



BREM HOLDING BERHAD (66756-P)
Incorporated In Malaysia

Solid Foundation for Sustained Growth

Annual Report 2016

BUILD, BALANCE, BEYOND.

is Brem's motto fostering and steering our team forward holding fast to our beliefs. The success stories of the Group with remarkable project track record lie in its strength of experienced management team, construction expertise and commitment to quality.

BUILD To Build is our expertise

The Group has vast construction experiences and has successfully undertaken a wide variety of projects for both the Government and Private sectors, ranging from road works and a variety of infrastructure projects to drainage and sewerage works, construction of residential, commercial and industrial buildings. The team is moulded to be ready to take on any form of construction work with what is in our gene.

BALANCE Balance in innovation and affordability

With innovative mind in fulfilling commitments, we are able to manage and juggle well every major aspect of our businesses including sustainable development and shareholders' welfares, and at the same time have enabled many families' dream home come true by making available affordable homes.

BEYOND Beyond with sustainable development in mind

Green ideas are in our mind. As a caring Developer with fore vision, we strongly stand for Green ideas and Sustainable Building. Going Green in development will be the way Brem Group advancing into the future.

ABOUT US

Looking back into history, the foundation of Brem was laid in 1981 when the enterprising Tan Sri Dato' Khoo Chai Kaa established a private limited company venturing into construction business. The founder's foresight, sharp vision and sound management coupled with plenty of efforts in the years that followed has made Brem grown rapidly and strategically, and evolved into a group of companies involving in civil engineering, general construction, property development and related businesses.

Brem was standing among the larger construction companies in the country when it was listed in 1993 in the Bursa Malaysia Securities Berhad.

OUR BUSINESSES



Civil Engineering &
Construction



Property Investment &
Investment Holding



Property
Development



Water Supply &
Services



35th ANNUAL GENERAL MEETING

Venue:

Crown Hall, 1st Floor,
Crystal Crown Hotel,
No. 12, Lorong Utara A,
Off Jalan Utara,
46200 Petaling Jaya,
Selangor Darul Ehsan.

Date:

29 August 2016

Time:

10.30 a.m.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting of Brem Holding Berhad ("Brem" or "the Company") will be held at Crown Hall, 1st Floor, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Monday, 29 August 2016, at 10.30 a.m. for the transaction of the following businesses:-

1. To receive the Audited Financial Statements for the year ended 31 March 2016 together with the Reports of the Directors and the Auditors thereon. (Refer Note 6(a))

2. To declare a final dividend in respect of the year ended 31 March 2016 by way of share dividend on the basis of one (1) treasury share for every twenty-five (25) existing shares of RM0.50 each held in the Company, fractions of treasury shares to be disregarded. (Resolution 1)

3. To approve the payment of Directors' fees of RM105,000/- (2015: RM105,000/-) in respect of the year ended 31 March 2016. (Resolution 2)

4. To re-elect the following Directors who retire pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election:-
 - a. Tan Sri Dato' Khoo Chai Kaa (Article 80) (Resolution 3)
 - b. Mr. Wong Miow Song (Article 80) (Resolution 4)

5. To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965:-

"That Dato' Hj. Abu Sujak bin Hj. Mahmud, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

(Resolution 5)

6. To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

7. As Special Business:-

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

 - a. **Ordinary Resolution 1** (Resolution 7)
Authority To Allot Shares Pursuant To Section 132D Of The Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant regulatory bodies obtained for such allotment and issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

 - b. **Ordinary Resolution 2** (Resolution 8)
Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, subject to the Companies Act 1965 ("the Act"), the Memorandum and Articles of Association of the Company and Bursa Malaysia Securities Berhad Main Market Listing Requirements, a shareholders' mandate be and is hereby granted to the Company and/or its subsidiary companies to enter into and give effect to Recurrent Related Party Transactions of a revenue or trading nature with specified class of the Related Parties as stated in Part A - Section 2.4(a) of the Circular to Shareholders dated 29 July 2016 ("Circular") subject to the following:-

 - i. the transactions are necessary for the Group's day-to-day operations and they are carried out in the ordinary course of business made on an arm's length basis and on normal commercial terms; and
 - ii. are on terms that are not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company;

Notice of Annual General Meeting

AND THAT the authority conferred by this resolution shall continue to be in force until:-

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- b. the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier, and disclosure will be made in the annual report of the aggregate value on the transactions conducted during the financial year pursuant to the shareholders' mandate;

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

**c. Ordinary Resolution 3
Proposed Renewal of Authority for Share Buy-Back**

(Resolution 9)

"THAT subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- i. the aggregate number of ordinary shares of RM0.50 each in the Company which may be purchased and/or held by the Company shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;
- ii. the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the Company's latest audited retained profits and/or share premium account;
- iii. the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-
 - a. the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution was passed, at which time it shall lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed, either unconditionally or subject to conditions; or
 - b. the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - c. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

Notice of Annual General Meeting

AND THAT the Directors of the Company be and are hereby authorised to cancel all the shares or any part thereof so purchased or to retain all the shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the shares so purchased as treasury shares and cancel the remainder, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

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

d. Ordinary Resolution 4
Continuing In Office As Independent Non-Executive Director

(Resolution 10)

"THAT approval be and is hereby given to Mr. Wong Miow Song who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

e. Ordinary Resolution 5
Continuing In Office As Independent Non-Executive Director

(Resolution 11)

"THAT subject to passing of Resolution No.5, approval be and is hereby given to Dato' Hj. Abu Sujak bin Hj. Mahmud who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

8. To transact any other business for which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the Thirty-Fifth Annual General Meeting, the Share Dividend will be credited into the depositors' securities account on 17 October 2016 to depositors registered in the Record of Depositors on 30 September 2016.

A depositor shall qualify for entitlement to the final dividend only in respect of:-

- Shares transferred to the depositor's securities account before 4.00 p.m. on 30 September 2016 in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board,

ANDREA HUONG JIA MEI (MIA 36347)
Company Secretary

Kuala Lumpur
29 July 2016

Notes:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend, speak and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- Where a member is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the company's Common Seal or under the hand of the officer or attorney duly authorised.

Notice of Annual General Meeting

4. The Form of Proxy must be deposited at the Company's Registered Office at 3rd Floor, BREM House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor not less than 48 hours before the time set for the meeting or any adjournment thereof.
5. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 August 2016 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.
6. **Explanatory Notes on Ordinary and Special Business:-**

a. Audited Financial Statements for financial year ended 31 March 2016

The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, it will not be put for voting.

b. Resolution pursuant to Section 132D of the Companies Act, 1965

Resolution No. 7 proposed under item 7(a) is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965.

As at the date of this notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last AGM held on 28 September 2015.

The proposed Resolution No. 7, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the interests of the Company up to an aggregate not exceeding 10% of the issued share capital of the Company without convening a general meeting. This authority unless revoked or varied at a general meeting will expire at the next AGM.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisition.

c. Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution No. 8 proposed under item 7(b), if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from the shareholders of the Company at a General Meeting. For further information, please refer to Part A of the Circular to Shareholders dated 29 July 2016, which is circulated together with this Annual Report.

d. Resolution No. 9 pursuant to Proposed Share Buy-Back

Resolution No. 9 proposed under item 7(c), if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM. For further information, please refer to Part B of the Circular to Shareholders dated 29 July 2016, which is circulated together with this Annual Report.

e. Resolution No. 10 and 11

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed the independence of Mr. Wong Miow Song and Dato' Hj. Abu Sujak bin Hj. Mahmud, who have served as an Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and upon its recommendation, the Board of Directors has recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- i. Mr. Wong Miow Song and Dato' Hj. Abu Sujak bin Hj. Mahmud have fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities, and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board.
- ii. Mr. Wong Miow Song's vast experience in the building construction and housing development industry would enable him to provide the Board with relevant expertise, knowledge and independent judgment to properly evaluate corporate performance and contribute to the effective decision making of the Board. Being the Chairman of the Audit Committee, he has demonstrated that he has the qualities and competencies to enable him to ensure the effectiveness of the Audit Committee in providing independent, objective and effective oversight to the Board.
- iii. Dato' Hj. Abu Sujak bin Hj. Mahmud, by virtue of his past experiences in corporate and administrative works in both private and government sectors, he helps to foster better relations with the local authorities and enhance the image of the company. Being a chairman of the Remuneration Committee, he has demonstrated his qualities and competencies to ensure the effectiveness of the Remuneration Committee.
- iv. Both of them, having been with the Company for more than nine years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.
- v. Both have exercised due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in the interest of the Company and shareholders.

