All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this AP unless stated otherwise.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Ireka Shares, you should at once hand this AP, and the accompanying NPA and RSF to the agent through whom you had effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein), which is the subject matter of this AP, should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, and the accompanying NPA and RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM. Approval from Bursa Securities has also been obtained on 3 April 2014 for the admission of the Warrants to the Official List and the listing of the Rights Shares, Warrants and the new Ireka Shares arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission to the Official List and the listing of and quotation for all the new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants. The admission of the Warrants to the Official List and the official listing of and quotation for all the new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this AP.

Our Directors have seen and approved all the documentation relating to this Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This AP, and the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on 2 June 2014. This AP, and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHB Investment Bank nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares made by the Entitled Shareholders and/ or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHB Investment Bank, being our Principal Adviser for this Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 5 OF THIS AP.

IREKA

IREKA CORPORATION BERHAD

(Company No. 25882-A)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF 56,957,350 NEW ORDINARY SHARES OF RM1.00 EACH IN IREKA CORPORATION BERHAD ("IREKA") ("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 IREKA ("IREKA SHARE(S)") AS AT 5.00 P.M. ON 2 JUNE 2014, 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 IREKA'S SHARE PREMIUM ("RIGHTS ISSUE WITH WARRANTS")

Principal Adviser

RHB

RHB Investment Bank Berhad
(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Monday, 2 June 2014 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Monday, 9 June 2014 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Thursday, 12 June 2014 at 4.00 p.m.
Last date and time for acceptance and payment	:	Tuesday, 17 June 2014 at 5.00 p.m.*
Last date and time for excess application and payment	:	Tuesday, 17 June 2014 at 5.00 p.m.*

* or such later date and time as our Board of Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This AP is dated 2 June 2014

Company No. 25882-A

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this AP unless stated otherwise.

THIS AP HAS BEEN REGISTERED WITH THE SC. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS SHARES. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP:-

"Act"	:	The Companies Act, 1965 and includes any amendments from time to time
"Additional Undertaking"	:	Irrevocable additional written undertaking from MRSB to subscribe for additional Rights Shares in the event any of the Entitled Shareholders do not subscribe for their entitlements in full
"Amendment"	:	Amendment to Clause No. 150 to the Articles of Association of Ireka that was amended to accommodate the Second Call
"AP"	:	This abridged prospectus dated 2 June 2014
"Aseana"	:	Aseana Properties Limited (Company No. 94592), a company listed on the London Stock Exchange which is a 23.07% owned associated company of Ireka
"ATM"	:	Automated teller machine
"Authorised Nominee(s)"	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
"Board"	:	Board of Directors of Ireka
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
"CDS"	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
"CDS Account(s)"	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
"CMSA"	:	Capital Markets and Services Act, 2007 and includes any amendments from time to time
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010 and includes any amendments from time to time
"Corporate Exercises"	:	The Rights Issue with Warrants and the Amendment to the Articles of Association of Ireka, collectively
"Deed Poll"	:	The deed poll dated 19 May 2014 constituting the Warrants
"Director(s)"	:	Has the meaning given in Section 2(1) of the CMSA
"Documents"	:	Collectively, Abridged Prospectus, the NPA and RSF
"EGM"	:	Ireka's Extraordinary General Meeting held on 16 May 2014
"Electronic Application"	:	Application for the Rights Share and/or Excess Rights Share through the ATMs of Participating Financial Institutions

DEFINITIONS (Cont'd)

"Entitled Shareholder(s)"	:	The shareholders of Ireka who are registered as a member and whose names appear in our Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	Monday, 2 June 2014 at 5.00 p.m., being the date and time on which the Entitled Shareholders must be registered as a member and whose names appear in the Record of Depositors in order to participate in the Rights Issue with Warrants
"Entitlement Undertakings"	:	Irrevocable written undertakings from ILHSB and MRSB to subscribe for their respective Rights Shares entitlements under the Rights Issue with Warrants
"EPS"	:	Earnings per share
"First Call"	:	Being the cash call price of RM0.65 per Rights Share payable in full on application in cash by the Entitled Shareholders
"Excess Rights Shares with Warrants"	:	Additional Rights Shares in excess of the Provisional Allotment
"FPE"	:	Financial period ended/ending
"FYE"	:	Financial year ended/ending
"GDC"	:	Gross development cost
"GDV"	:	Gross development value
'IFRIC"	:	International Financial Reporting Interpretations Committee
"Internet Application"	:	Application for the Rights Share and/or Excess Rights Share through an Internet Participating Financial Institution
"Internet Participating Financial Institution"	:	Participating financial institution for the Internet Applications as referred to in Section 10.3 of this AP
"ILHSB"	:	Ideal Land Holdings Sdn Bhd (Company No. 49661-U)
"Ireka" or the "Company"	:	Ireka Corporation Berhad (Company No. 25882-A)
"Ireka Group" or the "Group"	:	Ireka and its subsidiary companies, collectively
"Ireka Share(s)" or "Share(s)"	:	Ordinary share(s) of RM1.00 each in Ireka
"Kinh Bac"	:	Kinh Bac City Development Shareholding Corporation, a company listed on the Hanoi Securities Trading Centre, which Ireka holds approximately 0.36% equity interest
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities and includes any amendments from time to time
"LBT"	:	Loss before tax

"LPD"	:	8 May 2014, being the latest practicable date prior to the registration of this AP with the SC
"LPS"	:	Loss per share
"Market Day(s)"	:	Any day(s) between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
"MRSB"	:	Magnipact Resources Sdn Bhd (Company No. 263053-A)
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment
"NRS"	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares through Bursa Depository's existing network facility with the Authorised Nominees
"Official List"	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
"Participating Financial Institution"	:	Participating financial institution for Electronic Applications as referred to in Section 10.3 of this AP
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Provisional Allotment"	:	Rights Shares with free Warrants provisionally allotted to the Entitled Shareholders and/or their renouncee(s) (if applicable) pursuant to the Rights Issue with Warrants
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RHB Investment Bank" or the "Adviser"	:	RHB Investment Bank Berhad (Company No. 19663-P)
"Rights Issue Entitlement File"	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue with Warrants as at the Entitlement Date
"Rights Issue with Warrants"	:	Renounceable two-call rights issue of 56,957,350 Rights Shares together with 56,957,350 free detachable warrants at an issue price of RM1.00 per Rights Share, on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing Ireka Shares held on the Entitlement Date, of which the First Call will be payable in cash on application and the Second Call will be capitalised from the Company's share premium
"Rights Share(s)"	:	56,957,350 new Ireka Shares to be issued pursuant to the Rights Issue with Warrants

"Rights Shares Subscription File"	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares or Excess Rights Shares with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RSF"	:	Rights Subscription Form
"Rules of Bursa Depository"	:	Rules of a central depository as defined in the SICDA
"SC"	:	Securities Commission Malaysia
"Second Call"	:	Being the second call of RM0.35 per Rights Share, which will be capitalised from our Company's share premium
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991 and includes any amendments from time to time
"TERP"	:	Theoretical ex-rights price
"USD"	:	United States Dollar
"VWAP"	:	Volume weighted average market price
"Warrant(s)"	:	56,957,350 free detachable warrants to be issued pursuant to the Rights Issue with Warrants

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise specified.

All references to "our Company" and "Ireka" in this AP are to Ireka Corporation Berhad, references to "our Group" are to our Company and our subsidiary companies and references to "we", "us", "our" and "ourselves" are to our Company and, save where the context otherwise requires, our subsidiary companies.

Any discrepancies in the tables included in this AP between the amounts listed, actual figures and the totals thereof are due to rounding.

All references to you in this AP are to the Entitled Shareholders of Ireka.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Haji Ir. Abdullah bin Yusof *(Independent Non-Executive Chairman)*	4, Jalan 16/7 46350 Petaling Jaya Selangor	Malaysian	Company Director
Datuk Lai Siew Wah *(Managing Director)*	Unit 33-1, Kiara II No.1, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur	Malaysian	Company Director
Datuk Lai Jaat Kong @ Lai Foot Kong *(Deputy Managing Director)*	14, Jalan SS4C/16 Taman Rasa Sayang 47301 Petaling Jaya Selangor	Malaysian	Company Director
Chan Soo Har @ Chan Kay Chong *(Executive Director)*	5, Jalan SS3/2 Taman Sentosa 47300 Petaling Jaya Selangor	Malaysian	Company Director
Lai Man Moi *(Executive Director)*	5, Jalan SS3/2 Taman Sentosa 47300 Petaling Jaya Selangor	Malaysian	Company Director
Lai Voon Hon *(Executive Director)*	26, Jalan Tropicana Utama Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor	Malaysian	Company Director
Lai Voon Huey, Monica *(Executive Director)*	28, Jalan Tropicana Utama Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor	Malaysian	Company Director
Haji Mohd. Sharif bin Haji Yusof *(Independent Non-Executive Director)*	5, Jalan 22/38 Taman Lian Seng 46300 Petaling Jaya Selangor	Malaysian	Company Director
Kwok Yoke How *(Independent Non-Executive Director)*	33, Jalan 14/48 46100 Petaling Jaya Selangor	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Haji Mohd. Sharif bin Haji Yusof	Chairman	Independent Non-Executive Director
Kwok Yoke How	Member	Independent Non-Executive Director
Haji Ir. Abdullah bin Yusof	Member	Independent Non-Executive Chairman

CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	:	Wong Yim Cheng (MAICSA 7008092) Level 18, Wisma Mont' Kiara No. 1, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur
REGISTERED OFFICE / CORPORATE OFFICE	:	Level 18, Wisma Mont' Kiara No. 1, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel: 03-6411 6388 Fax: 03-6411 6383 Website: www.ireka.com.my
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Tel: 03-7841 8000 Fax: 03-7841 8151/52 Helpdesk Tel: 03-7849 0777
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs. Raja Salleh, Lim & Co. (AF: 0071) Chartered Accountants 29A, Jalan SS 22/19 Damansara Jaya 47400 Petaling Jaya Selangor
PRINCIPAL BANKERS	:	AmBank (M) Berhad Level 18, Menara Dion Jalan Sultan Ismail 50250 Kuala Lumpur
	:	CIMB Bank Berhad 17th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
	:	Hong Leong Bank Berhad Level 5, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur
	:	Malayan Banking Berhad Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
	:	OCBC Bank (Malaysia) Berhad Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

PRINCIPAL BANKERS (CONT'D)	:	RHB Bank Berhad Level 7, Tower 3, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur
	:	United Overseas Bank (Malaysia) Berhad Level 11, Menara UOB Jalan Raja Laut, P.O. Box 11212 50738 Kuala Lumpur
SOLICITORS	:	Messrs. Christopher & Lee Ong Level 22, Quill 7 No. 9, Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur
ADVISER	:	RHB Investment Bank Berhad 12th Floor, Tower 3, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur
STOCK EXCHANGE LISTING AND LISTING SOUGHT	:	Main Market of Bursa Securities

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Company No. 25882-A

IREKA CORPORATION BERHAD

(Company No. 25882-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:
Level 18, Wisma Mont' Kiara
No.1, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur

2 June 2014

Board of Directors:

Haji Ir. Abdullah bin Yusof	*(Independent Non-Executive Chairman)*
Datuk Lai Siew Wah	*(Managing Director)*
Datuk Lai Jaat Kong @ Lai Foot Kong	*(Deputy Managing Director)*
Chan Soo Har @ Chan Kay Chong	*(Executive Director)*
Lai Man Moi	*(Executive Director)*
Lai Voon Hon	*(Executive Director)*
Lai Voon Huey, Monica	*(Executive Director)*
Haji Mohd. Sharif bin Haji Yusof	*(Independent Non-Executive Director)*
Kwok Yoke How	*(Independent Non-Executive Director)*

To: The Shareholders of Ireka

Dear Sir/Madam,

RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF 56,957,350 NEW ORDINARY SHARES OF RM1.00 EACH IN IREKA TOGETHER WITH 56,957,350 FREE DETACHABLE WARRANTS ON THE BASIS OF ONE (1) RIGHTS SHARE WITH ONE (1) FREE WARRANT FOR EVERY TWO (2) EXISTING IREKA SHARES HELD BY OUR SHAREHOLDERS AS AT 5.00 P.M. ON 2 JUNE 2014, 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 IREKA'S SHARE PREMIUM ("RIGHTS ISSUE WITH WARRANTS")

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1. INTRODUCTION

The shareholders of Ireka had, at the EGM, approved, among others, the Rights Issue with Warrants. A certified true extract of the ordinary resolution pertaining to the Rights Issue with Warrants which was passed at the said EGM, is set out in **Appendix I** of this AP.

Bursa Securities had, vide its letter dated 3 April 2014, given its approval for the admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares and Warrants as well as the new Ireka Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

The approval by Bursa Securities for the Rights Issue with Warrants is subject to the following conditions:-

No.	Conditions	Status of compliance
(i)	Ireka and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	Noted
(ii)	Ireka and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(iii)	Ireka to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and	To be complied
(iv)	Ireka is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

The official listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncee(s) have been duly credited and notices of allotment have been despatched to them.

On 19 May 2014, RHB Investment Bank had, on behalf of our Board, announced that the issue price for the Rights Shares have been fixed at RM1.00 per Rights Share, which shall be payable in two calls as follows:-

(i) the First Call of RM0.65 per Rights Share shall be payable in full on application in cash; and

(ii) the Second Call of RM0.35 per Rights Share shall be capitalised from our Company's share premium.

The subscribing Entitled Shareholders will not be required to make any further cash payments after the payment for the First Call.

The exercise price of the Warrants is RM1.00 each, in accordance with the terms and conditions of the Deed Poll.

RHB Investment Bank had on even date, on behalf of our Board, announced that the Entitlement Date has been fixed on 2 June 2014 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue with Warrants.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Particulars

The Rights Issue with Warrants entails a renounceable two-call rights issue of 56,957,350 Rights Shares together with 56,957,350 free detachable warrants at an issue price of RM1.00 per Rights Share, on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing Ireka Shares held on the Entitlement Date, of which the First Call will be payable in cash on application and the Second Call will be capitalised from the Company's share premium.

The Warrants will be detached from the Rights Issue with Warrants immediately upon issuance and will be separately traded. The Warrants will be issued in a registered form and constituted by the Deed Poll.

The Warrants shall only be issued to the Entitled Shareholders, who subscribe for the Rights Shares pursuant to the Rights Issue with Warrants. Although the Rights Shares with Warrants are renounceable in full or in part, the Rights Shares and the Warrants are not separately renounceable. Accordingly, the Entitled Shareholders can only renounce or subscribe for their entitlements to the Rights Shares with Warrants in full or in part in the proportion allocated. The Entitled Shareholders, who renounce their entitlements to the Rights Shares, partially or in full, will not be entitled to the Warrants attached to the Rights Shares renounced.

Any Rights Shares with Warrants not taken up or allotted for any reasons, if any, will be made available for excess application by the other Entitled Shareholders and/or their renouncee(s) (if applicable). It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner, and on the basis as set out in Section 10.6 of this AP.

Any fractional entitlements of the Rights Shares and Warrants arising from the Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as the Board in their absolute discretion deemed fit and expedient and in the best interest of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this AP, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Rights Shares with Warrants if you so choose to.

Any dealing in our securities will be subject to, inter-alia, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares and Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued for the subscription but notices of allotment will be despatched to the successful applicants or their renouncee(s) within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with Warrants. The Rights Shares and Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Cash call and capitalisation of reserves

The issue price of RM1.00 per Rights Share will be payable in two (2) calls. The First Call will be payable in full on application in cash. The Second Call will be capitalised from our Company's share premium. The subscribing shareholders of Ireka will not be required to make any further cash payment after the payment for the First Call.

Details of the capitalisation for the Second Call, based on our Company's latest audited financial statements for the FYE 31 March 2013 and the latest unaudited financial statements for the FYE 31 March 2014 are set out below:-

Company level	Audited as at 31 March 2013 RM	Unaudited as at 31 March 2014 RM
Share premium	21,870,960	21,870,960
Less: Capitalisation for the Second Call	(19,935,073)	(19,935,073)
After the Rights Issue with Warrants	**1,935,887**	**1,935,887**

Our Board confirms that the reserves of our Company are adequate for the capitalisation of the Second Call based on the latest audited consolidated financial statements as well as the latest quarterly report.

Our reporting accountants, Messrs. Raja Salleh, Lim & Co. confirms that, based on the financial information extracted from our audited financial statements for the FYE 31 March 2013 and our unaudited financial statements as at 31 March 2014, we have sufficient reserves in our share premium for the capitalisation for the Second Call.

2.3 Basis of determining the issue price and First Call price of the Rights Shares

As announced on 19 May 2014, our Board has fixed the issue price and First Call price of the Rights Shares at RM1.00 and RM0.65 per Rights Share respectively.

The issue price of RM1.00 per Rights Share was arrived at after taking into consideration the par value of Ireka Shares of RM1.00 each.

The First Call price of RM0.65 per Rights Share was arrived at on the basis of a discount of 17.72% to the TERP of RM0.79 based on the five (5)-day VWAP of Ireka Shares up to and including 16 May 2014, being the last Market Day immediately preceding the price-fixing date, of RM0.86. The discount was determined by the Board after taking into consideration the historical volatility and share price movement of Ireka Shares and the level of funds that we wish to raise from the Rights Issue with Warrants for the purposes highlighted in Section 4 of this AP.

Our Board is of the opinion that the discount coupled with the Second Call to be capitalised from the reserves of our Company, acts as an incentive for all shareholders to subscribe for the Rights Shares.

2.4 Basis of determining the exercise price of the Warrants

The Warrants attached to the Rights Shares will be issued free to the Entitled Shareholders who subscribe for the Rights Shares. The exercise price of the Warrants of RM1.00 each was determined by the Board after taking into consideration (i) the par value of Ireka Shares, (ii) the tenure of the Warrants which has been fixed at five (5) years from the date of issuance; and (iii) the future prospects of our Group, in accordance with the terms and conditions of the Deed Poll.

The exercise price of RM1.00 per Warrant represents a premium of approximately 26.58% or RM0.21 over the TERP of RM0.79, which is based on the five (5)-day VWAP of Ireka Shares up to and including 16 May 2014, being the last Market Day immediately preceding the price-fixing date of RM0.86.

Our Board is of the opinion that issuing free warrants coupled with the discount of the First Call will enhance the overall attractiveness of the Rights Issue with Warrants as well as enable our Company to raise further proceeds as and when any of the Warrants are exercised by the warrantholders in the future. In addition, the Warrants would also enable the Entitled Shareholders to benefit from any appreciation in the share price due to the future growth of our Company.

2.5 Ranking of the Rights Shares and new Shares arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing Ireka Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distribution that may be declared, made or paid where the entitlement date precedes the relevant date of allotment and issuance of the Rights Shares.

The new Ireka Shares arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Ireka Shares, save and except that the new Ireka Shares will not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid where the entitlement date precedes the relevant date of allotment and issuance of the said new Ireka Shares.

2.6 Principal terms of the Warrants

The principal terms of the Warrants are as follows:-

Issue size	:	56,957,350 new Warrants to be issued to the Entitled Shareholders of Ireka on the basis of one (1) Warrant for one (1) Rights Share subscribed for.
Form and denomination	:	The Warrants will be detachable immediately upon allotment and issuance, separately traded and will be issued in registered form and constituted by the Deed Poll.
Exercise Rights	:	Each Warrant entitles the registered holder, at any time during the Exercise Period, to subscribe for one (1) new Ireka Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	:	Exercisable at any time within five (5) years commencing on and including the date of issuance of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Price	:	The Exercise Price of Warrants has been fixed at RM1.00 per Warrant, after taking into consideration the TERP of Ireka Shares at a price fixing date, subject to adjustments in accordance with the provisions of the Deed Poll.
Mode of exercise	:	The registered holder of a Warrant is required to lodge an exercise form with our Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
Mode of transfer	:	The Warrants are transferable by an instrument of transfer in the usual or common form or such other form as the Directors of Ireka and Bursa Securities may approve.

Board lot	:	For the purpose of trading on the Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Ireka Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities.
Listing status	:	Approval has been obtained from Bursa Securities on 3 April 2014 for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new Ireka Shares arising from the exercise of Warrants on the Main Market of Bursa Securities.
Ranking of new shares	:	The new Ireka Shares to be issued pursuant to the exercise of the Warrants, shall upon allotment and issuance, rank *pari passu* in all respects with the then existing Ireka Shares, save and except that they will not be entitled to any dividends, rights, allotment, and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the said new Ireka Shares.
Rights of warrantholder(s)	:	Warrantholders are not entitled to vote in any general meeting of Ireka or to participate in any distribution and/or offer of further securities in our Company unless and until the Warrantholder becomes a shareholder by exercising his/her Warrants.
Adjustments in the Exercise Price and/or number of Warrants	:	The Exercise Price and/or number of unexercised Warrants may be adjusted by our Board, in consultation with our professional advisers, in the event of alteration to the share capital of our Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of our Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then every warrantholder shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or six (6) weeks after the granting of the court order approving the compromise of arrangement, by the irrevocable surrender of his/her Warrants to our Company, elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by his/her Warrants to the extent specified in the relevant exercise forms and be entitled to receive out of the assets of our Company which would be available to liquidation as if he/she had on such date been the holder of the new Shares to which he/she would have been entitled to pursuant to such exercise.
Modification	:	Subject to the approval of any relevant authority, any modification or abrogation of the covenants or provisions contained in the Deed Poll proposed or agreed to by our Company must be sanctioned by special resolution of the warrantholders, effected by a deed poll, executed by our Company and expressed to be supplemental and comply with the requirements of the Deed Poll. Our Company may, from time to time, without the consent or sanction of the warrantholders, modify the Deed Poll, if such modification made does not materially prejudice the interests of the warrantholders or is made to correct a manifest error or to comply with prevailing laws of Malaysia or in accordance with the Deed Poll.
Governing law	:	Laws and regulations of Malaysia.

2.7 Details of other corporate exercises

Save for the Rights Issue with Warrants (which is the subject matter of this AP), our Board confirms that there is no other outstanding corporate exercise that has been announced but not yet completed as at the date of this AP.

3. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

After consideration of the various methods of fund raising such as the issuance of private debt securities or bank borrowings as well as the capital structure of our Company, our Board is of the opinion that the Rights Issue with Warrants is the most appropriate means of raising funds for the following reasons:-

(i) To provide all existing shareholders with an equal opportunity to further increase their participation in Ireka;

(ii) To allow Ireka to raise funds without incurring interest cost, as compared to bank borrowings. The funds raised will be utilised for the purposes highlights in **Section 4** of this AP, which are expected to contribute positively towards the future earnings of Ireka in the long term;

(iii) To increase the size and strength of Ireka's statement of financial position by increasing Ireka's shareholders' funds from RM179 million to RM272 million assuming full exercise of Warrants, to reduce our Group's gearing ratio as well as to potentially increase the market capitalisation of Ireka;

(iv) The Warrants are expected to provide the shareholders of our Company with an incentive to subscribe for the Rights Shares as well as an option to further increase their equity participation in our Company, upon exercising the Warrants at a pre-determined price over the tenure of Warrants;

(v) To enhance the future cash flow of our Company with the proceeds of approximately RM56.96 million as and when the Warrants are exercised; and

(vi) The Rights Issue with Warrants which is to be implemented on a two-call basis is an efficient means of utilising the share premium of our Company.

Ireka Shares have been thinly traded, recording an average daily trading volume of 45,594 Shares for the past three (3) years up to the LPD, which represents 0.11% of Ireka's total free float of 40,211,254 Ireka Shares. Given the poor trading liquidity coupled with the languishing market price of Ireka which has been trading below its par value for the past three (3) years, our Company has not undertaken and has not had the opportunity to undertake any fund raising activities through the capital markets. Taking this into consideration, we have thereby structured the Rights Issue with Warrants by reasonably pricing the Rights Shares with a portion of the issue price to be capitalised from our reserves such that subscribing shareholders would not have to bear any cash payment after the First Call. The First Call will was determined by our Board based on our funding needs as set out in Section 4 of this AP and gearing position.

Entitled Shareholders who subscribe for the Rights Shares will also be rewarded with free Warrants which can serve to add further capital gain depending on future price performance of our Company's shares.

With our Group having successfully increased our order book from RM580 million as at 31 March 2013 to RM1.04 billion as at 31 March 2014, our Board is of the view that the Rights Issue with Warrants will be able to improve our cash flow to meet the additional working capital requirements to implement our projects and place our Group on better financial footing. Further, with a lower gearing ratio, our Group would be better placed to take on additional bank borrowings at more favourable terms if the need arises.

