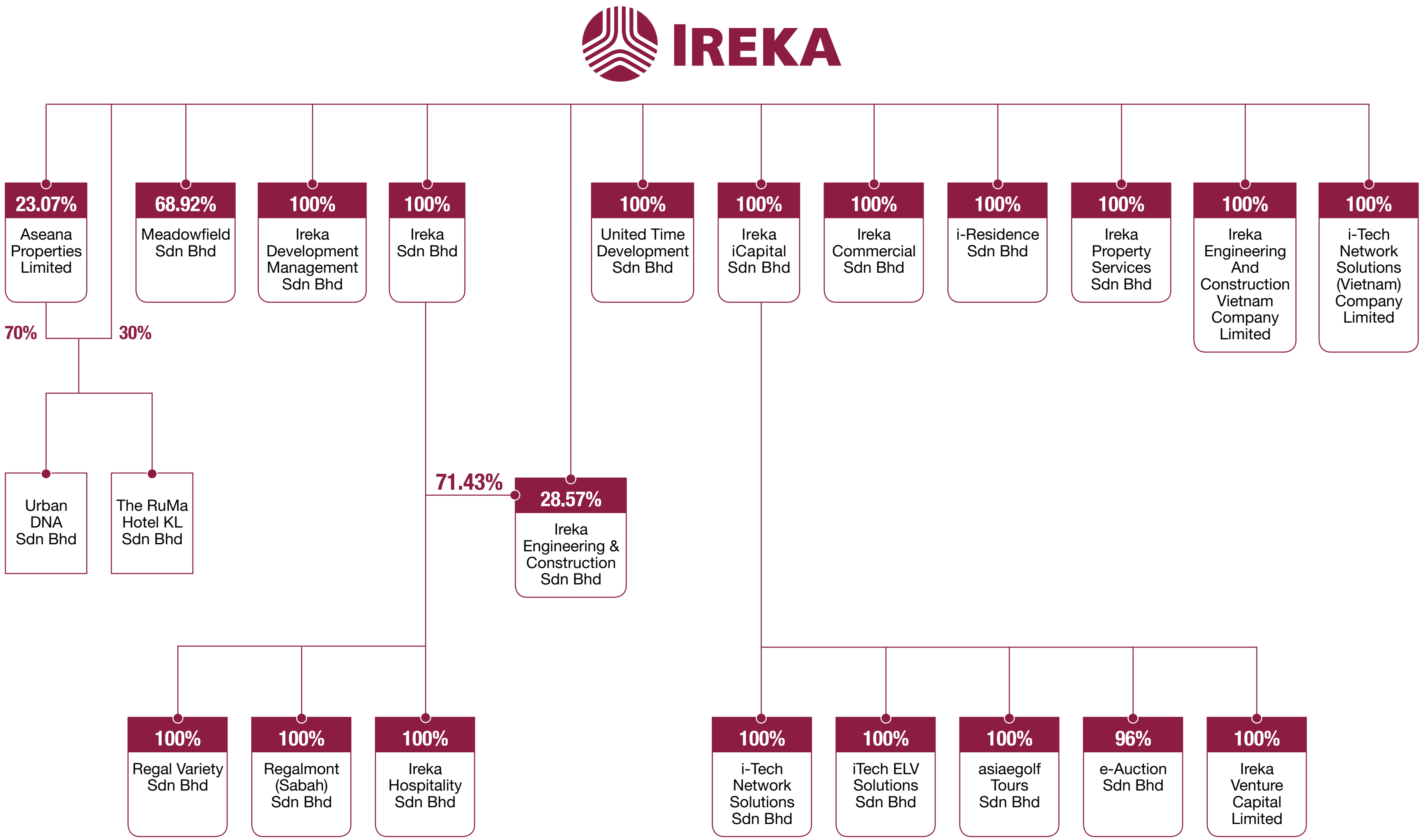
The partnership is to concentrate on marketing the clean energy electric buses ("E-Bus") and Autonomous-Rail Rapid Transit ("ART") vehicles leveraging on each party's technical capability, competency, and expertise for expansion and growth in urban traffic solutions and rail infrastructure projects. CRRC UT also has vast experience in China's green transportation technology, therefore it will study the feasibility of bringing the E-Bus and ART on designated paths on the roads throughout Malaysia in the near future.

Ireka is excited to take on the new challenges and is well-positioned to diversify its business operation besides the Group's core businesses.

On a final note, I wish to take this opportunity to thank all our clients, consultants, suppliers and sub-contractors for their trust in us over the years. Last, but not least, thank you to my colleagues on the Ireka Board and all our dedicated employees for their unfailing support to the management team over the course of the year.

DATUK LAI VOON HON
Managing Director
13 July 2018

CORPORATE STRUCTURE



5-YEAR FINANCIAL HIGHLIGHTS

GROUP	12 MONTHS to 31.03.14	12 MONTHS to 31.03.15	12 MONTHS to 31.03.16	12 MONTHS to 31.03.17	12 MONTHS to 31.03.18
IN RM'000					
Revenue	289,676	426,203	263,122	331,759	**300,660**
Profit / (Loss) before taxation	(25,681)	(2,881)	(39,048)	3,946	**7,620**
Profit / (Loss) after taxation and minority interest	(27,318)	(2,419)	(39,556)	4,195	**7,418**
Issued share capital	113,914.7	170,872.1	170,872.1	170,872.1	**180,049.0**
Shareholders' funds	151,746	185,831	140,336	144,098	**157,387**
Total assets	543,752	547,106	483,649	498,821	**484,003**
IN SEN					
Gross dividend per share	–	3.0	–	2.0	**2.0***
Net earnings per share – Basic	(22.30)	(1.54)	(23.15)	(2.45)	**4.23#**
Net tangible assets per share	133.2	108.8	82.1	84.3	**87.4**
IN PERCENTAGE					
Return on shareholders' fund	(18.0)	(1.3)	(28.2)	2.9	**4.7**
Gearing	125	82	102	188	**62**
Gearing (net of cash)	101	66	83	79	**46**

Note:

* Subject to the approval by shareholders of the Company at the 42nd Annual General Meeting.

\# Net earning per share is calculated by dividing net profit for the year attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

BOARD OF DIRECTORS

DATUK LAI SIEW WAH 拿督赖昭华

Executive Chairman

Aged 78, Male, Malaysian

Date first appointed to the Board:
31 December 1975

Datuk Lai Siew Wah is the founder of Ireka. He was appointed as 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

Managing Director

Aged 54, Male, Malaysian

Date first appointed to the Board:
18 March 1996

Datuk Lai Voon Hon joined Ireka in 1994 as the Group General Manager and was appointed as the Group Managing Director of Ireka on 1 April 2015. He is also the President of Ireka Development Management Sdn Bhd and 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 an Exco 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
Deputy Managing Director

Aged 52, Female, Malaysian

Date first appointed to the Board:
30 June 1999

Lai Voon Huey, Monica joined Ireka as the Group Financial Controller in 1993 and was appointed as the Group Deputy Managing Director on 1 April 2015. She is also the Chief Financial Officer of Ireka Development Management Sdn Bhd, and 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.

CHAN CHEE KIAN 陈子健
Executive Director

Aged 41, Male, Malaysian

Date first appointed to the Board:
1 April 2018

Chan Chee Kian joined Ireka Corporation Berhad as Manager, Strategy & Corporate Development in 2006 and subsequently promoted to Director, Strategy & Corporate Development in 2009. He was appointed as a Director of Ireka on 1 April 2018. He is also the Chief Investment Officer of Ireka Development Management Sdn Bhd and a Director of several subsidiaries within Ireka Group. He graduated from University of Bristol, United Kingdom with a Master of Engineering in Civil Engineering (First Class Honours).

He was previously a management and strategy consultant with Accenture in Kuala Lumpur and worked across Asia Pacific, including Singapore, Bangkok, Brisbane and New Delhi, advising a broad range of clients including large multi-national companies, Government linked agencies and local enterprises on strategic and operational issues. He is also an Advisory Committee Member for Asia Pacific Hotel Investment Conference since 2016.

He is the son of Chan Soo Har @ Chan Kay Chong and Lai Man Moi, both are major shareholders of the Company. He is also the nephew of Datuk Lai Siew Wah.

TAN THIAM CHAI 陈添财
Executive Director

Aged 59, Male, Malaysian

Date first appointed to the Board:
1 April 2015

Tan Thiam Chai joined Ireka Engineering & Construction Sdn Bhd, Ireka's construction arm, in 1989 and has been the Chief Executive Officer since 2003. He is also the Director of Ireka Engineering & Construction Sdn Bhd. He was appointed as a Director of Ireka Corporation Berhad on 1 April 2015. He graduated from University of Bristol, United Kingdom, with a Bachelor of Science (Hons) Degree in Civil Engineering. He has worked for Ireka for 29 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 75, Male, Malaysian

Date first appointed to the Board:
13 August 1977

Datuk Lai Jaat Kong @ Lai Foot Kong was appointed as the Deputy Managing Director on 8 May 1993 and redesignated as Executive Director on 1 April 2015 and subsequently redesignated as Non-independent Non-executive Director 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 79, 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, a member of the Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants. He is also an Independent Non-executive Chairman of AYS Ventures Berhad and Senior Independent Non-executive Director of Atlan Holdings Berhad and Axis REIT Managers Berhad.

HOE KAH SOON 何嘉顺
Independent Non-executive Director

Aged 59, 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 sits on the board of University of Malaya and several other limited companies.

DATO' AZMI BIN ABDULLAH
Independent Non-executive Director

Aged 67, Male, Malaysian

Date first appointed to the Board:
26 June 2015

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

Dato' Azmi bin Abdullah graduated from Universiti Kebangsaan Malaysia (UKM) with a B.A. (Hons) Degree in Economics in 1974. He has 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 and Kumpulan Wang Amanah Pencen (KWAP). 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 major 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

LEONARD YEE YUKE DIEN 余易庭
Group General Manager
Ireka Corporation Berhad

Aged 54, Male, Malaysian

Leonard Yee joined Ireka as Chief Executive Officer of Ireka iCapital Sdn Bhd in May 2000 and was appointed as the Group General Manager on 1 November 2005. He is also the President 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 54, 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 27 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 Executive Officer
Ireka Development Management Sdn Bhd

Aged 57, Male, Malaysian

Raymond Chin joined Ireka as Chief Operating Officer of Ireka Development Management Sdn Bhd ("IDM") on 2 June 2014 and was subsequently promoted to the Chief Executive Officer of IDM on 1 April 2018. 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.

KEY SENIOR MANAGEMENT AND COMPANY SECRETARY cont'd

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

Aged 40, Male, Malaysian

Yap Ket Bin joined Ireka on 4 August 2008 as Chief Operating Officer of i-Tech Network Solutions Sdn Bhd ("i-Tech"), one of Ireka's core businesses and was appointed as the Chief Executive Officer of i-Tech on 1 April 2018. 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 10 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 54, 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 major 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

MAY 2017

- Ireka announced its consolidated unaudited results for the financial year ended 31 March 2017.

- Ireka's flagship Corporate Social Responsibility (CSR) programme, IREKA CARES, organised a trip to Aquaria KLCC for underprivileged children from Open Hands Children's Home in Kajang in order to offer them an opportunity to learn about the world beneath the ocean.

JULY 2017

- Ireka proposed a first and final single-tier dividend of 2 sen per share in respect of the financial year ended 31 March 2017 for approval by shareholders at the Annual General Meeting.

- Harbour Mall Sandakan celebrated its 5th year anniversary with a party at the concourse of the mall. The event was attended by Datuk Lai Voon Hon and local dignitaries.

- IREKA CARES took 19 children to have a "strike" day out at the Bukit Kiara Sports Club. Volunteers taught the children bowling skills which they thoroughly enjoyed.

- Ireka supported The Hot & Cold Charity Run 2017 co-organised by the Malaysia AIDS Foundation and the Faculty of Medicine, University of Malaya. Proceeds raised from the Run were channelled to support HIV education and prevention activities for young people under the MAF Red Ribbon Youth Club. Part of the proceeds were dedicated to the UMFOM Development Fund. A total of 54 participants, including 40 Ireka employees and 14 of the employees' family members took part in that event.

AUGUST 2017

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2017.

- Ireka held its 41st Annual General Meeting at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur. All the resolutions tabled were approved by the shareholders.

- Ireka took part in the Danajamin Mighty Run 2017 organised by Danajamin Nasional Berhad. It was a charity run with the objective to raise awareness of autism and part of the proceeds raised was contributed to The National Autism Society of Malaysia (NASOM).

CORPORATE CALENDAR cont'd

SEPTEMBER 2017

- The RuMa Hotel and Residences development was awarded the GBI Provisional Gold Rating, having successfully met all the GBI Criteria under each category for Energy Efficiency, Indoor Environment Quality, Sustainable Site Planning & Management, Materials & Resources, Water Efficiency and Innovation. The achievement is a significant milestone for Ireka's Initiative to expand its green building footprints and deliver "Green" Building projects that can lay claim to "Sustainability and Environmental Excellence".

- IREKA CARES organised a "Snookball Game" for 19 children from Open Hands Home at the Snookball Game Center in Evolve Concept Mall, Ara Damansara.

OCTOBER 2017

- Ireka Engineering & Construction Sdn Bhd ('IECSB') won a RM60.748 million contract from Pantai Medical Centre Sdn Bhd for the completion of refurbishment works and the reconstruction of a 12-storey medical centre complex with 4-storey basement in Jalan Bukit Pantai, Kuala Lumpur.

NOVEMBER 2017

- Ireka's iconic brand, i-ZEN's eighth development project, KaMi Mont' Kiara in the upscale Mont' Kiara area opened for preview and there was a lot of interest generated in i-ZEN's eighth project.

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2017.

- IREKA CARES volunteers and 19 underprivileged children from Ireka's adopted home, The Open Hands Home, had a fun, scientific and adventurous learning tour at the National Science Centre. A "Meet & Greet Luncheon" was held at Ireka's Head Office afterwards, thus enabling the senior management and the children to spend time together.

- Ireka paid a first and final single-tier dividend of 2 sen per share in respect of the financial year ended 31 March 2017 amounting to approximately RM3.42 million.

DECEMBER 2017

- Ireka Mini Townhall 2017 was organised at the Head Office and hosted by Group Managing Director, Datuk Lai Voon Hon and Deputy Group Managing Director, Monica Lai for communicating relevant issues about the organisation's strategic direction and plans.

- Ireka entered into the following agreements:

  1. a Memorandum of Understanding with CRRC Urban Traffic Co. Ltd. ('CRRC') for the collaboration in rail, urban traffic solution, tourism and infrastructure projects in Malaysia and South East Asia; and
  2. a conditional subscription agreement with CRRC Urban Traffic (Europe) Co Ltd ('CRRC Europe') for the proposed subscription by CRRC Europe of 15,836,000 new ordinary shares in Ireka ('Subscription Share(s)'), representing approximately 9.27% of the total number of issued shares in Ireka, at an issue price of RM0.5795 per Subscription Share ('Subscription').