Resolution No. 10 proposed under item 7(d), if passed, will authorise Mr. Wong Miow Song to continue in office as an Independent Non-Executive Director of the Company.

Resolution No. 11 proposed under item 7(e), if passed, will authorise Dato' Hj. Abu Sujak bin Hj. Mahmud to continue in office as an Independent Non-Executive Director of the Company.

Corporate Information

DIRECTORS

Dato' Hj. Abu Sujak Bin Hj. Mahmud
(Independent Non-Executive Chairman)

Tan Sri Dato' Khoo Chai Kaa
(Managing Director)

Khoo Chai Thiam
(Executive Director)

Low Yew Hwa
(Non-Independent Non-Executive Director)

Wong Miow Song
(Independent Non-Executive Director)

Khoo Hui Keam
(Non-Independent Non-Executive Director)

Khoo Hui Giok
(Non-Independent Non-Executive Director)

COMMITTEES

AUDIT

Wong Miow Song (Chairman)
Dato' Hj. Abu Sujak Bin Hj. Mahmud
Khoo Hui Giok

NOMINATION

Wong Miow Song (Chairman)
Dato' Hj. Abu Sujak Bin Hj. Mahmud
Khoo Hui Giok

REMUNERATION

Dato' Hj. Abu Sujak Bin Hj. Mahmud
(Chairman)
Tan Sri Dato' Khoo Chai Kaa
Wong Miow Song

COMPANY SECRETARY

Andrea Huong Jia Mei (MIA 36347)

REGISTERED OFFICE

3rd Floor, Brem House,
Crystal Crown Hotel,
No. 12, Lorong Utara A,
Off Jalan Utara,
46200 Petaling Jaya,
Selangor Darul Ehsan.
Tel : (03) 7958 7888
Fax : (03) 7958 1533
Website : www.bremholding.com

AUDITORS

Baker Tilly Monteiro Heng
Chartered Accountants

PRINCIPAL BANKERS

Malayan Banking Berhad
Alliance Bank Malaysia Berhad

REGISTRARS

Insurban Corporate Services Sdn. Bhd.,
149-B, Jalan Aminuddin Baki,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur.
Tel : (03) 7729 5529
Fax : (03) 7728 5948

SOLICITORS

Kamarudin & Partners
HK Ang & Partners

STOCK EXCHANGE LISTING

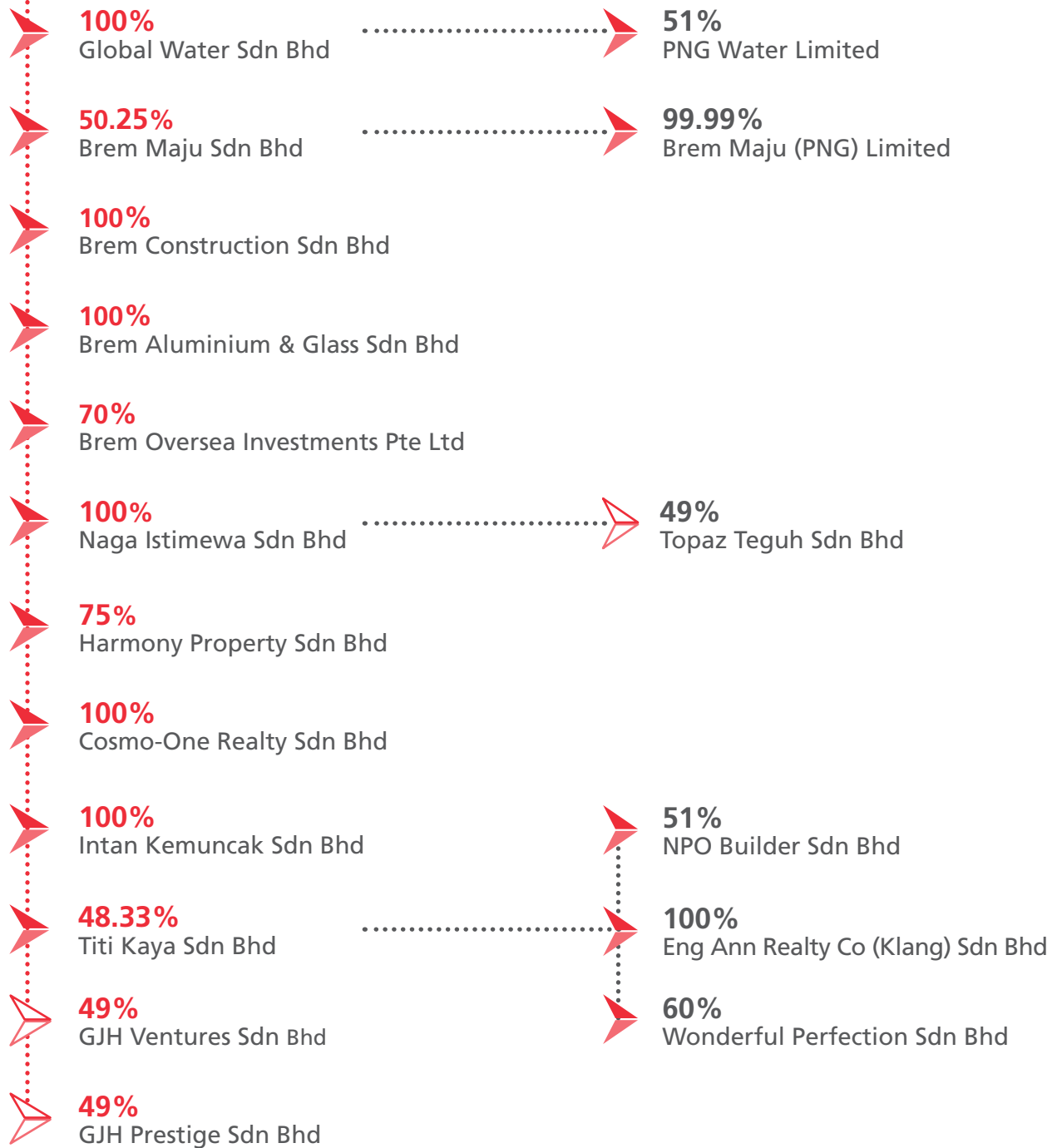
Bursa Malaysia Securities Berhad
Main Market



Corporate Structure



BREM HOLDING BERHAD

(66756-P)



 Subsidiary
 Associated

Particulars of Each Director of Brem Holding Berhad

▶ **DATO' HJ. ABU SUJAK BIN HJ. MAHMUD, DSSA, KMN, PPT, PJK**

(Independent Non-Executive Director)

Dato' Hj. Abu Sujak Bin Hj. Mahmud, aged 76, Malaysian, was appointed to the Board of the Company on 4 January 2006 as Independent Non-Executive Director. He began his career as an audit clerk in Jabatan Pembangunan Koperasi Malaysia in 1958. He then joined the Maktab Perguruan Bahasa in 1960 and then taught for a period of five (5) years before pursuing his degree in the University of Malaya. He obtained Bachelor of Arts in Malay Studies in 1970. In 1971, he joined Dewan Bandaraya Kuala Lumpur and subsequently was appointed as Secretary of Majlis Perbandaran Klang and Majlis Perbandaran Shah Alam. In 1986, he was chosen to stand for election, which marked his career as a politician. He served as a member of the Selangor State Legislative Council for three (3) terms and was also a member of the Selangor State Executive Council from 1986 to 1995. He was also appointed as Timbalan Menteri Besar Selangor Darul Ehsan in 1990 until 1995. In the year 2000, he was appointed as the Datuk Bandar Majlis Bandaraya Shah Alam and was in office until 2002. He was elected Chairman of the Board of Directors on the 28 July 2010. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of Brem Holding Berhad. He also sits on the Board of Resintech Berhad as an Senior Independent Non-Executive Chairman.