4. UTILISATION OF PROCEEDS

The Rights Issue with Warrants is expected to raise immediate gross proceeds of approximately RM37.02 million. The proceeds are expected to be utilised in the following manner:-

Details of utilisation	RM	Timeframe for the utilisation of proceeds
Working Capital (1)	36,422,278	Within 12 months
Estimated expenses for the Rights Issue with Warrants (2)	600,000	Within 1 month
	37,022,278	

Notes:-

(1) *The proceeds of approximately RM36.42 million will be used to fund the day-to-day operations of Ireka and our subsidiaries' business segments, which mainly comprise the construction and property development segments.*

Presently, our Group is actively working on a few property development projects comprising residential, mixed commercial and industrial developments, located in the vicinity of Kuala Lumpur City Centre ("KLCC"), Nilai and Kajang. Our Group's construction order book is approximately RM1.04 billion, of which approximately RM855.14 million remains outstanding as at 31 January 2014. Please refer to ***Section 6.3*** *of this AP for the details of the development projects and the construction projects. Our Group intends to earmark approximately RM18 million for the construction segment and RM18 million for the property development segments. The proceeds earmarked for the construction segment are intended to be utilised for payment to suppliers of building materials, sub-contractors and labour while the proceeds earmarked for the property development segment are intended to be utilised for payment to consultants, feasibility studies, sales and marketing expenses and other expenses subject to the operating requirements of our Group which depend on the stages of completion of our projects at the time of utilisation.*

(2) *If the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for working capital purposes.*

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions and/or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

The proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. The proceeds from the exercise of the Warrants will be received on an "*as and when basis*" over the exercise period of the Warrants. The proceeds to be raised upon full exercise of the Warrants based on the exercise price of RM1.00 per Warrant is approximately RM56.96 million. Such proceeds will be utilised for the working capital requirements of our Group.

5. RISK FACTORS

You and/or your renouncee(s) (if applicable) should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue with Warrants.

5.1 Risks relating to our Group

(i) Business and operational risks

Ireka's business is primarily in the property development and construction sectors. Among others, risks inherent in these sectors includes timely commencement and/ or completion of projects, increases in costs of energy, labour and building materials, shortage of skilled workers in the construction sector, adverse weather conditions, natural disasters, accidents and changes in general economic, business and credit conditions.

Although our Group seeks to limit these risks through, inter alia, prudent management policies, continuous review and evaluation of our operations, emphasis on quality planning and execution, optimising the diversification of suppliers, maintaining long-term business relationships with its suppliers and customers, focus on work safety, no assurances can be given that any change to these factors will not have a material adverse effect on our Group's business and financial performance.

(ii) Delay in completion of projects

Our construction projects may face delays, which could be due to external factors beyond the control of our Group such as obtaining approvals from various regulatory authorities as scheduled, sourcing and securing quality construction materials, favourable credit terms and satisfactory performance of our sub-contractors. Any failure or delay in completing the projects within the timeframe agreed with our customers may expose our Group to additional costs and potential claims which may impact our profitability.

Our Group closely monitors the progress of our construction projects and seeks to mitigate these risks through, amongst others, efficient project management and monitoring, strategic alliance with business partners, good working relationship with reliable sub-contractors and suppliers as well as effective human resource planning. However, there can be no assurance that these factors will not lead to any delay in completion of projects, which may have an impact on our Group's business and profitability.

(iii) Availability and cost of raw materials and skilled labour

Our profitability may be affected by any increase in land acquisition costs and fluctuation of construction costs which are inherent in our industry. Higher cost of landbank, materials (including sand, steel, cement and tiles) and labour will reduce our profit margin in the event we are unable to fully pass on increases in costs to our customers.

Our Group purchases a range of raw materials from our suppliers. Generally, our Group does not maintain long term contracts with any of our suppliers but we maintain long term relationships with our suppliers based on their performance. By maintaining a large pool of suppliers, we are not dependent on any single supplier or subcontractor.

However, raw materials are price sensitive, and there can be no assurance that our Group will be able to obtain sufficient quantities of raw materials for our projects when the materials are scarce in the market. At the same time, there is no assurance that any shortage or increase in the cost of raw materials will not have an adverse effect on our financial performance. Price fluctuations in the raw materials market, which are beyond our control, could also result in increased costs and result in a material adverse effect on our Group's financial performance.

The construction industry in Malaysia also faces a shortage of skilled labour. The shortage is due to the low participation of Malaysians within the sector, restrictions on foreign workers, and has been exacerbated in recent years by the increased demand for construction workers for other large infrastructure projects.

(iv) Dependence on subcontractors

Our Group engages subcontractors in some of our projects and as such, we may experience delay due to failure of our subcontractors to complete their work based on an agreed time schedule and to the specifications required. Our Group has appointed and will continue to appoint our subcontractors based on the quality of work done and the competitive costs of their services.

Our Group is not dependent on any single main subcontractor and we have well-established long term working relationships with our subcontractors. Notwithstanding the above, there is no assurance that such working relationships are perpetual and that there will be no lapse in the quality or provision of services by our subcontractors in the future.

(v) Competition risks

Our existing property development projects, currently focused in key locations in Kuala Lumpur, Nilai and Kajang, faces competition from several property developers. The property development market is highly competitive and any oversupply of properties due to a mismatch in supply and demand will intensify the level of competition which may, among others, affect pricing. There can be no assurance that buyers will purchase properties from our developments instead of our competitors.

In addition to competition in securing property sales, property developers also face competition in identifying and acquiring strategically located landbank to deliver sustainable growth. Such competition have resulted in scarcity of such land and pushed up costs in land acquisition in recent years.

Our Group faces competition from various construction companies in the countries we operate in and such competitive pressures may have downward pressure on the pricing of our contracts. Meanwhile, our Group's limited size as compared to some of our bigger competitors have been a barrier for our Group's participation in mega construction/infrastructure projects which tend to offer higher revenue. Our Group will continue to focus on our niche capability in constructing high-end and luxury buildings in the private sector.

Our Group continues to take measures to mitigate competition risk by competing strategically in our niche areas whilst maintaining a strong brand and established track record.

(vi) Sustainability of order book

Our Group's revenue for the construction segment is largely dependent on the sustainability of our accrued order book, which is in turn affected by the business and economic conditions of the countries in which we operate. Depending on the business and economic environment, customers may cancel or delay their projects, which in turn, could jeopardise our Group's revenues.

There can be no assurance that project delays and/or cancellations will not adversely affect our Group's financial and operational performance.

Notwithstanding the above, our Group continues to maintain strong business relationships with our customers and emphasises delivery of top quality services and products to maintain our brand and reputation among our customers.

(vii) Foreign currency risk

Our Group has investments which are exposed to United States 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.

Our Group continues to closely monitor fluctuations in foreign exchange rates to mitigate the impact of such risks on our performance. Notwithstanding the above, the impact of foreign currency risk is mostly limited to the share of profit and losses in our investments in foreign operations.

(viii) Interest rate risk

Our Group has borrowings including term loans, bills payable and banker's acceptance, overdraft and revolving credit facilities, hire purchase and finance lease payables. As at 31 March 2014, our Group had total outstanding borrowings of approximately RM189.13 million which are interest-bearing, details of which are disclosed in Section 9.2 of this AP. Our Group's finance costs based on the audited accounts as at 31 March 2013 amounted to approximately RM8.38 million. Interest charged on bank borrowings is dependent on prevailing interest rates, and is hence subject to future fluctuations of interest rates which could materially affect our Group's profitability.

In addition, the agreements for loan facilities and securities in relation thereto, contain covenants which may limit our Group's operating and financing flexibility, as certain plans and/or proposals may be restricted or require the consent of the relevant financial institution. The key covenants include (i) negative pledges restricting the charging of any present or future properties and assets, (ii) prohibition from disposing of any present or future properties and assets (except in the ordinary course of business), (iii) limits on declaration of dividends and prohibition from declaring dividends (where a subsidiary is the borrower) (iv) restrictions against changes in shareholding structure and key management, and (v) limitation on gearing ratio. A breach of such covenants may result in the termination and/or enforcement of certain provisions under the relevant credit facility.

Our Group is aware of such risks, and hence, shall take all necessary precautions to prevent any breach of our financial obligations, whilst adhering to strict financial management practices and prudent cash flow policies. Nevertheless, there can be no assurance that the performance of our Group would remain favourable in the event of any adverse changes in interest rates.

(ix) Dependence on licensing/ approval from authorities

Our Group's operations are affected by a variety of regulatory approvals particularly in respect of approvals for development plans and conversion of land usage. There is no assurance that any delay in obtaining these approvals may not have an adverse impact on the timing of launching our property development projects and thereby affecting future profitability. To ensure smooth implementation of our development projects, we conduct thorough studies on the nature and background of the land to be acquired and ensure that we comply with procedural and documentation requirements in relation to the application by progressively liaising with the relevant authorities.

(x) Dependence on key management

Our Group believes that our continued success will depend to a certain extent upon the abilities and continued efforts of our Directors and key management personnel, who have in-depth knowledge and experience in the industries we currently operate in. To ensure smooth succession planning, efforts have been made by our Company to promote long-term commitment amongst our key management personnel through incentives and opportunities for career development within our Group.

The loss of any of our Directors and/or key members of the senior management without suitable and timely replacement may adversely affect our continued ability to compete effectively in the industry. Our Group's future success will also depend upon our ability to attract and retain skilled personnel. Our Group also continuously reviews our remuneration packages to ensure competitiveness and takes appropriate measures and programmes to attract new personnel as well as to retain existing staff. However, we cannot provide any assurance that the above measures will be successful in attracting and retaining our key management personnel or ensuring a smooth transition should changes occur.

5.2 Risks relating to the Rights Issue with Warrants

(i) Market price of the Rights Shares and the Warrants

The market price of our Shares is influenced by, amongst others, the prevailing market sentiment, the volatility of the stock market, movements in interest rates and the outlook of the industry which we operate and our financial performance. As such, there can be no assurance that the market price of our Shares upon or subsequent to the listing of the Rights Shares will trade above the First Call of RM0.65 per Rights Share or the issue price of RM1.00 per Rights Share.

The value of the Warrants is dependent upon, amongst others, the market price of our Shares, remaining exercise period of the Warrants, volatility of our share price and potential future payments of dividend. If the market price of our Shares is higher than the exercise price of the Warrants, the Warrants are deemed to be "*in-the-money*" during their exercise period.

Furthermore, you are reminded that should the Warrants expire at the end of its tenure, it will lapse and cease to be valid and hence, will no longer have any value.

(ii) Delay in or abortion of the Rights Issue with Warrants

There is a risk that the Rights Issue with Warrants may be aborted or delayed on the occurrence of any one or more of the following events:-

(a) material adverse change of events/circumstances, which are beyond the control of our Company and RHB Investment Bank, arising during the implementation of the Rights Issue with Warrants;

(b) the parties set out in **Section 8** of this AP who have given their irrevocable Entitlement Undertakings and Additional Undertaking under the Rights Issue with Warrants may not fulfil or be able to fulfil their obligations. RHB Investment Bank, our principal adviser has verified that ILHSB and MRSB have sufficient financial resources to subscribe for their respective Rights Share entitlements pursuant to the abovementioned undertakings and there no conditions attached to the undertakings that will render the undertakings revocable;

(c) we are unable to meet the public spread requirement of the Listing Requirements, i.e. at least 25% of our issued and paid-up capital must be held by 1000 public shareholders holding not less than 100 Shares each; and

(d) we are unable to meet the public spread requirements of at least 100 holders of Warrants holding not less than one (1) board lot of Warrants each. In the event we do not meet the aforesaid public spread requirements, the Warrants will not be listed on the Main Market of Bursa Securities.

In this respect, our Company will exercise its best endeavours to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants. In the event that the Rights Issue with Warrants is aborted, our Company will repay without interest all monies received from the applicants in accordance with Section 243 of the CMSA.

(iii) Potential dilution in shareholding

Entitled Shareholders who do not or are not able to accept their Provisional Allotment will have their proportionate ownership and voting interest in our Company reduced and the percentage of our enlarged issued and paid-up share capital represented by their holdings of our Shares will also be reduced accordingly. Pursuant thereto, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that we may declare, make or pay will correspondingly be diluted.

(iv) No prior market for Warrants

As the Warrants are new securities issued by our Company, there is no assurance that an active public market in our Warrants will be developed upon or subsequent to its listing on Bursa Securities or if developed, will be sustainable.

(v) Public shareholding spread risk

As at the LPD, the public shareholding spread of Ireka Shares is approximately 30.56%. On a proforma basis, the public shareholding spread of Ireka Shares upon completion of the Corporate Exercises but prior to the exercise of the Warrants may fall to approximately 20.37% which is below the minimum requirement of shareholding spread of 25% pursuant to Paragraph 802(1) of the Listing Requirements.

In the event that this were to occur, we will endeavor to rectify the shortfall in the public shareholding spread within the timeframe allowed by the relevant authorities, with the actual course of action being dependent on, amongst others, the prevailing market conditions at the relevant time. Further, we will make the requisite announcements in relation to the status of our efforts to comply with the public shareholding spread requirements in compliance with the Listing Requirements.

5.3 Other risks

(i) Economic, political and regulatory risks

Our financial and business prospects depend to a certain extent on the development in the political, economic and regulatory front in Malaysia and/or other countries which we have business links with. Amongst the political, economic and regulatory factors are global economic slowdown, war, changes in political leadership, changes in government policy such as introduction of new regulations, changes in interest rates and method of taxation and currency rules.

Although we seek to limit these risks by adopting prudent management and effective operating procedure, there can be no assurance that such economic, political and regulatory uncertainties will not materially affect our Group.

(ii) Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

6.1 Overview and prospects of the Malaysian economy

In the year 2013, the Malaysian economy grew by 4.7% on the back of a challenging but improving external environment.

Global economic activity rose in the fourth quarter of 2013 amid the gradual recovery in the major economies. Despite lingering fiscal uncertainties, the US economy registered stronger growth as consumption and investment improved. In the euro area, modest improvements in exports supported growth, but structural and fiscal issues weighed down domestic demand. Growth across Asia continued as moderating domestic demand was offset by better export performance. Similarly, the Malaysian economy expanded by 5.1% in the fourth quarter of 2013 (3Q 2013: 5.0%), supported by private sector demand and improvement in exports. On the supply side, the major economic sectors grew further, supported by both domestic and trade activities. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 2.1% (3Q 2013: 1.7%).

On the supply side, growth was supported by the major economic sectors. The services sector grew in tandem with the improvement in trade and manufacturing activities. The manufacturing sector expanded further, supported by higher growth in both export- and domestic-oriented industries. The construction sector growth remained firm, underpinned by activity in non-residential and residential sub-sectors. However, the commodities sector weakened, due to lower production of rubber, palm oil and crude oil.

Movements of the ringgit and other regional currencies in the fourth quarter were driven mainly by external developments. The anticipation and eventual announcement of a scale-back of monetary injections by the Fed resulted in outflows of funds from regional financial markets. Overall, the ringgit depreciated by 0.7% against the US dollar during the quarter. The ringgit also depreciated against the pound sterling (-2.6%) and euro (-2.8%), but appreciated against the Japanese yen (6.3%). The ringgit exhibited a mixed performance against regional currencies. Between 1 January and 10 February, the ringgit depreciated against the US dollar by 1.5%. The ringgit also depreciated against the Japanese yen (-3.8%), pound sterling (-1.1%) and euro (-0.2%), and several regional currencies.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2013, BNM)

6.2 Industry Outlook

Growth in the construction sector is projected to increase at a moderate pace of 9.6% in 2014 (2013:10.6%) due to slower construction activity in the civil engineering subsector following the completion of several major infrastructure projects. The residential sector is expected to remain strong in the view of the increased demand for housing, particularly for the middle income group. Activity in the non-residential sector is expected to remain stable, albeit at a moderate pace, supported by buoyant business and industrial activities as well as improved customer sentiment.

Following Government initiatives to curb speculative activity, the volume of residential property transactions contracted 12.6% (January – June 2012: 1.5%), while the value increased marginally by 1% to RM32.9 billion (January – June 2012: 8%; RM32.6 billion). In addition, the Malaysia My Second Home (MM2H) programme attracted 1,200 foreign buyers, mainly from Japan, China, the UK and Iran. Properties worth RM147 million or 0.5% of total property transactions were made under the programme during the first half of 2013. According to Malaysia Property Incorporated, only 3% of property investors in Malaysia are foreigners and concentrated in the high-end property market. However, recent property purchase by foreigners in prime areas, such as Johor and Pulau Pinang have increased significantly and raised concerns of excessive speculative activity and rising property prices. To address these issues, the Government has responded with measures such as increasing the Real Property Gains Tax (RGPT) rates, lowering the loan-to-value ratio, increasing the supply of affordable homes and tightening bank regulations.

(Source: Economic Report 2013/2014, Ministry of Finance)

6.3 Prospects of our Group

In relation to the construction segment, our Group has successfully secured two (2) significant projects in the fourth quarter of the FYE 31 March 2014, and this has contributed to an increase in our Group's order book to approximately RM1.04 billion, of which approximately RM808.98 million remained outstanding as at 31 March 2014. As at the LPD, the larger and more prominent construction projects that were successfully awarded to our Group are as follows:-

Project description	Contract awarded by	Original contract sum (RM' million)	Estimated outstand-ing order book (RM' million) [(a)]	Commence-ment date	Expected date of completion
Construction of a 35-storey service apartments, a 16-storey office tower with retail space, car parks and recreational facilities for a project known as Imperial Puteri Harbour in Nusajaya, Johor	UEM Land Berhad	268.60	153.80	August 2012	July 2014
Construction and completion of main structural, civil, sub-structure and other related works under Package V7 of the Klang Valley Mass Rapid Transit ("MRT") Project in Kajang, Selangor	MTD Construction Sdn Bhd and Persys Sdn Bhd	134.14	77.63	July 2012	July 2017
Main building works (excluding piling works) on Plot 1, part of Lot 47704, Persiaran Bestari, Cyberjaya, known as the Pangaea Solstice Project	Wawasan Rajawali Sdn Bhd, wholly-owned subsidiary of OSK Property Holdings Berhad	163.00	131.44	March 2013	July 2015

Project description	Contract awarded by	Original contract sum (RM' million)	Estimated outstanding order book (RM' million) [(a)]	Commencement date	Expected date of completion
Construction and completion of main building works for 2 blocks of condominium of 48-storey and 56-storey respectively on Jalan Bangsar, Wilayah Persekutuan Kuala Lumpur	KL Eco City Sdn Bhd	298.24	274.81	September 2013	November 2016
Construction and completion of superstructure works for a block of service residences (199 units) and hotel (253 rooms) of 40-storey on Lot 201, Jalan Kia Peng, Wilayah Persekutuan Kuala Lumpur known as The RuMa Hotel and Residences, KLCC	Urban DNA Sdn Bhd, a joint venture between Aseana (70%) and Ireka (30%)	174.65[(b)]	171.30[(b)]	October 2013	December 2016

Notes:-

(a) *As of 31 March 2014.*

(b) *Based on a total estimated contract value of RM249.50 million for the project, of which 30% of the total estimated contract value is expected to be eliminated upon consolidation of our Group's accounts.*

In relation to the property segment, our Group currently has landbank of approximately 65 acres located in the vicinity of KLCC, Nilai and Kajang. These lands, when developed, are expected to generate approximately RM2.2 billion in GDV over a period of six (6) to eight (8) years and are expected to enhance the profitability of our Group going forward. As at the 30 April 2014, the larger and more prominent projects of our Group which are currently underway are as follows:-

Project name (Type of development) [(a)]	Estimated GDV (RM' million)	Estimated Date of Completion	Stages of Completion	Developer
The RuMa Hotel and Residences, KLCC, a 40-storey tower block comprising of 199 units of serviced residences and 253 hotel rooms (Mixed Commercial)	191[(b)]	Q4 2016	1.50% completed	Urban DNA Sdn Bhd, a joint venture between Aseana (70%) and Ireka (30%)
Kasia Greens @ Desa Kasia (Phase A), Nilai Seremban, comprising of 142 units of 2- & 3-storey superlink homes built on a 17-acre freehold land (Residential)	81	Q4 2014	57.03% completed	Meadowfield Sdn Bhd, a wholly-owned subsidiary of Ireka
dwi @ Rimbun Kasia, Phase B (Parcel 2), Nilai Seremban, comprising of 382 units of courtyard apartments, built on 3.9-acre freehold land (Residential)	121	Q2 2015	Construction has yet to commence	Meadowfield Sdn Bhd, a wholly-owned subsidiary of Ireka
ASTA Enterprise Park, Bukit Angkat, Kajang, comprising of 54 units of semi-detached factories and 3 units of detached factories built on 31.5-acre freehold land (Industrial)	350	Q4 2016	Construction has yet to commence	Ireka Engineering & Construction Sdn Bhd, a wholly-owned subsidiary of Ireka

Project name (Type of development) [(a)]	Estimated GDV (RM' million)	Estimated Date of Completion	Stages of Completion	Developer
Kajang Commercial Development, at Lot 8850, Mukim of Kajang, Daerah Ulu Langat, Selangor, comprising of approximately 750 units of serviced apartments and commercial retail units on 5.1-acre freehold land (Commercial)	300	Q2 2017	Construction has yet to commence	Regal Variety Sdn Bhd, a wholly-owned subsidiary of Ireka

Notes:-

(a) *The approximate total GDC of the above projects is approximately RM780 million.*

(b) *Based on Ireka's 30% interest in Urban DNA Sdn Bhd.*

Our Group is currently tendering for new construction projects and identifying land bank that we hope to complete and develop in the future. Given our expansion plans, we would expect the annual turnover and operating results to improve from the next financial year onwards.

Notwithstanding the above, our Group expects to be affected by the share of losses from our associated company, Aseana, given the long gestation period for Aseana's projects to mature and taking into consideration the following:

(i) Operating and financing expenses from Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan as well as Aloft Kuala Lumpur Sentral Hotel are expected to exceed the revenue to be generated by these properties given that these properties have only recently commenced operations. Aseana has 100% effective interest in Four Point and Harbour Mall Sandakan as well as Aloft Kuala Lumpur Sentral Hotel;

Whilst the performance of the Aloft Kuala Lumpur Sentral Hotel has improved, the properties in Sandakan are expected to continue to go through a period of stabilisation over the medium term, amidst challenging operating conditions in Sandakan;

(ii) The RuMa Hotel and Residences project ("RuMa") is only expected to contribute to Aseana's revenues after its targeted completion and handover in Q1 2017 as the revenue will only be recognised after the properties are completed and occupancy permits are issued in accordance to IFRIC 15. RuMa is a development of a 40 storey tower block comprising of 199 units of serviced residences and 253 hotel rooms for which Aseana has a 70% effective interest;

(iii) The development of a seafront resort and residential development in Kota Kinabalu has been delayed and the board of Aseana is looking to dispose of the land when the opportunity arises;

(iv) In respect of Aseana's property portfolio in Vietnam, Aseana has completed the City International Hospital ("CIH") at the International Hi-Tech Healthcare Park, where Aseana has a 67.2% effective interest. CIH commenced operations on 24 September 2013. CIH is a modern private care hospital of international standards with 320 beds and is managed by Parkway Pantai, one of Asia's largest private healthcare services provider. CIH's stabilisation period is expected to take 2 years; and

(v) Other than the International Hi-Tech Healthcare Park, the other major property development of Aseana in Vietnam is the Waterside Estates, a development of 37 villas and 460 high rise apartments which Aseana has a 55% effective interest. The Waterside Estates is expected to be completed in 2016 and accordingly, the revenue and profit recognition of this project is only expected to occur in 2016 after its completion.

(Source: Management)

7. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

For illustrative purposes, the effects of the Rights Issue with Warrants on our issued and paid-up ordinary share capital, NA per share and gearing, EPS and existing convertible securities are set out below:-

7.1 Issued and paid-up share capital

The proforma effects of the Rights Issue with Warrants on the issued and paid-up share capital of Ireka are as follows:-

Share capital	**No. of Shares**	**RM**
Existing issued and paid-up ordinary share capital as at the LPD	113,914,700	113,914,700
Shares to be issued pursuant to the Rights Issue with Warrants	*56,957,350*	*56,957,350*
	170,872,050	**170,872,050**
Shares to be issued assuming full exercise of the Warrants	*56,957,350*	*56,957,350*
Enlarged issued and paid-up share capital	**227,829,400**	**227,829,400**

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7.2 NA and gearing

Based on the audited consolidated statements of financial position of our Group as at 31 March 2013, the proforma effects of the Rights Issue with Warrants on the NA per Share and gearing of our Group are as follows:-

	Audited as at 31 March 2013 RM	Proforma I After the Rights Issue with Warrants RM	Proforma II After Proforma I and assuming full exercise of the Warrants RM
Share capital	113,914,700	170,872,050	227,829,400
Share premium	21,870,960	(1) 1,935,887	(4) 1,935,887
Foreign currency translation reserves	(442,400)	(442,400)	(442,400)
Warrants reserve	-	(2) 5,695,735	-
Other reserve	-	(5,695,735)	-
Retained earnings	43,469,091	(3) 42,869,091	42,869,091
Shareholders' equity/ NA	**178,812,351**	**215,234,628**	**272,191,978**
No. of shares	113,914,700	170,872,050	227,829,400
Par Value (RM)	1.00	1.00	1.00
NA per Share (RM)	**1.57**	**1.26**	**1.19**
Total borrowings	151,519,431	151,519,431	151,519,431
Gearing (times) (5)	0.85	0.70	0.56
Cash and cash equivalent	16,662,522	(3) 53,084,799	110,042,149

Notes:-

(1) The Second Call of the Rights Shares of approximately RM19.94 million will be capitalised through the share premium.

(2) Computed based on the theoretical fair value of RM0.10 per Warrant, which was arrived at using the Black-Scholes option pricing model. The indicative fair value of the Warrant amounting to approximately RM5.70 million will be set-off against the other reserve account.

(3) After deducting the total estimated expenses of RM600,000 relating to the Rights Issue with Warrants.

(4) Based on the exercise price of RM1.00 per Warrant.

(5) Gearing was computed based on total borrowings divided by shareholders' equity.

7.3 Earnings and EPS

The Rights Issue with Warrants is expected to be completed in the second quarter of calendar year 2014 and therefore will not have any material effect on the earnings of our Group for the FYE 31 March 2014.