- 15,836,000 Subscription Shares, representing 9.27% of the total number of issued shares in Ireka were issued pursuant to the Subscription and were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad marking the completion of the Subscription, thereby increasing the total number of issued shares in Ireka to 186,708,050 shares with CRRC Europe emerged as a substantial shareholder of Ireka.

JANUARY 2018

- Ireka entered into a Memorandum of Understanding with CRRC and Shentong Express Co. Ltd. ('STO') to establish a formal working relationship by exploring logistics businesses focusing on:

  1. Investment and development of logistics warehouses, distribution centers and other ancillary real estate facilities to support the business expansion of STO in Malaysia and South East Asia; and

  2. Investment and supply of infrastructure and equipment including logistics, commercial and special-purpose vehicles to support the business expansion of STO in Malaysia and South East Asia.

- IREKA CARES volunteers brought 13 children from Open Hands Home to IOI City Mall for a blockbuster movie, "Maze Runner 3: The Death Cure". It was a fun and interactive outing for everyone.

FEBRUARY 2018

- 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 announced its quarterly report on consolidated unaudited results for the financial period ended 31 December 2017.

MARCH 2018

- In conjunction with "World Wildlife Day", the International Run for Orangutans 2018 was held at the Sandakan Harbour Mall on 24 March. The objective of the event was to create public awareness on the environmental issues including endangered species whilst promoting healthy lifestyles.

- Ireka announced board changes involving the retirement of 2 Executive Directors namely Mr. Chan Soo Har and Mdm. Lai Man Moi on 31 March 2018, both had served Ireka for 28 years; and the appointment of Mr. Chan Chee Kian who assumed the role of Executive Director effective 1 April 2018.

SUSTAINABILITY STATEMENT

The Sustainability Statement is produced pursuant to Bursa Malaysia Securities Berhad's Main Market Listing Requirements. This statement discloses the Group's efforts in addressing sustainability issues connected to their business operations, and not just solely on community development activities.

Ireka's sustainability strategy is driven by the Executive Board led by the Group Managing Director, Datuk Lai Voon Hon, Group Deputy Managing Director, Monica Lai and the senior management team, providing oversight of corporate sustainability performance at their regular meetings. Bursa Malaysia's objectives for sustainable reporting are very much in line with Ireka's endeavour and long-time objective of delivering to the following four key pillars. These pillars cover the scope of our reporting:

1. Developing "Green" and sustainable projects, mitigating against environmental risks as far as practicable.
2. Ensuring the welfare of our employees as paramount and enabling them to be able to work in in a safe and healthy environment.
3. Reviewing our marketplace regularly to connect with the range of people we are proud to do business with in order to ensure that we remain relevant and up-to-date.
4. Doing our best to be part of the community where we have our business operations through making a difference to the most vulnerable in society.

Ireka has continued its commitment towards achieving these objectives. Ireka continues to strive towards incorporating sustainability into all 3 of its core businesses and will continue to critically evaluate its progress to improve the way the Company's businesses are conducted.

Workplace

Ireka is a 51-year old organisation with over 470 staff and a ratio of 75% men and 25% women in its workforce. The average age of Ireka's staff is around 40 years old and the average length of service is around 8 years. 100% of staff completed their performance reviews last year.

Ireka's Board and Senior Management team acknowledge that the employees are their most valuable asset, contributing their expertise, skills and knowledge for the organisation's growth and success. Therefore, it is a top priority to ensure their welfare, benefits, work conditions, training and development are managed well. Ireka's HR department, which comes under the purview of the Group General Manager, has a robust people strategy that is regularly reviewed by the senior management team.

Staff Induction

Induction is an essential part of familiarising new recruits with the Group and this process can help them to foster a positive attitude for their new job and has been shown to play a major part in improving long-term staff retention. Aside from the usual induction on Company Policy and Procedures, an event was held last year, led by the Group General Manager, to introduce to new recruits the Company's 3 extra-curricular activities - namely, the Toastmasters Club, the Ireka Sports and Recreation Club (ISRC) and IREKA CARES. Discussion was led by the individual presidents to encourage new staff to join their respective clubs.

Employee Engagement

Ireka has a long-standing tradition of hosting Town Hall events that are attended by staff across the organisation. The Town Hall events provide a forum for the Group Managing Director and members of the top management to present business plans and strategic direction with the staff. Ample opportunity is always given to staff to ask questions of the Executive Management and to raise issues of concern. In order to encourage as many staff as possible to speak out, the Corporate Communications team invites all staff to pose their questions in advance. The event is always recorded and the responses to staff's questions are posted on Ireka's intranet.

Health & Safety

The Health and Safety Division organises a series of training for both Head Office and site staff to ensure they are up-to-date with their knowledge of the latest health & safety requirements. During the year under review, an external qualified trainer was invited to conduct the First Aid & CPR training programme at Ireka Head Office. All 12 Emergency Response Team members (ERT - Ireka's dedicated health & safety staff) passed their theory and practical test. ERT members were encouraged to pass on their newly learned knowledge to colleagues. The ERT team who take seriously their roles as health and safety leaders for their designated floor, meet quarterly to update knowledge and share information. Every year refresher Fire Safety Awareness training is also conducted with Sandakan Harbour Mall and Four Points by Sheraton staff, and a security and safety audit is conducted. Another important function of the The Health and Safety Division is to ensure that all Ireka's construction sites conduct their monthly Health & Safety Committee meetings so that all respective site officers observe and comply with the industry's requirements in this area.

Healthy Living

This is a key part of Ireka's values and the senior management team recognises that one of the positive ways of reducing workplace stress is to exercise. ISRC organises weekly Zumba dance classes, badminton and yoga classes for members and these are all well attended. As part of its Corporate Social Responsibility, Ireka also regularly sponsor charity runs which it also encourages staff and their family to join in the run as part of healthy living. Last year, Ireka sponsored the Hot & Cold Run organised by the Malaysian AIDS Foundation, where 40 Irekians and 14 family members joined the run.

Bringing Staff Together

There is a lot of research to show that bringing staff together socially is one way to challenge silo working and improves employee morale. The ISRC was established soon after the Company's incorporation to foster good staff relationships. Aside from its weekly sports activities, it also organises events at regular intervals and annual outings for staff. Last year, a trip to Taman Negara was organized. The Company also organises yearly Loh Sang and Buka Puasa parties which are well attended. During Chinese New Year, senior managers donate their gift hampers for the staff draw held at the Loh Sang parties.

The House Teams

All Ireka staff belongs to one of the eight House Teams (named after Marvel comic characters); the teams compete for the coveted first place trophy in a range of activities, which in the last year included dodge ball, a treasure hunt and table tennis. The House Teams encourage staff across the whole organisation to get to know and work with each other.

Toastmasters Club

The Ireka Toastmasters Club is in its tenth year and works hard to encourage communication and leadership skills among staff. The Company subsidises the large part of the fee and members pay a nominal fee, in order to encourage self-development.

iPulse is a well-received internal quarterly magazine to keep staff informed of what is happening in the Company, and publishes articles of interest and encourages sharing of information.

Marketplace

Ireka recognises that importance of an effective communication and marketing programme, to ensure that our stakeholders understand our business, governance, financial performance and prospects.

The Ireka website, which is regularly updated, is used to promote and facilitate communication with our stakeholders and to provide them with useful information about the Company and its subsidiaries. Ireka also maintains good communication processes with its property owners and buyers through its marketing communication and customer relation divisions. The Company's quarterly lifestyle magazine, CiTi-ZEN which has been produced for over 10 years also provides stakeholders with progress information on Ireka's various real estate developments as well as articles on lifestyle interest issues. Readers are encouraged to provide feedback on the magazine.

Ireka has created two iconic brands, i-ZEN for its upscale properties and the zenZ brand for the mid-market segment. For each brand, there are key underlying principles which are taken into account when the developments are under construction because this is our promise; and also what the buyers and investors have come to expect of us.

The essence of i-ZEN is embodied in the 6S philosophies of Style, Service, Security, Sophistication, Soul, and Sustainability. These are demonstrated in its portfolio of properties.

zenZ is the sister brand to i-ZEN and the essence of zenZ is embodied in the 5E Principles: Economical, Evolutionary, Efficient, Essential and Eco-conscious. Its completed project, Kasia Greens in Nilai, Negeri Sembilan was the company's first zenZ project.

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

Community

Ireka firmly believes that community development is the way forward to strengthening society and this it tries to do through its flagship CSR programme, IREKA CARES. This programme is all about children and is the Company's third extra-curricular activity. The principle behind IREKA CARES (which began in 2010) is about empowerment of local communities and working to strengthen the capacity of the children whom they have chosen to work with, through spending time with them rather than just through grant giving. The community programme has always been led by a member of the senior management team in order to show this programme's importance to the wider Company and to attract senior management involvement. The IREKA CARES programme is an integral part of the organization and the volunteers are employees who willingly give up their Saturdays bi-monthly to work with children's homes in the Klang Valley area. Open Hands Children's Home has been the chosen charity for the last 2 years and over this period, time is spent with the children and this is a regular commitment in the calendar. Last year, various activities were organised for the children including bowling, science museum, cinema and the bird park. The objective is to provide life experience to the children, to share learning and above all, to have fun. Ireka's volunteers come from across the organisation, led by an active Action Committee.

As well as the dedicated in-house community development programme, Ireka also provides donations to a range of organisations. Donations made last year included the following:

1. Kwong Ngai Lion Dance Troupe
2. Persatuan Kanak -Kanak Praise Emanuel
3. Hot & Cold Charity Run, 2017 organised by the Malaysian AIDS Foundation
4. Pertubuhan Membantu Pesakit Parah Miskin Malaysia
5. Empowered Malaysia (supporting community colorectal cancer awareness)
6. Mont' Kiara Community Society Cleanliness Campaign
7. APOH Charity Fun Run and Adventure Hunt, 2017 in aid of disabled children
8. Pertubuhan Kebajikan Mental Selangor

Environment

At Ireka, we are conscious that the construction industry may contribute to high energy consumption, solid waste generation and environmental damage. Hence, we continue to work hard to ensure that our developments have "Green" features to deliver sustainable buildings throughout the design and construction process. Ireka is also committed to establishing a harmonious relationship between development and environment. It adopts sustainability practices not only in its daily operations but also follows a grounded theory approach to promoting sustainability in the Company's developments.

Ireka's associated company, Urban DNA Sdn Bhd, is proud to have been awarded the Green Building Index (GBI) Provisional Gold Rating, having successfully met all the GBI Criteria for Energy Efficiency (EE), Indoor Environment Quality (EQ), Sustainable Site Planning & Management (SM), Materials & Resources (MR), Water Efficiency (WE) and Innovation (IN) for a project known as The RuMa Hotel and Residences ("the RuMa"), which is developed by Urban DNA Sdn Bhd. The GBI is about designing buildings that reduce overall harmful effects on the built environment and its surroundings. The achievement of the Provisional GBI Gold Rating Certification is a testimony of Ireka's commitment to sustainability and is significant for its initiative to expand its green building footprints and delivering 'Green Building' projects that positively lay claim to 'Sustainability and Environmental Excellence'. The GBI points scored are tabulated as below:

Category	Credit Point
Energy Efficiency	23/35
Indoor Environmental Quality	18/21
Sustainable Site Planning & Management	15/16
Material & Resources	11/11
Water Efficiency	6/10
Innovation	7/7
Total	**80/100**

Category	Credit Point
Energy Efficiency	14/23
Indoor Environmental Quality	9/12
Sustainable Site Planning & Management	30/33
Material & Resources	10/12
Water Efficiency	10/12
Innovation	7/8
Total	**80/100**

Through various innovative techniques, technology, materials and engineering approaches, Ireka continues to work hard to minimize its environmental impact. Here are some of the key achievements:

1. The RuMa Residences is designed to reduce heat gain by at least 30% compared to other standard residential units.
2. The RuMa Hotel is designed to consume 40% less energy compared to other standard hotel buildings.
3. Both the RuMa Hotel and Residences are designed to consume 50% less water compared to their peers' buildings.
4. All construction materials for The RuMa's development is carefully evaluated and selected to ensure they do not cause any detrimental impact on future occupants' health through the use of materials with minimal volatile organic compounds and formaldehyde content.
5. More than 50% of wood materials from The RuMa's development is sourced from sustainable timber certified by the Forest Stewardship Council (FSC).
6. More than 50% of the construction waste in The RuMa development is properly reused and recycled to divert disposal of waste to landfills.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this Corporate Governance Overview Statement ('Statement') to provide investor with an overview of the extent of compliance with the 3 Principles as set out in the Malaysian Code on Corporate Governance 2017 ('the Code') by the Company throughout the financial year ended 31 March 2018. This Statement also serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements ('Listing Requirements') of Bursa Malaysia Securities Berhad ('Bursa Malaysia'). The Corporate Governance Report is available on the website of Bursa Malaysia together with the Annual Report 2018 and is also posted on the Company's website at www.ireka.com.my.

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 well as to generate long term sustainability and growth.

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Group is led by an effective Board which plays an important role in the stewardship of its direction and operations. The Board takes full responsibility on the issues relating to strategy, performance, resources, standards of conduct and financial matters 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 appointing, training, 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 integrity of the Group's internal control systems and management information systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has a schedule of matters reserved for its decision 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.

Beyond the matters reserved for the Board's decision, the Board delegates the authority to implement the Group's strategies and managing the operations of the Group to the Group Managing Director, Group Deputy Managing Director and the Executive Directors who are supported by a capable Management team. The Board has oversight on matters delegated to the Management whereby updates are reported at least on a quarterly basis or as and when required. 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.

Where appropriate, the Board delegates matters to the Board Committees, namely the Audit Committee ('AC'), Nomination Committee ('NC') and Remuneration Committee ('RC') to examine specific matters within their respective terms of reference as approved by the Board. Although specific powers are delegated to the Board Committees, the Board keeps itself updated of the key issues and decisions made by each Board Committee through the reports by the Chairmen of the Board Committees at Board meetings. The ultimate responsibility for decision-making lies with the Board.

Apart from formulating corporate strategies to enhance the shareholders' value, the Board puts its effort to drive and promote sustainable business practices covering economic, environmental and social aspects with a view to support the long term viability of the Group, the details of which are disclosed in the Sustainability Statement of this Annual Report.

The 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 has been adopted to guide the Board to discharge its roles and responsibilities effectively. 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 is available for reference at the Company's website at www.ireka.com.my.

The Chairman and the Managing Director

There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Executive Chairman is responsible for looking after the best interest of all shareholders by ensuring Board effectiveness and conduct, whilst the Group Managing Director, with the assistance of the Deputy Group Managing Director, has the overall responsibility for the stewardship of all the Group's assets, day-to-day running of the business and effective implementation of Board decisions and policies as approved by the Board.

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.

The Board is regularly updated and advised by the Company Secretary on new statutory and regulatory requirements, and the implications on the Group and the Directors in relation to their duties and responsibilities.