▶ **TAN SRI DATO' KHOO CHAI KAA, P.S.M, DIMP**

(Managing Director)

Tan Sri Dato' Khoo Chai Kaa, aged 65, Malaysian, is the Managing Director of the Company and a founder member of the Brem Holding Group. He has been a Director of the Company since its incorporation on 21 January 1981. He holds a Bachelor of Science degree in Civil Engineering and Building from the United Kingdom. He has over 38 years of experience in the construction and property development sectors as well as vast experience in hotel industry. He has also attained a wide experience in heavy machinery know-how. He also sits on the Board of some of the subsidiary companies of Brem Holding Berhad and several other private limited companies. He is a member of the Remuneration Committee of Brem Holding Berhad.

▶ **KHOO CHAI THIAM** *(Executive Director)*

Khoo Chai Thiam, aged 54, Malaysian, was appointed to the Board of the Company on 12 October 1982. He has been conferred the award of Executive Diploma in Engineering Business Management and has over 34 years of experience in the construction sector. He is also the Project Manager of Brem Maju Sdn. Bhd. being responsible for project coordination and is in charge of the overall work progress and staffing. He also sits on the Board of some of the subsidiary companies of Brem Holding Berhad and several other private limited companies.

Particulars of Each Director of Brem Holding Berhad

LOW YEW HWA

(Non-Independent Non-Executive Director)

Low Yew Hwa, aged 60, Malaysian, has been with the Company since year 1989. He was appointed to the Board of the Company on 24 August 1992. He is a qualified Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Association of Certified Accountants, United Kingdom. He sits on the Board of some of the subsidiary companies of Brem Holding Berhad and several other private limited companies.

KHOO HUI KEAM

(Non-Independent Non-Executive Director)

Khoo Hui Keam, aged 40, Malaysian, was appointed to the Board of the Company on 26 November 2007 as a Non-Independent Non-Executive Director. She holds a Bachelor of Business degree majoring in banking from Nanyang Technological University Singapore. She has been in the banking industry for years before joining the Group as an Operating Manager of the subsidiary.

KHOO HUI GIOK

(Non-Independent Non-Executive Director)

Khoo Hui Giok, aged 38, Malaysian, was appointed to the Board of the Company on 26 May 2008 as a Non-Independent Non-Executive Director. She holds a Bachelor of Business Accounting, Charles Sturt University. She is a certified practicing accountant of CPA Australia and a member of the Malaysian Institute of Accountants. She has over 14 years of experience in financial management. Currently she is a financial controller of a chain of hotels in Malaysia. She is also a member of the Audit Committee and Nomination Committee of Brem Holding Berhad.

WONG MIOW SONG

(Independent Non-Executive Director)

Wong Miow Song, aged 65, Malaysian, was appointed to the Board of the Company on 24 May 2001 as an Independent Non-Executive Director. He was also elected as Chairman of the Audit Committee of the Company with effect from 24 May 2001. He holds a Bachelor of Engineering (Honours) degree in Civil Engineering from University of Malaya. He has over 34 years of experience in building construction and housing development. Currently he is a director of a private construction company involved in the construction of houses, shop houses and apartments in Klang Valley area. He is a member of The Institution of Engineers, Malaysia and a professional engineer registered with the Board of Engineers, Malaysia. He is the Chairman of the Audit Committee and Nomination Committee and also a member of the Remuneration Committee of Brem Holding Berhad.

Additional Information

Other directorship of public companies

Save for Dato' Hj. Abu Sujak Bin Hj. Mahmud who sits on the Board of Resintech Berhad, none of the directors of the Company has any directorship in other public companies.

Family relationship of directors and/or Major Shareholders

There is no family relationship among the directors and/or major shareholders except that:-

- Tan Sri Dato' Khoo Chai Kaa and Ms. Khoo Hui Keam and Ms. Khoo Hui Giok are father and daughters;
- Ms. Khoo Hui Keam and Ms. Khoo Hui Giok are sisters; and,
- Tan Sri Dato' Khoo Chai Kaa and Mr. Khoo Chai Thiam are brothers.

Conflict of interest with the company

Other than the recurrent transactions of revenue or trading nature which are necessary for the company day-to-day operations, none of the directors has conflict of interest with the company.

List of convictions for offences

None of the directors has been convicted of any offences within the past 10 years other than traffic offences.

Material Contract involving Directors and Major Shareholders

There is no material contract (not being contract entered into in the ordinary course of business) of the Company and its subsidiaries, involving directors' and major shareholders' interests, still subsisting at the end of the financial year.

Revaluation Policy

The Group does not adopt a policy on regular revaluation of its landed properties.

Non-Audit Fees

Non-audit fees amounting to RM20,000/- were paid to external auditors for the financial year ended 31 March 2016.

Recurrent Related Party Transaction of a Revenue or Trading Nature

On 28 September 2015, the Company obtained approval from the shareholders of the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("recurrent transactions") with persons who are considered to be "Related Party" as defined in Chapter 10 of the Listing Requirements.

The breakdown of the aggregate value paid/payable of the recurrent transactions made during the financial year are set out below:

Nature/ Type of Transactions	Supplier	Customer	Interested Director/ Major Shareholder or Person Connected	RM
Construction Contracts	Perniagaan Sinn Huat	Brem Holding Berhad	Lee Lei Choo Lee Kok Ting	nil
Construction Contracts	Idio Construction Works	Brem Holding Berhad	Khoo Chai Kaa Khoo Chai Thiam Koo Chai Bok	17,399.77

Additional Information

Recurrent Related Party Transaction of a Revenue or Trading Nature (Continued)

Relationship of Related Parties with Brem Holding Berhad ("Brem") as at the financial year ended 31 March 2016:

Names of Related Party	Relationship
Idio Construction Works	No relationship except for the managing partner of this company is related to two directors and a major shareholder of Brem
Perniagaan Sinn Huat	No relationship except for the sole-proprietor of this company is related to a major shareholder of Brem

Share Buy-backs

There were no cancellations or re-sale of treasury shares during the financial year ended 31 March 2016.

From 1 April 2015 to 30 June 2016, the Company had purchased a total of 1,084,500 of its own shares and the details of purchases made showing the monthly breakdown are as follows:

Month of Purchase	No. of BREM Shares Purchased	Purchase Price Per Share (RM)		Average Price Per BREM Share (RM)	Total Consideration paid (RM)
		Lowest	Highest		
April 2015	-	-	-	-	-
May 2015	30,000	1.010	1.010	1.013	30,389.81
June 2015	-	-	-	-	-
July 2015	-	-	-	-	-
August 2015	-	-	-	-	-
September 2015	86,800	0.890	0.920	0.900	78,080.63
October 2015	16,000	0.990	0.995	0.993	15,891.25
November 2015	70,000	0.940	0.950	0.948	66,393.31
December 2015	-	-	-	-	-
January 2016	252,900	0.930	0.950	0.939	237,593.53
February 2016	216,900	0.935	0.945	0.942	204,272.59
March 2016	361,900	0.900	0.940	0.929	336,125.81
April 2016	-	-	-	-	-
May 2016	25,000	0.885	0.890	0.887	22,186.51
June 2016	25,000	0.890	0.890	0.890	22,306.95

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control is made in pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) with regard to the disclosure of the Group’s state of risk management and internal control. In making this Statement, the Board is guided by the “Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers” issued by the Task Force on Internal Control with the support and endorsement of the Bursa Securities.

BOARD AND MANAGEMENT RESPONSIBILITIES IN RISK MANAGEMENT AND INTERNAL CONTROL

The Board understands the principal risks of the business that the Group involves and accepts the incurrence and balancing of risk and return in order to reward the shareholders. Functionally, risk management are the responsibility of all executive directors and management team members. The Executive Directors and senior management regularly organise informal meetings and discussions to identify and manage the business risk of the Group and ensure that businesses are under control.

In considering the effectiveness of the risk management and systems of internal control, the Board uses the following processes and information to derive its comfort:

- Periodic review of financial information covering financial performance and quarterly financial results;
- Operational information and updates provided by management during the board meetings;
- Audit Committee’s review and consultation with management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of systems of internal control from the Internal Auditors;
- Management assurance that the Group’s risk management and internal control systems have been operating adequately and effectively, in all material respects; and
- Director representations on the boards of the companies in which the Group has investment.