However, the EPS of our Group for future years may be diluted as a result of the increase in the number of Ireka Shares in issue upon the completion of the Rights Issue with Warrants and as and when the Warrants are exercised into new Ireka Shares.

Notwithstanding the above, the proceeds from the Rights Issue with Warrants are expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds, as described in **Section 4** of this AP, are realised.

For illustrative purposes, the proforma effect of the Rights Issue with Warrants on the earnings of Ireka is as follows:-

	Audited as at 31 March 2013 RM	Proforma I After the Rights Issue with Warrants RM	Proforma II After Proforma I and assuming full exercise of the Warrants RM
Loss from continuing operations attributable to owners of our Company	(40,212,690)	(40,212,690)	(40,212,690)
Weighted average number of ordinary shares in issue	113,914,700	170,872,050	227,829,400
Basic and diluted LPS attributable to owners of our Company (sen)	**(35.30)**	**(23.53)**	**(17.65)**

7.4 Convertible securities

As at the LPD, Ireka does not have any existing convertible securities.

8. IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

Our Company had on 16 April 2014 procured written irrevocable Entitlement Undertakings from ILHSB and MRSB respectively, to subscribe in full for their respective Rights Shares entitlements under the Rights Issue with Warrants.

In addition, MRSB has also provided an Additional Undertaking to subscribe for all the remaining unsubscribed Rights Shares in the event any of the Entitled Shareholders do not subscribe for their entitlements in full.

The details of the Entitlement Undertakings and Additional Undertaking are set out as below:-

Substantial shareholders	As at the LPD		Entitlement Undertakings	Additional Undertaking	Maximum Rights Shares to be subscribed	%[(2)]
	No. of Shares	%[(1)]	No. of Rights Shares	No. of Rights Shares		
ILHSB	49,001,998	43.02	24,500,999	-	24,500,999	43.02
MRSB	15,398,248	13.52	7,699,124	24,757,227	32,456,351	56.98
Total	**64,400,246**	**56.54**	**32,200,123**	**24,757,227**	**56,957,350**	**100.0**

Note:-

(1) Percentage calculated based on the issued and paid-up share capital of Ireka as at the LPD.
(2) Percentage calculated based on 56,957,350 Rights Shares available for subscription under the Rights Issue with Warrants.

The Entitlement Undertakings and Additional Undertaking provided by ILHSB and MRSB demonstrate their commitment and confidence in the long term prospects of our Company.

As at the LPD, the percentage of public shareholding spread was 30.56%, representing 34,814,151 Ireka Shares held by the public shareholders. Assuming ILHSB and MRSB subscribe for their respective entitlements and all the remaining Right Shares are taken up by MRSB, the public shareholding spread will fall to 20.37% which is below the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements. In the event that this were to occur, Ireka will endeavour to rectify the shortfall in the public shareholding spread within the timeframe allowed by the relevant authorities, with the actual course of action (which includes placement of Ireka Shares to investors to be identified) being dependent on, amongst others, the prevailing market conditions at the relevant time.

Accordingly, ILHSB and MRSB have confirmed vide their letters dated 16 April 2014, that they have sufficient financial resources to subscribe for their respective Rights Shares entitlements and/or pursuant to their Additional Undertaking (where applicable) under the Rights Issue with Warrants. All the said confirmations have been verified by RHB Investment Bank, the principal adviser for the Rights Issue with Warrants.

Based on the above undertakings, there will be no take-over implications pursuant to Part III of the Code.

The future conversion of the Warrants into Shares will be closely monitored to ensure that the obligation of the substantial shareholders and the parties acting in concert to extend a general offer to the remaining shareholders of Ireka pursuant to the provisions of the Code is not triggered.

As all the remaining Rights Shares (if any) will be taken up by MRSB pursuant to the Additional Undertaking, no underwriting arrangement will be made for the Rights Shares.

For avoidance of doubt, all the Entitled Shareholders of Ireka are entitled to subscribe for their Rights Shares and Warrants entitlements and apply for Excess Rights Shares in accordance **to Section 10.6** of the AP.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue with Warrants, cash in hand and banking facilities available, our Group will have adequate working capital for a period of twelve (12) months from the date of this AP.

9.2 Borrowings

As at 31 March 2014, our Group had total outstanding borrowings of approximately RM189.13 million, all of which are denominated in local currency, interest-bearing, and comprise the following:-

	^Total (RM'000)
Short term borrowings:-	
Secured	137,748
Unsecured	1,801
	139,549
Long term borrowings:-	
Secured	49,577
	49,577
Total borrowings	**189,126**

Note:-

^ *The above figures have not been audited.*

As at 31 March 2014, our Group has short term borrowings of approximately RM139.55 million which will be repaid over the tenure of the facilities via internally generated funds.

After having made all reasonable enquiries, there has not been any past / previous default on payments of either interest and/or principal sums in respect of any borrowings during the FYE 31 March 2013 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities and material commitments

9.3.1 Contingent liabilities

Save as disclosed below, as at 31 March 2014, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of our Group:-

	RM
Corporate guarantees for credit facilities granted to our Group as at 31 March 2014	48,012,635

9.3.2 Material commitments

As at 31 March 2014, there are no material commitments incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of our Group.

10. PROCEDURES FOR ACCEPTANCE, SALE/TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 Important relevant dates and time:-

Last date and time for the sale of Provisional Rights Shares with Warrants	Monday, 9 June 2014 at 5.00 p.m.
Last date and time for the transfer of Provisional Rights Shares with Warrants	Thursday, 12 June 2014 at 4.00 p.m.
Last date and time for acceptance and payment	Tuesday, 17 June 2014 at 5.00 p.m.
Last date and time for application for Excess Rights Shares with Warrants and payment	Tuesday, 17 June 2014 at 5.00 p.m.

Our Directors may decide in their absolute discretion to extend the last date and time for acceptance, application for Excess Rights Shares with Warrants and payment to any later time(s) and/or date(s). We will announce the extension (if any) not less than two (2) Market Days before the stipulated date and time.

Late applications will not be accepted.

10.2 General

The Provisional Rights Shares with Warrants are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares.

If you are an Entitled Shareholder (other than an Authorised Nominee who has subscribed for NRS), you will find enclosed with this AP the NPA notifying you of the crediting of such Provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants that have been provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants, if you choose to do so.

Full instructions for the acceptance of and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renouncee(s) and/or transferee(s) (if applicable) and the procedures to be followed are set out in this AP and the accompanying RSF. You are advised to read this AP, the RSF and the notes and instructions contained in the documents carefully.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 10.4.4 and 10.6.4 of this AP for the procedures for acceptance as well as to apply for Excess Rights Shares with Warrants, if you choose to do so.

Acceptances which do not strictly conform to the terms and conditions as well as the notes and instructions contained herein, or which may be illegible may not be accepted at the absolute discretion of our Board.

10.3 Methods of application

You may subscribe for such number of Rights Shares with Warrants that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants, if you so choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF[(1)]	All Entitled Shareholders
Electronic Application[(2)] or Internet Application[(3)]	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:-

(1) *A copy of the RSF will be enclosed together with this AP. The RSF is also available on the website of Bursa Securities (http://www.bursamalaysia.com).*

(2) *The following surcharge per Electronic Application will be charged by the Participating Financial Institution:*

- *Public Bank Berhad – RM4.00;*

(3) *The following processing fee per Internet Application will be charged by the following Internet Participating Financial Institution:*

- *Public Bank Berhad (www.pbebank.com) – RM4.00.*

10.4 Procedures for acceptance and payment

10.4.1 By way of RSF

If you wish to accept your entitlement to the Provisional Rights Shares with Warrants, either in full or in part, please complete Parts I and II of the RSF. Send each completed and signed RSF with the relevant payments in the reply envelope enclosed with this AP, by the mode of despatch of your choice (at your own risk) to our Share Registrar at the following address:

BY COURIER / DELIVERED BY HAND	BY ORDINARY POST
Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Helpdesk Tel: 03-7849 0777 Fax: 03-7841 8151/52	Peti Surat 9150 Pejabat Pos Kelana Jaya 46785 Petaling Jaya Selangor Darul Ehsan

so as to arrive not later than 5.00 p.m. on 17 June 2014 (or such later date and time as our Board in its absolute discretion may decide and announce not less than 2 Market Days before the stipulated date and time).

If you have lost, misplaced or for any other reasons require another copy of the RSF, you may obtain additional copies from one of the following:

(i) our registered office at:
Level 18, Wisma Mont' Kiara
No. 1, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur;

(ii) our Share Registrar at:
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia; or

(iii) Bursa Securities' website at the following address:
www.bursamalaysia.com

One (1) RSF can only be used for acceptance of the Provisional Rights Shares with Warrants standing to the credit in one (1) CDS Account. Separate RSFs must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit in more than one (1) CDS Account. The Rights Shares with Warrants accepted by you will be credited into the CDS Account(s) where the Provisional Rights Shares with Warrants are credited.

The minimum number of Rights Shares with Warrants that can be accepted is one (1) Rights Share. However, you should take note that a trading board lot comprises 100 Ireka Shares.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares with Warrants accepted in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to **"IREKA RIGHTS ISSUE ACCOUNT"**, crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address in block letters and your CDS Account number. The payment must be made for the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. **Cheques or other modes of payment not prescribed here are not acceptable.**

If acceptance and payment for the Provisional Rights Shares with Warrants allotted to you (whether in full or in part) are not received by our Share Registrar by 5.00 p.m. on 17 June 2014 or such later day and time as our Board in its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated day and time, the provisional entitlement to you will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot such Rights Shares with Warrants not taken up to applicants who have applied for Excess Rights Shares with Warrants in the manner as set out in Section 10.6.1 of this AP.

You should note that all RSFs lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF for the Rights Shares application or the application monies will be issued by our Company or our Share Registrar.

Applications for Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any Rights Shares application, in full or in part, without assigning any reason.

Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.2 By way of Electronic Application

Only individuals who are Entitled Shareholders may apply for the Rights Share by way of Electronic Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institution before making an Electronic Application.

(i) Steps for Electronic Applications through a Participating Financial Institution's ATM

The procedures for Electronic Applications at the ATMs of the Participating Financial Institution are set out on the ATM screens of the relevant Participating Financial Institution ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the Steps and the Terms and Conditions for Electronic Applications set out below before making an Electronic Application.

(a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institution cannot be used to apply for the Rights Share at an ATM belonging to other Participating Financial Institutions;

(b) You are advised to read and understand this AP **BEFORE** making the application; and

(c) You shall apply for the Rights Share via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to Section 10.4.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen require you to do so:-

- Personal Identification Number ("**PIN**");
- Select Ireka Rights Issue Account;
- CDS Account number;
- Number of Rights Share applied for and/or the RM amount to be debited from the account;
- Current contact number (for e.g. your mobile phone number); and
- Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your Application.

You must ensure that you use the number of the CDS Account held in your name when making an Electronic Application. If you operate a joint bank account with any of the Participating Financial Institution, you must ensure that you enter the number of the CDS Account held in your name when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.

(ii) Participating Financial Institution

Electronic Applications may be made through an ATM of the following Participating Financial Institution and their branches within Malaysia:

- Public Bank Berhad.

(iii) Terms and Conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institution and those appearing herein:

(a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application;

(iii) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in Section 10.3 (Note 2) of this AP) from your bank account with the said financial institution ("Authorised Financial Institution"); and

(iv) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

(b) You confirm that you are not applying for the Rights Shares with Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.

(c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.

(d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institution.

(e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into your CDS Account.

(f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or

(ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

(g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which, the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(i) By making and completing an Electronic Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.

(j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares by way of Internet Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have all** of the following:-

(a) an existing account with access to internet financial services with **Public Bank Berhad** at www.pbebank.com. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and

(b) a CDS Account held in your name.

(ii) Step 2: Read the AP

You are advised to read and understand this AP **BEFORE** making your application.

(iii) Step 3: Apply through Internet

While we will attempt to provide you with assistance in your application for the Rights Shares through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

(a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an bank account;

(b) Log in to the internet financial services facility by entering your user identification and PIN/password;

(c) Navigate to the section of the website on applications in respect of the Rights Shares;

(d) Select the counter in respect of the Rights Shares to launch the electronic AP and the terms and conditions of the Internet Application;

(e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;

(f) At the next screen, complete the online application form;

(g) Check that the information contained in your online application form, such as the share counter (in this case, Ireka Rights Issue Account), your NRIC number, your current contact number (for e.g. your mobile phone number), your CDS Account number, number of Rights Shares applied for and the account number to debit are correct. Then select the designated hyperlink on the screen to confirm and submit the online application form.

(h) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution (as defined below) to effect the online payment of your money for the Rights Issue with Warrants;

(i) You must pay for the Rights Issue with Warrants through the website of the Authorised Financial Institution (as defined below), failing which the Internet Application is not completed, despite the display of the Confirmation Screen. "Confirmation Screen" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of your Internet Application, including the number of Rights Shares applied for, which can be printed out for your record;

(j) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and

(k) You are advised to print out the Confirmation Screen for your reference and record.

(iv) Terms and Conditions of Internet Applications

The Internet Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Internet Participating Financial Institution and those appearing herein:-

(a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:-

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this AP, the contents of which you have read and understood;

(iii) You agree to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;

(v) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in Section 10.3 (Note 3) of this AP) from your bank account with the said financial institution ("Authorised Financial Institution"); and

(vi) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.

(b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this AP.

(c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institution.

(d) By making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.

(e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

(f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(h) By making and completing an Internet Application, you agree that:

   (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Internet Application facility established by the Internet Participating Financial Institution at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

   (ii) Our Company, the Internet Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

   (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and

   (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(j) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

   (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(k) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

10.4.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

(a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.

(b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.

(c) A notification of the delivery of the AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.

(d) You are advised to read carefully, understand and follow the terms of this AP, **BEFORE** making the application.

(e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.

(f) To apply for the Rights Shares, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.

(g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last date and time for acceptance and payment.

(h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:-

  (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and

  (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.

(i) With regards to payment for the Rights Shares which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:-

Bank: **MALAYAN BANKING BERHAD**
Account Name : **IREKA RIGHTS ISSUE ACCOUNT**
Bank Account No. : **514347615206**

prior to submitting the Rights Shares Subscription File to Bursa Depository.

(j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.

(k) You will be notified on the outcome of your application for the Rights Shares electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

  (i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

  (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 10.4.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(l) Upon crediting of the Rights Shares allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.

(m) You should note that all applications made for the Rights Shares submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:-

(a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.

(b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

(c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.

(d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:-

(i) our Company or our Share Registrar or Bursa Depository does not receive your application via NRS; or

(ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

(e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:-

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

10.5 Procedures for sale or transfer of Provisional Rights Shares with Warrants

The Provisional Rights Shares with Warrants are renounceable securities and will be traded on Bursa Securities commencing from 3 June 2014 up to 9 June 2014. As such, you may sell/transfer all or part of your entitlements under the Rights Issue during such period.

As the Provisional Rights Shares with Warrants are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to one (1) or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit in your CDS Account.

You may sell such entitlement on Bursa Securities or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository, both for the period up to the last day and time for the sale or transfer of the Provisional Rights Shares with Warrants (in accordance with the Rules of Bursa Depository).

You are advised to read and adhere to the RSF and the notes and instructions contained in the RSF. In selling or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document (including the RSF) to your stockbrokers in respect of the portion of the Provisional Rights Shares with Warrants sold or transferred. However, you are advised to ensure that you must have sufficient number of Provisional Rights Shares with Warrants standing to the credit in your CDS Account before selling or transferring.

If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants. Please refer to Section 10.4 of this AP for the procedures for acceptance and payment.

10.6 Procedures for application for Excess Rights Shares with Warrants

10.6.1 By way of RSF

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(B) and II of the RSF. Send each completed and signed RSF with a **separate remittance** for the full amount payable on the Excess Rights Shares with Warrants applied for to our Share Registrar so as to arrive not later than 5.00 p.m. on 17 June 2014 (or such later day and time as our Board in its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated day and time).

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 Ireka Shares.

Payment for the Excess Rights Shares with Warrants applied for should be made in the same manner described in Section 10.4.1 of this AP except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia should be made payable to "**IREKA EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters and your CDS Account number. The payment must be made for the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. **Cheques or other modes of payment not prescribed here are not acceptable.**

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

(iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) fourthly, for allocation to our transferee(s) and/or renouncee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

You should note that all RSFs lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF for the Excess Rights Shares with Warrants application or the application monies will be issued by our Company or our Share Registrar.

Applications for Excess Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.6.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.2 of this AP save and except that you shall proceed with the option for Excess Rights Shares with Warrants application and the amount payable to be directed to "**IREKA EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares with Warrants applied.

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share, which will accompanied by one (1) Warrant. However, you should take note that a trading board lot comprises of 100 Ireka Shares and 100 Warrants.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

(i) firstly, to minimise the incidence of odd lots; and

(ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

(iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) fourthly, for allocation to our transferee(s) and/or renouncee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Electronic Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this AP, as well as the terms and conditions as stated below:-

(i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

(a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.6.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.3 of this AP save and except that you shall proceed with the option for Excess Rights Shares with Warrants application and the amount payable to be directed to "**IREKA EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares with Warrants applied.

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share, which will be accompanied by one (1) Warrant. However, you should take note that a trading board lot comprises of 100 Ireka Shares and 100 Warrants.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company on the Entitlement Date;

(iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) fourthly, for allocation to our transferee(s) and/or renouncee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Internet Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.3 of this AP, as well as the terms and conditions as stated below:-

(i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

(a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.6.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.4 of this AP save and except for the amount payable to be directed to **"IREKA EXCESS RIGHTS ISSUE ACCOUNT" (Bank Account No. 514347615191 with MALAYAN BANKING BERHAD)** for the Excess Rights Shares with Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share with one (1) Warrant. However, you should take note that a trading board lot comprises of 100 Ireka Shares and 100 Warrants.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company on the Entitlement Date;

(iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(v) fourthly, for allocation to our renouncee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Application for Excess Rights Shares with Warrants via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.4 of this AP, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS), as well as the terms and conditions as stated below:-

(i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Right Shares Subscription File or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your application via NRS. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) You will be notified on the outcome of your application for the Excess Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

(a) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 10.4.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.7 CDS Accounts

Bursa Securities has prescribed the Ireka Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, all dealings in the Rights Shares with Warrants will be by book entries through CDS Accounts and will be subject to the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants.

Your subscription for the Rights Shares with Warrants/application for the Excess Rights Shares with Warrants shall mean that you consent to receiving such Rights Shares with Warrants/Excess Rights Shares with Warrants (if successful) as deposited securities which will be credited directly into your CDS Account. No physical share certificates will be issued.

10.8 Foreign addressed shareholders and/or shareholders subject to laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any jurisdiction other than Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this AP relates is only available to persons receiving the Documents electronically or otherwise within Malaysia.

As a result, the Documents have not been (and will not be) sent to our foreign addressed shareholders as at the Entitlement Date who have not provided an address in Malaysia to Bursa Depository for the delivery of the Documents ("**Foreign Addressed Shareholders**"). However, Foreign Addressed Shareholders may collect the Documents from our Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, who will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

If you are a Foreign Addressed Shareholder, our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia as stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s) (if applicable) may only accept or renounce or transfer (as the case may be) all or any of the Rights Shares to the extent that it would be lawful to do so, and our Directors and officers of our Company and RHB Investment Bank, being our Principal Adviser (collectively, "**Parties**"), would not in connection with the Rights Issue with Warrants, be in breach of the laws of any foreign country or jurisdiction to which you and/or your renouncee(s) and/or transferee(s) (if applicable) is or might be subject to. You and/or your renouncee(s) and/or transferee(s) (if applicable) shall be solely responsible to seek advice from your legal and/or professional advisers as to the laws of the countries or jurisdictions to which you are or might be subject to. The Parties shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or renunciation and/or transfer made by any Entitled Shareholder and/or his renouncee(s) and/or transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Rights Shares with Warrants by signing any of the forms accompanying the Documents or subscribing for or acquiring any Rights Shares, will be deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and declarations will be relied upon by) the Parties as follows:-

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which you and/or your renouncee(s) and/or transferee(s) are or might be subject to;

(ii) you and/or your renouncee(s) and/or transferee(s) have complied with the laws to which you and/or your renouncee(s) and/or transferee(s) are or might be subject to in connection with the acceptance or renunciation;

(iii) you and/or your renouncee(s) and/or transferee(s) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subject to;

(iv) you and/or your renouncee(s) and/or transferee(s) are aware that the Provisional Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) you and/or your renouncee(s) and/or transferee(s) have obtained a copy of this AP and have had access to such financial and other information and have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as you and/or your renouncee(s) and/or transferee(s) deem necessary in connection with your and/or your renounce(s)'s and/or transferee(s)'s decision to subscribe for or purchase the Rights Shares; and

(vi) you and/or your renouncee(s) and/or transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Entitled Shareholders and any other person having possession of this AP and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside of Malaysia receiving this AP and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for excess application by the other Entitled Shareholders. You and/or your renouncee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renouncee(s)'s and/or transferee(s)'s entitlement under the Rights Issue with Warrants or to any net proceeds thereof.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this AP and the accompanying NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
IREKA CORPORATION BERHAD

DATUK LAI SIEW WAH
Managing Director

APPENDIX I

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 16 MAY 2014

IREKA

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT DEWAN PERDANA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON FRIDAY, 16 MAY 2014

IT IS HEREBY RESOLVED: -

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF 56,957,350 NEW ORDINARY SHARES OF RM1.00 EACH IN IREKA CORPORATION BERHAD ("IREKA" OR THE "COMPANY") ("RIGHTS SHARE(S)") TOGETHER WITH 56,957,350 FREE DETACHABLE WARRANTS ("WARRANT(S)") AT AN INDICATIVE ISSUE PRICE OF RM1.00 PER RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN IREKA ("IREKA SHARE(S)" OR "SHARE(S)") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, OF WHICH THE INDICATIVE FIRST CALL OF RM0.65 PER RIGHTS SHARE WILL BE PAYABLE IN CASH ON APPLICATION AND THE INDICATIVE SECOND CALL OF RM0.35 WILL BE CAPITALISED FROM THE COMPANY'S RESERVES ("PROPOSED TWO-CALL RIGHTS ISSUE WITH WARRANTS")

"**THAT**, subject to the passing of the Special Resolution and conditional upon the approvals of all relevant authorities/parties being obtained, where required, including but not limited to the approval of Bursa Malaysia Securities Berhad being obtained for the admission of the Warrants and listing of and quotation for the Rights Shares and Warrants, as well as the new Ireka Shares to be issued arising from the exercise of the Warrants, the Board of Directors of Ireka ("**Board**") be and is hereby authorised to provisionally issue and allot by way of renounceable rights issue of 56,957,350 Rights Shares together with 56,957,350 Warrants at an indicative issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share together with one (1) free Warrant for every two (2) existing Ireka Shares held, of which the indicative First Call of RM0.65 will be payable in cash on application and the indicative Second Call of RM0.35 will be capitalised from the Company's share premium, to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;

THAT, the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares and Warrants that may arise from the Proposed Two-Call Rights Issue with Warrants, in such manner at their absolute discretion as the Board deems fit and expedient, and in the best interest of the Company;

THAT, the new Ireka Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Ireka Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares;

THAT, the Board be and is hereby authorised to issue such additional Warrants ("**Additional Warrant(s)**") as may be required or permitted to be issued as a consequence of the adjustments under the provisions in the deed poll to be executed, constituting the Warrants ("**Deed Poll**");

...2/-

Ireka Corporation Berhad (25882-A) Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Malaysia
T +603.6411.6388 **F** +603.6411.6383 **W** www.ireka.com.my

IREKA

IREKA CORPORATION BERHAD (COMPANY NO. 25882-A)

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 16 MAY 2014

- PAGE 2

THAT, the Board be and is hereby authorised to allot and issue such appropriate number of new Ireka Shares arising from the exercise of the Warrants and Additional Warrants, if any, by the holders of the Warrants of their rights in accordance with the provisions of the Deed Poll;

THAT, the new Ireka Shares to be issued arising from the exercise of the Warrants or Additional Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Ireka Shares, save and except that the new Ireka Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the new Ireka Shares;

THAT, any one of the Directors be and is hereby authorised to enter into and execute the Deed Poll and to do all acts, deeds and things as he may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll;

AND THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Two-Call Rights Issue with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Two-Call Rights Issue with Warrants."

SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENT")

"**THAT**, subject to the approvals of the relevant authorities (where required) being obtained, approval be and is hereby given for the Articles of Association of the Company to be altered, modified, varied and deleted (if specified), in the manner as described in **Section 2.2** of the Circular to Shareholders dated 23 April 2014;

AND THAT, the Board be and is hereby authorised to give effect to the Proposed Amendment and to take all steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendment."

Confirmed as a correct record of proceedings

....
CHAIRMAN
Date: 16 May 2014

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Ireka was incorporated in Malaysia under the Act on 31 December 1975 as a private limited company under the name of Lai Siew Wah Sdn Bhd. We subsequently changed our name to Ireka Construction Sdn Bhd on 28 January 1986 and on 12 June 1992, our Company was converted to a public limited company. Our Company was listed on the Second Board of the KLSE on 12 July 1993. On 22 September 2000, our Company assumed our present name, Ireka Corporation Berhad. Subsequently, our Company was transferred to the Main Board of Bursa Securities (presently known as the Main Market of Bursa Securities) on 13 June 2002.