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. In the interval between board meetings, Board decisions for urgent matters are obtained via circular resolutions, to which are attached sufficient information required for an informed decision. During the year ended 31 March 2018, the Board met for a total of six (6) times and their respective attendance are as follows:

Directors	No. of Meetings Attended
Datuk Lai Siew Wah	6/6
Datuk Lai Voon Hon	6/6
Lai Voon Huey, Monica	6/6
Chan Soo Har @ Chan Kay Chong*	4/6
Lai Man Moi*	4/6
Tan Thiam Chai	6/6
Datuk Lai Jaat Kong @ Lai Foot Kong	4/6
Haji Mohd. Sharif bin Haji Yusof	5/6
Hoe Kah Soon	6/6
Dato' Azmi bin Abdullah	6/6

Note:
* Retired on 31 March 2018

All Board members are provided with agenda and board papers containing relevant documents and information around seven (7) days in advance of the board meetings to ensure the Board members have reasonable time to review and consider the issues before participating in discussions and deliberations in Board meetings. The Board papers 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 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.

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 which is encapsulated in the Group's Human Resource Policies. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. The Group communicates its Code of Conduct to all Directors and employees upon their appointment/employment and is deemed to be part of the Terms and Conditions of Service.

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.

II. Board Composition

During the financial year under review, the Board has ten (10) members comprising the Executive Chairman, three (3) Independent Non-executive Directors ('INED'), five (5) Executive Directors and the Non-independent Non-executive Director. With the resignation of two (2) Executive Directors, namely Mr. Chan Soo Har @ Chan Kay Chong and Mdm. Lai Man Moi on 31 March 2018 and the appointment of Mr. Chan Chee Kian as an Executive Director on 1 April 2018, the Board currently comprises nine (9) members. The current composition complies with the Listing Requirements which requires at least 1/3 of the Board members to be independent directors.

The Board 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 16 to 19 of the Annual Report.

The Board takes cognisance that the Code recommends that at least half of the board comprises independent directors. Whilst the Board currently comprising 1/3 independent directors, the Board is satisfied that the current number of independent directors is sufficient to ensure balance of power and authority on the Board.

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 apart from ensuring board effectiveness. 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 AC 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. Every resolution tables will be deliberated and all views from the directors are considered before a decision is made by the Board.

During the financial year under review, the Board and the NC had assessed the independence of the independent directors and satisfied with the level of independence demonstrated by the independent directors in which they could continue to bring objective and independent judgement in board decision making.

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. Nevertheless, 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 NC will consider gender diversity as part of its future selection process. Presently, Lai Voon Huey, Monica is the only female Director comprised in the Board of nine (9) Directors.

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.

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. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth (12th) year, the Board should seek annual shareholders' approval through a two-tier voting process. Haji Mohd. Sharif bin Haji Yusof has served as an INED of the Company since 2002. He was re-appointed as the INED of the Company by the shareholders in the Company's 2017 Annual General Meeting ('AGM').

The Board does not impose a term of limit for independent 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 directors who provide invaluable insight and possesses knowledge of the affairs of the Company.

The independent 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 has, upon his assessment, concluded that Haji Mohd. Sharif bin Haji Yusof continues to demonstrate conduct and behaviour that are essential indicators of independence and the ability to provide impartial judgment to Board decision. The Company will seek a single-tier shareholders' approval, pending the amendment of the Company's Constitution to adopt the two-tier shareholders' approval, to retain the long-serving INED in the forthcoming AGM. Details of the ordinary resolution seeking retention of Haji Mohd. Sharif bin Haji Yusof as an independent director is set out in the notice of the 42nd AGM of the Company and his profile is provided on page 19 of the Annual Report.

Nevertheless, the Board is mindful of the tenure of independent director as recommended by the Code. The Board is viewing this seriously and currently in the advance stage of addressing this issue in order to comply with the Code in short and medium term. In exercising objectivity in the selection process of directors, the NC plans to have access to a wide selection of candidates such as referrals from Directors, business associates and management as well as utilising sources from industry, professional associates and registry of directors.

Appointments to the Board

All Board appointments are approved by the Board upon the recommendation of the NC. The NC is made up exclusively of independent directors namely Haji Mohd. Sharif bin Haji Yusof (Chairman), Mr. Hoe Kah Soon and Dato' Azmi bin Abdullah. The Chairman of the NC is a Senior INED. The NC has written terms of reference dealing with its authority, duties and responsibilities and 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. 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 is 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. The assessment for the financial year ended 31 March 2018 indicated that there was a good balance in the composition of the Board and the members of the Board possessed the sufficient skills and experience in discharging their duties and responsibilities. All Directors retiring pursuant to the Company's Constitution and standing for election and re-election are assessed by the NC before they are recommended for election and re-election by shareholders at the AGM. 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 Mr. Chan Soo Har @ Chan Kay Chong and Mdm. Lai Man Moi prior to them stepping down as Executive Directors, and the appointment of Mr. Chan Chee Kian as Executive Director being part of the board succession planning.

Election and Re-election of Directors

Article 91(3) of the Company's Constitution 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 Company's Constitution 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 AGM, Mr. Chan Chee Kian retiring pursuant to Article 98 and the following Directors retiring pursuant to Article 91(3) of the Company's Constitution, and being eligible, offered themselves for election and re-election, respectively:

i) Datuk Lai Voon Hon;
ii) Hoe Kah Soon; and
iii) Tan Thiam Chai.

The Directors who are due for election and re-election at the AGM will be subject to assessment conducted by the NC, whereupon the NC's recommendations are made to the Board on the proposed election and re-election of the Directors concerned. The Board was satisfied with the performance of the abovementioned Directors and recommended their respective proposed election and re-election to be tabled for shareholders' approval at the forthcoming AGM. To assist the shareholders in their decision, information on their personal profiles are provided on pages 16 to 19 of the Annual Report.

Directors' Training

All the Directors, apart from attending the Mandatory Accreditation Programme as prescribed by Bursa Malaysia, have also attended other training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with recent developments of the business environment, relevant changes in laws and regulations. The Directors are mindful that they should continue to update their skills and knowledge to sustain their active participation in board deliberations and maximise their effectiveness during their tenure. In addition, the Company Secretary updated the Directors of 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 seminars attended by the Directors during the financial year ended 31 March 2018 are as follows:

Directors	Title of Course
Datuk Lai Siew Wah	• Briefing on the Malaysian Code on Corporate Governance 2017
Datuk Lai Voon Hon	• Kuala Lumpur Architecture Festival 2017 (Datum) • Invest Malaysia 2018 - The Capital Market Conversation • PAM Public Design Lecture Series: Recent Work • UIA – PAM Cities for all Exhibition • "Post Merdeka Architecture" and "Views Reviews Interviews", a Book Review session • "30 Under 40" and "Architectural Heritage", a Book Review session • Defects in Waterprofing and Tiling Works for Buildings; Why They Happen and How to Prevent Them • Briefing on the Malaysian Code on Corporate Governance 2017
Lai Voon Huey, Monica	• Bank of Singapore Mid-Year Outlook 2017 – Capturing Value in a Fully-valued World • OCBC Bank Economic & Product Update Seminar • New Zealand High Commission – Women in Leadership Forum • Bank of Singapore Global Outlook 2018 – Riding on the Winds of Change • Invest Malaysia 2018 – The Capital Market Conversation • Bank of Singapore – A Moderated Conversation with President Barack Obama • Briefing on the Malaysian Code on Corporate Governance 2017
Datuk Lai Jaat Kong @ Lai Foot Kong	• 43rd IFAWPCA Convention Seoul 2017 • MBAM Building and Construction Conference 2017 • Briefing on the Malaysian Code on Corporate Governance 2017
Chan Soo Har @ Chan Kay Chong	• Briefing on the Malaysian Code on Corporate Governance 2017
Lai Man Moi	• Briefing on the Malaysian Code on Corporate Governance 2017
Tan Thiam Chai	• MBAM Building and Construction Conference 2017 • Briefing on the Malaysian Code on Corporate Governance 2017
Haji Mohd. Sharif bin Haji Yusof	• Building a High Performance Board • Advocacy Session on Corporate Disclosure Framework • Securities Commission Malaysia's Conversation with Audit Committees • Case Study Workshop for Independent Directors "Rethinking – Independent Directors: A New Frontier" • Malaysian Code on Corporate Governance 2017
Hoe Kah Soon	• Bank of Singapore Mid-Year Outlook 2017 – Capturing Value in a Fully-Valued World
Dato' Azmi bin Abdullah	• Bank Negara Compliance Conference • INCEIF – Islamic Banking Conference • Value Base Banking, Bank Negara Malaysia • Khazanah Mega Trend • Kuala Lumpur Islamic Banking Forum

III. Remuneration

The Board has put in place a remuneration policy for Directors 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 directors' fee and board committees' fees based on their responsibilities in Board committees.

The RC consists exclusively of independent directors namely Haji Mohd. Sharif bin Haji Yusof (Chairman), Mr. Hoe Kah Soon and Dato' Azmi bin Abdullah. Datuk Lai Siew Wah was replaced by Dato' Azmi bin Abdullah so as to comply with the Code. The RC is responsible for recommending the remuneration packages of the Directors for consideration and approval by the Board. The Directors play no part in decision on their own remuneration. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors. The directors' fees and benefits payable to the Directors are recommended by the Board and approved by the shareholders at the AGM.

During the year, the RC deliberated on the directors' fees and the remuneration of the Executive Directors, reviewed the salary of the Managing Director and Deputy Managing Director and also the remuneration package of the new Executive Director before recommending the same for the Board's approval. The RC also deliberated on the Enhancement of Staff Retirement Benefit Scheme and the proposed Retirement Benefit for the Non-independent Non-executive Director for subsequent approval by the Board. The Directors concerned were abstained from deliberation and voting on the same.

The Company has policy to determine the remuneration of the senior management which shall commensurate with their experience, skills and education as well as benchmarking against industry standards.

The details of the remuneration of the Directors during the financial year ended 31 March 2018 (received from the Company and on a group basis) are as follows:

Company level

Directors	Salaries (RM)	Fees (RM)	Bonus & Incentives (RM)	Benefits-In-Kind (RM)	Total (RM)
Executive Directors					
Datuk Lai Siew Wah	905,280	50,000	37,720	–	993,000
Datuk Lai Voon Hon	747,555	40,000	29,665	–	817,220
Lai Voon Huey, Monica	671,325	40,000	26,640	–	737,965
Chan Soo Har @ Chan Kay Chong	634,035	40,000	25,160	–	699,195
Lai Man Moi	634,035	40,000	25,160	–	699,195
Tan Thiam Chai	–	40,000	–	–	40,000

Company level (cont'd)

Directors	Salaries (RM)	Fees (RM)	Bonus & Incentives (RM)	Benefits-In-Kind (RM)	Total (RM)
Non-executive Directors					
Datuk Lai Jaat Kong @ Lai Foot Kong	–	40,000	–	–	40,000
Haji Mohd. Sharif bin Haji Yusof	–	50,000	–	–	50,000
Hoe Kah Soon	–	48,000	–	–	48,000
Dato' Azmi bin Abdullah	–	48,000	–	–	48,000

Group level

Directors	Salaries (RM)	Fees (RM)	Bonus & Incentives (RM)	Benefits-In-Kind (RM)	Total (RM)
Executive Directors					
Datuk Lai Siew Wah	905,280	50,000	37,720	–	993,000
Datuk Lai Voon Hon	747,555	40,000	29,665	–	817,220
Lai Voon Huey, Monica	671,325	40,000	26,640	–	737,965
Chan Soo Har @ Chan Kay Chong	634,035	40,000	25,160	–	699,195
Lai Man Moi	634,035	40,000	25,160	–	699,195
Tan Thiam Chai	598,925	40,000	51,155	–	690,080
Non-executive Directors					
Datuk Lai Jaat Kong @ Lai Foot Kong	–	40,000	–	–	40,000
Haji Mohd. Sharif bin Haji Yusof	–	50,000	–	–	50,000
Hoe Kah Soon	–	48,000	–	–	48,000
Dato' Azmi bin Abdullah	–	48,000	–	–	48,000

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

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 AC assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial results and annual audited financial statements to ensure that they are drawn up in accordance with the applicable financial reporting standards and the requirements of the Companies Act 2016 prior to recommending them for approval by the Board and subsequent issuance to the shareholders.

The AC comprises three (3) INED. It is chaired by Haji Mohd. Sharif bin Haji Yusof, who is a member of the Malaysian Institute of Accountants and he is not a Chairman of the Board. All the AC members have sound knowledge on financial and accounting matters and also with the knowledge gained through extensive service on the boards and audit committees of other listed companies, have enabled them to discharge their duties and responsibilities efficiently. By attending the continuous professional development programmes has enabled them to keep abreast with relevant developments in accounting and auditing standards, practices and rules.

None of the Board members is a former key audit partner of the external auditors. Nevertheless, the Board will observe the cooling-off period of at least 2 years in the event any member of its Board, who is a former key audit partner of the external auditors, were to be appointed a member of the AC in order to uphold the utmost independence in its financial reporting process.

The information on the composition, attendance record and summary of activities of the AC is presented in the Audit Committee Report of this Annual Report.

Assessment of Suitability and Independence of 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 AC. The role of the AC members in relation to the external auditors is stated in the Audit Committee Report of this Annual Report.

The AC assesses the performance, competency and professionalism demonstrated by the external auditors during the year. Prior to making a recommendation on the continuance of the incumbent external auditors, the AC performs an annual assessment on the objectivity, qualifications, expertise, resources and effectiveness of the external auditor. Any provision of non-audit services by the external auditors or its affiliate companies will be reviewed to ascertain whether such provision of services would impair the auditor's independence or objectivity.

Having considered all of the above criteria, the AC is satisfied with the performance of the external auditors and hence, recommended to the Board for Messrs. Raja Salleh, Lim & Co. to be re-appointed by shareholders as external auditors of the Company for the financial year ending 31 March 2019 at the forthcoming AGM.

II. Risk Management and Internal Control Framework

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.

The Company has in place an ongoing process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The AC is delegated with the oversight responsibility of risk management. The Board through its AC, reviews the key risks identified to ensure proper management and mitigation of such risks.

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.

The Statement on Risk Management and Internal Controls which provides an overview of the state of internal controls within the Group is set out in the Company's Annual Report 2018.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

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 Executive Directors hold press conference with journalists immediately after general meetings. The Executive Directors together with the Management also hold meetings and interviews with investors and journalists to present and update on the Group's strategy, performance, major developments and launches of property 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.

II. Conduct of General Meetings

The Board recognises the AGM as a principal forum for dialogue and interaction with shareholders. Hence, venue of the meeting is set at a place which is easily accessible to shareholders and notice of AGM of at least 28 days prior to the date of the meeting is given to the shareholders to allow sufficient time for the shareholders to consider the resolutions that will be discussed and decided at the AGM. Besides releasing announcement through the website of Bursa Malaysia Securities Berhad and dispatching notices to the shareholders, the notice of the AGM is also published in a nationally circulated newspaper and posted on the Company's website.

The notice of AGM, which sets out the businesses to be transacted at the AGM, is accompanied by full explanation of the purposes and effects of a proposed resolution where applicable so as to enable shareholders to make informed decisions in exercising their voting rights.