At management level, the key internal controls and its review mechanisms are as follows:

- i. Defined job description, authority and responsibility for each functional division and process and procedure for core business activities;
- ii. Limit of authority and approval facilitating delegation of authority;
- iii. Operational procedures are established. These procedures also meet the requirements of ISO 9001:2008;
- iv. Management information systems generating financial data and information for reporting, review and monitoring purposes; and
- v. Project planning, monitoring and reporting procedures ensuring timely completion of projects and achievement of business targets. Post mortem review is carried out on completed project to identify areas for improvement.

Statement on Risk Management and Internal Control

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for identifying risks relevant to the business, implementing and maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and risks that could significantly affect the Group's performance.

In making this Statement, Managing Director and Executive Director have represented to the Board that, to the best of their knowledge the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

For the financial year under review, the Board is satisfied that the existing systems of risk management and internal control are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that would require separate disclosure in the Annual Report.

The Board recognises that the systems of risk management and internal control should be continuously improved in line with the evolving business development. Nonetheless, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control of the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

Chairman's Statement

“On behalf of the Board of Directors of Brem Holding Berhad (“Brem” or “the Group”), it is my great pleasure to present to you the Annual Report and Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2016. ”

Financial Performance

For the financial year under review, the Group has registered higher revenue of RM125 Million compared with RM105 million recorded in the previous financial year. It was mainly attributable to higher contribution from property development projects undertaken during the year.

The Group has recorded lower profit before taxation of RM42.5 million if compared with the preceding year's profit of RM77.1 million. The higher profit before taxation in the preceding year was mainly due to the gain on disposal of an associated company.

Review of Operation

During the financial year, as mentioned earlier, the property development division of the Group recorded higher revenue contributed by the ongoing projects known as Residensi Harmoni 2 in Segambut, Kuala Lumpur and Pelangi Heights Phase 2 project in Klang Selangor Darul Ehsan. However, despite the higher revenue for the current financial year, the division recorded a lower profit before taxation compared with the preceding year. This was due to a lower profit recognized at the early stage of the development of Residensi Harmoni 2.

The construction and civil engineering division has recorded higher revenue for the financial year compared to the preceding year, contributed by various contracts in

hand. However, the profit before taxation is lower compared to the preceding year, due to lower contribution from on-going contracts while the newly awarded contract has yet to contribute positively to the group at this juncture.

The property investment and investment holding division has registered a slight increase in revenue for the year under review as compared to the preceding year. This was attributed to the stable rental income from our Kepong Brem Mall and the utilities charges imposed.

The revenue for the year from the water supply and services division was increased due to the favourable exchange rate. However, the profit before taxation has decreased compared to the preceding year and it was due to reduced interest income.

Dividend

The Board of Directors is pleased to propose and recommend to distribute a final share dividend on the basis of one (1) treasury share for every twenty five (25) existing ordinary shares of RM0.50 each held by the shareholder in the Company (“Share Dividend”) in respect of the financial year ended 31 March 2016 for shareholders' approval at the forthcoming 35th Annual General Meeting of the Company to be convened. Fractions of treasury shares arising from the distribution of the Share Dividend are to be disregarded.

Chairman's Statement

Industry Trends and Development

As reported by the Department of Statistics Malaysia, GDP from Construction sector in Malaysia showed an increase of 4.7% in the first quarter of 2016, as compared to the fourth quarter of 2015. Hence, the economic outlook of local construction industry remains attractive. This is further reaffirmed by the execution of and on-going government development policies in Budget 2016 that gives strong emphasis on mega infrastructure projects under the 11th Malaysia Plan, Economic Transformation Programme and Government Transformation Programme.

For property sector, however, the impact of tighter monetary policy amid a slow economic growth has at present led to a slower overall growth of the real estate market, especially the residential segments. Nevertheless the medium-term prospects are expected to be good.

Prospects

The on-going construction projects will contribute positively to the performance of the Group in view of the current order book which will keep the construction division busy for the next couple of years.

The property development division is anticipated to have better results to the Group. Despite the current slow and subdued market, property market is expected to improve by end of year 2016. There will be stable and consistent revenue and profit derived from water supply and services division. For the property investment and investment holding division, the rental receivable in Kepong Brem Mall is expected to continue its contribution positively to the results of the Group.

Corporate Social Responsibilities

The Group has continuously made various charitable contributions including donation in cash and in kind to various organisations, contributing to hospitals for their operations and services rendered to the sick and needy of all communities. The Group has also sponsored various other charitable and social organization events for the financial year under review.

Appreciation

On behalf of the Board of Directors, I would like to express our sincere appreciation and gratitude to our shareholders, business associates, purchasers, contractors, consultants, suppliers, financial institutions and regulatory authorities for their continued support, confident in us and assistance extended to the Group.

Our sincere appreciation also goes to our management team and employees for their invaluable dedication and commitment to the Group.

DATO' HJ. ABU SUJAK BIN HJ. MAHMUD

Chairman



Group Financial Highlights

Statements of Comprehensive Income <i>(Financial Year Ended 31 March)</i>	2016 RM '000	2015 RM '000	2014 RM '000	2013 RM '000	2012 RM '000
Revenue	124,681	104,926	144,101	134,605	146,901
Profit Before Taxation	42,506	77,055	62,717	47,979	55,452
Taxation	(15,588)	(15,419)	(16,053)	(14,331)	(11,381)
Profit After Taxation	26,918	61,636	46,664	33,648	44,071
Non-Controlling Interests	(10,428)	(19,789)	(10,846)	(11,241)	(10,488)
Profit Attributable To Shareholders	16,490	41,847	35,818	22,407	33,583

Statements of Financial Position <i>(As At 31 March)</i>	2016 RM '000	2015 RM '000 (Restated)	2014 RM '000 (Restated)	2013 RM '000	2012 RM '000
ASSETS					
Non-Current Assets	565,946	533,460	531,866	581,092	578,476
Current Assets	236,863	273,909	217,720	191,004	213,151
Total Assets	802,809	807,369	749,586	772,096	791,627
EQUITIES AND LIABILITIES					
Equity Attributable to Shareholders of the Company					
Share Capital	172,736	172,736	172,736	172,736	172,736
Reserves	353,236	348,759	306,730	294,480	289,486
Treasury Shares	(11,118)	(10,150)	(5,461)	(4,460)	(2,648)
Total Equity Attributable to Shareholders of the Company	514,854	511,345	474,005	462,756	459,574
Non-Controlling Interests	132,464	149,269	117,085	142,767	133,714
Total Equity	647,318	660,614	591,090	605,523	593,288
Liabilities					
Non-Current Liabilities	81,409	94,317	98,222	125,186	87,068
Current Liabilities	74,082	52,438	60,274	41,387	111,271
Total Liabilities	155,491	146,755	158,496	166,573	198,339
Total Equity And Liabilities	802,809	807,369	749,586	772,096	791,627
Net Assets Per Share (RM)	1.55	1.54	2.82	2.74	2.69
Earnings Per Share (Sen)	4.97*	12.48*	10.64 [^]	13.21*	20.26 [#]
Gross Dividend Per Share (%)	6.00	6.00	6.00	6.00	6.00
Gearing Ratio (Times)	0.20	0.20	0.24	0.26	0.23

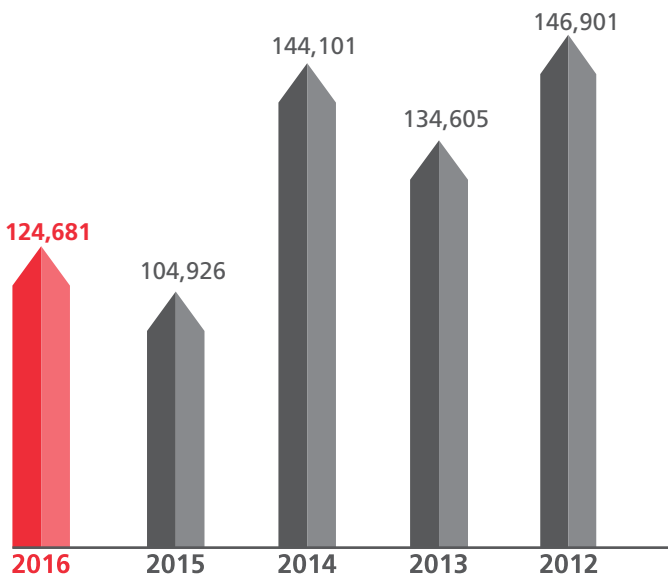
* Based on the weighted average number of ordinary shares.