Ireka is principally involved in investment holding and provision of management services. Our Group's current activities are divided into three core businesses – infrastructure, real estate and technologies.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are as follows:-

Type	No. of Shares	Par value (RM)	Total (RM)
Authorised	500,000,000	1.00	500,000,000
Issued and fully paid-up	113,914,700	1.00	113,914,700

3. CHANGES IN THE ISSUED AND PAID-UP SHARE CAPITAL

There were no changes in our issued and paid-up share capital for the last three (3) years up to and including the LPD.

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4. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders as at the LPD, the effects of the Rights Issue with Warrants on the shareholdings of the substantial shareholders of our Company are as follows:-

Scenario 1- Assuming all the shareholders subscribe for their respective rights entitlements

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
ILHSB	49,001,998	43.02	-	-	73,502,997	43.02	-	-	98,003,996	43.02	-	-
MRSB	15,398,248	13.52	-	-	23,097,372	13.52	-	-	30,796,496	13.52	-	-
Green Rivervale Holdings Sdn Bhd	-	-	(1)15,398,248	13.52	-	-	(1)23,097,372	13.52	-	-	(1)30,796,496	13.52
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	(2)15,398,248	13.52	3,277,125	1.92	(2)23,097,372	13.52	4,369,500	1.92	(2)30,796,496	13.52
Lai Man Moi	1,440,750	1.26	(2)15,398,248	13.52	2,161,125	1.26	(2)23,097,372	13.52	2,881,500	1.26	(2)30,796,496	13.52
Datuk Lai Siew Wah	-	-	(3)49,001,998	43.02	-	-	(3)73,502,997	43.02	-	-	(3)98,003,996	43.02
Lai Voon Hon	12,000	0.01	(3)49,001,998	43.02	18,000	0.01	(3)73,502,997	43.02	24,000	0.01	(3)98,003,996	43.02
Lai Voon Keat	-	-	(3)49,001,998	43.02	-	-	(3)73,502,997	43.02	-	-	(3)98,003,996	43.02
Lai Voon Wai	-	-	(3)49,001,998	43.02	-	-	(3)73,502,997	43.02	-	-	(3)98,003,996	43.02
Liw Yoke Yin	11,600	0.01	(3)49,001,998	43.02	17,400	0.01	(3)73,502,997	43.02	23,200	0.01	(3)98,003,996	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong	5,648,100	4.96	-	-	8,472,150	4.96	-	-	11,296,200	4.96	-	-
Lai Voon Huey, Monica	6,000	0.01	-	-	9,000	0.01	-	-	12,000	0.01	-	-

Notes:-

(1) Deemed interests through MRSB.
(2) Deemed interests through Green Rivervale Holdings Sdn Bhd.
(3) Deemed interests through ILHSB.

Scenario 2- Assuming all the substantial shareholders subscribe for their respective rights entitlements and the remaining unsubscribed rights shares are taken up by MRSB

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
ILHSB	49,001,998	43.02	-	-	73,502,997	43.02	-	-	98,003,996	43.02	-	-
MRSB	15,398,248	13.52	-	-	43,202,999	25.28	-	-	71,007,750	31.17	-	-
Green Rivervale Holdings Sdn Bhd	-	-	(1)15,398,248	13.52	-	-	(1)43,202,999	25.28	-	-	(1)71,007,750	31.17
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	(2)15,398,248	13.52	(4)3,277,125	1.92	(2)43,202,999	25.28	4,369,500	1.92	(2)71,007,750	31.17
Lai Man Moi	1,440,750	1.26	(2)15,398,248	13.52	(4)2,161,125	1.26	(2)43,202,999	25.28	2,881,500	1.26	(2)71,007,750	31.17
Datuk Lai Siew Wah	-	-	(3)49,001,998	43.02	-	-	(3)73,502,997	43.02	-	-	(3)98,003,996	43.02
Lai Voon Hon	12,000	0.01	(3)49,001,998	43.02	(4)18,000	0.01	(3)73,502,997	43.02	24,000	0.01	(3)98,003,996	43.02
Lai Voon Keat	-	-	(3)49,001,998	43.02	-	-	(3)73,502,997	43.02	-	-	(3)98,003,996	43.02
Lai Voon Wai	-	-	(3)49,001,998	43.02	-	-	(3)73,502,997	43.02	-	-	(3)98,003,996	43.02
Liw Yoke Yin	11,600	0.01	(3)49,001,998	43.02	(4)17,400	0.01	(3)73,502,997	43.02	23,200	0.01	(3)98,003,996	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong	5,648,100	4.96	-	-	(4)8,472,150	4.96	-	-	11,296,200	4.96	-	-
Lai Voon Huey, Monica	6,000	0.01	-	-	(4)9,000	0.01	-	-	12,000	0.01	-	-

Notes:-

(1) Deemed interests through MRSB.
(2) Deemed interests through Green Rivervale Holdings Sdn Bhd.
(3) Deemed interests through ILHSB.
(4) Assuming the substantial shareholders will subscribe to their respective rights entitlement.

5. OUR BOARD OF DIRECTORS

5.1 Details of our Directors

The particulars of our Directors as at the LPD are as follows:-

Name*	Address	Age	Profession	Designation
Haji Ir. Abdullah bin Yusof	4, Jalan 16/7 46350 Petaling Jaya Selangor	78	Company Director	Independent Non-Executive Chairman
Datuk Lai Siew Wah	Unit 33-1, Kiara II No.1, Jalan Kiara Mont' Kiara 50480 Kuala Lumpur	74	Company Director	Managing Director
Datuk Lai Jaat Kong @ Lai Foot Kong	14, Jalan SS4C/16 Taman Rasa Sayang 47301 Petaling Jaya Selangor	71	Company Director	Deputy Managing Director
Chan Soo Har @ Chan Kay Chong	5, Jalan SS3/2 Taman Sentosa 47300 Petaling Jaya Selangor	68	Company Director	Executive Director
Lai Man Moi	5, Jalan SS3/2 Taman Sentosa 47300 Petaling Jaya Selangor	66	Company Director	Executive Director
Lai Voon Hon	26, Jalan Tropicana Utama, Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor	50	Company Director	Executive Director
Lai Voon Huey, Monica	28, Jalan Tropicana Utama, Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor	48	Company Director	Executive Director
Haji Mohd. Sharif bin Haji Yusof	5, Jalan 22/38 Taman Lian Seng 46300 Petaling Jaya Selangor	74	Company Director	Independent Non-Executive Director
Kwok Yoke How	33, Jalan 14/48 46100 Petaling Jaya Selangor	74	Company Director	Independent Non-Executive Director

Note:-

* *All Directors are Malaysian.*

5.2 Directors' shareholdings

The particulars of our Directors are set out in the Corporate Directory section of this AP. The proforma effects of the Rights Issue with Warrants on the shareholdings of our Directors based on the Register of Directors' Shareholdings as at LPD are set out as follows:-

Scenario 1- Assuming all the shareholders subscribe for their respective rights entitlements

Directors	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Haji Ir. Abdullah bin Yusof	1,500,000	1.32	-	-	2,250,000	1.32	-	-	3,000,000	1.32	-	-
Datuk Lai Siew Wah	-	-	(1)49,001,998	43.02	-	-	(1)73,502,997	43.02	-	-	(1)98,003,996	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong	5,648,100	4.96	-	-	8,472,150	4.96	-	-	11,296,200	4.96	-	-
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	(2)15,398,248	13.52	3,277,125	1.92	(2)23,097,372	13.52	4,369,500	1.92	(2)30,796,496	13.52
Lai Man Moi	1,440,750	1.26	(2)15,398,248	13.52	2,161,125	1.26	(2)23,097,372	13.52	2,881,500	1.26	(2)30,796,496	13.52
Lai Voon Hon	12,000	0.01	(1)49,001,998	43.02	18,000	0.01	(1)73,502,997	43.02	24,000	0.01	(1)98,003,996	43.02
Lai Voon Huey, Monica	6,000	0.01	-	-	9,000	0.01	-	-	12,000	0.01	-	-
Haji Mohd. Sharif bin Haji Yusof	-	-	-	-	-	-	-	-	-	-	-	-
Kwok Yoke How	1,742,603	1.53	-	-	2,613,905	1.53	-	-	3,485,206	1.53	-	-

Notes:-

(1) Deemed interests through ILHSB.
(2) Deemed interests through Green Rivervale Holdings Sdn Bhd.

Scenario 2- Assuming all the substantial shareholders subscribe for their respective rights entitlements and the remaining unsubscribed rights shares are taken up by MRSB

Directors	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Haji Ir. Abdullah bin Yusof	1,500,000	1.32	-	-	1,500,000	1.32	-	-	1,500,000	0.66	-	-
Datuk Lai Siew Wah	-	-	(1)49,001,998	43.02	-	-	(1)73,502,997	43.02	-	-	(1)98,003,996	43.02
Datuk Lai Jaat Kong @ Lai Foot Kong	5,648,100	4.96	-	-	(3)8,472,150	4.96	-	-	11,296,200	4.96	-	-
Chan Soo Har @ Chan Kay Chong	2,184,750	1.92	(2)15,398,248	13.52	(3)3,277,125	1.92	(2)43,202,999	25.28	4,369,500	1.92	(2)71,007,750	31.17
Lai Man Moi	1,440,750	1.26	(2)15,398,248	13.52	(3)2,161,125	1.26	(2)43,202,999	25.28	2,881,500	1.26	(2)71,007,750	31.17
Lai Voon Hon	12,000	0.01	(1)49,001,998	43.02	(3)18,000	0.01	(1)73,502,997	43.02	24,000	0.01	(1)98,003,996	43.02
Lai Voon Huey, Monica	6,000	0.01	-	-	(3)9,000	0.01	-	-	12,000	0.01	-	-
Haji Mohd. Sharif bin Haji Yusof	-	-	-	-	-	-	-	-	-	-	-	-
Kwok Yoke How	1,742,603	1.53	-	-	1,742,603	1.02	-	-	1,742,603	0.76	-	-

Notes:-

(1) Deemed interests through ILHSB.
(2) Deemed interests through Green Rivervale Holdings Sdn Bhd.
(3) Assuming these shareholders will subscribe to their respective rights entitlement.

6. SUBSIDIARY AND ASSOCIATED COMPANIES

Our subsidiary companies as at the LPD are set out below:-

Subsidiary companies	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM) *(Unless otherwise stated)*	Effective equity interest %
Ireka Sdn Bhd	11.03.1985 Malaysia	Investment holding	8,895,000	100.0
Ireka iCapital Sdn Bhd	09.03.2000 Malaysia	Investment holding	1,000,000	100.0
Ireka Development Management Sdn Bhd	09.01.2007 Malaysia	Property development management, provision of other related professional services and consultancy	2,500,002	100.0
Ireka Property Services Sdn Bhd	21.03.2007 Malaysia	Property services	250,000	100.0
Ireka Commercial Sdn Bhd	30.03.2007 Malaysia	Property investment	2	100.0
i-Residence Sdn Bhd	30.09.2000 Malaysia	Renting out of premises	100,000	100.0
Ireka Engineering And Construction Vietnam Company Limited	09.04.2008 Vietnam	Civil and industrial construction work	USD 300,000	100.0
Meadowfield Sdn Bhd	18.08.2011 Malaysia	Property development	500,000	100.0
i-Tech Network Solutions (Vietnam) Company Limited	12.11.2012 Vietnam	Carrying out services of import and distribution of computer hardware, computer programming, consultancy and computer system management	USD 20,000	100.0
Subsidiary Companies of Ireka Sdn Bhd				
Ireka Engineering & Construction Sdn Bhd	28.03.1996 Malaysia	Earthworks, civil, structural and building construction and renting of construction plant and machinery	50,000,000	100.0

Subsidiary companies	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM) *(Unless otherwise stated)*	Effective equity interest %
Regalmont (Sabah) Sdn Bhd	07.02.2001 Malaysia	Property development	1,000,000	100.0
Regal Variety Sdn Bhd	24.07.1997 Malaysia	Investment holding	2	100.0
Iswaja Enterprise Sdn Bhd	25.06.1993 Malaysia	Dormant	18,500,000	100.0
Ireka Hospitality Sdn Bhd	17.04.2002 Malaysia	Property management, provision of other related professional services and consultancy	2	100.0
Unique Legacy Sdn Bhd(1)	15.08.2005 Malaysia	Dormant	100.01	90.0
Subsidiary Company of Ireka Engineering & Construction Sdn Bhd				
United Time Development Sdn Bhd	10.05.2007 Malaysia	Property development	2	100.0
Subsidiary Companies of Ireka iCapital Sdn Bhd				
e-Auction Sdn Bhd	30.08.1999 Malaysia	Trading and rental of industrial and construction equipment	100,000	96.0
Ireka Venture Capital Ltd	10.03.2000 British Virgin Islands	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies	USD500,000	100.0
asiaegolf Tours Sdn Bhd	15.05.2000 Malaysia	Providing golf related services for international or overseas golf tour parties, business golfing and to individual golfer on the internet	750,000	100.0
i-Tech Network Solutions Sdn Bhd	29.03.2003 Malaysia	System integration, software solutions and trading in computer hardware	2,510,000	100.0

Subsidiary companies	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM) *(Unless otherwise stated)*	Effective equity interest %
iTech ELV Solutions Sdn Bhd	23.03.2010 Malaysia	Supply and install high voltage power system and low voltage power system, and structured cabling system and extra low voltage systems	2	100.0
Associated Companies				
Aseana Properties Limited	22.09.2006 Jersey, Channel Islands	Acquisition, development and redevelopment of upscale residential, commercial, and hospitality projects	USD10,601,250	23.07
Urban DNA Sdn Bhd	13.11.2009 Malaysia	Property development	1,000,000	30.00
The RuMa Hotel KL Sdn Bhd	28.09.2012 Malaysia	Investment holding	10	30.00

Note:-

(1) 10% of the shareholding held directly by Ireka.

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7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the FYE 31 March 2011 to 31 March 2013 and the unaudited consolidated financial statements for the FYE 31 March 2014 are as follows:-

FYE 31 March	Audited			Unaudited
	2011 (RM'000)	**2012 (RM'000)**	**2013 (RM'000)**	**2014 (RM'000)**
Revenue	443,951	429,889	329,932	289,232
Cost of sales	(406,954)	(378,890)	(302,078)	(257,200)
Gross profit	**36,997**	**50,999**	**27,854**	**32,032**
Other income	3,374	6,538	4,284	6,043
Administrative expenses	(19,757)	(21,201)	(24,676)	(24,333)
Other expenses	(10,953)	(21,754)	(17,796)	(16,024)
Operating (loss)/profit	**9,661**	**14,582**	**(10,334)**	**(2,282)**
Finance costs	(11,464)	(12,107)	(8,377)	(8,543)
Share of (loss)/profit of associates	(7,689)	11,646	(19,716)	(15,415)
Loss from jointly controlled entities	(1,600)	-	-	-
(Loss)/Profit before tax	**(11,092)**	**14,121**	**(38,427)**	**(26,240)**
Income tax expense	(649)	(3,719)	(1,786)	(2,111)
(Loss)/Profit for the financial year	**(11,742)**	**10,402**	**(40,213)**	**(28,351)**
Other comprehensive loss:				
Currency translation differences	(67)	(68)	(123)	244
Others comprehensive (loss)/income for the financial year, net of tax	(67)	(68)	(123)	244
Total comprehensive (loss)/income for the financial year	(11,808)	10,334	(40,336)	(28,107)
(Loss)/Profit attributable to owners of the Company	(11,742)	10,402	(40,213)	(28,351)
Total comprehensive (loss)/income attributable to owners of the Company	(11,808)	10,334	(40,336)	(28,107)
Earnings before interests, taxes, depreciation and amortisation	6,502	31,831	(24,522)	(11,878)
Weighted average number of Shares in issue ('000)	**113,915**	**113,915**	**113,915**	**113,915**
Gross profit margin (%)	8.33	11.86	8.44	11.07
PBT margin (%)	(2.50)	3.28	(11.65)	(9.07)
Net profit margin (%)	(2.64)	2.42	(12.19)	(9.80)
Basic and diluted EPS/LPS (sen)	(10.31)	9.13	(35.30)	(24.89)

Note:

* *Any discrepancies in the above financial statement are due to rounding adjustments.*

Commentary on financial performance

FYE 31 March 2011

For the FYE 2011, our Group recorded an improvement in revenue. The revenue of our Group for the FYE 2011 was RM443.95 million as compared to RM393.07 million in the preceding financial year, which is in line with the increase in the volume of work completed during 2011 under the construction segment.

Nonetheless, our Group suffered a loss of RM11.74 million as a result of share of losses from Aseana of RM7.70 million and a mark-to-market* loss of RM2.70 million for our Group's investment in Kinh Bac. Ireka holds approximately 0.36% equity interest in Kinh Bac, which is a company listed on the Hanoi Securities Trading Centre. Our Group's investment in Kinh Bac was intended to be a strategic platform for our Group to venture into infrastructure development and construction markets in Vietnam. The losses recorded by Aseana during the FYE 2011 was due to the loss on disposal of 1 Mont' Kiara retail mall and office tower to accelerate cash flow back to Aseana as well as marketing expenses incurred by Aseana. Our Group's losses for the FYE 2011 was further affected by lower construction margins as a result of costs associated with delays in the completion of a significant construction project, SENI Mont' Kiara.

Note:

* *Mark-to-market refers to accounting adjustments for the fair value of an asset or liability based on the current market price and under the situation when the current carrying amount of the asset and liability in the financial statements is carried at a value which differs from the current market price. In this respect, the mark-to-market write-off for Ireka's investment in Kinh Bac arose due to its lower current market price against that of its current carrying amount as set out in Ireka's financial statements.*

FYE 31 March 2012

Our Group recorded revenue of RM429.89 million for the FYE 2012 as compared to RM443.95 million in the preceding financial year which represented a marginal decline in revenue of 3.17% due to lower volume of work completed from the construction segment.

For the FYE 2012, our Group achieved PBT of RM14.12 million as compared to a LBT of RM11.09 million in the preceding financial year. The achievement in PBT of our Group for the FYE 2012 is attributable to the share of profit and dividend income from Aseana of RM11.65 million and RM1.55 million respectively on the back of Aseana's improved results. The profit contribution from Aseana was mainly due to the completion and handover of a development project named SENI Mont' Kiara. However, our Group recognised a mark-to-market loss of RM2.14 million for its investment in Kinh Bac.

FYE 31 March 2013

Our Group recorded revenue of RM329.93 million as compared to RM429.89 million for the preceding FYE 2012, which represents a drop of 23.25% in revenue. The drop in revenue was mainly attributable to the declining performance of our Group's construction segment which recorded a drop in revenue of 23.48% from RM405.08 to RM309.98 million in FYE 2013 due to completion of major construction projects such as the Sandakan Harbour Square and Kuala Lumpur Sentral projects, and the slow inception of new construction projects.

Our Group recorded LBT of RM38.43 million in FYE 2013 as a compared to PBT of RM14.12 million for the FYE 2012. The loss was accounted mainly by the share of losses of RM19.07 million from Aseana where its performance was primarily affected by the pre-opening expenses and operating losses of Four Points by Sheraton Sandakan Hotel ("**Four Points**") and Harbour Mall Sandakan and the impairment of fair value of Aseana's quoted shares investment in Nam Long Investment Corporation which is a property development company listed on Ho Chi Minh Stock Exchange of RM6.77 million.

Other segments of our Group also recorded unsatisfactory performance. Apart from the construction segment, which was the main contributor to our Group's profits with a PBT of RM1.19 million, all other segments of our Group recorded combined losses of RM12.01 million.

FYE 31 March 2014

For the FYE 31 March 2014, our Group recorded revenue of RM289.23 million as compared to RM329.93 million for the corresponding period of the preceding year, which represents a drop of 12.3% in revenue. The drop in revenue was mainly due to completion of major contracts and slow start of new projects.

For the FYE 31 March 2014, our Group recorded a LBT of RM26.24 million, against a LBT of RM38.43 million in the preceding year. The current result included mainly a share of loss from Aseana of RM13.47 million, a share of loss of Urban DNA Sdn. Bhd. of RM1.95 million, a mark-to-market gain on share investment in Kinh Bac of RM0.87 million, bad debts written off from trade receivables of RM2.58 million due to insolvent trade debtor, and a payment for Liquidated and Ascertained Damages arising from late in delivery of a project of RM4.86 million. The loss of Aseana was primarily affected by the operating losses of Four Points and Harbour Mall Sandakan as well as the pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel which commenced operations in March 2013.

Despite the above, our Group recorded a higher revenue of RM94.38 million in the fourth quarter of FYE 31 March 2014, compared to RM83.54 million in the immediate preceding quarter; and a LBT of RM13.42 million compared to a PBT of RM1.63 million in the last quarter.

The higher revenue achieved in the current quarter is mainly due to more construction works achieved.

(Source: Management)

8. HISTORICAL PRICES

The monthly highest and lowest closing market prices of Ireka Shares as traded on Bursa Securities for the past twelve (12) months from May 2013 to April 2014 are set out below:-

	High RM	Low RM
2013		
May	0.74	0.62
June	0.91	0.66
July	0.91	0.89
August	0.91	0.86
September	0.90	0.86
October	1.20	0.88
November	1.10	0.98
December	1.09	1.00
2014		
January	1.10	0.97
February	0.94	0.87
March	0.88	0.72
April	0.90	0.76

The last transacted price of our Shares on 26 February 2014, being the last day on which our Shares were traded, prior to the date of announcement of the Rights Issue with Warrants, was RM0.90.

The last transacted price of our Shares on 28 May 2014, being the date prior to the ex-date for the Rights Issue with Warrants and the latest practicable date prior to the issuance of this AP, was RM0.81.

(Source: Bloomberg)

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON

Your Reference
Rujukan Tuan

Our Reference A2/FJ/mm
Rujukan Kami

RAJA SALLEH, LIM & CO.
(Audit Firm No: 0071)
Chartered Accountants
29A, Jalan SS 22/19,
Damansara Jaya,
47400 Selangor Darul Ehsan, Malaysia.
Peti Surat No. 8071,
Pejabat Pos Kelana Jaya,
46781 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel: 03-7727 8971, 7727 9069 & 7727 9095
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~~E-mail: rsllimco@streamyx.com~~
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REPORTING ACCOUNTANTS' REPORT ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF IREKA CORPORATION BERHAD AS AT 31 MARCH 2013
(Prepared for inclusion in the Abridged Prospectus to be dated 2 June 2014)

14 May 2014

The Board of Directors
Ireka Corporation Berhad
Level 18, Wisma Mont' Kiara
No. 1, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Dear Sirs

IREKA CORPORATION BERHAD ("IREKA" OR "THE COMPANY")

Proforma Consolidated Statements of Financial Position in connection with :

renounceable Two-Call Rights Issue with Warrants of 56,957,350 new ordinary shares of RM1.00 each in Ireka ("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 Ireka ("Ireka share(s)") as at 5.00 p.m. on 2 June 2014, 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 Ireka's share premium ("Rights Issue with Warrants")

We have completed our assurance engagement to report on the compilation of proforma consolidated statements of financial position of Ireka and its subsidiaries ("Ireka Group" or the "Group") as at 31 March 2013. The proforma consolidated statements of financial position which is set out in the Appendix (which we have stamped for the purpose of identification) have been compiled by the directors of the Ireka ("Directors") based on the requirements as specified in the Prospectus Guidelines - Abridged Prospectus issued by Securities Commission Malaysia ("Securities Commission") and notes to the proforma consolidated statement of financial position of the Company as at 31 March 2013 as set out in Appendix I of this letter ("Applicable Criteria").

RAJA SALLEH, LIM & CO. (AF-0071)

The proforma financial information has been compiled by the Directors to illustrate the effects of the Two-Call Rights Issue with Warrants on the audited Consolidated Statements of Financial Position of the Company as at 31 March 2013 had the Two-Call Rights Issue with Warrants been effected and completed on that date.

As part of this process, information about the consolidated statements of financial position has been extracted by the Directors from the financial statements of the Company for the year ended 31 March 2013, on which an audit report has been published.

THE DIRECTORS' RESPONSIBILITIES FOR THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Directors are solely responsible for the preparation of the proforma consolidated statements of financial position as at 31 March 2013 for the inclusion in the Abridged Prospectus.

OUR RESPONSIBILITIES

Our responsibility is to express an opinion as required by the Securities Commission, about whether the proforma consolidated statements of financial position has been properly compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with the International Standard on Assurance Engagements, ISAE 3420 Assurance Engagements to Report on the Compilation of Proforma Consolidated Statements Of Financial Position Included in a Prospectus issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have properly compiled, in all material respects, the proforma consolidated statements of financial position on the basis of the Applicable Criteria.

The purpose of proforma consolidated statements of financial position included in an abridged prospectus is solely to illustrate the impact of a significant event or transaction on financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

RAJA SALLEH, LIM & CO. (AF-0071)

OUR RESPONSIBILITIES (continued)

A reasonable assurance engagement to report on whether the proforma consolidated statements of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of proforma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether :

- The related proforma adjustments give appropriate effect to those criteria; and
- The proforma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the proforma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the proforma consolidated statements of financial position.

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

OPINION

In our opinion,

(a) The proforma consolidated statements of financial position of Ireka Group, which have been prepared by the Directors of the Company, have been properly compiled on the basis of the Applicable Criteria using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group; and

(b) Each material adjustment made to the information used in the preparation of the proforma consolidated statements of financial position is appropriate for the purposes of preparing the proforma consolidated statements of financial position.