At the AGM, 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. All Directors will attend general meetings unless unforeseen circumstances preclude them from attending the meetings. All Directors of the Company attended the previous AGM held on 30 August 2017. The Chairman of the Board Committees was present to facilitate discussion on matters such as audit, nomination, remuneration and risk management. Members of the Senior Management and external auditors of the Company have also attended the AGM.

All the resolutions set out in the notice of general meeting shall be voted by poll. Votes of any shareholders who are absent from the general meeting are cast via the proxies. 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 meeting are also made available to shareholders and public for reference at www.ireka.com.my.

(This Corporate Governance Overview Statement and the Corporate Governance Report have been approved by the Board of Directors at the Board meeting held on 13 July 2018)

ADDITIONAL COMPLIANCE INFORMATION

(Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

I. Utilisation of Proceeds Raised from Corporate Proposal

The Company entered into a subscription agreement with CRRC Urban Traffic (Europe) Co. Ltd. ("CRRC Europe") on 4 December 2017 for the subscription by CRRC Europe of 15,836,000 ordinary shares of the Company representing approximately 9.27% of the total issued shares in Ireka for a total subscription price of RM9,176,962.

As at 31 March 2018, the status of the utilisation of proceeds raised from the share subscription is as follows:

	Estimated Timeframe for Utilisation	Proposed Utilisation (RM)	Actual Utilisation (RM)	Balance (RM)
Working Capital	Within 12 months from receipt of funds	9,026,962	4,273	9,022,689
Related Expenses	Within 1 month from receipt of funds	150,000	150,000	0
Total		9,176,962	154,273	9,022,689

The actual related expenses exceeded the estimated amount by RM4,273 and the short fall was taken from the amount allocated for working capital.

II. Non-Audit Fees

The amount of non-audit fees incurred for the services rendered to the Company and/or the Group by its external auditors, Messrs. Raja Salleh, Lim & Co. or their affiliated companies for the financial year ended 31 March 2018 is RM7,200.

III. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) which involved the interests of Directors and/or major shareholders, either still subsisting at the end of the financial year ended 31 March 2018 or entered into since the end of the previous financial year.

IV. Recurrent Related Party Transactions ("RRPT")

The Company had at the 41st Annual General Meeting ("AGM") of the Company held on 30 August 2017 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 the 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 2018 which is dispatched together with this Annual Report.

The details of the RRPTs transacted during the financial year ended 31 March 2018 are disclosed in Note 36 to the financial statements contained in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROLS

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 present the Statement on Risk Management and Internal Controls of the Group for the financial year ended 31 March 2018. 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.

In view of the limitations that are inherent 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 associate companies and 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 companies.

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.

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. The Chief Executive Officer ('CEO') of subsidiary companies, 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. They are accountable for all risks and internal controls assumed under their respective areas of responsibility; and responsible for creating a risk-awareness culture to ensure risk management and internal control principles are embedded in operational processes, project evaluation and monitoring. The deliberation of risks and related mitigating responses are carried out at the divisional operation meetings and duly recorded in the risk sheets for control and monitoring by the respective CEO.

The risk identification process involves reviewing and identifying the possible risk exposure arising from changes in both external business environment and internal operating conditions. The risk measurement guidelines comprised quantitative and qualitative measures of risk consequences based on the risk likelihood rating and risk impact rating. Risk Profile consists of principal business risks which are identified and documented in the Risks Register. The Risks Register includes the description of risk, consequence if risk were to crystalize, the likelihood and impact of the risk to the Group. The Risks Register is tabled to the Audit Committee for review. As part of training and risks awareness programme, the construction unit conducted a brain-storming workshop on "Risk Assessment & Control" on 7 October 2017 for its senior personnel from head office and sites.

The Executive Directors and CEO of the respective business unit ensure all key risks affecting the business operation and achievement of their objectives are considered and incorporated into their FY 2019 business plan and 5-year corporate strategy. The Board is of the view that it is an ongoing process for identifying, evaluating, monitoring and managing the key risks in their daily operation activities for the year under review and up to the date of issuance of this Statement.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function assists the Board and Audit Committee ('AC') by providing an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control systems. Further details of the Internal Audit Function are set out in the Audit Committee Report on pages 42 to 43 of this Annual Report.

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 ISO 9001:2008 and ISO 9001:2015 Quality Management 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 respective Key Performance Index project meetings, management meetings and Board meetings;
- regular visits to operating units by Executive Directors, CEOs 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 2018 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 Controls has been approved by the Board of Directors at the Board meeting held on 13 July 2018)

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 Institute of Chartered Accountants, England and Wales and a member of the Malaysian Institute of Accountants.

ATTENDANCE OF MEETINGS

During the financial year ended 31 March 2018, a total of five (5) AC meetings were held and the details of the attendance of the members are as follows:

Name	No. of Meetings Attended
Haji Mohd. Sharif bin Haji Yusof	4/5
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 2018 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 key audit matters raised from the results of their annual audit, the management letter and the audit report;

4) Reviewed the annual audited financial statements of the Company and the Group, which have been prepared in compliance with the applicable Financial Reporting Standard and in accordance with the provision of the Companies Act 2016, together with the external auditors prior to submission to the Board for consideration and approval;

5) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Controls and recommended to the Board for approval prior to the inclusion in the Company's Annual Report;

6) Considered the renewal of the proposed general mandate for recurrent related party transactions of a revenue or trading nature and the draft circular to shareholders before recommending to the Board for approval;

7) 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;

8) 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;

9) 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;

10) 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;

11) 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;

12) 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; and

13) Reviewed, assessed and monitored the performance, competency and professionalism demonstrated by 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 AND SUMMARY OF ACTIVITIES

The Group's internal audit function, which reports directly to the AC, is outsourced to Axcelasia Columbus Sdn Bhd. The Engagement Director is Mr Mah Siew Hoong who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Mr Mah is a Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The number of staff deployed for the internal audit reviews is ranging from 4 to 5 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk based approach and were guided by the International Professional Practice Framework.

During the financial year ended 31 March 2018, 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	• Human Resource Management
Ireka Engineering & Construction Sdn Bhd	• Project Operation Risk Management • Pre-Contract and Tender Management
Ireka Development Management Sdn Bhd	• Project Closure

The Internal Auditors also presented the follow-up status report on previously reported audit findings in respect of the following entities and business processes:

Entity	Business Processes
Ireka Engineering & Construction Sdn Bhd	• Tender Management (Sub-contractor) • Project Management • Construction • Materials Management at site
Ireka Development Management Sdn Bhd	• Sales & Marketing • Credit Control and Collection

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 2018 was RM60,286.97.

STATEMENT OF DIRECTORS' RESPONSIBILITY

for preparing the Financial Statements
(Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Directors are responsible for the preparation of the financial statements of the Group in accordance with the Malaysian Financial Reporting Standards, the Companies Act 2016 ('Act') and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2018 and of the results and cash flows of the Company and of 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 and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and are kept in accordance with the Act.

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.

(This Statement has been approved by the Board of Directors at the Board meeting held on 13 July 2018)

FINANCIAL STATEMENTS

KaMi Mont' Kiara, Kuala Lumpur

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 2018.

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	7,619,384	(4,784,484)
Taxation	(201,258)	(95,464)
Profit/(Loss) for the year	7,418,126	(4,879,948)
Attributable to:		
Owners of the Company	7,418,126	(4,879,948)

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 2018 of RM3,734,161 (2 sen per share on 186,708,050 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 shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2019.

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 – Resigned w.e.f. 31 March 2018
- Lai Man Moi – Resigned w.e.f. 31 March 2018
- Haji Mohd. Sharif Bin Haji Yusof
- Tan Thiam Chai
- Hoe Kah Soon
- Dato' Azmi Bin Abdullah
- Chan Chee Kian – Appointed w.e.f. 1 April 2018

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:

DIRECTORS' INTERESTS (cont'd)

Interest in ordinary shares of the Company:

Number of ordinary shares

Direct Holding	At 1.4.2017	Addition	Disposal	At 31.3.2018
Datuk Lai Jaat Kong @ Lai Foot Kong	8,943,750	–	–	8,943,750
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

Interest in warrants of the Company:

Number of warrants 2014/2019

Direct Holding	At 1.4.2017	Addition	Disposal	At 31.3.2018
Datuk Lai Jaat Kong @ Lai Foot Kong	2,924,050	–	–	2,924,050
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

(i) Deemed interest through Ideal Land 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

On 15 December 2017, the Company increased its issued and paid-up share capital from RM170,872,050 to RM180,049,012 by the allotment of comprising of 15,836,000 ordinary shares of RM0.5795 each for the total cash consideration of RM9,176,962.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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 RM13,154.

OTHER STATUTORY INFORMATION

Before the financial statements 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.

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.

OTHER STATUTORY INFORMATION (CONT'D)

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

Petaling Jaya – 13 July 2018

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 59 to 139 are drawn up in accordance with applicable Financial Reporting Standards and the requirements 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 2018 and of their financial performance and cash flows for the year then ended.

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

DATUK LAI VOON HON	**LAI VOON HUEY**
Director	Director

Petaling Jaya – 13 July 2018

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 59 to 139 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 PETALING JAYA
in the state of SELANGOR DARUL EHSAN
on 13 July 2018

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 2018 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 59 to 139.

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 2018, 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"), 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

Group Financial Statements

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 RM117,316,904 as at 31 March 2018 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)

Group Financial Statements (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.

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

Company Financial Statements

Key Audit Matters	How the matter was addressed in our audit
Recoverability of Investment in subsidiaries and recoverability of amounts due from subsidiaries	
Investment in Subsidiaries RM107,094,152 Amounts due from subsidiaries RM41,997,772 Refer to Note 4(f) – Significant Accounting Policies: Subsidiaries; Note 8 – Investment in Subsidiaries	Our audit procedures included: Test of details: • We compared the carrying amount of all the investments with the relevant subsidiaries' financial statements to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historical been profit–making. • We assessed all the intercompany debtors balances to identify, with reference to the relevant debtors' financial statements, whether they have a positive net asset value and therefore coverage of the debt owed. Subsidiary audit: We assessed the work performed by the subsidiary audit teams on sample of those subsidiaries and considered the results of that work, on those subsidiaries' profit and net assets.

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.

- 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.

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

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

- 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.

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.
AF–0071
Chartered Accountants

LIM LIP CHIN
01931/02/2019 J
Chartered Accountant

Petaling Jaya – 13 July 2018

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
ASSETS					
Non–current assets					
Property, plant and equipment	6	**28,912,619**	33,531,659	**2,930,178**	3,294,820
Investment properties	7	**6,351,904**	11,098,505	**–**	–
Investment in subsidiaries	8	**–**	–	**107,094,152**	91,149,668
Investment in associates	9	**102,001,689**	101,280,616	**158,544,392**	158,439,392
Other investments	10	**41,500**	41,500	**41,500**	41,500
Land held for property development	11	**27,204,775**	24,326,446	**–**	–
		164,512,487	170,278,726	**268,610,222**	252,925,380
Current assets					
Property development cost	12	**95,926,594**	96,543,583	**–**	–
Inventories	13	**13,349,533**	14,095,114	**–**	–
Trade and other receivables	14	**160,925,271**	132,249,726	**1,780,113**	2,178,064
Amounts due from customers on contracts	15	**8,678,048**	58,340,116	**–**	–
Amounts due from subsidiaries	16	**–**	–	**41,997,772**	48,909,720
Amounts due from associates	17	**14,895,133**	14,884, 994	**14,895,133**	14,884, 994
Cash and cash equivalents	18	**25,503,087**	12,428,419	**12,266,198**	1,313, 001
		319,277,666	328,541,952	**70,939,216**	67,285,779
TOTAL ASSETS		**483,790,153**	498,820,678	**339,549,438**	320,211,159

STATEMENTS OF FINANCIAL POSITION cont'd

as at 31 March 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	**180,049,012**	170,872,050	**180,049,012**	170,872,050
Share premium	19	**1,239,381**	1,384,922	**1,239,381**	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	**(1,146,745)**	(1,404,478)	**–**	–
Fair value reserve	23	**–**	–	**–**	–
(Accumulated losses)/Retained earnings		**(22,754,317)**	(26,754,578)	**93,770,116**	102,067,929
Total equity		**157,387,331**	144,097,916	**275,058,509**	274,324,901
Non–current liabilities					
Borrowings	24	**33,664,391**	30,109,966	**–**	–
Deferred tax liabilities	25	**3,222,000**	3,222,000	**610,000**	610,000
		36,886,391	33,331,966	**610,000**	610,000
Current liabilities					
Provision	26	**–**	–	**–**	–
Trade and other payables	27	**224,310,128**	224,278,438	**8,795,775**	21,704,215
Amounts due to customers on contracts	15	**462,320**	–	**–**	–
Amounts due to subsidiaries	16	**–**	–	**52,914,738**	20,888,537
Amounts due to associates	17	**–**	1,610	**–**	1,610
Borrowings	24	**64,059,956**	96,107,787	**1,718,635**	1,997,827
Tax payable		**684,027**	1,002,961	**451,781**	684,069
		289,516,431	321,390,796	**63,880,929**	45,276,258
Total liabilities		**326,402,822**	354,722,762	**64,490,929**	45,886,258
TOTAL EQUITY AND LIABILITIES		**483,790,153**	498,820,678	**339,549,438**	320,211,159

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Continuing operations					
Revenue	28	**300,660,210**	331,758,638	**11,704,309**	12,673,821
Cost of sales	29	**(267,877,939)**	(300,188,428)	**–**	–
Gross profit		**32,782,271**	31,570,210	**11,704,309**	12,673,821
Other income	30	**6,848,268**	3,497,161	**1,610,328**	1,506,616
Administration expenses		**(19,252,371)**	(17,904,938)	**(11,413,501)**	(12,724,011)
Other expenses		**(9,368,883)**	(13,953,124)	**(6,554,946)**	(5,766,586)
Operating profit/(loss)		**11,009,285**	3,209,309	**(4,653,810)**	(4,310,160)
Finance costs	31	**(4,581,885)**	(7,247,513)	**(130,674)**	(143,226)
Share of profit of associates		**1,191,984**	7,984,552	**–**	–
Profit/(Loss) before tax	32	**7,619,384**	3,946,348	**(4,784,484)**	(4,453,386)
Income tax	33	**(201,258)**	248,313	**(95,464)**	–
Profit/(Loss) for the financial year		**7,418,126**	4,194,661	**(4,879,948)**	(4,453,386)
Other comprehensive income/(loss):					
Currency translation differences		**257,733**	(285,111)	**–**	–
Loss on fair value changes		**–**	(147,230)	**–**	–
Other comprehensive income/(loss) for financial year, net of tax		**257,733**	(432,341)	**–**	–
Total comprehensive income/(loss) for the financial year		**7,675,859**	3,762,320	**(4,879,948)**	(4,453,386)
Profit/(Loss) attributable to owners of the Company		**7,418,126**	4,194,661	**(4,879,948)**	(4,453,386)
Total comprehensive income/(loss) attributable to owners of the Company		**7,675,859**	3,762,320	**(4,879,948)**	(4,453,386)
Income per share attributable to owners of the Company (sen)					
Basic and diluted	34	**4.23**	2.45		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	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	Accumulated losses RM	Total equity RM
As at 1 April 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**
Issuance of shares	**9,176,962**	**–**	**–**	**–**	**–**	**–**	**–**	**9,176,962**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(3,417,865)**	**(3,417,865)**
Shares issue expenses	**–**	**(145,541)**	**–**	**–**	**–**	**–**	**–**	**(145,541)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**257,733**	**–**	**7,418,126**	**7,675,859**
As at 31 March 2018	**180,049,012**	**1,239,381**	**5,695,735**	**(5,695,735)**	**(1,146,745)**	**–**	**(22,754,317)**	**157,387,331**