Adjusted for bonus issue in 2011.

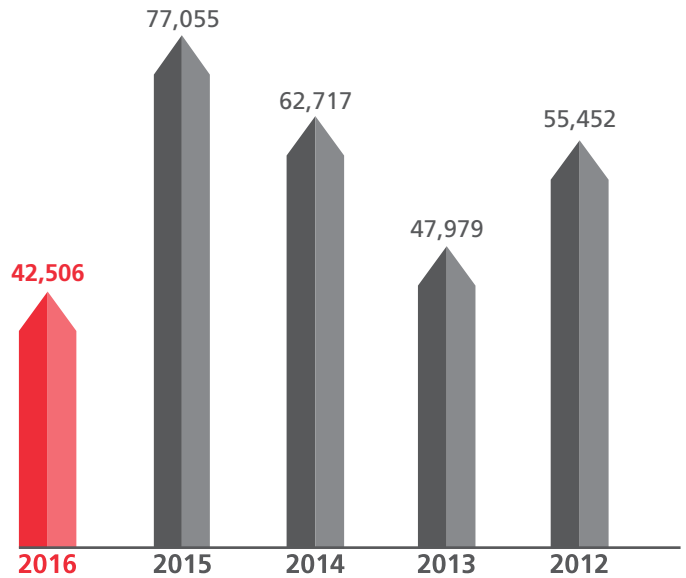
[^] Adjusted for share split in 2014.

Group Financial Highlights

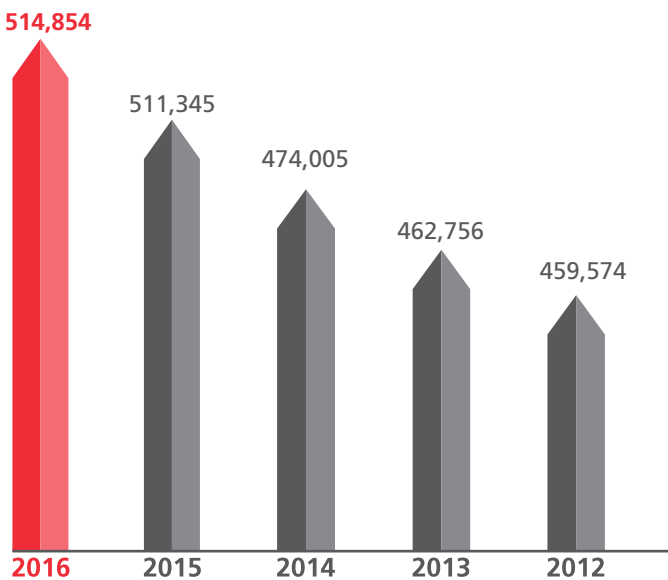
REVENUE (RM'000)



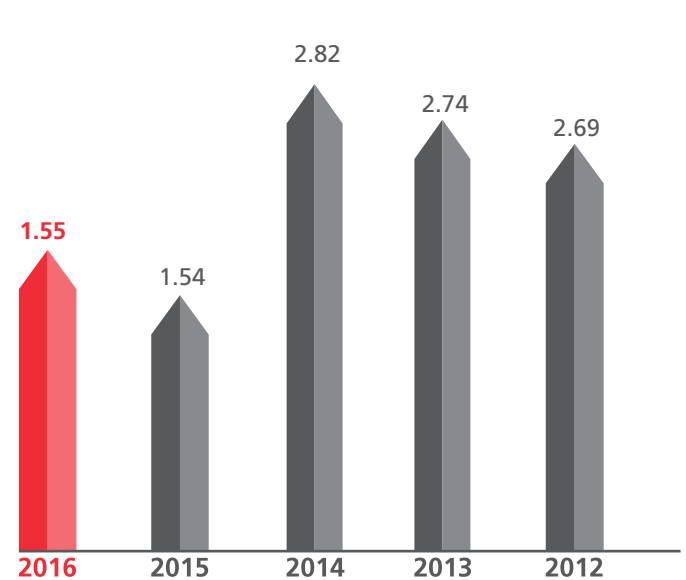
PROFIT BEFORE TAXATION (RM'000)



TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (RM'000)



NET ASSETS PER SHARE (RM)



Corporate Governance Statement

The Board of Directors of Brem Holding Berhad ("Board") recognizes the importance of practicing the high standards of corporate governance in the Malaysian Code on Corporate Governance ("2012 Code") and is committed to ensuring that the Group's business and operations are in line with the principles and best practices advocated in the Code.

The Board is pleased to disclose below a description of how the Group has applied the principles and recommendations laid down in the 2012 Code and the extent of its compliance during the financial year ended 31 March 2016:-

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Group is led and managed by an effective, active and experienced Board which assumes responsibility in corporate governance and the overall performance of the Group.

To ensure the effective discharge of its function and responsibilities, the Board has established and implemented the following measures to assist the members of the Board to discharge their duties and responsibilities.

- a. Established a Board Charter which, inter alia, sets a list of specific functions that are reserved for the Board, Chairman and Managing Director.
- b. Delegates certain responsibilities to specific Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee which operates within defined terms of reference and operating procedures. These Committees ensure greater attention, objectivity and independence are provided in the deliberation of specific board agenda. The Chairman of the respective Board Committee would report to the Board during the Board Meetings on significant matters deliberated in the Committees.

The Managing Director act as the conduct between the Board and the Management in ensuring the success of the Company's governance and management functions. He is responsible for the day-to-day operation of the Group's business and to ensure the efficiency and effectiveness of the operation for the Group.

1.2 Clear Roles and Responsibilities

The Board assumes the primary responsibilities prescribed under the 2012 Code which include, amongst others the review and adoption of the Group's strategic plans, overseeing the conduct of the business operations of the Group, reviewing adequacy of the internal control, identifying principal risks and ensuring that the risks are properly managed, establishing a succession plan, developing a communications policy and reviewing management information and internal control system.

The presence of Independent Director assures an element of balance to the Board as they bring independent judgment and objectivity to the Board room. They help to ensure that the interests of all shareholders, and not the interest of a particular fraction or group, are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

1.3 Formalised Ethical Standards through Code of Ethics

The Group has established a Whistle Blowing Policy and a Code of Ethics and Conduct ("Code") on 24 July 2013 in line with good governance practices.

The Code outlines the standards of business conduct and ethical behaviours of Directors and employees of the Group in the performance and exercise of their duties when representing the Company. The Code covers conflicts of interest; confidential information; inside information and securities trading; protection of assets and funds; business records and control; compliance with law; personal gifting; health and safety; sexual harassment; outside interest; fair and courteous behaviour and misconduct.

The Whistle Blowing policy provides a framework for direction and procedure to deal with fraud and related matters and defines the rights of the informants and the protection accorded to them while the Code sets out the principles and standards of business ethics and conduct of the Group.

A summary of the Code and the Whistle Blowing Policy is available at the Company's website at www.bremholding.com.

Corporate Governance Statement

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONTINUED)

1.4 Strategies Promoting Sustainability

The Group recognizes the importance of sustainability in regards to environmental, social, governance and economic concerns. As a responsible corporation, we are committed to carry out business operations in a manner that will create minimum negative impacts on the environment and the community while creating value for the stakeholders.

1.5 Access to Information and Advice

The Directors have full access to all information, management and the advice and services of the Company Secretary as and when required. The Directors are supplied with the relevant documents and information in advance of each meeting so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. In addition, the Directors are also empowered to seek independent professional advice at the Company's expense, should they consider it necessary in their course of duties.