RAJA SALLEH, LIM & CO. (AF-0071)

OTHER MATTERS

This letter is issued for the sole purpose of the Two-Call Rights Issue with Warrants. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Two-Call Rights Issue with Warrants described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Two-Call Rights Issue with Warrants.

Yours faithfully

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

RAJA MOHAMAD SALLEH BIN RAJA ABDUL RAHMAN
244/04/15 (J/PH)
Chartered Accountant

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix I

IREKA CORPORATION BERHAD
(Incorporated in Malaysia)

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

Initialed For Identification Purposes Only
RAJA SALLEH, LIM & CO.
AF 0071

	Audited statement of financial position of Ireka 31.3.2013	Proforma adjustment I	Proforma I After the Proposed Two-Call Rights Issue	Proforma adjustment II	Proforma II After Proforma I and assuming full exercise of warrants
	RM	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	57,099,946	-	57,099,946	-	57,099,946
Investment properties	23,799,120	-	23,799,120	-	23,799,120
Investment in associates	148,818,987	-	148,818,987	-	148,818,987
Other investments	1,512,968	-	1,512,968	-	1,512,968
Land held for property development	39,124,382	-	39,124,382	-	39,124,382
Deferred tax assets	180,000	-	180,000	-	180,000
	270,535,403	-	270,535,403	-	270,535,403
Current assets					
Property development cost	30,780,008	-	30,780,008	-	30,780,008
Inventories	11,057,820	-	11,057,820	-	11,057,820
Trade and other receivables	130,683,243	-	130,683,243	-	130,683,243
Amounts due from customers on contracts	37,369,367	-	37,369,367	-	37,369,367
Amounts due from associates	14,876,020	-	14,876,020	-	14,876,020
Cash and cash equivalents	16,662,522	36,422,277	53,084,799	56,957,350	110,042,149
	241,428,980	-	277,851,257	-	334,808,607
Assets of disposal group classified as held for sale	6	-	6	-	6
	241,428,986	36,422,277	277,851,263	56,957,350	334,808,613
TOTAL ASSETS	**511,964,389**	**36,422,277**	**548,386,666**	**56,957,350**	**605,344,016**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	113,914,700	56,957,350	170,872,050	56,957,350	227,829,400
Warrant reserve	-	5,695,735	5,695,735	(5,695,735)	-
Other reserve	-	(5,695,735)	(5,695,735)	5,695,735	-
Share premium	21,870,960	(19,935,073)	1,935,887	-	1,935,887
Foreign currency translation reserve	(442,400)	-	(442,400)	-	(442,400)
Retained earnings	43,469,091	(600,000)	42,869,091	-	42,869,091
Total equity	178,812,351	36,422,277	215,234,628	56,957,350	272,191,978
Non-current liabilities					
Borrowings	47,471,402	-	47,471,402	-	47,471,402
Deferred tax liabilities	3,242,500	-	3,242,500	-	3,242,500
	50,713,902	-	50,713,902	-	50,713,902
Current liabilities					
Provision	14,000,000	-	14,000,000	-	14,000,000
Trade and other payables	161,809,053	-	161,809,053	-	161,809,053
Borrowings	104,048,029	-	104,048,029	-	104,048,029
Tax payable	2,581,054	-	2,581,054	-	2,581,054
	282,438,136	-	282,438,136	-	282,438,136
Total liabilities	333,152,038	36,422,277	369,574,315	56,957,350	426,531,665
TOTAL EQUITY AND LIABILITIES	**511,964,389**	**36,422,277**	**548,386,666**	**56,957,350**	**605,344,016**
No. of shares	113,914,700		170,872,050		227,829,400
Par value (RM)	1.00		1.00		1.00
NA per Ireka Share (RM) ^	1.57		1.26		1.19
Total borrowings	151,519,431		151,519,431		151,519,431
Gearing (times) *	0.85		0.70		0.56

^ NA attributable to equity holders of the Company
* Computed based on total short term and long term borrowings divided by total equity

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

1. Basis of preparation

The proforma consolidated statements of financial position of Ireka Corporation Berhad ("Ireka") as at 31 March 2013 as illustrated in the Appendix, for which the Board of Directors of Ireka ("Board") are solely responsible, have been prepared for illustrative purposes only for inclusion in the Abridged Prospectus to be dated 2 June 2014 ("Abridged Prospectus") in connection with the two-call rights issue of 56,957,350 new ordinary shares of RM1.00 each in Ireka ("Ireka Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share with one (1) free warrant ("Warrants")for every two (2) existing Ireka Shares held on 2 June 2014 ("Entitlement Date"), at an issue price of RM1.00, of which the first call of RM0.65 ("First Call") will be payable in cash on application and the second call of RM0.35 ("Second Call") is to be capitalised from the Company's share premium reserve ("Two-Call Rights Issue" or "Proposal").

The proforma consolidated statements of financial position illustrates the effect of the Two-Call Rights Issue, assuming the Two-Call Rights Issue had been implemented and completed on 31 March 2013. The proforma consolidated statements of financial position of Ireka have been properly compiled using the audited consolidated financial statements of Ireka for the year ended 31 March 2013 which was prepared in accordance with Financial Reporting Standards ("FRS") and International Reporting Standards and in manner consistent with both the format of the financial statements and the accounting policies of Ireka.

The proforma consolidated statements of financial position does not purport to predict the future financial position of Ireka and its subsidiaries ("Ireka Group").

The proforma consolidated statements of financial position, and the notes thereto, is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand except when otherwise indicated.

1.1 Transaction cost for equity instruments are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the transaction that otherwise would have been avoided.

1.2 Warrants issued by the Company are equity instruments which cannot be revalued subsequent to initial issuance. Upon issuance of warrants, a warrants reserve is recognised based on the fair value of warrants issued. The warrant reserve is non-distributable and will be set-off to other reserve account upon the exercise of warrants at their initial fair value.

1.3 For the preparation of the proforma consolidated statements of financial position, the Directors have allocated a fair value of RM0.10 per warrant to the free warrant. The assumption used to arrive at this fair value are as follows:

Valuation model	Black-Scholes option pricing model
Shares price	RM0.92
Exercise price	RM1.00
Tenure	5 Years
Expected volatility of Ireka shares	10.000% *
Dividend yield	No dividend
Interest rate	3.953%
Cut-off date	8 May 2014

Note:
* The volatility of Ireka Shares cannot be ascertained due to its illiquid historical share prices and therefore, Bloomberg has adopted the volatility of 10.000% as a basis to compute the option value.

(Source: Bloomberg)

1.4 Other reserve

The other reserve shall be set off against the warrant reserve upon the full exercise of the warrants.

2. Scenarios illustrated

For the purposes of the preparation of the proforma consolidated statements of financial position, the scenario is illustrated as follow:

Assuming all the existing shareholders subscribe in full for their respective entitlement of 56,957,350 Rights Shares together with 56,957,350 free detachable warrants to the existing shareholders of the Company on the basis of one (1) Rights Share together with one (1) free warrant for every two (2) existing Ireka shares held.

3. Proforma Adjustments

The proforma consolidated statements of financial position of Ireka incorporate the following adjustments:

Proforma I

Proforma I incorporates the effect of post adjustment for the issuance of 56,957,350 Two-Call Rights Issue amounting to RM56,957,350. The estimated cost of the proposal amounting to RM600,000 will be directly charged against retained earnings.

Proforma II

Proforma II incorporates the effects of Proforma I and assumption of full exercise of the warrants at the exercise price of RM1.00 per warrant.

RAJA SALLEH, LIM & CO.
(Audit Firm No. 0071)
Chartered Accountants
29A, Jalan SS 22/19, Damansara Jaya,
47400 Petaling Jaya, Selangor Darul Ehsan.

Malaysian Institute of Accountants
(Established under the Accountants Act 1967)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IREKA CORPORATION BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **IREKA CORPORATION BERHAD**, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and statements of 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 a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 80.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

RAJA SALLEH, LIM & CO.
(Audit Firm No. 0071)
Chartered Accountants
29A, Jalan SS 22/19, Damansara Jaya,
47400 Petaling Jaya, Selangor Darul Ehsan.

Malaysian Institute of Accountants
(Established under the Accountants Act 1967)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

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

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

Other Reporting Responsibilities

The supplementary information set out in Note 43 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, *"Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements"*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

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

RAJA MOHAMAD SALLEH BIN RAJA ABDUL RAHMAN
244/04/15 (J/PH)
Chartered Accountant

Petaling Jaya - 30 July 2013

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**57,099,946**	55,732,466	**4,451,796**	5,051,465
Investment properties	7	**23,799,120**	25,161,611	**-**	-
Investment in subsidiaries	8	**-**	-	**64,599,668**	53,754,985
Investment in associates	9	**148,818,987**	168,534,741	**169,052,002**	169,051,999
Investment in jointly controlled entity	10	**-**	-	**-**	-
Other investments	11	**1,512,968**	2,709,840	**275,510**	631,632
Land held for property development	12	**39,124,382**	37,046,931	**-**	-
Deferred tax assets	13	**180,000**	-	**-**	-
		270,535,403	289,185,589	**238,378,976**	228,490,081
Current assets					
Property development cost	14	**30,780,008**	25,551,977	**-**	-
Inventories	15	**11,057,820**	11,042,389	**-**	-
Trade and other receivables	16	**130,683,243**	192,252,686	**4,458,484**	11,692,278
Amounts due from customers on contracts	17	**37,369,367**	24,062,522	**-**	-
Amounts due from subsidiaries	18	**-**	-	**47,970,507**	30,650,451
Amounts due from associates	19	**14,876,020**	11,515,994	**14,876,020**	11,515,994
Cash and cash equivalents	20	**16,662,522**	40,184,877	**3,148,587**	4,986,037
		241,428,980	304,610,445	**70,453,598**	58,844,760
Assets of disposal group classified as held for sale	21	**6**	6	**6**	6
		241,428,986	304,610,451	**70,453,604**	58,844,766
TOTAL ASSETS		**511,964,389**	593,796,040	**308,832,580**	287,334,847
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	22	**113,914,700**	113,914,700	**113,914,700**	113,914,700
Share premium	22	**21,870,960**	21,870,960	**21,870,960**	21,870,960
Foreign currency translation reserve	23	**(442,400)**	(318,996)	**-**	-
Retained earnings		**43,469,091**	89,377,516	**67,929,287**	42,075,462
Total equity		**178,812,351**	224,844,180	**203,714,947**	177,861,122
Non-current liabilities					
Borrowings	24	**47,471,402**	38,016,643	**137,162**	305,766
Deferred tax liabilities	13	**3,242,500**	3,243,500	**610,000**	610,000
		50,713,902	41,260,143	**747,162**	915,766
Current liabilities					
Provision	25	**14,000,000**	14,000,000	**-**	-
Trade and other payables	26	**161,809,053**	175,345,924	**5,640,903**	3,654,024
Amounts due to subsidiaries	18	**-**	-	**96,055,153**	102,548,922
Borrowings	24	**104,048,029**	137,491,953	**1,990,346**	2,355,013
Amounts due to customers on contracts	17	**-**	55,920	**-**	-
Tax payable		**2,581,054**	797,920	**684,069**	-
		282,438,136	327,691,717	**104,370,471**	108,557,959
Total liabilities		**333,152,038**	368,951,860	**105,117,633**	109,473,725
TOTAL EQUITY AND LIABILITIES		**511,964,389**	593,796,040	**308,832,580**	287,334,847

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Continuing operations					
Revenue	27	**329,932,405**	429,889,585	**55,183,648**	57,727,981
Cost of sales	28	**(302,078,136)**	(378,890,196)	**-**	-
Gross profit		**27,854,269**	50,999,389	**55,183,648**	57,727,981
Other income	29	**4,283,779**	6,538,147	**3,126,503**	5,600,749
Administration expenses		**(24,675,815)**	(21,201,068)	**(11,974,309)**	(10,559,341)
Other expenses		**(17,796,410)**	(21,753,640)	**(13,931,719)**	(17,138,062)
Operating profit		**(10,334,177)**	14,582,828	**32,404,123**	35,631,327
Finance costs	30	**(8,376,593)**	(12,106,860)	**(170,494)**	(252,824)
Share of (loss)/profit of associates		**(19,715,757)**	11,645,521	**-**	-
(Loss)/Profit before tax	31	**(38,426,527)**	14,121,489	**32,233,629**	35,378,503
Income tax expense	32	**(1,786,163)**	(3,719,456)	**(684,069)**	(2,515,942)
(Loss)/Profit for the financial year		**(40,212,690)**	10,402,033	**31,549,560**	32,862,561
Other comprehensive loss:					
Currency translation differences		**(123,404)**	(67,835)	**-**	-
Others comprehensive loss for financial year, net of tax		**(123,404)**	(67,835)	**-**	-
Total comprehensive (loss)/income for the financial year		**(40,336,094)**	10,334,198	**31,549,560**	32,862,561
(Loss)/Profit attributable to owners of the Company		**(40,212,690)**	10,402,033	**31,549,560**	32,862,561
Total comprehensive (loss)/ income attributable to owners of the Company		**(40,336,094)**	10,334,198	**31,549,560**	32,862,561
(Loss)/Earnings per share attributable to owners of the Company (sen)					
Basic	33	**(35.30)**	9.13		

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013

	|-------- Attributable to Owners of the Company --------|				
		|-- Non-distributable --|		Distributable	
	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
	RM	RM	RM	RM	RM
As at 1 April 2012	113,914,700	21,870,960	(318,996)	89,377,516	224,844,180
Dividends	-	-	-	(5,695,735)	(5,695,735)
Total comprehensive loss for the year	-	-	(123,404)	(40,212,690)	(40,336,094)
As at 31 March 2013	113,914,700	21,870,960	(442,400)	43,469,091	178,812,351

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

	|-------- Attributable to Owners of the Company --------|				
	|-- Non-distributable --|			Distributable	
	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
	RM	RM	RM	RM	RM
As at 1 April 2011	113,914,700	21,870,960	(251,161)	84,671,218	220,205,717
Dividends	-	-	-	(5,695,735)	(5,695,735)
Total comprehensive income for the year	-	-	(67,835)	10,402,033	10,334,198
As at 31 March 2012	113,914,700	21,870,960	(318,996)	89,377,516	224,844,180

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2013

		Non-distributable	Distributable	
	Share capital	Share premium	Retained earnings	Total
	RM	RM	RM	RM
As at 1 April 2011	**113,914,700**	**21,870,960**	**14,908,636**	**150,694,296**
Dividends	-	-	**(5,695,735)**	**(5,695,735)**
Total comprehensive income for the year	-	-	**32,862,561**	**32,862,561**
As at 31 March 2012	**113,914,700**	**21,870,960**	**42,075,462**	**177,861,122**
Dividends	-	-	**(5,695,735)**	**(5,695,735)**
Total comprehensive income for the year	-	-	**31,549,560**	**31,549,560**
As at 31 March 2013	**113,914,700**	**21,870,960**	**67,929,287**	**203,714,947**

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 RM	2012 RM
Cash flow from operating activities			
(Loss)/Profit before tax from -			
Continuing operations		**(38,426,527)**	14,121,489
Adjustments for :			
Bad debt written off		**6,006,140**	-
Impairment loss on amount due from jointly controlled entity		**-**	9,546,714
Interest expense - Continuing operations		**8,376,593**	12,106,860
Interest income		**(484,009)**	(925,195)
Investment properties - Gain on disposals		**(920,972)**	-
Other investments - Impairment loss		**1,170,817**	2,137,568
- Loss on disposal		**24,055**	122,778
Property, plant and equipment - Depreciation		**5,527,585**	5,603,264
- Gain on disposals		**(584,751)**	(3,306,048)
- Loss on disposals		**14,760**	71,883
- Written-off		**96,436**	372,863
Provision for foreseeable losses		**-**	19,337
Share of loss/(profit) from associates		**19,715,757**	(11,645,521)
Unrealised gain on foreign exchange		**(67,322)**	(2,688)
Unrealised loss on foreign exchange		**35,424**	110,372
Operating profit before working capital changes		**483,986**	28,333,676
Amounts due from associates		**(3,360,026)**	(2,587,500)
Amounts due from customers on contracts		**(13,362,765)**	32,336,365
Amounts due from jointly controlled entities		**-**	(33,450)
Inventories		**(15,431)**	6,126,589
Investment properties		**-**	(781,580)
Payables		**(13,655,763)**	17,722,186
Property development costs		**(5,228,031)**	(25,551,977)
Provision		**-**	4,000,000
Receivables		**55,529,049**	(19,090,330)
Cash generated from operations		**20,391,019**	40,473,979
Income tax refund		**266,468**	-
Income tax paid		**(423,528)**	(1,087,659)
Net cash flow generated from operating activities		**20,233,959**	39,386,320
Cash flow from investing activities			
Dividend received from an associate company		**-**	1,548,116
Interest received		**484,009**	925,195
Investment in associates		**(3)**	-
Investment properties - Proceeds on disposals		**2,720,200**	-
Land held for property development		**(2,077,451)**	(26,206,899)
Other investments - Proceeds on disposal		**2,000**	7,500
Property, plant and equipment - Additions		**(3,418,061)**	(3,032,000)
- Proceeds on disposals		**726,801**	5,296,276
Net cash flow used in investing activities		**(1,562,505)**	(21,461,812)

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 RM	2012 RM
Cash flow from financing activities			
Dividends paid to shareholders		(5,695,735)	(5,695,735)
Hire purchase principal repayments		(5,103,346)	(4,934,698)
Interest paid		(8,376,593)	(12,106,860)
Drawdown of bank borrowings		91,748,000	183,692,835
Repayment of bank borrowings		(134,386,880)	(160,253,113)
Net cash flow (used in)/generated from financing activities		(61,814,554)	702,429
Net (decrease)/increase in cash and cash equivalents		(43,143,100)	18,626,937
Effect of changes in exchange rates		31,898	(81,226)
Cash and cash equivalents			
- at start of financial year		33,282,795	14,737,084
- at end of financial year	20	(9,828,407)	33,282,795

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 RM	2012 RM
Cash flow from operating activities			
Profit before tax		**32,233,629**	35,378,503
Adjustments for :			
Bad debt written off		**5,934,990**	-
Dividend income		**(42,500,000)**	(45,273,117)
Impairment loss on amount due from jointly controlled entity		**-**	11,628,333
Impairment loss on amount due from subsidiary		**188,496**	-
Impairment loss on investment in jointly controlled entity		**-**	70,000
Impairment loss on investment in subsidiary		**486,981**	-
Impairment loss on other investments		**330,067**	-
Interest expenses		**170,494**	252,824
Interest income		**(346,622)**	(329,975)
Other investments - Loss on disposal		**24,055**	122,778
Property, plant and equipment - Depreciation		**594,349**	600,200
- Gain on disposals		**(6,651)**	(3,142,788)
- Loss on disposals		**-**	322
- Written-off		**47,509**	25,017
Unrealised gain on foreign exchange		**(62,239)**	-
Unrealised loss on foreign exchange		**16,135**	106,796
Operating loss before working capital changes		**(2,888,807)**	(561,107)
Amount due from jointly controlled entity		**-**	(33,450)
Amount due to associates		**(3,360,026)**	(2,587,500)
Amounts due to subsidiaries		**(24,002,321)**	(31,414,329)
Receivables		**1,298,804**	(1,245,538)
Payables		**1,986,879**	(1,398,966)
Net cash flow used in operating activities		**(26,965,471)**	(37,240,890)
Cash flow from investing activities			
Dividend received from subsidiary companies		**42,500,000**	43,725,001
Dividend received from an associate company		**-**	1,548,116
Interest received		**346,622**	329,975
Investment in associates		**(3)**	-
Investment in subsidiaries		**(11,331,664)**	(500,000)
Other investments - Proceeds on disposal		**2,000**	7,500
Property, plant and equipment - Additions		**(46,142)**	(2,151,036)
- Proceeds on disposals		**13,604**	3,806,725
Net cash flow generated from investing activities		**31,484,417**	46,766,281
Cash flow from financing activities			
Dividends paid to shareholders		**(5,695,735)**	(5,695,735)
Hire purchase principal repayments		**(335,049)**	(661,902)
Interest paid		**(170,494)**	(252,824)
Repayment of bank borrowings		**(275)**	(1,227,229)
Net cash flow used in financing activities		**(6,201,553)**	(7,837,690)
Net (decrease)/increase in cash and cash equivalents		**(1,682,607)**	1,687,701
Effect of changes in exchange rates		**46,104**	(106,796)
Cash and cash equivalents			
- at start of financial year		**3,996,583**	2,415,678
- at end of financial year	20	**2,360,080**	3,996,583

The accompanying notes form an integral part of the financial statements

IREKA CORPORATION BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 30 July 2013.

3. REVENUE AND SEGMENTAL INFORMATION

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical basis unless otherwise indicated in the accounting policies below and in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revise FRS's which are mandatory for financial periods beginning or after 1 April 2012 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, 1965 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 (continued)**

(b) **Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except as follows :

On 1 April 2012, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2012.

Effective for financial periods beginning on or after 1 July 2011
- IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012
- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7: Transfers of Financial Assets
- Amendments to FRS 112: Deferred tax - Recovery of Underlying Assets
- FRS 124 Related Party Disclosure

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company.

Standards and interpretations issued but not yet effective
The Group has not adopted the following standards and interpretations that had been issued but not yet effective:

Effective for financial periods beginning on or after 1 July 2012
- Amendments to FRS 101: Presentation of Items of Other Comprehensive income

Effective for financial periods beginning on or after 1 January 2013
- FRS 10 : Consolidated Financial Statements
- FRS 11 : Joint Arrangements
- FRS 12 : Disclosure of Interests in Other Entities
- FRS 13 : Fair Value Measurement
- FRS 119 : Employee Benefits
- FRS 127 : Separate Financial Statements
- FRS 128 : Investment in Associates and Joint Ventures
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7: Disclosure - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1: First time Adoption of Malaysian Financial Reporting Standards - Government loans
- Amendments to FRS 1: First time Adoption of Malaysian Financial Reporting
- Standards (Improvements to FRSs (2012))
- Consolidated Financial Statement (Amendments to FRS 10)
- Joint Arrangements (Amendments to FRS 11)
- Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 12)
- Amendments to FRS 101, 116, 132 and 134: Presentation of financial statements (Improvements to FRSs (2012))

Effective for financial periods beginning on or after 1 January 2014
- Malaysian Financial Reporting Standards (MFRS)
- Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) **Changes in accounting policies (continued)**

Effective for financial periods beginning on or after 1 January 2015

- FRS 9 : Financial Instruments

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

FRS 9 Financial instruments
FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

FRS 10: Consolidated Financial Statements
FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

The Group has carried out an assessment on adoption of FRS 10 and it is concluded that there will be no change of classification of investment in subsidiary companies upon adoption of FRS 10.

FRS 11: Joint Arrangements
FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) **Changes in accounting policies (continued)**

FRS 11: Joint Arrangements (continued)
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The Group has carried out an assessment on the adoption of FRS 11 and has concluded that there is no change of classification in the investment in jointly controlled entity upon adoption of FRS 11.

FRS 12: Disclosure of Interests in Other Entities
FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position and performance.

FRS 13: Fair Value Measurement
FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127: Separate Financial Statements
As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128: Investment in Associates and Joint Ventures
As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investment in Associates and Joint Ventures. The new standard describes the application of the entity method to investment in joint ventures in addition to associates.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
The amendments to FRS 132, 'Financial Instruments: Presentation' (effective from 1 January 2014) does not change the current offsetting model in FRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria.

Malaysian Financial Reporting Standards (MFRS Framework)
On 19 November 2011, the Malaysia Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standard (MFRS Framework) in conjunction with the Board's plan to change to International Financial Reporting Standards (IFRS) in 2012.

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

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) **Changes in accounting policies (continued)**

Malaysian Financial Reporting Standards (MFRS Framework) (continued)
Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustment required on transition will be made, retrospectively, against opening retained profits.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2013 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its schedule milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for financial year ending 31 March 2015.

(c) **Basis of consolidation**

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

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

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) **Basis of consolidation (continued)**

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

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

(d) **Transaction with non-controlling interests**

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

(e) **Subsidiaries**

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

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

(f) **Associates**

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

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.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(f) **Associates (continued)**

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

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

(g) **Jointly controlled entities**

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

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

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

(h) **Intangible assets**

Goodwill

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment and depreciation

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

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

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

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 (continued)**

(j) **Investment properties**

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

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

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

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

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

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

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

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

(ii) **Property development costs**

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

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

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

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

(ii) **Property development costs (continued)**

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

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

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

(l) **Construction contracts**

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

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

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

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

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

(m) **Inventories**

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

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

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

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(n) **Impairment of non-financial assets**

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

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

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

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

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

(o) **Financial instruments**

(i) **Non-derivatives financial assets**

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments (continued)

(ii) Loans and receivables

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

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

(iii) Cash and cash equivalents

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

(iv) Available-for-sale investments

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

(v) Held-to-maturity investments

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

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

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

(vi) Non-derivatives financial liabilities

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

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

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

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

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) **Financial instruments (continued)**

(vi) **Non-derivatives financial liabilities (continued)**

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

(vii) **Share capital**

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

Repurchase of share capital (treasury shares)

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

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

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

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

(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.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) **Financial instruments (continued)**

(ix) **Impairment (continued)**

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

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

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

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

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

- **Unquoted equity securities carried at cost**

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

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

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

  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.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) **Financial instruments (continued)**

(ix) **Impairment (continued)**

- **Available-for-sale financial assets (continued)**

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

- **Non-derivative financial assets**

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

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

(x) **Non-financial assets**

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

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

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

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

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

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) **Financial instruments (continued)**

(x) **Non-financial assets (continued)**

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

(xi) **Financial guarantee contracts**

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

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

(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 (continued)**

(p) **Leases (continued)**

(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.