The accompanying notes form an integral part of the financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	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 2016	170,872,050	1,384,922	5,695,735	(5,695,735)	106,521,315	278,778,287
Total comprehensive income 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**
Issuance of shares	**9,176,962**	**–**	**–**	**–**	**–**	**9,176,962**
Dividend paid	**–**	**–**	**–**	**–**	**(3,417,865)**	**(3,417,865)**
Shares issue expenses	**–**	**(145,541)**	**–**	**–**	**–**	**(145,541)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(4,879,948)**	**(4,879,948)**
As at 31 March 2018	**180,049,012**	**1,239,381**	**5,695,735**	**(5,695,735)**	**93,770,116**	**275,058,509**

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

	Note	2018 RM	2017 RM
Cash flow from operating activities			
Profit before tax from –			
Continuing operations		**7,619,384**	3,946,348
Adjustments for:			
Bad debt written off		**19,332**	930
Interest expense		**4,581,885**	7,247,513
Interest income		**(481,975)**	(676,016)
Investment properties – Gain on disposal		**(1,673,925)**	(248,307)
– Loss on disposal		**630,205**	–
– Gain on fair value changes		**(1,804,727)**	–
Investment in associates – Loss on disposal		**–**	334,528
Other investments – Gain on disposal		**–**	(184,947)
Property, plant and equipment – Depreciation		**3,906,964**	5,091,999
– Gain on disposal		**(113,878)**	(536,119)
– Loss on disposal		**431,618**	470,195
– Written–off		**30,151**	14,779
Share of profit from associates		**(1,191,984)**	(7,984,552)
Stock value written down		**727**	1,492
Unrealised gain on foreign exchange		**(98)**	(418,125)
Unrealised loss on foreign exchange		**411,087**	811
Operating profit before working capital changes		**12,364,766**	7,060,529
Amounts due from associates		**(11,749)**	10,064
Amounts due from customers on contracts		**50,124,388**	(17,299,807)
Inventories		**744,854**	1,712,337
Property development costs		**616,989**	(8,070,278)
Receivables		**(26,844,357)**	(10,171,209)
Payables		**606,150**	28,868,812
Cash generated from operations		**37,601,041**	2,110,448
Income tax refunded		**62,635**	725,984
Income tax paid		**(2,451,285)**	(266,535)
Net cash flow generated from operating activities		**35,212,391**	2,569,897

	Note	2018 RM	2017 RM
Cash flow from investing activities			
Interest received		**481,975**	676,016
Investment properties – Proceeds from disposal		**7,595,048**	1,000,000
Investment in associates – Additions		**(105,000)**	–
– Proceeds from tender offer		**–**	10,278,083
Land held for property development		**(2,878,329)**	(6,493,007)
Other investments – Proceeds from disposal		**–**	184,907
Property, plant and equipment – Additions		**(289, 563)**	(437,960)
– Proceeds from disposal		**933,290**	1,377,815
Net cash flow generated from investing activities		**5,737,421**	6,585,854
Cash flow from financing activities			
Dividends paid to shareholders		**(3,417,865)**	–
Hire purchase principal repayments		**(3,615,424)**	(4,098,908)
Interest paid		**(4,581,885)**	(7,247,513)
Proceeds from issuance of shares		**9,176,962**	–
Payment of shares issued expenses		**(145,541)**	–
Drawdown of bank borrowings		**73,048,795**	74,781,795
Repayment of bank borrowings		**(91,313,140)**	(64,491,013)
Net cash flow used in financing activities		**(20,848,098)**	(1,055,639)
Net increase in cash and cash equivalents		**20,101,714**	8,100,112
Effect of changes in exchange rates		**(131,409)**	129,453
Cash and cash equivalents			
– at start of financial year		**(6,270,812)**	(14,500,377)
– at end of financial year	18	**13,699,493**	(6,270,812)

Reconciliation of liabilities arising from financing activities:

	The Group			
	As at 1.4.2017 RM	**Cash flows RM**	**Non–cash acquisition RM**	**As at 31.3.2018 RM**
Revolving credits	33,283,938	(10,158,660)	–	**23,125,278**
Trade finance	24,749,000	(1,048,000)	–	**23,701,000**
Term loans	42,517,718	(7,057,685)	–	**35,460,033**
Hire purchase and finance lease liabilities	6,967,866	(3,615,424)	282,000	**3,634,442**
	107,518,522	(21,879,769)	282,000	**85,920,753**
			Note 6(a)	

The accompanying notes form an integral part of the financial statements

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

	Note	2018 RM	2017 RM
Cash flow from operating activities			
Loss before tax		(4,784,484)	(4,453,386)
Adjustments for :			
Dividend income		(32)	(31)
Interest expenses		130,674	143,226
Interest income		(169,978)	(140,368)
Amount due from subsidiary – Written–off		658,825	1,121,245
Impairment loss on investment in subsidiary		979,664	–
Investment in associates – Loss on disposal		–	334,528
Property, plant and equipment – Depreciation		359,012	441,016
– Gain on disposal		(1,424)	(754)
– Loss on disposal		1,500	–
– Written–off		2,016	–
Unrealised gain on foreign exchange		(89)	(2,584)
Unrealised loss on foreign exchange		2,038	413
Operating loss before working capital changes		(2,822,278)	(2,556,695)
Amounts due (to)/from associates		(11,749)	10,064
Amounts due from/(to) subsidiaries		38,279,324	(11,927,729)
Receivables		397,951	250,254
Payables		(12,908,440)	5,123,683
Cash generated from/(used in) operations		22,934,808	(9,100,423)
Income tax paid		(327,752)	–
Net cash flow generated from/(used in) operating activities		22,607,056	(9,100,423)
Cash flow from investing activities			
Dividend received		32	31
Interest received		169,978	140,368
Investment in subsidiaries		(16,924,148)	–
Investment in associates – Additions		(105,000)	–
– Proceeds from tender offer		–	10,278,083
Property, plant and equipment – Additions		(17,405)	(4,120)
– Proceeds from disposal		20,943	1,132
Net cash flow (used in)/generated from investing activities		(16,855,600)	10,415,494

COMPANY STATEMENT OF CASH FLOWS cont'd

for the year ended 31 March 2018

	Note	2018 RM	2017 RM
Cash flow from financing activities			
Dividends paid to shareholders		**(3,417,865)**	–
Proceeds from issuance of shares		**9,176,962**	–
Payment of shares issue expenses		**(145,541)**	–
Interest paid		**(130,674)**	(143,226)
Repayment of bank borrowings		**189**	(558)
Net cash flow generated from/(used in) financing activities		**5,483,071**	(143,784)
Net increase in cash and cash equivalents		**11,234,527**	1,171,287
Effect of changes in exchange rates		**(1,949)**	2,171
Cash and cash equivalents			
– at start of financial year		**329,941**	(843,517)
– at end of financial year	18	**11,562,519**	329,941

Reconciliation of liabilities arising from financing activities:

	The Company			
	As at 1.4.2017 RM	Cash flows RM	Non–cash acquisition RM	As at 31.3.2018 RM
Revolving credits	1,014,767	189	–	**1,014,956**
			Note 6(a)	

The accompanying notes form an integral part of the financial statements

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 13 July 2018.

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 revised FRS's which are mandatory for financial periods beginning on or after 1 April 2017 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

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to FRSs 2014–2016 Cycle Amendments to FRS 12	

Amendments to FRS 107 Disclosure Initiative

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 activites.

The Group and the Company have applied the amendments prospectively and accordingly, have disclosed the reconciliation in the statements of cash flows.

MASB Approved Accounting Standards ("MFRSs")

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ending 31 March 2019. The main effects arising from the transition to the MFRSs Framework are discussed below.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Changes in accounting policies (cont'd)

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 9 Financial Instruments
MFRS 9 replaces the guidance of MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liabilities, on impairment of financial assets, and on hedge accounting.

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification and measurement 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 statements 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 statements of financial position.

- MFRS 9 introduces a new, expected–loss impairment model that will require more timely recognition of expected credit losses which replaces the "incurred loss" model in MFRS 139. 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. Trade receivables and contract assets that do not contain a significant financing component shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Changes in accounting policies (cont'd)

MFRS 9 Financial Instruments (cont'd)

- MFRS 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.

The Group will apply MFRS 9 retrospectively. Based on the Group's initial assessment, the Group does not expect material financial impact to the financial statements in the period of its initial application. The Group will conclude its assessment upon completion of its detailed analysis on initial application of this standard.

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.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

The Group is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the transition adjustments on its financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Changes in accounting policies (cont'd)

MFRS 16 Leases
Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short–term and low value asset leases.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Group as a lessee currently accounts for as operating leases. On adoption of this standard, the Group will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as 'right–of–use' assets and their corresponding lease liabilities for the present value of future lease payments.

The Group and the Company plan to adopt this standard when it becomes effective in the financial year beginning 1 January 2019 by applying the transitional provision and include the required additional disclosure in their financial statements of that year.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Basis of consolidation (cont'd)

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.

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).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, establishment by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Investments in joint ventures are stated at cost in the separate financial statements. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount.

Results and interests in joint venture are equity accounted in the venturers financial statements of the Group.

Equity accounting involves recognising the venturer's share of the post-acquisition results of joint ventures in the profit or loss and its share of post-acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturer. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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.

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.

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 workperformed to date bear to the estimated total property development costs.

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)

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) 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 financial assets into the following categories: financial assets at fair value through profit or loss, 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) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or incurred principally for the purpose of selling or re-purchasing it in the short-term. Assets in this category are classified as current assets.

vi) 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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Financial instruments (cont'd)

ix) Impairment (cont'd)

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

  If 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.

  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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Financial instruments (cont'd)

ix) Impairment (cont'd)

- **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 "cashgenerating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash–generating units that are expected to benefit from the synergies of the combination.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Financial instruments (cont'd)

xi) Financial guarantee contracts

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

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

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.

i) Accounting by lessee

- **Finance leases**

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

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

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

- **Operating leases**

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

p) Leases (cont'd)

ii) Accounting by lessor

Operating leases

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

q) Borrowing costs

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

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

r) Income tax

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

s) Provision

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

t) Employee benefits

i) Short term benefits

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

ii) Defined contribution plans

Defined contribution plans are post–employment 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u) Foreign currencies (cont'd)

ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non–monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

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

iii) Foreign operations

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

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

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

	2018 RM	2017 RM
United States Dollars	**3.864**	4.427
Vietnam Dong	**0.000169**	0.000194

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

v) Revenue recognition

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

i) Construction contracts

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

ii) Property development

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

iii) Sale of goods

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

iv) Revenue from services rendered

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

v) Rental income

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

vi) Interest income

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

vii) Dividend income

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

viii) Management fees

Management fees are recognised when services are rendered.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

x) Commitments and contingencies

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

a) Critical judgements made in applying accounting policies

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

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

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

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

ii) Operating lease commitments – The Group as lessor

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

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

iii) Income taxes

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

iv) Impairment of assets

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

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

v) Claims payable for late completion and late delivery

Claims payable in respect of project completion was delayed resulting in late delivery to its clients. Significant judgement is therefore used in determining the amounts of damages for the delayed completion and 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 2018. 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
2018										
Cost										
As at 1.4.2017	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
Additions	–	–	96,700	295,362	106,661	–	28,515	–	44,325	571,563
Reclassification	–	–	–	–	–	–	325,950	–	(325,950)	–
Disposals	–	–	(958,383)	(3,128,001)	(108,592)	(576,660)	(3,593)	–	–	(4,775,229)
Written–off	–	–	(48,060)	–	(25,566)	(41,473)	–	–	–	(115,099)
Exchange adjustments	–	–	–	–	–	–	(4,267)	–	–	(4,267)
As at 31.3.2018	444,922	10,368,469	43,692,070	7,160,628	4,777,587	2,471,160	1,304,178	338,113	8,282,737	78,839,864
Accumulated depreciation										
As at 1.4.2017	–	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
Depreciation charge for the year	–	166,620	2,568,343	245,241	290,865	134,838	57,400	18,883	424,774	3,906,964
Disposals	–	–	(707,887)	(2,499,432)	(100,984)	(212,305)	(3,591)	–	–	(3,524,199)
Written–off	–	–	(31,171)	–	(19,647)	(34,130)	–	–	–	(84,948)
Exchange adjustments	–	–	–	–	–	–	(1,809)	–	–	(1,809)
As at 31.3.2018	–	1,737,748	33,458,212	6,174,203	3,414,977	1,403,666	945,336	168,171	2,624,932	49,927,245
Net carrying amount										
As at 31.3.2018	444,922	8,630,721	10,233,858	986,425	1,362,610	1,067,494	358,842	169,942	5,657,805	28,912,619

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
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
2018						
Cost						
As at 1.4.2017	453,493	498,800	6,242,812	2,632,981	1,883,501	11,711,587
Additions	–	–	–	17,405	–	17,405
Disposal	–	–	(1,078,390)	–	–	(1,078,390)
Written–off	–	–	–	–	(17,167)	(17,167)
As at 31.3.2018	453,493	498,800	5,164,422	2,650,386	1,866,334	10,633,435
Accumulated depreciation						
As at 1.4.2017	–	15,841	5,699,829	1,791,453	909,644	8,416,767
Depreciation charge for the year	–	503	105,716	155,609	97,184	359,012
Disposal	–	–	(1,057,371)	–	–	(1,057,371)
Written–off	–	–	–	–	(15,151)	(15,151)
As at 31.3.2018	–	16,344	4,748,174	1,947,062	991,677	7,703,257
Net carrying amount						
As at 31.3.2018	453,493	482,456	416,248	703,324	874,657	2,930,178

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)

a) Purchase of property, plant and equipment

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Aggregate costs of property, plant and equipment acquired	**571,563**	526,057	**17,405**	4,120
Amount financed through hire purchase and finance lease	**(282,000)**	(88,097)	**–**	–
Cash disbursed for purchase of property, plant and equipment	**289,563**	437,960	**17,405**	4,120

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 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Net carrying amounts				
Plant and machinery	**4,977,482**	5,472,151	**–**	–
Motor vehicles	**307,206**	839,639	**–**	–
	5,284,688	6,311,790	**–**	–

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

	Group 2018 RM	Group 2017 RM
Buildings	**727,950**	727,950

7. INVESTMENT PROPERTIES

	Group 2018 RM	Group 2017 RM
Level 3 fair value		
As at 1 April	**11,098,505**	11,841,957
Change in fair value – Other income – Unrealised	**1,804,727**	–
Disposal	**(6,551,328)**	(743,452)
As at 31 March	**6,351,904**	11,098,505

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 RM Nil (2017 – RM7,860,993).