1.6 Company Secretary

The Company has appointed a qualified Company Secretary on 14 July 2015 to replace the former Company Secretary who resigned on the same day. She is a member of the Malaysian Institute of Accountants and is qualified to act as a Company Secretary under Section 139A of the Companies Act, 1965.

The Company Secretary is responsible, amongst other, ensure proper preparation of notices of all Board Meetings and Board Committees Meetings, attending all Board Meetings and Board Committees Meetings and to ensure that accurate and adequate records of the proceedings of meetings and decisions made are properly kept as well as preparation and submission of statutory returns and forms as and when required by the Companies Commission of Malaysia. The Directors are regularly updated by the Company Secretary, by way of circulation, on new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

1.7 Board Charter

The Board has approved its Board Charter in July 2013 which sets out the composition, operation, processes, role and a list of specific functions that are reserved for the Board. It is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. Key matters reserved for the Board's approval includes annual and quarterly financial results, dividend policy, related party transactions, corporate plans and programs, annual business plan and budgets, major capital expenditures, new ventures and investments, material acquisitions and disposal of assets not in the ordinary course of business and authority levels.

The Board Charter is reviewed annually incorporating updates in accordance with the needs of the Company and any new rules and regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is accessible to the public through the Company's website at www.bremholding.com.

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee ("NC")

The NC was established on 27 February 2002. The members of the NC, comprising exclusively of Non-Executive Directors, a majority of whom are independent, are as follows:-

Chairman

Wong Miow Song

(Independent Non-Executive Director)

Members

Dato' Hj. Abu Sujak Bin Hj. Mahmud

(Independent Non-Executive Chairman)

Khoo Hui Giok

(Non-Independent Non-Executive Director)

Corporate Governance Statement

2. STRENGTHEN COMPOSITION (CONTINUED)

2.1 Nomination Committee ("NC") (Continued)

The NC is responsible for making recommendations on any nomination to the Board and Committees of the Board. In making these recommendations, due consideration is given to the required mix of skills and experience that the proposed directors should bring to the Board and to the respective Board Committees. The decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the NC.

The NC will also assess annually, the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director including Independent Non-Executive Directors.

The NC had held one (1) meeting during the financial year ended 31 March 2016 which were attended by all members.

2.2 Develop, Maintain And Review Criteria For Recruitment And Annual Assessment Of Directors

a. Recruitment or New Appointment of Directors

The Board appoints its members through a formal and transparent selection process which involves:

1. identification of candidates for directorships;
2. evaluation and deliberation of suitability of candidates by the NC;
3. recommendation to the Board.

In making these, due consideration is given to the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment, gender diversity and other qualities that the proposed directors should bring to the Board and to the respective Board Committees.

b. Gender Diversity Policy

The Board is supportive of the gender diversity policy and currently has two female directors to the Board. In its selection for Board appointment, the Board provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

c. Re-election and Re-appointment of Directors

The Articles of Association of the Company provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire from office and be eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

Any Director appointed during the year is required under the Company's Articles to retire and seek re-election by shareholders at the following AGM immediately after his appointment. In addition, Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Information of each Director standing for re-election covering their personal profile, meeting attendance, directorships in other public companies and shareholdings in the Group is furnished in the Annual Report.

d. Annual Assessment

The NC conducted its annual appraisal on the effectiveness of the Board, its Committees and the contribution of each director at the meeting held on 23 July 2015. The annual appraisal was conducted via questionnaires.

The Board's effectiveness was assessed in the areas of composition, board strategy, board meetings, corporate and financial reporting, risk management and investors relationship. The review criteria for assessing the Directors' individual performance was largely focus on their meeting attendance, competencies, experience, knowledge, contribution to interaction, quality of input and understanding of role as Director.

The NC, upon the review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.

Corporate Governance Statement

2. STRENGTHEN COMPOSITION (CONTINUED)

2.3 Directors' Remuneration

The Remuneration Committee ("RC") was established on 27 February 2002. The members of the RC, comprising a majority of Non-Executive Directors, are as follows:-

Chairman

Dato' Hj. Abu Sujak Bin Hj. Mahmud (Independent Non-Executive Chairman)

Members

Wong Miow Song (Independent Non-Executive Director)

Tan Sri Dato' Khoo Chai Kaa (Managing Director)

The RC's duty is to make recommendations to the Board on the remuneration framework for all Executive Directors. The policy practiced on Directors' remuneration is to provide the remuneration necessary to attract, retain and motivate Executive Directors of the quality required to manage the businesses of the Company.

Annually, the RC reviews the remuneration of the Executive Directors to ensure that it commensurate with the market expectation, the Directors' experience and competency and the performance of the Group. Directors do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year. The RC had held one (1) meeting during the financial year ended 31 March 2016 and was attended by all the members.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors shall abstain from discussions pertaining to their own remuneration.

The details of the Directors' remuneration from the Group for the financial year ended 31 March 2016 are as follows:-

- a. An analysis of the aggregate remuneration received by the Directors of the Company from the Group, categorised into appropriate components is set out below:-

	Fees RM	Salaries & other emoluments RM	Benefit in Kind RM	Total RM
Executive Directors	30,000	603,400	1,800	635,200
Non-Executive Directors	75,000	389,225	25,750	489,975

- b. Analysis of Directors' remuneration categorized in successive band of RM50,000:-

Remuneration Bands	Executive Directors	Non-Executive Directors
RM50,000 and below	-	4
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	1	-
RM350,001 - RM400,000	-	1
RM450,001 - RM500,000	1	-

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board will assess the independence of its Independent Directors annually in accordance with the criteria prescribed under Paragraph 1.01 of the Main Listing Requirements of Bursa Securities or any amendment thereto.

Corporate Governance Statement

3. REINFORCE INDEPENDENCE (CONTINUED)

3.1 Annual Assessment of Independence (Continued)

During the financial year, the Board conducted the annual appraisal on the independence of the Independent Directors using the peer evaluation questionnaire for assessing the performance of the Independent Directors and the Independent Directors questionnaire. The Board has taken into consideration the skills, experience and contributions from the Independent Directors as well as their background, economic and family relationships. Thereafter, the Board will assess whether the Independent Directors would be able to provide an element of objectivity, independent judgement and balance to the Board. Based on the results of the appraisal, it was concluded that the Independent Directors continues to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Additionally, each of the Independent Non-Executive Directors has provided an annual confirmation of their independence to the Nomination Committee and the Board.

3.2 Tenure of Independent Directors

In line with the 2012 Code, the Board has agreed that upon the completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director. However, the Board must justify and seek shareholders' approval in the event it retains an Independent Director, a person who has served in that capacity for more than nine (9) years.

As at the date of this statement, the existing Independent Directors namely Mr. Wong Miow Song and Dato' Hj. Abu Sujak Bin Hj. Mahmud have served on the Board for more than nine years. The Nomination Committee has conducted an assessment to determine whether Mr. Wong and Dato' Hj. Abu Sujak would still be able to meet the criteria of "independent" within the definition of "Independent Director" as set out in paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, through the review of Self Evaluation Questionnaire and Peer Evaluation Questionnaire done by the Nomination Committee, determined that they have remained objective and independent. The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The Board believes that the Group benefits from long serving Directors, who possess relevant expertise, detailed knowledge of the Group's businesses and independent judgement to properly evaluate corporate performance and contribute to the effective decision making of the Board. Nevertheless, Mr. Wong, being the Chairman and Dato' Hj. Abu Sujak being the member of the Audit Committee have demonstrated that they have the qualities and competencies to enable them to ensure the effectiveness of the Audit Committee in providing independent, objective and effective oversight to the Board. They have also proven their commitment, experience and competence for informed and balance decision making. As such, the Board would be seeking shareholders' approval at the coming AGM for them to continue in office as Independent Directors.

3.3 Separation of positions of the Chairman and Managing Director ("MD")

The roles and responsibilities of the Chairman and MD are separated to ensure balance of authority. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility for the day-to-day management of the Group's businesses and implementation of the Board's policies and decisions. All major matters and issues are referred to the Board for consideration and approval.