(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.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(t) **Employee benefits**

(i) **Short term benefits**

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

(ii) **Defined contribution plans**

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

(iii) **Termination benefit**

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

(u) **Foreign currencies**

(i) **Functional and presentation currency**

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

(ii) **Foreign currency transactions**

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

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

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(u) **Foreign currencies (continued)**

(ii) **Foreign currency transactions (continued)**

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 balance sheet date are as follows :

	31.3.2013	**31.3.2012**
	RM	**RM**
United States Dollars	**3.092**	3.062
Vietnam Dong	**0.000148**	0.000147

(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.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(v) **Revenue recognition (continued)**

(iv) **Revenue from services rendered**

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

(v) **Rental income**

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

(vi) **Interest income**

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

(vii) **Dividend income**

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

(viii) **Management fees**

Management fees are recognised when services are rendered.

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

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

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

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

(x) **Commitments and contingencies**

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Critical judgements made in applying accounting policies

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

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

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

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

(ii) Operating lease commitments – The Group as lessor

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

(b) Key sources of estimation uncertainty

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

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

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

(ii) Amount due from customers for construction contracts

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

5. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**

(b) **Key sources of estimation uncertainty (continued)**

(iii) **Income taxes**

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

(iv) **Impairment of assets**

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

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

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

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

The Directors have carefully assessed the terms of the contracts, advice from the qualified external party, the amount of damages and the estimated claims payable for late delivery. Based on the Directors' assessment, the Group estimated with reasonable certainty the amounts of claims that are expected to be payable for the project and these amounts have been recognised accordingly as at 31 March 2013. In view of the ongoing negotiations on the claims, any further disclosure may be prejudicial to the Group's negotiating position.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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	Assets under construction RM	Total RM
As at 31.3.2013											
Cost											
As at 1.4.2012	16,051,377	11,648,034	45,841,414	10,822,664	4,108,384	2,704,914	720,723	372,152	-	4,566,872	96,836,534
Additions	-	-	706,040	2,306,307	287,829	62,558	319,510	213,345	-	3,686,686	7,582,275
Transfer	-	-	-	-	(118,360)	-	118,360	-	8,253,558	(8,253,558)	-
Transfer to investment properties (Note 7)	-	(464,025)	-	-	-	-	-	-	-	-	(464,025)
Disposals	-	-	(1,423,450)	(1,125,981)	(19,220)	(11,598)	-	-	-	-	(2,580,249)
Written-off	-	-	(141)	-	(197,550)	(218,502)	-	-	-	-	(416,193)
Exchange adjustments	-	-	-	3,000	137	-	37	-	-	-	3,174
As at 31.3.2013	16,051,377	11,184,009	45,123,863	12,005,990	4,061,220	2,537,372	1,158,630	585,497	8,253,558	-	100,961,516
Accumulated depreciation and impairment											
As at 1.4.2012	-	762,224	28,615,672	7,828,522	2,556,482	747,984	485,006	108,178	-	-	41,104,068
Depreciation charge									-		
for the year	-	199,651	3,529,413	884,691	269,441	201,717	121,272	49,434	271,966	-	5,527,585
Transfer	-	-	-	-	(35,040)	-	35,040	-	-	-	-
Transfer to investment properties (Note 7)	-	(27,288)	-	-	-	-	-	-	-	-	(27,288)
Disposals	-	-	(1,370,679)	(1,029,008)	(16,530)	(7,222)	-	-	-	-	(2,423,439)
Written-off	-	-	(136)	-	(162,659)	(156,962)	-	-	-	-	(319,757)
Exchange adjustments	-	-	-	385	11	-	5	-	-	-	401
As at 31.3.2013	-	934,587	30,774,270	7,684,590	2,611,705	785,517	641,323	157,612	271,966	-	43,861,570
Net carrying amount											
As at 31.3.2013	16,051,377	10,249,422	14,349,593	4,321,400	1,449,515	1,751,855	517,307	427,885	7,981,592	-	57,099,946

6. **PROPERTY, PLANT AND EQUIPMENT (continued)**

	Freehold land	Buildings	Motor vehicles	Office equipment	Furniture and fittings	Total
Company	RM	RM	RM	RM	RM	RM
As at 31.3.2013						
Cost						
As at 1.4.2012	453,493	498,800	6,948,989	1,907,444	1,941,844	11,750,570
Additions	-	-	4,441	14,173	30,528	49,142
Disposals	-	-	(382,470)	-	-	(382,470)
Written-off	-	-	-	(197,550)	(69,594)	(267,144)
As at 31.3.2013	453,493	498,800	6,570,960	1,724,067	1,902,778	11,150,098
Accumulated depreciation and impairment						
As at 1.4.2012	-	13,169	5,185,259	1,191,946	308,731	6,699,105
Depreciation charge for the year	-	556	351,726	78,515	163,552	594,349
Disposals	-	-	(375,517)	-	-	(375,517)
Written-off	-	-	-	(162,659)	(56,976)	(219,635)
As at 31.3.2013	-	13,725	5,161,468	1,107,802	415,307	6,698,302
Net carrying amount						
As at 31.3.2013	453,493	485,075	1,409,492	616,265	1,487,471	4,451,796

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

6. **PROPERTY, PLANT AND EQUIPMENT (continued)**

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

6. **PROPERTY, PLANT AND EQUIPMENT (continued)**

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

6. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Purchase of property, plant and equipment

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Aggregate costs of property, plant and equipment acquired	**7,582,275**	7,306,598	**49,142**	2,154,136
Amount financed through hire purchase and finance lease	**(4,164,214)**	(4,274,598)	**(3,000)**	(3,100)
Cash disbursed for purchase of property, plant and equipment	**3,418,061**	3,032,000	**46,142**	2,151,036

(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		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Net carrying amounts				
Plant and machinery	**3,545,751**	6,444,126	**-**	-
Motor vehicles	**2,978,463**	1,964,107	**561,932**	1,346,493
Computers	**178,819**	-	**-**	-
Data centre	**5,725,803**	-	**-**	-
	12,428,836	8,408,233	**561,932**	1,346,493

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

	Group	
	31.3.2013	31.3.2012
	RM	RM
Freehold land	**15,606,455**	15,606,455
Buildings	**9,755,774**	10,391,608
	25,362,229	25,998,063

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

7. INVESTMENT PROPERTIES

	Group	
	31.3.2013	31.3.2012
	RM	RM
At fair value		
As at 1 April	**25,161,611**	4,272,100
Additions	**-**	781,580
Transfer from property, plant and equipment (Note 6)	**436,737**	20,107,931
Disposal	**(1,799,228)**	-
As at 31 March	**23,799,120**	25,161,611

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

7. **INVESTMENT PROPERTIES (continued)**

Investment properties are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM18,720,880 (31.3.2012 - RM20,083,371).

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM619,982 (31.3.2012 - RM498,598).

8. **INVESTMENT IN SUBSIDIARIES**

	Company	
	31.3.2013	**31.3.2012**
	RM	**RM**
Unquoted shares at cost		
As at 31 March	**64,599,668**	53,754,985

As at the balance sheet date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM1,850,002 (31.3.2012 - RM2,336,983). 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 2013**	**2012**
Subsidiaries -			**%**	**%**
Ireka Sdn Bhd	Malaysia	Investment holding	**100**	100
Ireka iCapital Sdn Bhd (i)	Malaysia	Investment holding	**100**	100
Ireka Corporation (HK) Ltd (iii)	Hong Kong	Structural and building construction	**100**	100
Ireka Development Management Sdn Bhd	Malaysia	Property development management, provision of other related professional services and consultancy	**100**	100
Ireka Property Services Sdn Bhd	Malaysia	Property services	**100**	100

8. **INVESTMENT IN SUBSIDIARIES (continued)**

	Country of incorporation	Principal activities	Holding in equity 2013 %	2012 %
Subsidiaries - (continued)				
Ireka Commercial Sdn Bhd	Malaysia	Property investment	**100**	100
i-Residence Sdn Bhd	Malaysia	Property investment	**100**	100
Ireka Engineering And Construction Vietnam Company Limited (i)	Vietnam	Civil and industrial construction work	**100**	100
Meadowfield Sdn Bhd (i)	Malaysia	Property development	**100**	100
i-Tech Network Solutions (Vietnam) Company Limited (i)	Vietnam	Carrying out services of import and distribution of computer hardware, computer programming, consultancy and computer system management	**100**	-
Subsidiary companies of Ireka Sdn Bhd -				
Ireka Engineering & Construction Sdn Bhd	Malaysia	Earthworks, civil, structural and building construction and renting of construction plant and machinery	**100**	100
Regalmont (Sabah) Sdn Bhd	Malaysia	Property development	**100**	100
Regal Variety Sdn Bhd	Malaysia	Investment holding	**100**	100
Iswaja Enterprise Sdn Bhd	Malaysia	Dormant	**100**	100
Ireka Hospitality Sdn Bhd	Malaysia	Property management, provision of other related professional services and consultancy	**100**	100
Unique Legacy Sdn Bhd (ii)	Malaysia	Dormant	**90**	90
Subsidiary company of Ireka Engineering & Construction Sdn Bhd -				
United Time Development Sdn Bhd	Malaysia	Property development	**100**	100

8. INVESTMENT IN SUBSIDIARIES (continued)

	Country of incorporation	Principal activities	Holding in equity 2013 %	Holding in equity 2012 %
Subsidiary companies of Ireka iCapital Sdn Bhd -				
e-Auction Sdn Bhd (i)	Malaysia	Trading and rental of industrial and construction equipment	**96**	96
Ireka Venture Capital Ltd (i)	British Virgin Islands	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies	**100**	100
asiaegolf Tours Sdn Bhd (i)	Malaysia	Providing golf related services for international or overseas golf tour parties, business golfing and to individual golfer on the internet	**100**	100
i-Tech Network Solutions Sdn Bhd (i)	Malaysia	System integration, software solutions and trading in computer hardware	**100**	100
iTech ELV Solutions Sdn Bhd (i)	Malaysia	Supply and install high voltage power system and low voltage power system, and structured cabling system and extra low voltage systems	**100**	100

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

(ii) 10% of the shareholding held directly by Ireka Corporation Berhad.

(iii) The subsidiary has been deregistered on 26 April 2013.

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	31.3.2013 RM	31.3.2012 RM	31.3.2013 RM	31.3.2012 RM
Quoted shares outside Malaysia, at cost	**168,751,999**	168,751,999	**168,751,999**	168,751,999
Unquoted shares in Malaysia	**300,003**	300,000	**300,003**	300,000
	169,052,002	169,051,999	**169,052,002**	169,051,999
Share of post-acquisition reserve	**(20,233,015)**	(517,258)	**-**	-
	148,818,987	168,534,741	**169,052,002**	169,051,999
Market value of quoted shares	**62,477,333**	64,458,651	**62,477,333**	64,458,651

Details of the associates are as follows :

Name of associates	Country of incorporation	Principal activities	Holding in equity 2013 %	Holding in equity 2012 %
Aseana Properties Ltd (i) (ii) (iii)	Jersey, Channel Islands	Acquisition, development and redevelopment of upscale residential, commercial and hospitality projects	**23.07**	23.07
Urban DNA Sdn Bhd (i) (ii) (iii)	Malaysia	Property development	**30.00**	30.00
The RuMa Hotel KL Sdn Bhd (formerly known as Fourseason Alliance Sdn Bhd) (i) (ii) (iii)	Malaysia	Investment holding	**30.00**	-

(i) The financial year end is 31 December 2012.

(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.

The summarised financial information of the associates are as follows :

	31.3.2013 RM	31.3.2012 RM
Assets and liabilities		
Current assets	**1,527,439,974**	1,352,086,428
Non-current assets	**85,228,849**	128,323,359
Total assets	**1,612,668,823**	1,480,409,787
Current liabilities	**502,189,223**	453,847,679
Non-current liabilities	**525,682,237**	381,262,145
Total liabilities	**1,027,871,460**	835,109,824
Results		
Revenue	**58,852,255**	873,413,285
(Loss)/Profit for the financial year	**(84,817,131)**	50,586,737

10. **INVESTMENT IN JOINTLY CONTROLLED ENTITY**

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Capital contribution	-	70,000	-	70,000
Share of post-acquisition loss	-	(70,000)	-	-
Impairment loss	-	-	-	(70,000)
	-	-	-	-

Details of the jointly controlled entity are as follows :

		Group		Company	
		31.3.2013	31.3.2012	31.3.2013	31.3.2012
Jointly controlled entity	**Principal activities**	**Proportion of ownership interest**			
		%	%	%	%
Ireka-Uspa Joint Venture (i) (ii)	Construction of passage including pipe-jacking, bridge and culvert in Gombak	-	70	-	70

(i) There are no contingencies and commitments relating to the Group's interest in the jointly controlled entity.

(ii) Ceased operation on 31 March 2012.

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

	31.3.2013	31.3.2012
	RM	RM
Assets and liabilities		
Current assets	-	7,814
Non-current assets	-	-
Total assets	-	7,814
Current liabilities	-	(7,814)
Total liabilities	-	(7,814)
Results		
Expenses	-	(5,484,839)

11. OTHER INVESTMENTS

	Group		Company	
	31.3.2013 RM	31.3.2012 RM	31.3.2013 RM	31.3.2012 RM
At cost :				
Available for sale financial assets				
Quoted shares				
- Outside Malaysia	**6,952,035**	6,952,035	**-**	-
Investments in club membership	**445,567**	471,622	**445,567**	471,622
Unquoted shares	**1,050,948**	1,050,948	**10**	10
	8,448,550	8,474,605	**445,577**	471,632
Held to maturity investments				
Subordinated Bonds 2002/2007 (i)	**2,360,000**	2,360,000	**2,360,000**	2,360,000
Carrying amount	**10,808,550**	10,834,605	**2,805,577**	2,831,632
Less : Accumulated impairment loss				
Quoted shares	**(5,714,567)**	(4,873,817)	**-**	-
Investments in club membership	**(330,067)**	-	**(330,067)**	-
Unquoted shares	**(1,050,948)**	(1,050,948)	**-**	-
Subordinated Bonds 2002/2007 (i)	**(2,200,000)**	(2,200,000)	**(2,200,000)**	(2,200,000)
	(9,295,582)	(8,124,765)	**(2,530,067)**	(2,200,000)
	1,512,968	2,709,840	**275,510**	631,632
At market value :				
Quoted shares				
- Outside Malaysia	**1,237,468**	2,078,218	**-**	-

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

12. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	31.3.2013 RM	31.3.2012 RM
Freehold land, at cost		
As at 1 April	**35,324,812**	10,800,600
Additions :	**-**	24,524,212
As at 31 March	**35,324,812**	35,324,812
Development costs		
As at 1 April	**1,722,119**	39,432
Additions :	**2,077,451**	1,682,687
As at 31 March	**3,799,570**	1,722,119
Carrying amount as at 31 March	**39,124,382**	37,046,931

12. LAND HELD FOR PROPERTY DEVELOPMENT (continued)

Freehold land are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM22,426,558 (31.3.2012 - RM22,426,558).

The borrowing costs capitalised on the land held for property development during the financial year is RM1,160,201 (31.3.2012 - RM432,349).

13. DEFERRED TAX

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
As at 1 April	**3,243,500**	3,190,469	**610,000**	610,000
Recognised in income statement	**(181,000)**	53,428	-	-
Exchange adjustments	-	(397)	-	-
As at 31 March	**3,062,500**	3,243,500	**610,000**	610,000
Presented after appropriate offsetting as follows :				
Deferred tax assets	**(180,000)**	-	-	-
Deferred tax liabilities	**3,242,500**	3,243,500	**610,000**	610,000
	3,062,500	3,243,500	**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	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Property, plant and equipment				
As at 1 April	**3,243,500**	3,252,500	**610,000**	610,000
Recognised in income statement	**(1,000)**	(9,000)	-	-
As at 31 March	**3,242,500**	3,243,500	**610,000**	610,000

Deferred tax assets :

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Unused tax losses				
As at 1 April	-	-	-	-
Recognised in income statement	**(180,000)**	-	-	-
As at 31 March	**(180,000)**	-	-	-

13. **DEFERRED TAX (continued)**

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

	Group		Company	
	31.3.2013	**31.3.2012**	**31.3.2013**	**31.3.2012**
	RM	**RM**	**RM**	**RM**
Unused tax losses	**63,585,378**	48,276,261	**28,221,971**	19,307,941
Unabsorbed capital allowances	**5,278,730**	1,387,679	**968,509**	766,820
Accelerated capital allowances	**(1,160,000)**	(967,000)	**-**	-
	67,704,108	48,696,940	**29,190,480**	20,074,761

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.

14. **PROPERTY DEVELOPMENT COST**

	Freehold land	Development costs	Borrowing costs capitalised	Total
Group	**RM**	**RM**	**RM**	**RM**
Cumulative property development costs				
As at 31.3.2013				
As at 1.4.2012	**24,500,000**	**784,418**	**267,559**	**25,551,977**
Costs incurred during the year	**500,000**	**3,677,503**	**1,050,528**	**5,228,031**
As at 31.3.2013	**25,000,000**	**4,461,921**	**1,318,087**	**30,780,008**
Cumulative costs recognised in income statement				**-**
Property development costs as at 31.3.2013				**30,780,008**
As at 31.3.2012				
As at 1.4.2011	-	-	-	-
Costs incurred during the year	24,500,000	784,418	267,559	25,551,977
As at 31.3.2012	24,500,000	784,418	267,559	25,551,977
Cumulative costs recognised in income statement				-
Property development costs as at 31.3.2012				25,551,977

Freehold land are pledged as securities for borrowings as disclosed in Note 24 to the financial statements amounting to RM24,500,000 (31.3.2012 - RM24,500,000).

15. INVENTORIES

	Group 31.3.2013 RM	Group 31.3.2012 RM
At cost		
Construction materials	**10,144,560**	10,848,145
Finished goods	**913,260**	143,685
	11,057,820	10,991,830
At net realisable value		
Finished goods	**-**	50,559
	11,057,820	11,042,389

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Trade receivables	**116,365,054**	181,841,826	**2,580,895**	8,718,885
Less : Allowance for doubtful debts	**-**	(87,776)	**-**	-
Trade receivables, net	**116,365,054**	181,754,050	**2,580,895**	8,718,885
Other receivables				
Deposits	**1,824,118**	1,931,467	**819,503**	873,359
Prepayments	**1,737,979**	1,248,384	**885,145**	79,405
Other receivables	**10,756,092**	7,318,785	**172,941**	2,020,629
	14,318,189	10,498,636	**1,877,589**	2,973,393
	130,683,243	192,252,686	**4,458,484**	11,692,278
Total trade and other receivables	**130,683,243**	192,252,686	**4,458,484**	11,692,278
Add : Deposits, cash and bank balances	**16,662,522**	40,184,877	**3,148,587**	4,986,037
Total loans and receivables	**147,345,765**	232,437,563	**7,607,071**	16,678,315

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.

16. TRADE AND OTHER RECEIVABLES (continued)

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

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Within credit terms	**89,674,269**	126,934,371	-	-
Past due but not impaired				
90 to 120 days	**7,391,831**	29,603,025	-	-
More than 120 days	**19,298,954**	25,304,430	**2,580,895**	8,718,885
	116,365,054	181,841,826	**2,580,895**	8,718,885
Impairment	**-**	(87,776)	**-**	-
	116,365,054	181,754,050	**2,580,895**	8,718,885

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

Trade receivables that are past due but not impaired

The 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.

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

	Group	
	31.3.2013	31.3.2012
	RM	RM
Construction contract costs incurred to date	**1,044,150,840**	487,831,434
Attributable profits	**107,414,934**	39,767,461
	1,151,565,774	527,598,895
Less : Progress billings	**(1,114,196,407)**	(503,592,293)
	37,369,367	24,006,602
Amount due from customers on contracts	**37,369,367**	24,062,522
Amount due to customers on contracts	**-**	(55,920)
	37,369,367	24,006,602
Retention sums on contracts included within trade receivables	**43,174,909**	61,880,575

17. AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS (continued)

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

	Group	
	31.3.2013	31.3.2012
	RM	RM
Hire of plant and machinery	**1,290,169**	2,465,662
Property, plant and equipment - Depreciation	**3,527,515**	4,170,153
Rental expense for buildings	**653,667**	571,579

18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, repayable on demand and non-interest bearing except for a total amount of RM8,863,556 (31.3.2012 - RM7,511,978) from a subsidiary which bear interest of 5.5% (31.3.2012 - 5.5%) per annum.

19. AMOUNTS DUE FROM ASSOCIATES

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

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Cash on hand and at banks (i) (ii) (iii)	**9,756,046**	16,337,900	**3,148,587**	4,986,037
Deposits with licensed banks (iv)	**6,906,476**	23,846,977	**-**	-
Cash and bank balances	**16,662,522**	40,184,877	**3,148,587**	4,986,037
Bank overdrafts	**(26,490,929)**	(6,902,082)	**(788,507)**	(989,454)
Total cash and cash equivalents	**(9,828,407)**	33,282,795	**2,360,080**	3,996,583

(i) Included in cash at banks of the Group are amounts of RM443,936 (31.3.2012 - RM48,498) held pursuant to Section 8A of the Housing (Control and Licensing of Developers) Enactment, 1978 and restricted from use in the other operations.

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

(iii) Included in cash at banks of the Group are amounts of RM NIL (31.3.2012 – RM1,275) held under Escrow Account pursuant to banking facilities agreements and therefore it is restricted from use in the other operations.

(iv) Deposits of the Group amounting to RM6,906,476 (31.3.2012 – RM6,530,977) are held on lien by bank pursuant to banking facilities agreements and restricted from use in the other operations.

20. CASH AND CASH EQUIVALENTS (continued)

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

	Group	
	31.3.2013	31.3.2012
	%	%
Deposits with financial institutions	**2.88**	2.70
Weighted average maturity (days)	**90**	90

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

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

	Group and Company	
	31.3.2013	31.3.2012
	RM	RM
Assets		
Investment in associate	**6**	6

Name of associate	Country of incorporation	Principal activities	Proportion of ownership interest		Proportion of voting power	
			31.3.2013	31.3.2012	31.3.2013	31.3.2012
			%	%	%	%
Sandakan Harbour Square Sdn Bhd	Malaysia	Investment holding	**29.4**	29.4	**29.4**	29.4

22. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of RM1 each share capital (Issued and fully paid)	Share premium	Total share capital and share premium
	RM	RM	RM
As at 1.4.2011	113,914,700	21,870,960	135,785,660
Transaction costs	-	-	-
As at 31.3.2012 and 1.4.2012	113,914,700	21,870,960	135,785,660
Transaction costs	-	-	-
As at 31.3.2013	113,914,700	21,870,960	135,785,660

	Number of ordinary shares of RM1 each		Amount	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	unit	unit	RM	RM
Authorised share capital				
As at 31 March	**500,000,000**	500,000,000	**500,000,000**	500,000,000

22. **SHARE CAPITAL AND SHARE PREMIUM (continued)**

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 31.3.2013.

23. **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.

24. **BORROWINGS**

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Short-term borrowings				
Secured :				
Term loans	**14,797,338**	25,098,449	-	-
Hire purchase and finance lease liabilities	**4,251,388**	4,900,092	**187,220**	350,665
	19,048,726	29,998,541	**187,220**	350,665
Unsecured :				
Bank overdrafts	**26,490,929**	6,902,082	**788,507**	989,454
Revolving credits	**33,620,374**	75,481,330	**1,014,619**	1,014,894
Trade finance	**24,888,000**	25,110,000	-	-
	84,999,303	107,493,412	**1,803,126**	2,004,348
	104,048,029	137,491,953	**1,990,346**	2,355,013
Long-term borrowings				
Secured :				
Term loans	**44,349,291**	34,604,104	-	-
Hire purchase and finance lease liabilities	**3,122,111**	3,412,539	**137,162**	305,766
	47,471,402	38,016,643	**137,162**	305,766
Total borrowings				
Revolving credits	**33,620,374**	75,481,330	**1,014,619**	1,014,894
Trade finance	**24,888,000**	25,110,000	-	-
Term loans	**59,146,629**	59,702,553	-	-
Bank overdrafts	**26,490,929**	6,902,082	**788,507**	989,454
Hire purchase and finance lease liabilities	**7,373,499**	8,312,631	**324,382**	656,431
	151,519,431	175,508,596	**2,127,508**	2,660,779

24. **BORROWINGS (continued)**

The term loans are secured by the following :

(a) First legal charge over the respective freehold land and buildings of certain subsidiaries as disclosed in Note 6(c), Note 7, Note 12 and Note 14.

(b) Corporate guarantees granted by the Company.

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

Other information on financial risks of borrowings are disclosed in Note 40.