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM362,578 (2017 – RM395,474).

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

	Group 2018 RM	Group 2017 RM
Unquoted shares at cost	**109,073,816**	92,149,668
Less: Impairment losses	**(1,979,664)**	(1,000,000)
	107,094,152	91,149,668

As at the reporting date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM17,874,538 (2017 – RM14,049,006). 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 2018 %	Holding in equity 2017 %
Subsidiaries –				
Ireka Sdn Bhd	Malaysia	Investment holding	**100**	100
Ireka iCapital Sdn Bhd (i) (iii)	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 (iii)	Malaysia	Property services	**100**	100
Ireka Commercial Sdn Bhd	Malaysia	Property investment and renting of property	**100**	100
i–Residence Sdn Bhd (iii)	Malaysia	Property investment and renting of property	**100**	100
Ireka Engineering And Construction Vietnam Company Limited (i) (iii)	Vietnam	Civil, structural and building construction	**100**	100
Meadowfield Sdn Bhd	Malaysia	Property development	**100**	100
i–Tech Network Solutions (Vietnam) Company Limited (i) (iii)	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

8. INVESTMENT IN SUBSIDIARIES (cont'd)

	Country of incorporation	Principal activities	Holding in equity 2018 %	Holding in equity 2017 %
Subsidiary companies of Ireka Sdn Bhd –				
Ireka Engineering & Construction Sdn Bhd (ii)	Malaysia	Earthworks, civil, structural and building construction and renting of construction plant and machinery	**71.43**	71.43
Regalmont (Sabah) Sdn Bhd (iii)	Malaysia	Property development	**100**	100
Regal Variety Sdn Bhd (iii)	Malaysia	Investment holding	**100**	100
Ireka Hospitality Sdn Bhd (iii)	Malaysia	Property management, provision of other related professional services and consultancy	**100**	100
Subsidiary companies of Ireka iCapital Sdn Bhd –				
e–Auction Sdn Bhd (i)(iii)	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) (iii)	Malaysia	Dormant	**100**	100
i–Tech Network Solutions Sdn Bhd (i) (iii)	Malaysia	System integration, software solutions and trading in computer hardware	**100**	100
iTech ELV Solutions Sdn Bhd (i)	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) 28.57% of the shareholding held directly by Ireka Corporation Berhad.

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

iv) 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
- Haji Mohd. Sharif Bin Haji Yusof
- Tan Thiam Chai
- Leonard Yee Yuke Dien
- Chan Huan Khim
- Ng Yau Siong
- Chan Chee Kian

9. INVESTMENT IN ASSOCIATES

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Quoted shares outside Malaysia, at cost	**158,139,389**	158,139,389	**158,139,389**	158,139,389
Unquoted shares in Malaysia	**405,003**	300,003	**405,003**	300,003
	158,544,392	158, 439, 392	**158,544,392**	158,439, 392
Share of post–acquisition accumulated losses	**(56,542,703)**	(57,158,776)	**–**	–
	102, 001,689	101, 280, 616	**158,544,392**	158,439,392
Market value of quoted shares	**92,985,961**	105, 522,145	**92,985,961**	105, 522,145

Details of the associates are as follows :

Name of associates	Country of incorporation	Principal activities	Holding in equity 2018 %	Holding in equity 2017 %
Aseana Properties Limited ("ASPL") (i) (ii) (iii)	Jersey, Channel islands	Development of upscale residential and hospitality projects, 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 2017.

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
2018				
Assets and liabilities				
Current assets	1,223,113,539	409,974,815	268,941	1,633,357,295
Non–current assets	18,794,693	15,468,626	14,914	34,278,233
Total assets	1,241,908,232	425,443,441	283,855	1,667,635,528
Current liabilities	527,990,078	451,725,451	1,846,033	981,561,562
Non–current liabilities	194,375,197	–	–	194,375,197
Total liabilities	722,365,275	451,725,451	1,846,033	1,175,936,759
Results				
Revenue	77,290,352	–	–	77,290,352
Profit/(Loss) for the financial year/Total comprehensive profit/(Loss) for the financial year	15,478,010	(6,047,937)	(1,881,372)	7,548,701
Group's share:				
Net assets/(liabilities)	117,316,904	(14,838,161)	(476,901)	102,001,842
Profit/(Loss) for the financial year/Total comprehensive profit/(loss) for the financial year	3,570,777	(1,814,381)	(564,412)	1,191,984
Dividends received by the Group	–	–	–	–

9. INVESTMENT IN ASSOCIATES (cont'd)

	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	–	–	–	–

Pursuant to a general meeting of ASPL held on 23 April 2018, all of its assets will be disposed in a controlled, orderly and timely manner to maximise the realisation value of the ASPL's investment for a period of 18 months.

10. OTHER INVESTMENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
At cost:				
Available–for–sale financial assets				
Investments in club membership	**237,778**	237,778	**237,778**	237,778
Less: Accumulated impairment loss	**(196,278)**	(196,278)	**(196,278)**	(196,278)
	41,500	41,500	**41,500**	41,500

11. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2018 RM	2017 RM
Freehold land, at cost		
As at 1 April	**12,898,253**	35,324,812
Transfer to property development cost (Note 12)	**–**	(22,426,559)
As at 31 March	**12,898,253**	12,898,253
Development costs		
As at 1 April	**11,428,193**	23,113,964
Additions	**2,878,329**	6,493,007
Transfer to property development cost (Note 12)	**–**	(18,178,778)
As at 31 March	**14,306,522**	11,428,193
Carrying amount as at 31 March	**27,204,775**	24,326,446

12. PROPERTY DEVELOPMENT COST

Group	Freehold land RM	Development costs RM	Borrowing costs capitalised RM	Total RM
Cumulative property development costs				
2018				
As at 1.4.2017	57,880,355	117,816,028	10,549,788	186,246,171
Costs incurred during the year	–	9,477,319	3,023,589	12,500,908
As at 31.3.2018	57,880,355	127,293,347	13,573,377	198,747,079
Cumulative costs recognised in income statement				
As at 1.4.2017				(89,702,588)
Recognised during the year				(13,117,897)
As at 31.3.2018				(102,820,485)
Property development costs as at 31.3.2018				95,926,594
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
Cumulative costs recognised in statement of profit or loss and other comprehensive income				
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 are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM36,082,550 (2017 – RM36,082,550).

13. INVENTORIES

	Group 2018 RM	Group 2017 RM
At cost		
Construction materials	**11,375,089**	13,635,876
Finished goods	**18,463**	21,623
Property held for sales	**1,955,981**	437,615
	13,349,533	14,095,114
Recognised in profit or loss:		
Stock value written down	**727**	1,492
Inventories recognised as cost of sales	**249,513,767**	289,547,791

14. TRADE AND OTHER RECEIVABLES

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Trade receivables (i) (ii)	**143,405,896**	125,647,305	**–**	–
Other receivables				
Accrued billing	**2,801,205**	–	**–**	–
Deposits	**2,664,419**	2,142,177	**629,081**	827,275
Prepayments	**859,735**	2,639,427	**136,503**	105,205
Other receivables	**8,633,708**	1,820,817	**1,014,529**	1,245,584
Tax refundable (iii)	**2,560,308**	–	**–**	–
	17,519,375	6,602,421	**1,780,113**	2,178,064
Total trade and other receivables	**160,925,271**	132,249,726	**1,780,113**	2,178,064
Add : Deposits, cash and bank balances	**25,503,087**	12,428,419	**12,266,198**	1,313,001
Total loans and receivables	**186,428,358**	144,678,145	**14,046,311**	3,491,065

(i) 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.

(ii) 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.

14. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Within credit terms	38,664,675	49,567,013	–	–
Past due but not impaired				
90 to 120 days	386,649	511,123	–	–
More than 120 days	104,354,572	75,569,169	–	–
	143,405,896	125,647,305	–	–

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.

(iii) Tax refundable is subject to comfirmation by the Inland Revenue Board.

15. AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

	Group 2018 RM	Group 2017 RM
Construction contract costs incurred to date	**215,910,049**	498,987,164
Attributable profits	**28,923,812**	42,883,454
	244,833,861	541,870,618
Less : Progress billings	**(236,618,133)**	(483,530,502)
	8,215,728	58,340,116
Presented as:		
Amount due from customers on contracts	**8,678,048**	58,340,116
Amount due to customers on contracts	**(462,320)**	–
	8,215,728	58,340,116
Retention sums on contracts included within trade receivables	**46,860,117**	41,465,419

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

	Group 2018 RM	Group 2017 RM
Hire of plant and machinery	**649,731**	881,690
Property, plant and equipment – Depreciation	**2,469,343**	3,372,017
Rental expense for buildings	**975,192**	1,329,836

16. AMOUNTS DUE FROMI(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, repayable on demand and non–interest bearing except for a total amount of RM2,829,743 (2017 – RM2,682,221) from a subsidiary which bear interest of 5.5% (2017 – 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 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash on hand and at banks (i) (ii)	**9,033,805**	4,696,314	**3,066,198**	1,313,001
Deposits with licensed banks (iii)	**16,469,282**	7,732,105	**9,200,000**	–
Cash and bank balances	**25,503,087**	12,428,419	**12,266,198**	1,313,001
Bank overdrafts	**(11,803,594)**	(18,699,231)	**(703,679)**	(983,060)
Total cash and cash equivalents	**13,699,493**	(6,270,812)	**11,562,519**	329,941

i) Included in cash at banks of the Group are amounts of RM27,553 (2017 – RM246,616) 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 RM6,887,445 (2017 – RM7,732,105) 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 2018	Group 2017
Interest rate (%) (per annum)	**2.30–3.20**	2.85–3.00
Average maturity (days)	**30–90**	30–90

19. SHARE CAPITAL AND SHARE PREMIUM

	Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM
As at 1.4.2017	170,872,050	1,384,922	172,256,972
Shares issuance	9,176,962	–	9,176,962
Shares issuance expenses	–	(145,541)	(145,541)
As at 31.3.2018	180,049,012	1,239,381	181,288,393

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 31.3.2018.

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.

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		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Short–term borrowings				
Secured:				
Term loans	**2,000,000**	15,626,536	**–**	–
Hire purchase and finance lease liabilities	**3,430,084**	3,749,082	**–**	–
Bank overdrafts	**11,803,594**	17,716,171	**703,679**	–
Revolving credits	**23,125,278**	32,269,171	**1,014,956**	–
Trade finance	**23,701,000**	24,749,000	**–**	–
	64,059,956	94,109,960	**1,718,635**	–
Unsecured:				
Bank overdrafts	**–**	983,060	**–**	983,060
Revolving credits	**–**	1,014,767	**–**	1,014,767
	–	1,997,827	**–**	1,997,827
	64,059,956	96,107,787	**1,718,635**	1,997,827

24. BORROWINGS (cont'd)

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Long–term borrowings				
Secured:				
Term loans	**33,460,033**	26,891,182	**–**	–
Hire purchase and finance lease liabilities	**204,358**	3,218,784	**–**	–
	33,664,391	30,109,966	**–**	–
Total borrowings				
Revolving credits	**23,125,278**	33,283,938	**1,014,956**	1,014,767
Trade finance	**23,701,000**	24,749,000	**–**	–
Term loans	**35,460,033**	42,517,718	**–**	–
Bank overdrafts	**11,803,594**	18,699,231	**703,679**	983,060
Hire purchase and finance lease liabilities	**3,634,442**	6,967,866	**–**	–
	97,724,347	126,217,753	**1,718,635**	1,997,827

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) 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.

24. BORROWINGS (cont'd)

Hire purchase and finance lease liabilities

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Future minimum lease payments				
Not later than 1 year	3,587,348	4,128,261	–	–
Later than 1 year and not later than 2 years	406,151	3,852,372	–	–
Later than 2 years and not later than 5 years	185,100	–	–	–
Total future minimum lease payments	4,178,599	7,980,633	–	–
Less : Future finance charges	(544,157)	(1,012,767)	–	–
Present value of finance lease liabilities	3,634,442	6,967,866	–	–
Analysis of present value of finance lease liabilities				
Not later than 1 year	3,430,084	3,749,082	–	–
Later than 1 year and not later than 2 years	28,905	3,218,784	–	–
Later than 2 years and not later than 5 years	175,453	–	–	–
	3,634,442	6,967,866	–	–
Less : Amount due within 12 months	(3,430,084)	(3,749,082)	–	–
Amount due after 12 months	204,358	3,218,784	–	–

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	
	2018 RM	2017 RM	2018 RM	2017 RM
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	
	2018 RM	2017 RM	2018 RM	2017 RM
Property, plant and equipment	**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	
	2018 RM	2017 RM	2018 RM	2017 RM
Unused tax losses	**88,522,409**	92,170,289	**29,829,087**	27,958,630
Unabsorbed capital allowances	**11,594,466**	13,690,979	**2,220,584**	1,995,299
Accelerated capital allowances	**(5,769,040)**	(5,653,367)	**–**	–
	94,347,835	100,207,901	**32,049,671**	29,953,929

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	
	2018 RM	2017 RM
Provision for sub–contractor's valuation		
As at 1 April	**–**	1,742,277
Reversal	**–**	(1,742,277)
As at 31 March	**–**	–

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 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Current				
Trade payables (i)	161,608,302	153,024,548	–	–
Progress billings in respect of property development cost	4,597,615	1,346,362	–	–
	166,205,917	154,370,910	–	–
Other payables				
Accruals	6,583,889	9,953,852	–	–
Other payables (ii)	42,349,234	52,848,548	8,795,775	21,704,215
Trade deposits	9,171,088	7,105,128	–	–
	58,104,211	69,907,528	8,795,775	21,704,215
Total trade and other payables	224,310,128	224,278,438	8,795,775	21,704,215
Add : Borrowings	97,724,347	126,217,753	1,718,635	1,997,827
Total financial liabilities at amortised cost	322,034,475	350,496,191	10,514,410	23,702,042

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

(ii) Included in other payables of the Group is an amount of RM190,158 (2017: RM136,396) due to a director of a subsidiary company. The amount is non–trade in nature, unsecured, repayable on demand and non–interest bearing.

28. REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Construction contracts	**262,064,577**	267,826,957	**–**	–
Management fees	**–**	–	**11,704,309**	12,673,821
Property development	**17,496,439**	42,775,990	**–**	–
Rental income	**386,896**	130,436	**–**	–
Trading and services	**20,712,298**	21,025,255	**–**	–
	300,660,210	331,758,638	**11,704,309**	12,673,821

29. COST OF SALES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Construction contracts costs	**232,053,501**	282,507,678	**–**	–
Property development costs	**12,530,420**	2,841,810	**–**	–
Cost of inventories sold	**4,929,846**	4,198,303	**–**	–
Cost of services rendered	**18,364,172**	10,640,637	**–**	–
	267,877,939	300,188,428	**–**	–

30. OTHER INCOME

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Dividend income	**32**	31	**32**	31
Interest income (i)	**481,975**	676,016	**169,978**	140,368
Gain on disposal of property, plant and equipment	**113,878**	536,119	**1,424**	754
Gain on fair value changes in investment properties	**1,804,727**	–	**–**	–
Gain on disposal of				
– Investment properties	**1,673,925**	248,307	**–**	–
– Other investments	**–**	184,947	**–**	–
Gain on foreign exchange				
– Realised	**–**	–	**–**	–
– Unrealised	**98**	418,125	**89**	2,584
Rental income	**351,055**	142,372	**1,386,934**	1,309,679
Upkeep of motor vehicle recoverable	**42,000**	49,200	**42,000**	49,200
Other	**2,380,578**	1,242,044	**9,871**	4,000
	6,848,268	3,497,161	**1,610,328**	1,506,616

(i) Included in interest income from loan and receivables of the Company is interest of RM147,522 (2017 – RM139,831) from a fellow subsidiary.

31. FINANCE COSTS

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Interest expense on:				
Bank borrowings	7,110,355	7,811,049	130,674	143,226
Hire purchase and finance lease liabilities	495,119	548,150	–	–
	7,605,474	8,359,199	130,674	143,226
Less : Interest expense capitalised in:				
Property development cost – Note 12	(3,023,589)	(1,111,686)	–	–
Total interest expense	4,581,885	7,247,513	130,674	143,226

32. PROFIT/(LOSS) BEFORE TAX

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

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
After charging:				
Amount due from subsidiary – Written–off	–	–	658,825	1,121,245
Auditors' remuneration –				
Current year	310,549	294,696	90,000	90,000
Over provision in prior years	(867)	–	–	–
Bad debt written off	19,332	930	–	–
Impairment loss on investment in subsidiaries company	–	–	979,664	–
Directors' remuneration –				
Executive directors				
Bonus	168,080	–	144,345	–
Fee	296,000	299,500	290,000	293,500
Emoluments	4,646,715	5,231,490	3,592,230	4,218,720
Employees Provident Fund	407,906	462,854	278,065	334,248

32. PROFIT/(LOSS) BEFORE TAX (cont'd)

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
After charging (cont'd):				
Directors' remuneration (cont'd) –				
Non–executive directors				
Fee	**135,000**	96,000	**135,000**	96,000
Loss on disposal on investments of associates	**–**	334,528	**–**	334,528
Loss on disposal of investment properties	**630,205**	–	**–**	–
Loss on foreign exchange –				
Realised	**–**	25,611	**–**	–
Unrealised	**411,087**	811	**2,038**	413
Property, plant and equipment –				
Depreciation	**3,906,964**	5,091,999	**359,012**	441,016
Loss on disposal	**431,618**	470,195	**1,500**	–
Written–off	**30,151**	14,779	**2,016**	–
Rental –				
Plant and machinery	**668,849**	860,208	**–**	–
Land and buildings	**3,160,166**	1,478,693	**2,081,035**	1,966,366
Office	**309,798**	–	**–**	–
Office equipment	**13,288**	2,201,693	**–**	–
Stock value written down	**727**	1,492	**–**	–
Staff costs (i)	**39,435,202**	44,144,339	**6,081,435**	6,173,544

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
(i) Staff costs –				
Wages, salaries and other	**36,516,369**	40,255,488	**5,450,331**	5,536,204
EPF including directors	**2,918,833**	3,888,851	**631,104**	637,340
	39,435,202	44,144,339	**6,081,435**	6,173,544

33. INCOME TAX

	Group 2018 RM	Group 2017 RM
Continuing operations		
Current income tax		
Malaysian income tax	**862,215**	142,850
Over provision in prior years Malaysian income tax	**(660,957)**	(391,163)
	201,258	(248,313)
Deferred tax		
Relating to origination and reversal of differences	**–**	–
Total income tax	**201,258**	(248,313)

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 before tax at the statutory income tax rate to income tax at the effective income tax rate of the Group is as follows:

	Group 2018 RM	Group 2017 RM
Profit before tax from:		
Continuing operations	**7,619,384**	3,946,348
Taxation at Malaysian statutory tax rate of 24%	**1,828,652**	947,124
Income not subject to tax	**(572,305)**	(115,092)
Effect of share of loss of associates	**(286,076)**	(1,916,292)
Expenses not deductible for tax purposes	**2,667,838**	1,253,610
Deferred tax recognised at different tax rates	**–**	8,267
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**771,522**	–
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(3,547,416)**	(34,767)
Over provision of tax expenses in prior years	**(660,957)**	(391,163)
Income tax for the financial year	**201,258**	(248,313)

33. INCOME TAX (cont'd)

	Company 2018 RM	Company 2017 RM
Current income tax		
Malaysian income tax	**779,533**	–
Over provision in prior years	**(684,069)**	–
Total income tax	**95,464**	–

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 loss before tax at the statutory income tax rate to income tax at the effective income tax rate of the Company is as follows:

	Company 2018 RM	Company 2017 RM
Loss before tax	**(4,784,484)**	(4,453,386)
Taxation at Malaysian statutory tax rate of 24%	**(1,148,276)**	(1,068,813)
Income not subject to tax	**(371)**	(54,621)
Expenses not deductible for tax purposes	**1,425,202**	434,134
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**502,978**	689,300
Over provision of tax expenses in prior years	**(684,069)**	–
Income tax for the financial year	**95,464**	–

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Tax savings during the financial year arising from :				
Utilisation of current year's tax losses	**179,849**	2,165,332	**179,849**	140,368
Utilisation of previously unrecognised tax losses	**14,780,906**	1,155, 596	**–**	–

34. PROFIT PER SHARE

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

	Company	
	2018 RM	**2017 RM**
Profit from continuing operations attributable to owners of the Company	**7,418,126**	4,194,661
Weighted average number of ordinary shares in issue	**175,514,384**	170,872,050
Profit per share attributable to owners of the Company (sen)		
Basic and diluted	**4.23**	2.45

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 :

	Group	
	2018 RM	**2017 RM**
Not later than 1 year	**411,873**	103,467
Later than 1 year but not later than 5 years	**509,237**	–
	921,110	103,467

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 2018 RM	Group 2017 RM
Companies in which certain Directors are deemed to have interests:		
Building materials and spare parts purchased from/(by)		
– Imuda Sdn Bhd	**–**	(40, 303)
– Quality Parts Sdn Bhd	**1,223,245**	1,502,605
Management contractor services charged to		
– ICSD Ventures Sdn Bhd	**–**	(70,000)
Progress billings on contracts (to)/from		
– Imuda Sdn Bhd	**265,004**	
– Urban DNA Sdn Bhd	**(101,326,451)**	(43,815,354)
Reimbursement of expenses from		
– Amatir Resources Sdn Bhd	**3,242**	52,767
– ICSD Ventures Sdn Bhd	**1,180**	25,179
– Imuda Sdn Bhd	**54,432**	397,221
– Ireka Land Sdn Bhd	**–**	11,966

	Company 2018 RM	Company 2017 RM
Subsidiary companies:		
Interest income	**(147,522)**	(139,831)
Management fees	**(11,676,309)**	(12,673,821)
Rental income	**(1,386,934)**	(1,309,679)
Upkeep of motor vehicle	**64,800**	63,360

36. RELATED PARTY DISCLOSURES (cont'd)

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

	Group 2018 RM	2017 RM
Included in trade and other receivables:		
– Aseana Properties Limited	**160,078**	–
– Amatir Resources Sdn Bhd	**72,657**	70,106
– Binaderas Sdn Bhd	**165,000**	–
– Bumijaya Mawar Sdn Bhd	**35**	35
– Bumijaya Mahligai Sdn Bhd	**35**	35
– Bumiraya Impian Sdn Bhd	**35**	35
– ICSD Ventures Sdn Bhd	**18**	–
– Ireka Land Sdn Bhd	**2,551**	–
– Imuda Sdn Bhd	**3,618,654**	2,132, 444
– Inovtecs Sdn Bhd	**1,735,938**	1,735,938
– Urban DNA Sdn Bhd	**2,972,452**	4,835,804
– Uspa Construction Sdn Bhd	**3,795,722**	3,795,722
	12,523,175	12, 570,119
Included in trade and other payables:		
– Amatir Resources Sdn Bhd	**5,434,116**	9,911,319
– Binaderas Sdn Bhd	**3,765,229**	3,765,229
– ICSD Ventures Sdn Bhd	**–**	736,536
– Imuda Sdn Bhd	**2,200,000**	304,355
– Ireka Land Sdn Bhd	**–**	554,932
– Quality Parts Sdn Bhd	**743,673**	674,461
– Texsol Sdn Bhd	**190,000**	200,000
– Urban DNA Sdn Bhd	**15,570,747**	13,682,960
	27,903,765	29,829,792

36. RELATED PARTY DISCLOSURES (cont'd)

	Company 2018 RM	2017 RM
Included in other receivables:		
– ICSD Ventures Sdn Bhd	**18**	135,873

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 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Directors' remuneration				
– Note 32	**5,653,701**	6,089,844	**4,439,640**	4,942,468

37. CONTINGENT LIABILITIES

	Group 2018 RM	2017 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
2018							
Revenue							
External sales	262,064,577	17,496,439	20,712,298	175,880	211,016	–	300,660,210
Inter–segment sales	4,238,929	–	12,204,686	599,424	11,684,709	(28,727,748)	–
Total revenue	266,303,506	17,496,439	32,916,984	775,304	11,895,725	(28,727,748)	300,660,210
Result							
Segment result	11,505,560	960,663	(282,360)	2,861,395	(3,783,096)	(734,852)	10,527,310
Finance costs							(4,581,885)
Interest income							481,975
Share of profit of associates					1,191,984		1,191,984
Profit before tax							7,619,384
Income tax expense							(201,258)
Profit for the year							7,418,126

Information about a major customer

Revenue from major customer amounted to RM70,034,007, 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
2018									
Other information									
Segment assets	168,163,065	152,122,762	12,811,803	20,396,667	190,724,751	(60,428,895)	483,790,153	–	483,790,153
Segment liabilities	231,312,448	67,561,400	6,570,204	9,225,503	11,612,338	120,929	326,402,822	–	326,402,822
Additions to non–current assets:									
Property, plant and equipment	481,318	–	72,840	–	17,405	–	571,563	–	571,563
Land held for property development	–	2,878,329	–	–	–	–	2,878,329	–	2,878,329
Depreciation	2,883,999	1,673	510,723	151,557	359,012	–	3,906,964	–	3,906,964

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
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
Loss before tax							3,946,348
Income tax expense							248,313
Loss 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							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
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)

Geographical information

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

	Revenue 2018 RM	Revenue 2017 RM	Non–current assets 2018 RM	Non–current assets 2017 RM
Malaysia	**300,393,487**	331,449,628	**164,501,668**	170,259,696
Vietnam	**266,723**	309,010	**10,819**	19,030
	300,660,210	331,758,638	**164,512,487**	170,278,726

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

	2018 Malaysia RM	2018 Vietnam RM	2017 Malaysia RM	2017 Vietnam RM
Property, plant and equipment	**28,901,800**	**10,819**	33,512,629	19,030
Investment properties	**6,351,904**	**–**	11,098,505	–
Investment in associates	**102,001,689**	**–**	101,280,616	–
Others investments	**41,500**	**–**	41,500	–
Land held for property development	**27,204,775**	**–**	24,326,446	–
	164,501,668	**10,819**	170,259,696	19,030

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 (cont'd)

Currency profile of major financial assets and liabilities

	Denominated in other than functional currency			Denominated in functional currencies	
	US Dollar	VND	GBP		Total
Group					
2018					
Trade and other receivables	160,078	433,887	–	160,331,306	160,925,271
Cash and bank balances	94,506	749,025	332	24,659,224	25,503,087
	254,584	1,182,912	332	184,990,530	186,428,358
2017					
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	142,958,087	144,678,145
Company					
2018					
Cash and bank balances	93,568	20,842	–	12,151,788	12,266,198
2017					
Cash and bank balances	75,309	90	–	1,237,602	1,313,001

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 2018, 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 RM143,783/(RM143,783) (2017 – RM172,006/(RM172,006) and the Company's profit and loss and equity would have been RM11,441/(RM11,441) (2017 – RM7,540/(RM7,540).

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	
	2018 RM	2017 RM	2018 RM	2017 RM
Fixed rate instruments:				
Financial assets	–	–	2,829,743	2,682,221
Financial liabilities	3,634,442	6,967,866	–	–
Floating rate instruments:				
Financial assets	25,503,087	12,428,419	12,266,198	1,313,001
Financial liabilities	94,089,905	119,249,887	1,718,635	1,997,827

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 2018, 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 RM521,260/(RM521,260) (2017 – RM811.843/(RM811,843) and the Company's profit and loss and equity would have been RM80,161/(RM80,161) (2017 – RM5,205/(RM5,205).

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 20% (2017 – 28%) 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 2018, 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 ramaining 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	3 to 4 years RM	4 to 5 years RM	Total RM
2018										
Group										
Financial liabilities										
Fixed rate										
Hire purchase and finance lease liabilities	24	3.27	3,634,442	3,634,442	3,430,084	28,905	56,402	58,488	60,563	3,634,442
Floating rate										
Bank overdrafts	24	7.74	11,803,594	11,803,594	11,803,594	–	–	–	–	11,803,594
Revolving credits	24	6.53	23,125,278	23,125,278	23,125,278	–	–	–	–	23,125,278
Trade finance	24	4.73	23,701,000	23,701,000	23,701,000	–	–	–	–	23,701,000
Term loans	24	8.39	35,460,033	35,460,033	2,000,000	11,000,000	22,460,033	–	–	35,460,033
Trade and other payables	27		224,310,128	224,310,128	224,310,128	–	–	–	–	224,310,128
Total undiscounted financial liabilities			318,400,033	318,400,033	284,940,000	11,000,000	22,460,033	–	–	318,400,033
Company										
Floating rate										
Bank overdrafts	24	6.16	703,679	703,679	703,679	–	–	–	–	703,679
Revolving credits	24	6.91	1,014,956	1,014,956	1,014,956	–	–	–	–	1,014,956
Other payables	27		8,795,775	8,795,775	8,795,775	–	–	–	–	8,795,775
Total undiscounted financial liabilities			10,514,410	10,514,410	10,514,410	–	–	–	–	10,514,410
Financial guarantee contracts (i)			NIL	58,911,237	58,911,237	–	–	–	–	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 ramaining 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	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)

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).

There were no transfers between level 1, 2 and level 3 fair value measurements during the financial year ended 31 March 2018 and 31 March 2017.

The Directors do not anticipate the carrying amounts recorded in the financial position 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:

	2018		2017	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Hire purchase and finance lease liabilities	**3,634,442**	**4,178,599**	6,967,866	7,980,633

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:

	2018	2017
Hire purchase and finance lease liabilities	**1.88–3.50**	2.39–3.50

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 2018 and 31 March 2017.