3.4 Composition of the Board

As at the financial year ended 31 March 2016, the Board has seven (7) members comprising an Independent Non-Executive Chairman, a Managing Director, an Executive Director, three Non-Independent Non-Executive Directors and one Independent Non-Executive Director. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Group practices a division of responsibility between the Executive and Non-Executive Directors. The Executive Directors are responsible for implementing the policies and decisions of the Board, to oversee operations and to coordinate the development and implementation of business and corporate strategies.

The role of the Independent Non-Executive Directors is particularly important in providing an independent view, advice and judgment to ensure that the interests of minority shareholders and the general public are given due consideration in the decision-making process.

The Board comprises a balanced mix of members with professional and business experience relevant to the Group's businesses. A brief profile of each Director is presented on pages 8 and 9 of this Annual Report.

Corporate Governance Statement

4. FOSTER COMMITMENT

4.1 Time Commitment

The Directors' commitment in carrying out their duties and responsibilities is affirmed by their attendance at the Board and Board Committee Meetings held during the financial year ended 31 March 2016, as reflected below:-

	Attendance at Meetings of/ No. of Meetings Held during Office			
	Board	Audit Committee	NC	RC
Dato' Hj. Abu Sujak Bin Hj. Mahmud	6/6	5/5	1/1	1/1
Tan Sri Dato' Khoo Chai Kaa	6/6	N/A	N/A	1/1
Khoo Chai Thiam	6/6	N/A	N/A	N/A
Low Yew Hwa	6/6	#5/5	N/A	N/A
Wong Miow Song	6/6	5/5	1/1	1/1
Khoo Hui Keam	6/6	N/A	N/A	N/A
Khoo Hui Giok	4/6	4/5	1/1	N/A

Attended by invitation

N/A *Not Applicable*

4.2 Directors' Training

All Board members have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements. During the financial year ended 31 March 2016, all the Directors have attended development and training programmes, the details of which were as follows:

Name of Directors	Development and Training Programmes
Dato' Hj. Abu Sujak Bin Hj. Mahmud	a. Executive Certificate In Strategy & Leadership
Tan Sri Dato' Khoo Chai Kaa	a. Executive Certificate In Strategy & Leadership
Khoo Chai Thiam	a. Seminar On Ensuring Climate Resilience Of Buildings And Infrastructure-Towards Sustainable Infrastructure b. Audit Oversight Board-The New Auditor's Report-Sharing the UK Experience
Low Yew Hwa	a. Seminar Garispanduan Perancangan Pembangunan Di Kawasan Bukit & Tanah Tinggi Kawasan Sensitif Alam Sekitar Negeri Selangor
Wong Miow Song	a. Audit Oversight Board-The New Auditor's Report-Sharing the UK Experience
Khoo Hui Keam	a. Executive Certificate In Strategy & Leadership
Khoo Hui Giok	a. Executive Certificate In Strategy & Leadership

The Board acknowledges the importance of continuous education and training to enable the Board to effectively discharge its duties and responsibilities. The Board ensures that all its Directors attend at least one training in a year on a continuous basis pursuant to the Listing Requirements of Bursa Securities.

Corporate Governance Statement

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance With Applicable Financial Reporting Standards

The Directors are responsible for the preparation and fair presentation of the financial statements for each financial year in accordance with applicable Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Quarterly financial results and annual financial statements are reviewed and deliberated upon by the Audit Committee to ensure the quality and adequacy of such information, prior to submission the Board for its approval. The Audit Committee also reviews the appropriateness of the Company's accounting policies and the changes to these policies.

The Statement of Directors' Responsibility in relation to the financial statements is presented on the appropriate section of this Annual Report.

5.2 Assessment Of Suitability And Independence of External Auditors

To maintain a transparent and formal relationship with the Company's external auditors, the Audit Committee reviews the appointment, performance, independence and remuneration of the external auditors. The Audit Committee had met with the external auditors twice during the financial year under review without the presence of executive members of the Board. The Audit Committee Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 26 to 28.

The Audit Committee, had on 28 June 2016, deliberated on the re-appointment of Messrs. Baker Tilly as its External Auditors, which included amongst others, an assessment on the engagement teams' qualification, credentials and experience; its audit approach; the audit firm's professional standing and reputation as well as cost. The Audit Committee has reviewed the independence of the External Auditors, via amongst others, an annual review of the non-audit services rendered by the External Auditors and the related amount of fees. The Audit Committee had also obtained assurance from the External Auditors confirming their independence throughout the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risks

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. Risk management is embedded in the Group's management systems. The Board with the assistance of the outsourced internal audit function has established processes for identifying, evaluating and managing the significant risks faced by the core business of the Group. The outcome of the process is reviewed by the Board and is guided by the Statement on Risk Management & Internal Control Guidelines for Directors of Public Listed Companies issued by Bursa Securities.

6.2 Internal Audit Function

The internal audit function is outsourced to an independent internal audit service company. The Audit Committee reviews and approves the internal audit plan, which is developed based on the key risk areas and major operating units of the Group. Audit reviews were carried out on quarterly basis and audit findings were reported to the Audit Committee. Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 26 to 28 of this Annual Report.

The Statement of Risk Management and Internal Control furnished on pages 12 to 13 of this Annual Report provide an overview on the state of internal controls within the Group.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. In that respect, the Company is guided by Bursa Securities' disclosure framework as outlined in its Corporate Disclosure Guide.

Corporate Governance Statement

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE (CONTINUED)

7.2 Leverage on Information Technology For Effective Dissemination of Information

The Board endeavours to leverage on information technology for broader and effective ways to communicate with both its shareholders and stakeholders. Information is disseminated through various disclosures and announcements made to the Bursa Securities which includes the quarterly financial results, audited financial statements and Annual Reports. Shareholders and members of the public can obtain information on the Group through the Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.bremholding.com.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation At General Meetings

The Board regards the AGM and other general meetings as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue.

Notice of the AGM and Annual Report are sent to shareholders 21 days prior to the meeting. At each AGM, the Board presents the performance and progress of the Company and provides shareholders with the opportunity to raise questions pertaining to the Company. The Chairman and the Board will respond to the questions raised by the shareholders during the AGM. The Board has ensured that an explanatory statement will accompany each item of special business included in the notice of meeting on the effects of the proposed resolution.

8.2 Encourage Poll Voting

Shareholders are informed of their voting rights and the proper procedure for poll voting at the commencement of the meeting. The Board have taken due note of the Code's recommendation which encourages putting substantive resolutions to voting by poll and in particular, the recent disclosure and corporate governance amendments to the Listing Requirements requiring any resolution set out in the notice of any general meeting or notice of resolution to be voted by poll. Accordingly, all resolutions put forward by the Company in its coming Annual General Meeting to be held on 29 August 2016 will be voted by way of poll and the poll results will be independently verified by external scrutineers.

8.3 Effective Communication And Proactive Engagement

Besides the key channels of communication through the Company's AGM, Annual Report, Quarterly Report and various announcements to the Bursa Securities, the Company's website at www.bremholding.com also provides corporate, financial and non-financial information. Through the website, shareholders are able to direct enquiries to the Company. Additionally, a press conference is held immediately after the AGM upon request.

The Board has also designated Mr. Wong Miow Song as the Senior Independent Director to whom shareholders and investors can voice their view and concerns by email at wongms@bremholding.com as an alternative channel of communication with shareholders.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that:-

- The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year ended on that date.
- Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate system are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 March 2016, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

This statement was made in accordance with a resolution of the Board dated 28 June 2016.

Audit Committee Report

ESTABLISHMENT AND COMPOSITION

The Audit Committee of Brem Holding Berhad was established on 25 July 1994. For the financial year ended 31 March 2016, the Audit Committee comprises the following three directors:-

Chairman

Mr. Wong Miow Song

(Independent Non-Executive Director)

Members

Dato' Hj. Abu Sujak bin Hj. Mahmud

(Independent Non-Executive Director)

Ms. Khoo Hui Giok

(Non-Executive Director)

SUMMARY OF THE TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1 The Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, of whom the majority shall be independent.
- 1.2 The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or alternatively a person who has fulfill such other requirements as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") or approved by Bursa Securities.
- 1.3 No alternate director shall be appointed as a member of the Committee.
- 1.4 The members of the Committee shall elect from among their number a chairman who is non-executive and independent, as defined above.
- 1.5 If one or more members of the Committee resign, die or for any other reason cease to be a member with the result that the Listing Requirements of the Bursa Securities are breached, the Board shall, within three months of the event, appoint such number of new members as may be required to correct the breach.
- 1.6 The Board shall review the term of office of Committee members not less than once every three years.