Hire purchase and finance lease liabilities

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Future minimum lease payments				
Not later than 1 year	**4,635,017**	5,439,875	**200,558**	376,259
Later than 1 year and not later than 2 years	**2,322,262**	2,953,401	**136,152**	198,758
Later than 2 years and not later than 5 years	**1,310,009**	1,225,285	**33,708**	168,555
Total future minimum lease payments	**8,267,288**	9,618,561	**370,418**	743,572
Less : Future finance charges	**(893,789)**	(1,305,930)	**(46,036)**	(87,141)
Present value of finance lease liabilities	**7,373,499**	8,312,631	**324,382**	656,431
Analysis of present value of finance lease liabilities				
Not later than 1 year	**4,251,388**	4,900,092	**187,220**	350,665
Later than 1 year and not later than 2 years	**2,147,550**	2,424,945	**130,677**	185,768
Later than 2 years and not later than 5 years	**974,561**	987,594	**6,485**	119,998
	7,373,499	8,312,631	**324,382**	656,431
Less : Amount due within 12 months	**(4,251,388)**	(4,900,092)	**(187,220)**	(350,665)
Amount due after 12 months	**3,122,111**	3,412,539	**137,162**	305,766

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 40.

25. PROVISION

	Group	
	31.3.2013	31.3.2012
	RM	RM
Liquidated ascertained damages		
As at 1 April	**14,000,000**	10,000,000
Additions	**-**	4,000,000
As at 31 March	**14,000,000**	14,000,000

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

26. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Current				
Trade payables (i)	**135,912,777**	125,149,691	**-**	-
Other payables				
Accruals	**3,868,295**	1,621,329	**-**	-
Other payables (ii)	**22,005,020**	48,479,009	**5,640,903**	3,654,024
Trade deposits	**22,961**	95,895	**-**	-
	25,896,276	50,196,233	**5,640,903**	3,654,024
	161,809,053	175,345,924	**5,640,903**	3,654,024
Total trade and other payables	**161,809,053**	175,345,924	**5,640,903**	3,654,024
Add : Borrowings	**151,519,431**	175,508,596	**2,127,508**	2,660,779
Total financial liabilities at amortised cost	**313,328,484**	350,854,520	**7,768,411**	6,314,803

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

(ii) Included an amount of RM9,720,540 (31.3.2012 - RM31,770,540) which represented the balance purchase price payable for the acquisition of land held for property development referred in Note 12 to the financial statements.

27. REVENUE

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Construction contracts	**305,136,851**	404,874,207	**-**	-
Dividend income	**-**	-	**42,500,000**	45,273,117
Hospitality and leisure	**-**	4,800	**-**	-
Management fees	**-**	-	**12,683,648**	12,454,864
Property development	**-**	870,582	**-**	-
Rental income	**452,445**	512,764	**-**	-
Trading and services	**24,343,109**	23,627,232	**-**	-
	329,932,405	429,889,585	**55,183,648**	57,727,981

28. COST OF SALES

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Construction contracts costs	284,935,422	362,057,323	-	-
Property development costs	-	1,442,944	-	-
Cost of inventories sold	9,622,113	3,822,906	-	-
Cost of services rendered	7,520,601	11,567,023	-	-
	302,078,136	378,890,196	-	-

29. OTHER INCOME

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Interest income	484,009	925,195	346,622	329,975
Gain on disposal of property, plant and equipment	584,751	3,306,048	6,651	3,142,788
Gain on disposal of investment properties	920,972	-	-	-
Gain on foreign exchange				
- Realised	65,595	140,676	-	33,311
- Unrealised	67,322	2,688	62,239	-
Rental income	233,390	103,614	1,418,190	1,529,641
Rental of motor vehicle recoverable	67,321	76,275	67,321	76,275
Other	1,860,419	1,983,651	1,225,480	488,759
	4,283,779	6,538,147	3,126,503	5,600,749

Included in interest income from loan and receivables of the Company is interest of RM346,178 (31.3.2012 - RM329,449) from a fellow subsidiary.

30. FINANCE COSTS

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Interest expense on :				
Bank borrowings	9,673,184	11,866,237	128,789	174,635
Hire purchase and finance lease liabilities	914,138	940,531	41,705	78,189
	10,587,322	12,806,768	170,494	252,824
Less : Interest expense capitalised in :				
Land held for property development - Note 12	(1,160,201)	(432,349)	-	-
Property development cost - Note 14	(1,050,528)	(267,559)	-	-
Total interest expense	8,376,593	12,106,860	170,494	252,824

31. **(LOSS)/PROFIT BEFORE TAX**

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

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
After charging :				
Auditors' remuneration -				
Current year	**311,467**	310,853	**95,400**	95,400
Over provision in prior years	**(3,500)**	(13,740)	-	-
Bad debt written off	**6,006,140**	-	**5,934,990**	-
Directors' remuneration -				
Fee	**367,000**	305,750	**355,000**	293,750
Emoluments	**6,953,482**	5,341,146	**4,995,788**	4,121,195
Impairment loss on amount due from jointly controlled entity	-	9,546,714	-	11,628,333
Impairment loss on amount due from subsidiary	-	-	**188,496**	-
Impairment loss on investment in jointly controlled entity	-	-	-	70,000
Impairment loss on investment in subsidiary	-	-	**486,981**	-
Impairment loss on other investments	**1,170,817**	2,137,568	**330,067**	-
Loss on disposal on other investments	**24,055**	122,778	**24,055**	122,778
Loss on foreign exchange -				
Realised	**35,011**	26,810	-	-
Unrealised	**35,424**	110,372	**16,135**	106,796
Property, plant and equipment -				
Depreciation	**5,527,585**	5,603,264	**594,349**	600,200
Loss on disposals	**14,760**	71,883	-	322
Written-off	**96,436**	372,863	**47,509**	25,017
Provision for foreseeable losses	-	19,337	-	-
Rental -				
Plant and machinery	**1,290,169**	2,465,662	-	-
Land and buildings	**4,838,035**	4,979,670	**2,393,932**	2,393,932
Office equipment	**9,076**	51,090	-	-
Staff costs (i)	**42,688,669**	43,537,238	**6,004,698**	5,405,506

(i) **Staff costs -**

Wages, salaries and other	**38,023,567**	39,040,085	**5,008,530**	4,493,701
Employees Provident Fund	**4,665,102**	4,497,153	**996,168**	911,805
	42,688,669	43,537,238	**6,004,698**	5,405,506

32. INCOME TAX EXPENSE

	Group	
	31.3.2013	31.3.2012
Continuing operations	**RM**	**RM**
Current income tax		
Malaysian income tax	**614,438**	594,709
Foreign tax	**874,108**	621,030
Under provision in prior years		
Malaysian income tax	**478,617**	2,450,289
	1,967,163	3,666,028
Deferred tax		
Relating to origination and reversal of differences	**(181,000)**	53,428
Total income tax expense	**1,786,163**	3,719,456

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

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

	Group	
	31.3.2013	31.3.2012
	RM	**RM**
(Loss)/Profit before tax from :		
Continuing operations	**(38,426,527)**	14,121,489
Taxation at Malaysian statutory tax rate of 25%	**(9,606,632)**	3,530,372
Income not subject to tax	**(406,319)**	(997,777)
Effect of share of loss/(profit) of associates	**4,928,939**	(2,911,380)
Expenses not deductible for tax purposes	**1,639,766**	5,318,032
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**4,751,792**	734,503
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**-**	(4,404,583)
Under provision of tax expenses in prior years	**478,617**	2,450,289
Income tax expense for the financial year	**1,786,163**	3,719,456

	Company	
	31.3.2013	31.3.2012
	RM	**RM**
Under provision in prior years		
Malaysian income tax	**684,069**	2,515,942
Profit before tax	**32,233,629**	35,378,503
Taxation at Malaysian statutory tax rate of 25%	**8,058,407**	8,844,626
Income not subject to tax	**(10,626,663)**	(12,097,642)
Expenses not deductible for tax purposes	**289,326**	2,959,743
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**2,278,930**	293,273
Under provision of tax expenses in prior years	**684,069**	2,515,942
Income tax expense for the financial year	**684,069**	2,515,942

32. **INCOME TAX EXPENSE (continued)**

	Group		Company	
	31.3.2013	**31.3.2012**	**31.3.2013**	**31.3.2012**
	RM	**RM**	**RM**	**RM**
Tax savings during the financial year arising from :				
Utilisation of current year's tax losses	**1,764,812**	570,163	**1,764,812**	-
Utilisation of previously unrecognised tax losses	**-**	17,618,332	**-**	-

33. **(LOSS)/EARNINGS PER SHARE**

(Loss)/Earnings per share is calculated by dividing (loss)/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.

	31.3.2013	**31.3.2012**
	RM	**RM**
(Loss)/Profit from continuing operations attributable to owners of the Company	**(40,212,690)**	10,402,033
Weighted average number of ordinary shares in issue	**113,914,700**	113,914,700
(Loss)/Earnings per share attributable to owners of the Company (sen)		
Basic	**(35.30)**	9.13

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

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

34. **DIVIDENDS**

	Company	
	31.3.2013	**31.3.2012**
	RM	**RM**
First and final dividend in respect of the financial year 2012, single-tier of 5.0% per share	**5,695,735**	-
First and final dividend in respect of the financial year 2011, single-tier of 5.0% per share	**-**	5,695,735

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 balance sheet date but not recognised as receivable, are as follows :

	31.3.2013	31.3.2012
	RM	RM
Not later than 1 year	**332,929**	247,938
Later than 1 year but not later than 5 years	**649,069**	-
	981,998	247,938

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

36. RELATED PARTY DISCLOSURES

	Group	
	31.3.2013	31.3.2012
	RM	RM
Service rendered by a Director		
Consultant fee charged by		
- Mr Kwok Yoke How	-	99,000
Companies in which certain Directors are deemed to have interests :		
Building materials and spare parts purchased from/(by)		
- Amatir Resources Sdn Bhd	**10,833**	(38,940)
- Imuda Sdn Bhd	**862,650**	-
- Ireka Land Sdn Bhd	-	(502,022)
- Quality Parts Sdn Bhd	**660,907**	640,037
Progress billings on contracts to		
- Amatir Resources Sdn Bhd	**(5,439,209)**	(91,355,924)
- Excellent Bonanza Sdn Bhd	**(57,791,057)**	(45,352,818)
- Ifonda Sdn Bhd	-	(11,521)
- ICSD Ventures Sdn Bhd	**(29,905,438)**	(80,695,893)
- Ireka Land Sdn Bhd	**(2,672,721)**	(9,254,360)
Reimbursement of expenses from/(to)		
- Amatir Resources Sdn Bhd	**(5,499)**	181,663
- Binaderas Sdn Bhd	**1,650**	177,119
- ICSD Ventures Sdn Bhd	**860,998**	(9,243)
- Imuda Sdn Bhd	**546,249**	561,651
- Ireka Land Sdn Bhd	**157,592**	225,545

36. **RELATED PARTY DISCLOSURES (continued)**

	Company	
	31.3.2013	31.3.2012
Subsidiary companies :	RM	RM
Dividend income	(42,500,000)	(43,725,001)
Interest income	(346,178)	(329,449)
Labour charges recoverable	(894,433)	(390,979)
Management fees	(12,683,648)	(12,454,864)
Maintenance fees	131,765	66,433
Rental income	(1,399,200)	(1,508,277)
Transport income	(336,046)	-

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

	Group	
	31.3.2013	31.3.2012
	RM	RM
Included in trade receivables		
Amatir Resources Sdn Bhd	421,623	8,305,759
Hoa Lam - Shangri-la 1 Liability Ltd Co	23,592,713	30,817,186
ICSD Ventures Sdn Bhd	2,917,830	12,043,833
Iringan Flora Sdn Bhd	3,231,768	-
Imuda Sdn Bhd	2,346,317	2,865,386
Inovtecs Sdn Bhd	1,735,938	1,735,937
	34,246,189	55,768,101
Included in trade payables :		
Ireka Land Sdn Bhd	4,048,611	6,073,166
Quality Parts Sdn Bhd	401,957	230,711
	4,450,568	6,303,877

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

Included in the total key management personnel are :

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Directors' remuneration - Note 31	7,320,482	5,646,896	5,350,788	4,414,945

37. **COMMITMENTS**

	Group	
	31.3.2013	31.3.2012
	RM	RM
Authorised and contracted	-	1,754,747
Analysed as follows :		
- Property, plant and equipment	-	1,304,747
- Purchase of freehold land	-	450,000
	-	1,754,747

38. **CONTINGENT LIABILITIES**

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Unsecured -	RM	RM	RM	RM
Claims by former lorry sub-contractors pertaining to the deposits forfeited	-	843,395	-	843,395
Claims by sub-contractor pertaining to the additional work (i)	1,564,081	-	-	-

(i) As arbitral proceedings have not yet been completed and therefore it is not practicable to state the timing of any payment. The Group has been advised by its legal counsel that the Group has a reasonable prospect of success in defending a part of sub-contractor's claims and accordingly no provision for any liability has been made in these financial statements.

39. SEGMENTAL INFORMATION

Primary Reporting - Business segments

	Continuing operations						
	Construction	Property development	Trading and services	Hospitality and leisure	Investment holding	Elimination	Total
31.3.2013	RM	RM	RM	RM	RM	RM	RM
Revenue							
External sales	305,136,851	-	24,195,968	-	599,586	-	329,932,405
Inter-segment sales	4,842,293	-	9,328,505	-	55,638,218	(69,809,016)	-
Total revenue	309,979,144	-	33,524,473	-	56,237,804	(69,809,016)	329,932,405
Result							
Segment result	2,649,838	(820,421)	(519,367)	(25,239)	32,257,504	(44,360,501)	(10,818,186)
Finance costs							(8,376,593)
Interest income							484,009
Share of loss of associates					(19,715,757)		(19,715,757)
Loss before tax							(38,426,527)
Income tax expense							(1,786,163)
Loss for the year							(40,212,690)

Information about a major customer

Revenue from major customer amounted to RM210,279,566 (31.3.2012 - RM232,093,475), arising from revenue earned by the construction segment.

39. **SEGMENTAL INFORMATION (continued)**

Primary Reporting - Other information

	Continuing operations							Discontinued operation	Per consolidated financial statements
	Construction	Property development	Trading and services	Hospitality and leisure	Investment holding	Elimination	Total		Total
31.3.2013	RM	RM	RM	RM	RM	RM	RM	RM	RM
Other information									
Segment assets	227,751,756	46,206,197	31,420,311	39,124	228,399,402	(21,852,407)	511,964,383	6	511,964,389
Segment liabilities	267,213,319	28,269,754	11,565,776	7,550	26,108,818	(13,179)	333,152,038	-	333,152,038
Additions to non-current assets :									
Property, plant and equipment	3,293,605	3,844	4,856,864	-	49,142	(621,180)	7,582,275	-	7,582,275
Investment properties	-	-	-	-	436,737	-	436,737	-	436,737
Land held for property development	-	2,077,451	-	-	-	-	2,077,451	-	2,077,451
Depreciation	4,168,889	3,162	562,089	-	793,445	-	5,527,585	-	5,527,585
Impairment loss	-	-	-	-	1,170,817	-	1,170,817	-	1,170,817

39. **SEGMENTAL INFORMATION (continued)**

Primary Reporting - Business segments

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

39. **SEGMENTAL INFORMATION (continued)**

Primary Reporting - Other information

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

39. **SEGMENTAL INFORMATION (continued)**

Geographical information

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

	Revenue		**Non-current assets**	
	31.3.2013	**31.3.2012**	**31.3.2013**	**31.3.2012**
	RM	**RM**	**RM**	**RM**
Malaysia	**257,162,347**	397,875,566	**269,101,947**	286,870,918
Vietnam	**72,770,058**	32,014,019	**1,433,456**	2,314,671
	329,932,405	429,889,585	**270,535,403**	289,185,589

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

	Malaysia	**Vietnam**	**Malaysia**	**Vietnam**
	31.3.2013		**31.3.2012**	
	RM	**RM**	**RM**	**RM**
Property, plant and equipment	**56,903,958**	**195,988**	55,496,013	236,453
Investment properties	**23,799,120**	-	25,161,611	-
Investment in associates	**148,818,987**	-	168,534,741	-
Others investments	**275,500**	**1,237,468**	631,622	2,078,218
Land held for property development	**39,124,382**	-	37,046,931	-
Deferred tax assets	**180,000**	-	-	-
	269,101,947	**1,433,456**	286,870,918	2,314,671

40. **FINANCIAL INSTRUMENTS**

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

(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.

40. **FINANCIAL INSTRUMENTS (continued)**

(a) **Foreign currency risk (continued)**

Currency profile of major financial assets and liabilities

		Denominated in other than functional currencies			Denominated in functional currencies	
	US Dollar	**VND**	**GBP**	**SGD**		**Total**
Group						
31.3.2013						
Other investments	-	1,237,468	-	-	275,500	1,512,968
Trade and other receivables	-	2,284,599	-	-	128,398,644	130,683,243
Cash and bank balances	206,554	229,792	2,453	128,446	16,095,277	16,662,522
	206,554	3,751,859	2,453	128,446	144,769,421	148,858,733
31.3.2012						
Other investments	-	2,078,218	-	-	631,622	2,709,840
Trade and other receivables	-	391,519	-	-	191,861,167	192,252,686
Cash and bank balances	1,674,827	1,961,345	-	125,746	36,422,959	40,184,877
	1,674,827	4,431,082	-	125,746	228,915,748	235,147,403
Company						
31.3.2013						
Cash and bank balances	128,471	1,404	-	-	3,018,712	3,148,587
31.3.2012						
Cash and bank balances	1,358,382	1,819	-	-	3,625,836	4,986,037

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

40. **FINANCIAL INSTRUMENTS (continued)**

(a) **Foreign currency risk (continued)**

Sensitivity analysis for foreign currency risk

At 31 March 2013, 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 RM408,931/(RM408,931) (31.3.2012 - RM623,166/(RM623,166)) and the Company's profit and loss and equity would have been RM12,987/(RM12,987) (31.3.2012 - RM136,020/(RM136,020)).

(b) **Interest rate risk**

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

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

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

Exposure to interest rate risk

	Group		Company	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM	RM	RM	RM
Fixed rate instruments:				
Financial assets	-	-	8,863,556	7,511,978
Financial liabilities	7,373,499	8,312,631	324,382	656,431
Floating rate instruments:				
Financial assets	16,662,522	40,184,877	3,148,587	4,986,037
Financial liabilities	144,145,932	167,195,965	1,803,126	2,004,348

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 2013, 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 RM956,126/(RM956,126) (31.3.2012 - RM952,583/(RM952,583)) and the Company's profit and loss and equity would have been RM10,091/(RM10,091) (31.3.2012 - RM22,363/(RM22,363)).

40. **FINANCIAL INSTRUMENTS (continued)**

(c) **Credit risk**

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

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

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

The maximum exposure to credit risk amounted to RM23,679,920 (31.3.2012 - RM3,250,671) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

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

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

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

40. FINANCIAL INSTRUMENTS (continued)

(c) Credit risk (continued)

(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 29% (31.3.2012 - 34%) 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

At 31 March 2013, if the Vietnam Ho Chi Minh Stock Index had been 10% higher/lower, with all other variables held constant, the Group's other reserve in equity would have been RM123,747 - (31.3.2012 – RM207,822) higher/lower, as a result of an increase/(decrease) in the fair value of equity instruments classified as available-for-sale. As at the reporting date, the impact of changes in 10% in Vietnam Ho Chi Minh Stock Index, with all other variables held constant, is insignificant to the Group's profit and loss and equity.

(e) Liquidity and cash flow risks

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months with the objective of ensuring adequate funds to meet commitments associated with its financial liabilities. When funds are sought, the Group balances the costs and benefits of equity and debt financing against the construction contracts to be undertaken. At 31 March 2013, the Group's borrowings to fund the construction had tenors of less than five years.

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

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

40. **FINANCIAL INSTRUMENTS (continued)**

(e) **Liquidity and cash flow risks (continued)**

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

		WAEIR	On demand or within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
As at 31.3.2013	**Note**	**%**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Group									
Financial liabilities									
Fixed rate									
Hire purchase and finance lease liabilities	24	6.44	4,251,388	2,147,550	501,285	473,276	-	-	7,373,499
Floating rate									
Bank overdrafts	24	7.66	26,490,929	-	-	-	-	-	26,490,929
Revolving credits	24	5.94	33,620,374	-	-	-	-	-	33,620,374
Trade finance	24	5.37	24,888,000	-	-	-	-	-	24,888,000
Term loans	24	6.57	14,797,338	12,928,392	12,928,392	10,247,770	5,282,792	2,961,945	59,146,629
Trade and other payables	26		161,809,053	-	-	-	-	-	161,809,053
Total undiscounted financial liabilities			261,605,694	12,928,392	12,928,392	10,247,770	5,282,792	2,961,945	305,954,985
Company									
Fixed rate									
Hire purchase and finance lease liabilities	24	4.66	187,220	130,677	6,485	-	-	-	324,382
Floating rate									
Bank overdrafts	24	7.47	788,507	-	-	-	-	-	788,507
Revolving credits	24	6.63	1,014,619	-	-	-	-	-	1,014,619
Other payables	26		5,640,903	-	-	-	-	-	5,640,903
Total undiscounted financial liabilities			7,444,029	-	-	-	-	-	7,444,029

40. **FINANCIAL INSTRUMENTS (continued)**

(e) **Liquidity and cash flow risks (continued)**

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

		WAEIR	On demand or within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
As at 31.3.2012	**Note**	**%**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Group									
Financial liabilities									
Fixed rate									
Hire purchase and finance lease liabilities	24	5.64	4,900,092	2,424,945	919,888	33,119	34,587	-	8,312,631
Floating rate									
Bank overdrafts	24	8.79	6,902,082	-	-	-	-	-	6,902,082
Revolving credits	24	5.40	75,481,330	-	-	-	-	-	75,481,330
Trade finance	24	4.59	25,110,000	-	-	-	-	-	25,110,000
Term loans	24	6.29	25,098,449	7,290,614	7,290,614	7,290,614	5,174,038	7,558,224	59,702,553
Trade and other payables	26		175,345,924	-	-	-	-	-	175,345,924
Total undiscounted financial liabilities			307,937,785	7,290,614	7,290,614	7,290,614	5,174,038	7,558,224	342,541,889
Company									
Fixed rate									
Hire purchase and finance lease liabilities	24	4.57	350,665	185,768	119,998	-	-	-	656,431
Floating rate									
Bank overdrafts	24	7.04	989,454	-	-	-	-	-	989,454
Revolving credits	24	6.67	1,014,894	-	-	-	-	-	1,014,894
Other payables	26		3,654,024	-	-	-	-	-	3,654,024
Total undiscounted financial liabilities			5,658,372	-	-	-	-	-	5,658,372

40. FINANCIAL INSTRUMENTS (continued)

(f) Fair values

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

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

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

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

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

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

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

	31.3.2013		31.3.2012	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Group	**RM**	**RM**	**RM**	**RM**
Hire purchase and finance lease	**7,373,499**	**7,709,113**	8,312,631	9,505,682
Company				
Hire purchase and finance lease	**324,382**	**361,653**	656,431	720,300

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

40. **FINANCIAL INSTRUMENTS (continued)**

(f) **Fair values (continued)**

Non-derivative financial liabilities

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

Interest rate used to determine fair value

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

	31.3.2013	31.3.2012
	%	%
Hire purchase and finance lease liabilities	**4.53 - 10.00**	4.61 - 10.87

41. **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 2013 and 31 March 2012.

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	
		31.3.2013	31.3.2012	31.3.2013	31.3.2012
	Note	RM	RM	RM	RM
Bank borrowings	24	**151,519,431**	175,508,596	**2,127,508**	2,660,779
Less : Cash and cash equivalents	20	**(16,662,522)**	(40,184,877)	**(3,148,587)**	(4,986,037)
Net debt		**134,856,909**	135,323,719	**(1,021,079)**	(2,325,258)
Equity attributable to the owners of the Company		**178,812,351**	224,844,180	**203,714,947**	177,861,122
Capital and net debt		**313,669,260**	360,167,899	**202,693,868**	175,535,864
Gearing ratio (net cash)		**0.75**	0.60	**-**	-

42. SUBSEQUENT EVENTS

On 14 June 2013, the Board of Directors of the Company had received a letter from Olymvest Sdn Bhd, on behalf of the major shareholders of the Company and parties in concert, requesting the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Proposed SCR"). The Proposed SCR entails a capital repayment of the proposed cash amount of RM0.90 per ordinary share of RM1.00 each in the Company held by the non-interested shareholders of the Company.

On 27 June 2013, the Board had decided to present the Proposed SCR to the shareholders of the Company for their consideration.

Subsequently, on behalf of the Board of Directors of the Company, RHB Investment Bank Berhad announced that the application in relation to the Proposed SCR has been submitted to the Securities Commission Malaysia on 10 July 2013.