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	2018 RM	2017 RM	2018 RM	2017 RM
Bank borrowings	24	**97,724,347**	126,217,753	**1,718,635**	1,997,827
Less : Cash and cash equivalents	18	**(25,503,087)**	(12,428,419)	**(12,266,198)**	(1,313,001)
Net debt		**72,221,260**	113,789,334	**(10,547,563)**	684,826
Equity attributable to the owners of the Company		**157,387,331**	144,097,916	**275,058,509**	274,324,901
Capital and net debt		**229,608,591**	257,887,250	**264,510,946**	275,009,727
Gearing ratio (net cash)		**0.46**	0.79	**–**	0.00

ANALYSIS OF SHAREHOLDINGS
as at 29 June 2018

Total number of issued shares : 186,708,050 Ordinary Shares
Voting right : 1 vote per Ordinary Share

Distribution of Shareholdings

Size of holdings	No. of shareholders	No. of shares	%
less than 100	74	1,150	0.00
100 – 1,000	698	636,250	0.34
1,001 – 10,000	1,524	7,031,050	3.77
10,001 – 100,000	499	14,750,741	7.90
100,001 – less than 5% of issued shares	78	51,852,490	27.77
5% and above of issued shares	6	112,436,369	60.22
Total	**2,879**	**186,708,050**	**100.00**

Directors' Shareholdings

	Direct		Indirect	
Directors	No. of shares	%	No. of shares	%
Datuk Lai Siew Wah	–	–	73,502,997*	39.37
Datuk Lai Jaat Kong @ Lai Foot Kong	8,943,750	4.79	–	–
Datuk Lai Voon Hon	18,000	0.01	73,502,997*	39.37
Lai Voon Huey, Monica	9,000	0.00#	73,502,997*	39.37
Tan Thiam Chai	29,250	0.02	–	–
Chan Chee Kian	–	–	–	–
Haji Mohd. Sharif bin Haji Yusof	–	–	–	–
Hoe Kah Soon	–	–	–	–
Dato' Azmi bin Abdullah	–	–	–	–

Substantial Shareholders' Holdings

Substantial Shareholders	Direct No. of shares	%	Indirect No. of shares	%
Ideal Land Holdings Sdn Bhd	73,502,997	39.37	–	–
Magnipact Resources Sdn Bhd	23,097,372	12.37	–	–
CRRC Urban Traffic (Europe) Co. Ltd.	15,836,000	8.48	–	–
Green Rivervale Holdings Sdn Bhd	–	–	23,097,372^	12.37
Chan Soo Har @ Chan Kay Chong	3,277,125	1.76	23,097,372**	12.37
Lai Man Moi	2,161,125	1.16	23,097,372**	12.37
Datuk Lai Siew Wah	–	–	73,502,997*	39.37
Datuk Lai Voon Hon	18,000	0.01	73,502,997*	39.37
Lai Voon Keat	–	–	73,502,997*	39.37
Lai Voon Wai	–	–	73,502,997*	39.37
Liw Yoke Yin	18,000	0.01	73,502,997*	39.37

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

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	Kenanga Capital Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	31,000,000	16.60
2	Ideal Land Holdings Sdn Bhd	28,002,997	15.00
3	DB (Malaysia) Nominee (Asing) Sdn Bhd (Exempt An for Bank of Singapore Limited)	15,836,000	8.48
4	AMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account– Ambank (M) Berhad for Ideal Land Holdings Sdn Bhd)	14,500,000	7.77
5	Magnipact Resources Sdn Bhd	13,097,372	7.01
6	Kenanga Capital Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	10,000,000	5.36
7	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Jaat Kong @ Lai Foot Kong)	6,524,050	3.49
8	Thong Kok Cheong	5,072,150	2.72
9	Koon Woh	3,917,700	2.10
10	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	2,765,625	1.48
11	Lai Jaat Kong @ Lai Foot Kong	2,419,700	1.30
12	Lim Sow Mun	2,300,000	1.23
13	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	1,920,375	1.03
14	Sapiah @ Safiah binti Hussin	1,800,000	0.96

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

No.	Name	No. of shares	%
15	JF Apex Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for GV Asia Fund Limited (STA 1))	1,728,100	0.93
16	Abdullah bin Yusof	1,500,000	0.80
17	Kwok Yoke How	1,166,600	0.62
18	Lim Jit Hai	1,109,200	0.59
19	Ang Yook Chu @ Ang Yoke Fong	1,108,100	0.59
20	Choon Siew & Sons Sdn Berhad	1,030,000	0.55
21	Chan Lin Yau	1,015,700	0.54
22	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ang Yook Chu @ Ang Yoke Fong (8076574))	861,200	0.46
23	Tan Hwa Ling @ Tan Siew Leng	834,800	0.45
24	Maybank Nominees (Tempatan) Sdn Bhd (Nomura Singapore Limited for Lim Lian Hock (410242))	631,500	0.34
25	CIMB Group Nominees (Asing) Sdn Bhd (Exempt An for DBS Bank Ltd (SFS))	580,000	0.31
26	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C))	577,800	0.31
27	Kwok Yoke How	576,003	0.31
28	Yap Ai Synn @ Yap Ai Chin	545,000	0.29
29	Chan Soo Har @ Chan Kay Chong	511,500	0.27
30	Leow Peng Seong	495,500	0.27

ANALYSIS OF WARRANT HOLDINGS
as at 29 June 2018

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	%
less than 100	8	312	0.00
100 – 1,000	152	108,778	0.19
1,001 – 10,000	343	1,369,500	2.41
10,001 – 100,000	189	7,715,650	13.55
100,001 – less than 5% of issued warrants	46	15,562,987	27.32
5% and above of issued warrants	2	32,200,123	56.53
Total	**740**	**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	–	–
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	–	–
Chan Chee Kian	–	–	–	–
Haji Mohd. Sharif bin Haji Yusof	–	–	–	–
Hoe Kah Soon	–	–	–	–
Dato' Azmi bin Abdullah	–	–	–	–

Note:
* Deemed interests through Ideal Land Holdings Sdn Bhd

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	No. of warrants	%
1	Ideal Land Holdings Sdn Bhd	24,500,999	43.02
2	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	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	1,092,375	1.92
5	Lim Sow Mun	803,900	1.41
6	Lee Phooi Har	800,000	1.40
7	Koon Woh	788,000	1.38
8	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	720,375	1.26
9	Chuah Tiam Kay	500,000	0.88
10	Lian Wah Seng	500,000	0.88
11	Teo Meng Hai	455,000	0.80
12	Nee Kim Yip	413,300	0.73
13	Tan Soon Moi	400,000	0.70
14	Chan Lin Yau	370,700	0.65
15	Cimsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Siew Ong (L Garden-CL))	341,000	0.60

THIRTY (30) LARGEST WARRANT HOLDERS (cont'd)

No.	Name	No. of warrants	%
16	Khoo Boo Chin	300,000	0.53
17	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Siaw Teck Siong (E-PDG))	300,000	0.53
18	RHB Nominees (Tempatan) Sdn Bhd (Maybank Kim Eng Securities Pte. Ltd. for Sin Khuan Oi)	300,000	0.53
19	Tan Hwa Ling @ Tan Siew Leng	254,000	0.45
20	Sinar Maju Enterprise Sdn Bhd	241,600	0.42
21	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chung Khin Sin (002))	222,100	0.39
22	Tan Sing Hah	220,000	0.39
23	Lim E @ Lim Hoon Nam	201,700	0.35
24	Choon Siew @ Sons Sdn. Berhad	200,000	0.35
25	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Yoong Fah)	200,000	0.35
26	Teoh Sai Boey	200,000	0.35
27	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C))	192,600	0.34
28	Khoo Su-Lin	190,000	0.33
29	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse (SG BR-TST-ASING))	187,375	0.33
30	Leow Peng Seong	152,500	0.27

LIST OF MATERIAL PROPERTIES
as at 31 March 2018

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	11	8,633,041	2007
4	Lot PT17741, Mukim Batu, Kuala Lumpur Level 30, 1 Mont' Kiara Mont' Kiara, Kuala Lumpur	Freehold	9,203	Office suites for investment	8	5,705,996	2007
5	Lot 8850, Mukim of Kajang Daerah Ulu Langat, Selangor Darul Ehsan	Freehold	220,790	Agricultural land for future development	N/A	2,097,653	2011
6	GRN 280415, Lot 3911, Mukim Sungai Gumut Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	44,476	Homesteads for investment	N/A	439,570	1995
7	GRN 280622, Lot 4019, Mukim Sungai Gumut Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	46,368	Homesteads for investment	N/A	278,208	2002
8	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
9	Geran 42276/M2/2/44, Lot 32432 Mukim of Plentong, Johor Darul Takzim	Freehold	824	Walk–up flat for investment	31	38,546	1987

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 42nd 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, 29 August 2018 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 2018 together with the reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*

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 2018. **Ordinary Resolution 1**

3 To approve the payment of Audit Committee fees of RM26,000.00 and Directors' fees of RM410,000.00 for the financial year ended 31 March 2018. **Ordinary Resolution 2**
(Please refer to Explanatory Note 2)

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

a. Datuk Lai Voon Hon **Ordinary Resolution 3**
b. Tan Thiam Chai **Ordinary Resolution 4**
c. Hoe Kah Soon **Ordinary Resolution 5**

5 To elect Chan Chee Kian who retires in accordance with Article 98 of the Company's Constitution and, being eligible, offers himself for election. **Ordinary Resolution 6**

6 To re–appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors. **Ordinary Resolution 7**

Special Business

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

7 **Retention of Independent Non–executive Director**

"**THAT** Haji Mohd. Sharif bin Haji Yusof, who has served as an Independent Non–executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby retained as an Independent Non–executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2017." **Ordinary Resolution 8**
(Please refer to Explanatory Note 3)

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 Constitution 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, at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever 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 total number of issued shares 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 or at the expiry of the period within which the next annual general meeting is required to be held, whichever is earlier, unless such approval be revoked or varied by the Company at a general meeting."
Ordinary Resolution 9
(Please refer to Explanatory Note 4)

9 **Proposed Renewal of 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 Company and/or its subsidiaries ("the Group") 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 2018) 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 Group 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 10**

(Please refer to Explanatory Note 5)

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 Constitution and approvals of any other relevant governmental/regulatory authorities, the Company be and is hereby authorised to purchase 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 total number of issued shares 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 11**

(Please refer to Explanatory Note 6)

11 To transact any other business for which due notice shall have been given in accordance with the Company's Constitution 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 42nd Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 64 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 23 August 2018. Only a depositor whose name appears on the Record of Depositors as at 23 August 2018 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 2018

Explanatory Notes

1 **Item 1 of the Agenda – Audited Financial Statements for the Financial Year Ended 31 March 2018**

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 2 – Payment of Audit Committee Fees and Directors' Fees**

Approval is sought from the shareholders for the payment of the Audit Committee's fees of RM10,000 for the chairman of the Audit Committee and RM8,000 for each member; and Directors' fees of RM50,000 for the Chairman of the Board and RM40,000 for each of the other board members for the financial year ended 31 March 2018, the details of which are set out in the Corporate Governance Overview Statement of this Annual Report.

3 **Ordinary Resolution 8 – Retention of Independent Non–executive Director**

The Ordinary Resolution 8, 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 an Independent Non–executive Director for a cumulative term of more than twelve (12) years.

The Board has, upon his assessment, concluded that Haji Mohd. Sharif bin Haji Yusof continues to demonstrate conduct and behaviour that are essential indicators of independence and the ability to provide impartial judgment to Board decision. 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 but instead the suitability and ability is very much a function of his calibre, qualifications, experience and personal qualities. Moreover, there are significant advantages to be gained from the long–serving independent director who provides invaluable insight and possesses knowledge of the affairs of the Company. Therefore, the Directors have strongly recommended him to continue office as an independent director of the Company and that approval of shareholders be sought through a single–tier voting process as the Company's Constitution has yet to be amended to allow for a two–tier voting process.

4 **Ordinary Resolution 9 – Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Ordinary Resolution 9, if passed, will empower the Directors to issue and allot shares not exceeding 10% of the total number of issued shares of the Company 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 42nd 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 conclusion of the next Annual General Meeting of the Company.

The Company had on 15 December 2017 issued and allotted a total of 15,836,000 new ordinary shares at RM0.5795 per share under a private placement ("Placement") pursuant to the general mandate which was approved by the shareholders at the Company's 41st Annual General Meeting held on 30 August 2017. Details of the total proceeds raised from the Placement exercise and its utilisation are disclosed under the Additional Compliance Information of this Annual Report.

5 **Ordinary Resolution 10 – Proposed Renewal of General Mandate for Recurrent Related Party Transactions**

The Ordinary Resolution 10, 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 A of the Circular to Shareholders dated 31 July 2018.

6 **Ordinary Resolution 11 – Proposed Renewal of Share Buy–back Authority**

The Ordinary Resolution 11, if passed, will empower the Company to purchase its own shares of up to 10% of the total number of issued shares 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 B of the Circular to Shareholders dated 31 July 2018.

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 exempt authorised nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.

3 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.

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.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1 **Details of individuals who are standing for election (excluding directors standing for re–election) as Directors**

Chan Chee Kian was appointed to the Board on 1 April 2018 and shall hold office only until the conclusion of the 42nd Annual General Meeting of the Company and, being eligible, offers himself to stand for election at the 42nd Annual General Meeting in accordance with Article 98 of the Company's Constitution. His personal profile is disclosed under the Directors' Profile of this Annual Report and his shareholdings in the Company and its subsidiaries are set out in the Analysis of Shareholdings of this Annual Report.

2 **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note 4 of the Notice of 42nd Annual General Meeting.

NOTES

NOTES

PROXY FORM

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

I/We ______________________________ NRIC No./Company No. ____________________

of ____

being a member(s) of Ireka Corporation Berhad, hereby appoint ______________________

______________________________ NRIC No. ____________________

of ____

and/or ______________________________ NRIC No. ____________________

of ____

or failing him/her, the Chairman of the Meeting, as my/our proxy, to attend and vote for me/us and on my/our behalf at the 42nd 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, 29 August 2018 at 10.00 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve the payment of single–tier dividend of 2 sen per share		
2	To approve the payment of Audit Committee fees of RM26,000.00 and Directors' fees of RM410,000.00		
3	To re–elect Datuk Lai Voon Hon as a Director of the Company		
4	To re–elect Tan Thiam Chai as a Director of the Company		
5	To re–elect Hoe Kah Soon as a Director of the Company		
6	To elect Chan Chee Kian as a Director of the Company		
7	To re–appoint Messrs. Raja Salleh, Lim & Co. as Auditors of the Company		
8	To retain Haji Mohd. Sharif bin Haji Yusof as an Independent Non–executive Director of the Company		
9	To propose the renewal of authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
10	To propose the renewal of general mandate for Recurrent Related Party Transactions		
11	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.

Dated this __________ day of ________________ 2018

____

Signature/Seal

No. of Shares Held	
CDS Account No.	

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
1st proxy		%
2nd proxy		%
Total		100%

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 exempt authorised nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.

3 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.

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.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 July 2018.

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

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