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

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

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

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2013 and 31 March 2012, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

	Group		Company	
	31.3.2013	**31.3.2012**	**31.3.2013**	**31.3.2012**
	RM	**RM**	**RM**	**RM**
The retained earnings of the Company and its subsidiaries :				
- Realised	**66,732,708**	93,138,274	**68,539,287**	42,685,462
- Unrealised	**(3,030,602)**	(3,243,500)	**(610,000)**	(610,000)
	63,702,106	89,894,774	**67,929,287**	42,075,462
The shares of accumulated losses of its associates :				
- Realised	**(20,108,947)**	(4,780,619)	**-**	-
- Unrealised	**(124,068)**	4,263,361	**-**	-
	(20,233,015)	(517,258)	**-**	-
Total retained earnings	**43,469,091**	89,377,516	**67,929,287**	42,075,462

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

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

Company No. 25882-A

APPENDIX V

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2014

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2014

	Unaudited Current Year Quarter 31.3.2014 RM'000	Unaudited Preceding Year Corresponding Quarter 31.3.2013 RM'000	**Unaudited Current Year To Date 31.3.2014 RM'000**	Unaudited Preceding Year Corresponding Period 31.3.2013 RM'000
Revenue	**94,377**	55,625	**289,232**	331,796
Cost of sales	**(88,002)**	(53,286)	**(257,200)**	(300,712)
Gross profit	**6,375**	2,339	**32,032**	31,084
Other income	**2,291**	1,440	**6,043**	4,135
Expenses	**(15,611)**	(17,654)	**(40,357)**	(42,387)
Operating loss	**(6,945)**	(13,875)	**(2,282)**	(7,168)
Finance costs	**(2,508)**	(2,521)	**(8,543)**	(8,773)
Share of loss of associates	**(3,963)**	(17,130)	**(15,415)**	(19,716)
Loss before tax	**(13,416)**	(33,526)	**(26,240)**	(35,657)
Income tax expense	**(710)**	192	**(2,111)**	(1,765)
Loss for the year	**(14,126)**	(33,334)	**(28,351)**	(37,422)
Other comprehensive (loss)/income:-				
Currency translation differences	**(4)**	98	**244**	(5)
Total comprehensive loss for the year	**(14,130)**	(33,236)	**(28,107)**	(37,427)
Loss attributable to:-				
Owners of the Company	**(14,126)**	(33,334)	**(28,351)**	(37,422)
Non-controlling interest	-	-	-	-
	(14,126)	(33,334)	**(28,351)**	(37,422)
Total comprehensive loss attributable to:-				
Owners of the Company	**(14,130)**	(33,236)	**(28,107)**	(37,427)
Non-controlling interest	-	-	-	-
	(14,130)	(33,236)	**(28,107)**	(37,427)
Loss per share attributable to owners of Company:-				
- basic (sen)	**(12.40)**	(29.26)	**(24.89)**	(32.85)
- diluted (sen)	**N/A**	N/A	**N/A**	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating loss	**(6,945)**	(13,875)	**(2,282)**	(7,168)
Gross interest income	**48**	81	**269**	484
Gross interest expense	**2,508**	2,521	**8,543**	8,773

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Financial Position as at 31 March 2014

	Unaudited As At 31.3.2014 RM'000	Audited As At 31.3.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	**60,076**	57,100
Investment properties	**19,159**	23,799
Investment in associates	**131,987**	148,819
Other investments	**2,378**	1,513
Land held for property development	**43,721**	39,124
Deferred tax assets	**-**	180
	257,321	270,535
Current assets		
Property development costs	**34,946**	30,780
Inventories	**16,429**	11,058
Trade and other receivables	**140,903**	130,683
Amounts due from customers on contracts	**42,679**	37,369
Amounts due from associates	**14,877**	14,876
Cash and cash equivalents	**36,421**	16,663
	286,255	241,429
TOTAL ASSETS	**543,576**	511,964
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	**113,915**	113,915
Reserves	**36,791**	64,898
	150,706	178,813
Non-controlling interest	**-**	-
Total equity	**150,706**	178,813
Non-current liabilities		
Borrowings	**49,577**	47,471
Deferred tax liabilities	**3,241**	3,242
	52,818	50,713
Current liabilities		
Provision	**14,000**	14,000
Trade and other payables	**184,645**	161,809
Borrowings	**86,815**	77,557
Overdrafts	**52,734**	26,491
Amounts due to customers on contracts	**156**	-
Tax payable	**1,702**	2,581
	340,052	282,438
Total liabilities	**392,870**	333,151
TOTAL EQUITY AND LIABILITIES	**543,576**	511,964

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	**1.32**	1.57

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2014 (Cont'd)

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 March 2014

	<---- Attributable to owners of the Company ---->						
	<---- Non-distributable ----			<-Distributable->			
12 months ended 31.3.2014 (Unaudited)	**Share Capital RM'000**	**Share Premium RM'000**	**Foreign Currency Translation Reserve RM'000**	**Retained Earnings RM'000**	**Total Equity Attributable to Owners of the Company RM'000**	**Non-Controlling Interest RM'000**	**(Unaudited) Total Equity RM'000**
Balance as at 1.4.2013	113,915	21,871	(442)	43,469	178,813	-	178,813
Total comprehensive loss for the year	-	-	244	(28,351)	(28,107)	-	(28,107)
Balance as at 31.3.2014	113,915	21,871	(198)	15,118	150,706	-	150,706

	<---- Attributable to owners of the Company ---->						
	<---- Non-distributable ---->			<-Distributable->			
12 months ended 31.3.2013 (Unaudited)	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
Balance as at 1.4.2012	113,915	21,871	(319)	89,377	224,844	-	224,844
Total comprehensive loss for the year	-	-	(5)	(37,422)	(37,427)	-	(37,427)
Dividends	-	-	-	(5,696)	(5,696)	-	(5,696)
Balance as at 31.3.2013	113,915	21,871	(324)	46,259	181,721	-	181,721

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Cash Flows for the financial year ended 31 March 2014

	Unaudited Current Year To Date 31.3.2014 RM'000	Unaudited Preceding Year Corresponding Period 31.3.2013 RM'000
Cash flows from operating activities		
Loss before tax	(26,240)	(35,657)
Adjustments for:		
Bad debts written off	2,581	6,006
Depreciation of property, plant and equipment	5,819	5,536
Property, plant and equipment written off	388	96
Gain on disposal of property, plant and equipment	(1,524)	(570)
Gain on disposal of investment properties	(1,356)	(921)
(Reversal of impairment)/impairment loss on other investments	(865)	841
Loss on disposal of other investments	-	24
Share of loss of associates	15,415	19,716
Interest expense	8,543	8,773
Interest income	(269)	(484)
Operating profit before changes in working capital	2,492	3,360
Working capital changes:		
Inventories	(5,371)	(16)
Receivables	(12,830)	50,549
Property development costs	(4,166)	(5,228)
Amount due from customers on contracts	(5,154)	(13,362)
Amount due from associates	(1)	(3,360)
Payables	24,558	(11,139)
Cash (used in)/generated from operations	(472)	20,804
Income tax paid	(2,852)	(157)
Net cash (used in)/generated from operating activities	(3,324)	20,647
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,525)	(3,272)
Purchase of investment properties	(46)	(8)
Proceeds from disposal of property, plant and equipment	1,922	727
Proceeds from disposal of investment properties	6,042	2,720
Land held for property development	(4,597)	(2,078)
Proceeds from disposal of other investments	-	2
Interest received	269	484
Net cash used in investing activities	(935)	(1,425)
Cash flows from financing activities		
Dividends paid to shareholders	-	(5,696)
Hire purchase principal repayments	(3,911)	(5,203)
Interest paid	(8,543)	(8,773)
Drawdown of bank borrowings	104,175	91,748
Repayment of bank borrowings	(93,947)	(134,409)
Net cash used in financing activities	(2,226)	(62,333)
Net decrease in cash and cash equivalents	(6,485)	(43,111)
Cash and cash equivalents as at beginning of financial year	(9,828)	33,283
Cash and cash equivalents as at end of financial year	(16,313)	(9,828)
Cash and cash equivalents as at end of financial year comprise the followings:-		
Cash and bank balances	36,421	16,663
Overdrafts	(52,734)	(26,491)
	(16,313)	(9,828)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD (Company No. 25882-A)
NOTES TO THE QUARTERLY RESULTS

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad.*

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2013. The explanatory notes attached to the unaudited interim financial report provide explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2013.

The Malaysian Accounting Standard Board has given the Transitioning Entities the option to continue to apply the Financial Reporting Standards framework until 31 December 2014. The Group is a Transitioning Entities due to its involvement in the development and construction of real estate. The Group shall adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standards from financial year beginning 1 April 2015.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2013.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2013 was not subject to any qualification.

A4 Seasonality or Cyclicality of Operations

The Group's business operations are not materially affected by seasonal or cyclical factors for the current quarter under review.

A5 Unusual Significant Items

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period-to-date that are unusual because of their nature, size or incidence.

A6 Material Changes in Estimates

There were no significant changes in estimates that have had a material effect in the financial year-to-date results.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the financial year-to-date.

IREKA CORPORATION BERHAD (Company No. 25882-A)

A8 Dividend Paid

No dividend was paid during the financial quarter ended 31 March 2014.

A9 Segmental Information

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
Segment Revenue				
Revenue				
Construction	**85,536**	54,168	**253,508**	309,760
Property development	**10,167**	-	**31,499**	-
Property investment	**336**	278	**1,151**	1,054
Trading and services	**7,977**	8,716	**31,207**	34,674
Investment holding and other	**45,671**	45,614	**55,184**	54,955
Total	**149,687**	108,776	**372,549**	400,443
Elimination of inter-segment sales	**(55,310)**	(53,151)	**(83,317)**	(68,647)
Total	**94,377**	55,625	**289,232**	331,796

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
Segment Results				
Loss before tax				
Construction	**(3,361)**	(7,626)	**(11,246)**	(4,453)
Property development	**(980)**	(631)	**4,959**	(814)
Property investment	**(167)**	585	**(213)**	(370)
Trading and services	**(1,310)**	(179)	**(1,523)**	(682)
Investment holding and other	**(7,598)**	(25,675)	**(18,217)**	(29,338)
Total	**(13,416)**	(33,526)	**(26,240)**	(35,657)

A10 Carrying Amount of Revalued Property, Plant and Equipment

The Group does not state any assets based on valuation of its property, plant and equipment.

A11 Material Subsequent Events

There were no material events subsequent to the end of the current quarter.

IREKA CORPORATION BERHAD (Company No. 25882-A)

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

A13 Contingent Assets and Liabilities

(a) Contingent Assets

There were no contingent assets as at the end of the current quarter or at the preceding annual statement of financial position date.

(b) Contingent Liabilities

	Financial Year Ended 31.3.2014 RM	Financial Year Ended 31.3.2013 RM
(i) Corporate guarantees for credit facilities granted to the Group	**48,012,635**	23,679,920

A14 Capital Commitments

There were no capital commitments as at the end of the current quarter.

IREKA CORPORATION BERHAD (Company No. 25882-A)
BURSA SECURITIES LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of Performance

(a) Performance of Current Period against the Preceding Year Corresponding Period

For the financial year ended 31 March 2014, the Group recorded revenue of RM289.232 million as compared to RM331.796 million for the preceding year. Revenue for the current year is substantially attributable to the construction segment of the Group.

The revenue achieved by the construction segment is significantly lower at RM253.508 million in the current year, compared to RM309.760 million in the preceding year corresponding period, due to completion of major contracts and slow start of its new projects. Contribution for the current year came mostly from its local operations.

The property development segment recorded revenue of RM31.499 million (31 March 2013: RM Nil) for the current year which was attributable to Kasia Greens, a residential development consisting of 142 units of 2-storey and 3-storey terrace and superlink landed houses located at Nilai. The project was launched in June 2013 and has since achieved about 96% sales. Construction commenced in March 2013 and expected to complete in April 2015.

The trading and services segment comprised mainly of IT Solutions divisions and property development management. The latter contributed to the higher revenue recorded in the current year under review.

For the financial year ended 31 March 2014, the Group recorded a lower pre-tax loss of RM26.240 million (31 March 2013: Pre-tax loss of RM35.657 million). The current result included a share of loss of Aseana Properties Limited ("ASPL") (a 23.07% associate of Ireka) of RM13.469 million (31 March 2013: Loss of RM19.073 million); a share of loss of Urban DNA Sdn. Bhd. ("Urban DNA") (a 30% associate of Ireka) of RM1.946 million (31 March 2013: Loss of RM0.640 million); a mark-to-market gain on share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM0.865 million (31 March 2013: mark-to-market loss of RM0.841 million); bad debts written off from trade receivables of RM2.581 million (31 March 2013: RM6.006 million); and a payment for Liquidated and Ascertained Damages arising from late in delivery of a project of RM4.861 million (31 March 2013: RM0.427 million).

ASPL's losses were largely due to operating losses of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, and pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel and City International Hospital which commenced operation in March 2013 and September 2013 respectively. These operating assets were expected to record losses, mostly attributable to financing costs, during their initial years of operation.

IREKA CORPORATION BERHAD (Company No. 25882-A)

The construction segment recorded a loss of RM11.246 million (31 March 2013: Loss of RM4.453 million) due to 18% drop in revenue of RM56.252 million compared to preceding year corresponding period. The lower revenue was due to completion of major contracts and slow start of its new projects during the period. Fixed costs, particularly salaries and wages, have not reduced proportionately resulting in losses in the construction subsidiaries. The result was also affected by a payment for Liquidated and Ascertained Damages arising from late in delivery of a project of RM4.861 million.

The property development segment recorded a profit of RM4.959 million (31 March 2013: Loss of RM0.814 million) which was mainly attributable to Kasia Greens.

(b) Performance of Current Quarter against the Preceding Year Corresponding Quarter

The Group achieved higher revenue of RM94.377 million in the current quarter as compared to RM55.625 million in the preceding year corresponding quarter. This was mainly due to higher contribution by its construction and property development segments in the current quarter. The construction segment recorded much lower revenue in the preceding year corresponding quarter due to completion of major contracts.

For the financial quarter ended 31 March 2014, the Group recorded a pre-tax loss of RM13.416 million, as compared to a pre-tax loss of RM33.526 million in the preceding year corresponding quarter. The loss was attributable to a share of loss of ASPL of RM2.718 million (Q4 2013: Loss of RM16.555 million); a share of loss of Urban DNA of RM1.244 million (Q4 2013: Loss of RM0.574 million); bad debts written off of RM2.581 million (Q4 2013: RM6.004 million); and loss of RM3.361 million generated by its construction segment (Q4 2013: Loss of RM7.626 million).

B2 Material Change in the Quarterly Results compared to the Results of Immediate Preceding Quarter

The Group recorded a higher revenue of RM94.377 million in the fourth quarter of financial year ended 31 March 2014, compared to RM83.537 million in the immediate preceding quarter; and a pre-tax loss of RM13.416 million compared to a pre-tax profit RM1.632 million in the last quarter.

The higher revenue achieved in the current quarter was mainly due to more construction work achieved. Pre-tax loss for the current quarter included a share of loss of ASPL of RM2.718 million (Q3 2014: Loss of RM0.052 million); a share of loss of Urban DNA of RM1.244 million (Q3 2014: RM Nil); bad debts written off of RM2.581 million (Q3 2014: RM Nil); and a loss of RM3.361 million generated by its construction segment (Q3 2014: Loss of RM2.944 million).

IREKA CORPORATION BERHAD (Company No. 25882-A)

B3 Prospects for the Current Financial Year

On the construction front, the Group has tendered for about RM2 billion worth of contracts over the last twelve months.

As at end 31 March 2014, the Group's order book stood at about RM1.3 billion, of which about RM912 million remained outstanding. Barring unforeseen circumstances, the Group is hopeful that it will secure more construction contracts in the coming few months. Therefore, we expect stronger contribution from the construction segment going forward.

On the property development front, the Group is actively working on four projects comprising residential, mixed commercial and industrial developments. Two projects, namely The RuMa Hotel and Residences, KLCC ("The RuMa") and Kasia Greens, Nilai were launched for sale in March and June 2013 respectively. Both projects have achieved encouraging sales and Kasia Greens is expected to contribute positively to the revenue and earnings of the Group in the current financial year. The RuMa is 70% owned by ASPL and 30% by the Company. ASPL adopted IFRIC 15 – Agreements for Construction of Real Estate, which prescribes that revenue be recognised only when the properties are completed and occupancy permits are issued. Hence, we expect The RuMa to contribute to the results of the Group only in FY2017.

On the corporate front, the Company has obtained all approvals from authorities and shareholders to implement the proposed rights issue with warrants as stated in Note B7 below. The Company expects to raise about RM37 million in July 2014 and about RM57 million should all the warrants be exercised during the next 5 years. The injection of fresh capital in the Company will strengthen the financial position of the Company, lower gearing and support its future growth.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ended 31 March 2014.

IREKA CORPORATION BERHAD (Company No. 25882-A)

B5 Loss for the Year

Included in loss for the year are:-

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2014 RM'000	**31.3.2013 RM'000**	**31.3.2014 RM'000**	**31.3.2013 RM'000**
Bad debts written off	**2,581**	6,004	**2,581**	6,006
Depreciation of property, plant and equipment	**1,745**	1,648	**5,819**	5,536
Property, plant and equipment written off	**277**	96	**388**	96
(Reversal of impairment)/ impairment loss on other investments	**(507)**	(331)	**(865)**	841
Interest expense	**2,508**	2,521	**8,543**	8,773
Loss on disposal of other investments	**-**	24	**-**	24
Net foreign exchange loss/(gain)	**40**	72	**(299)**	50
Gain on disposal of property, plant and equipment	**(1,013)**	(3)	**(1,524)**	(570)
Gain on disposal of investment properties	**-**	(921)	**(1,356)**	(921)
Interest income	**(48)**	(81)	**(269)**	(484)

Other than the above items, there were no exceptional items for the current quarter and financial year ended 31 March 2014.

B6 Taxation

The taxation for the current quarter and year-to-date are as follows:-

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2014 RM'000	**31.3.2013 RM'000**	**31.3.2014 RM'000**	**31.3.2013 RM'000**
Malaysian income tax	**(531)**	177	**(1,818)**	(409)
Overseas income tax	**-**	14	**(114)**	(1,357)
Deferred tax	**(179)**	1	**(179)**	1
	(710)	192	**(2,111)**	(1,765)

The effective tax rates of the Group for the current quarter and for the year were lower than the statutory tax rate due to losses suffered by certain subsidiaries and also utilisation of tax losses brought forward by the Company and its subsidiaries.

IREKA CORPORATION BERHAD (Company No. 25882-A)

B7 Status of Corporate Proposals

Saved as disclosed below, there are no other corporate proposals that are pending for completion:-

On 27 February 2014, on behalf of the Board of Directors of the Company, RHB Investment Bank Berhad announced that the Company proposed to undertake a renounceable two-call rights issue of 56,957,350 new ordinary shares of RM1.00 each in Ireka ("Ireka Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every two (2) existing Ireka Shares held on an entitlement date to be determined later ("Entitlement Date"), together with 56,957,350 free detachable warrants ("Warrant(s)") on the basis of one (1) Warrant for every one (1) Rights Share subscribed by the shareholders of Ireka, at an indicative issue price of RM1.00, of which the indicative first call of RM0.65 would be payable in cash on application and the indicative second call of RM0.35 to be capitalised from the Company's share premium reserve ("Proposed Two-Call Rights Issue with Warrants").

Subsequently, on behalf of the Board of Directors of the Company, RHB Investment Bank Berhad announced the following:-

(a) The Company proposed to amend its Articles of Association to facilitate the Proposed Two-Call Rights Issue with Warrants ("Proposed Amendment") on 14 March 2014;

(Proposed Two-Call Rights Issue with Warrants and Proposed Amendment collectively referred to as the "Proposals")

(b) The application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 14 March 2014; and

(c) Bursa Securities had vide its letter dated 3 April 2014, approved the Proposals subject to the conditions as stated in the announcement.

The Proposals were approved by shareholders at an extraordinary general meeting of the Company held on 16 May 2014.

On 19 May 2014, the Company announced that the entitlement date for the rights issue with warrants would be on 2 June 2014. The issue price of the Rights Shares was fixed at RM1.00 per Rights Share, of which the first call price of RM0.65 would be payable in cash on application and the second call of RM0.35 would be capitalised from the share premium. The exercise price of the Warrants was fixed at RM1.00 each.

The Proposed Two-Call Rights Issue with Warrants is expected to be completed on 1 July 2014.

IREKA CORPORATION BERHAD (Company No. 25882-A)

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2014 are as follows:-

		RM'000
(a)	Short term borrowings	
	Secured:-	
	Term loans	2,795
	Project loans/revolving credit	32,786
	Hire purchase/leasing	3,573
	Trade finance	24,526
	Bank overdraft	51,948
	Revolving credit	22,120
		137,748
	Unsecured:-	
	Bank overdraft	786
	Revolving credit	1,015
		139,549
(b)	Long term borrowings	
	Secured:-	
	Term loans	28,158
	Project loans	16,483
	Hire purchase/leasing	4,936
		49,577
(c)	Total borrowings	189,126

Bank borrowings of the Group are denominated in Malaysian Ringgit.

B9 Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the retained earnings/(accumulated losses) of the Group as at 31 March 2014, into realised and unrealised profits/(losses) is as follows:-

	31.3.2014 RM'000	31.3.2013 RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	**55,424**	66,733
- Unrealised	**(4,658)**	(3,031)
	50,766	63,702
The share of accumulated losses of its associates:-		
- Realised	**(38,286)**	(20,109)
- Unrealised	**2,638**	(124)
	(35,648)	(20,233)

IREKA CORPORATION BERHAD (Company No. 25882-A)

	31.3.2014 RM'000	31.3.2013 RM'000
Total retained earnings	**15,118**	43,469

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

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

B10 Material Litigations

The Group was not engaged in any material litigation as at 23 May 2014.

B11 Dividend Proposed

The Board of Directors has not proposed any payment of dividend for the current quarter ended 31 March 2014.

B12 Loss per Share

		Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
		31.3.2014	**31.3.2013**	**31.3.2014**	**31.3.2013**
(a)	Basic				
	Loss for the period attributable to owners of the Company (RM'000)	**(14,126)**	(33,334)	**(28,351)**	(37,422)
	Weighted average number of ordinary shares	**113,914,700**	113,914,700	**113,914,700**	113,914,700
	Basic loss per share (sen)	**(12.40)**	(29.26)	**(24.89)**	(32.85)
(b)	Diluted Earnings	**N/A**	N/A	**N/A**	N/A

The Company has not issued any Employees Share Options or convertible instruments that have effects on its basic earnings.

By Order of the Board
IREKA CORPORATION BERHAD
WONG YIM CHENG
Company Secretary
Kuala Lumpur
29 May 2014

Date: 21 MAY 2014

To: The Shareholders of Ireka Corporation Berhad ("Ireka" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of Ireka ("Board"), I wish to report that after making due enquiries in relation to Ireka and its subsidiary companies ("Group") during the period between 31 March 2013, being the date on which the latest audited consolidated financial statements have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this AP, that:-

(a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;

(b) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;

(c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;

(d) save as disclosed in this AP, there have been no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(e) there have been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group since the last audited consolidated financial statements of Ireka; and

(f) there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of Ireka.

Yours faithfully,
For and on behalf of the Board
IREKA CORPORATION BERHAD

DATUK LAI SIEW WAH
Managing Director

Ireka Corporation Berhad (25882-A) Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Malaysia
T +603.6411.6388 **F** +603.6411.6383 **W** www.ireka.com.my

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares, Warrants and the new Shares to be issued pursuant to the exercise of the Warrants, no securities shall be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.

(ii) As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.

(iii) All the Rights Shares and the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up ordinary share capital, save and except that such Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of such Shares.

(iv) As at the date of this AP, save for the warrantholders who are entitled to exercise their rights for each Warrant held and the Entitled Shareholders who will be provisionally allotted the Rights Shares together with Warrants under the Rights Issue with Warrants, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries.

(v) Save for the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants, none of our securities have been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash, within two (2) years immediately preceding the date of this AP.

2. DIRECTORS' REMUNERATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:-

Article 99

The fees of the directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:-

(a) fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) salaries payable to executive directors may not include a commission on or percentage of turnover;

(c) fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

(d) any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.

Article 100

(1) The directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors.

(2) If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the directors may pay him special remuneration, in addition to his director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Article 129

The remuneration of the Managing director shall subject to the terms of any agreement entered into in any particular case and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years immediately preceding the date of this AP:-

(i) On 19 May 2014, our Company had executed the Deed Poll in relation to the Warrants to be issued pursuant to the Rights Issue with Warrants upon terms and conditions therein contained.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and there are no proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business operations of our Group.

5. GENERAL

(i) There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

(ii) Save as disclosed in this AP, after having made all reasonable enquiries and to the best knowledge of the Board, the financial conditions and operations of our Group are not affected by any of the following:-

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

(b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of fundings;

(c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;

(d) known trends or uncertainties which have had or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(e) substantial increase in revenue; and

(f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Adviser, Company Secretary, Principal Bankers, Share Registrar, Bloomberg and the Solicitors for the Rights Issue with Warrants have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto, in the form and context in which they appear in this AP.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names, the letter on the proforma consolidated statements of financial position of our Group as at 31 March 2013, the audited consolidated financial statements of our Group for the FYE 31 March 2013, and all references thereto, in the form and context in which they appear in this AP.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at the registered office of our Company at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this AP:-

(i) Our Memorandum and Articles of Association;

(ii) The Deed Poll constituting the Warrants;

(iii) Our audited consolidated financial statements for the past two (2) financial years up to the FYE 31 March 2013 and the latest unaudited consolidated results for the FYE 31 March 2014;

(iv) The proforma consolidated statements of financial position of our Group as at 31 March 2013 together with the notes and Reporting Accountants' letter thereon as set out in **Appendix III** of this AP;

(v) Our Directors' Report as set out in **Appendix VI** of this AP;

(vi) The consent letters referred to in **Section 6** of this Appendix VII; and

(vii) The Entitlement Undertakings letters from ILHSB and MRSB and the Additional Undertaking letter by MRSB as referred to in **Section 8** of this AP.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

RHB Investment Bank, being the Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.