2. AUTHORITY

The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:

- a. investigate any activity within the Committee's terms of reference;
- b. have resources which are reasonably required to enable it to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Company or the Group;
- d. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e. obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- f. convene meetings with the external auditors, internal auditors or both, excluding the attendance of the executive members of the other directors and employees of the Company, whenever deemed necessary.

Audit Committee Report

SUMMARY OF THE TERMS OF REFERENCE (CONTINUED)

3. FUNCTIONS AND RESPONSIBILITIES

3.1 The Audit Committee shall, amongst others, discharge the following functions:-

3.1.1 review the following and report the same to the Board:-

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

3.1.2 recommend the nomination of a person or persons as external auditors; and

3.1.3 any other matters as directed by the Board.

3.2 The Committee shall establish an internal audit function which is independent of the activities it audits.

3.3 The Committee shall oversee all internal audit functions and is authorized to commission investigations to be conducted by internal audit function as it deems fit.

3.4 The internal auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.

3.5 All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the prior approval of the Committee.

4. QUORUM, ATTENDANCE AND FREQUENCY OF MEETINGS

4.1 The quorum shall be formed only if there is a majority of members present at the meeting who are independent directors.

4.2 The Head of Finance, the Head of Internal Audit and a representative of the External Auditors shall normally attend meetings. Other Board members and employees may attend any particular meeting only at the Audit Committee's invitation, specific to the relevant meeting. However, twice a year the Committee shall meet with the External Auditors without executive Board members present.

4.3 The Chairman shall call for meetings, to be held not less than four times a year. The External Auditors may request a meeting if they consider one necessary.

Audit Committee Report

AUDIT COMMITTEE MEETINGS

The Audit Committee met five times during the financial year ended 31 March 2016. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:-

Audit Committee Member	No. of Audit Committee Meetings	
	Held	Attended
Chairman		
Wong Miow Song <i>(Independent Non-Executive Director)</i>	5	5
Members		
Dato' Hj. Abu Sujak bin Hj. Mahmud <i>(Independent Non-Executive Director)</i>	5	5
Khoo Hui Giok <i>(Non-Executive Director)</i>	5	5

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2016

During the financial year ended 31 March 2016, the activities of the Audit Committee included the following:-

- a. reviewed the unaudited quarterly financial results and announcements for the financial quarters prior to submission to the Board of Directors for consideration and approval;
- b. reviewed the audited financial statements for the year ended 31 March 2016;
- c. reviewed the external auditors' report to the Committee in relation to the audit and accounting issues arising from the audit of the Group's financial statements and the management's response;
- d. considered the audit fee payable and the nomination of the external auditors for recommendation to the Board for appointment;
- e. reviewed the assistance given by the employees to the external auditors in respect of the audit for the year ended 31 March 2016;
- f. reviewed the external auditors' audit plans and the scope of audit for the financial year ended 31 March 2016;
- g. met with the external auditors twice during the financial year ended 31 March 2016 without the presence of any executive Board members;
- h. reviewed internal audit reports prepared by the Internal Auditor on the Company and its subsidiaries and management implementation of audit recommendations;
- i. reviewed the internal audit plan for financial year ending 2016/2017/2018 outlining its scope and focus;
- j. reviewed the disclosure statements on Corporate Governance, Audit Committee Report and the Statement of Risk Management and Internal Control for the year ended 31 March 2016 and recommended their adoption to the Board; and
- k. reviewed the guidelines and procedures set out to monitor recurrent related party transactions.

INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2016, the Group has outsourced its internal audit function to an independent internal audit service company and the selected team is independent of the activities audited by them. The cost incurred for the internal audit function in respect of the financial year ended 31 March 2016 is RM58,716/- (2015: RM60,354/-).

The principal responsibility of the internal audit function is to undertake review of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The internal auditors undertake internal audit function based on the audit plan that was reviewed and approved by the Audit Committee.

During the financial year under review, the internal auditors have conducted audit on selected subsidiaries and key functions and reported their findings and recommendations to the Audit Committee. These internal audit reports together with responses by management were circulated to all members of the Audit Committee. All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings and recommendations were duly acted upon by the management.



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Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st March 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of general contractors, property development, property investments and investment holding. All other operational activities of the Group are undertaken by their respective subsidiaries and associates and are disclosed in Notes 8 and 9 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	26,918,433	8,497,642
Attributable to:		
Shareholders of the Company	16,490,431	8,497,642
Non-controlling interests	10,428,002	-
	26,918,433	8,497,642

DIVIDENDS

A final single tier dividend of 3% amounting to RM4,981,170 in respect of the financial year ended 31st March 2015 was paid on 18th November 2015.

At the forthcoming Annual General Meeting, a final dividend to the entitled shareholders at the ratio of one treasury share for every twenty-five existing ordinary shares of RM0.50 each held by the shareholders in the Company in respect of the financial year ended 31st March 2016 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect the proposed dividend. Such dividend, if approved by shareholders, will be accounted for in equity as a distribution of treasury shares in the financial year ending 31st March 2017.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

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

Directors' Report

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due other than as disclosed in Note 40 to the financial statements.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

Other than disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

Directors' Report

TREASURY SHARES

During the financial year, the Company repurchased 1,034,500 ordinary shares comprising of 1,034,500 ordinary shares of RM0.50 each, of its issued ordinary shares from the open market at an average price of RM0.94 per share. The total consideration paid for the repurchase including transaction costs was RM968,747. The shares repurchased were held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:

Dato' Hj. Abu Sujak Bin Hj. Mahmud
 Tan Sri Dato' Khoo Chai Kaa
 Khoo Chai Thiam
 Khoo Hui Keam
 Khoo Hui Giok
 Low Yew Hwa
 Wong Miow Song

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Company Act, 1965 in Malaysia were as follows:

	Number of ordinary shares of RM0.50 each			At 31.3.2016
	At 1.4.2015	Bought	Sold	
Direct Interest				
Tan Sri Dato' Khoo Chai Kaa	48,748,820	-	-	48,748,820
Low Yew Hwa	5,061,726	-	-	5,061,726
Khoo Chai Thiam	6,857,344	-	-	6,857,344
Indirect Interest				
Tan Sri Dato' Khoo Chai Kaa *	85,826,700	1,634,600	-	87,461,300

* Indirect interest through Brem Properties Sdn. Bhd.

By virtue of his interest in the ordinary shares in the Company, Tan Sri Dato' Khoo Chai Kaa is also deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

Tan Sri Dato' Khoo Chai Kaa and Mr. Low Yew Hwa holds respectively 1 ordinary share of Kina 1.00 each in Brem Maju (PNG) Limited which constitutes 0.0004% of the paid up share capital therein.

Mr. Low Yew Hwa also holds 600,000 ordinary shares of HK\$1.00 each in Brem Oversea Investments Pte Ltd which constitutes 5% paid up share capital therein.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as recorded and disclosed in the Note 36(b) to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company or its related companies was a party, whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Other than as disclosed in the financial statements, there were no significant events during the financial year.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have indicated their willingness to continue in office.

On behalf of the Board,

TAN SRI DATO' KHOO CHAI KAA
Director

KHOO CHAI THIAM
Director

Date: 15th July 2016

Consolidated Statement of Financial Position

as at 31st March 2016

	Note	2016 RM	2015 RM (Restated)	1.4.2014 RM (Restated)
ASSETS				
Non-current Assets				
Property, plant and equipment	4	5,091,153	4,350,709	3,228,167
Operating financial assets	5	50,475,008	76,089,395	80,070,219
Land held for property development	6	295,897,020	291,995,540	250,930,897
Investment properties	7	105,961,856	108,336,747	110,576,818
Investment in associates	9	4,216,627	4,648,309	61,812,597
Investment in joint ventures	10	2	2	-
Other investments	11	10,038,214	23,692,853	595,445
Deferred tax assets	12	3,387,061	3,834,351	3,506,432
Goodwill on consolidation	13	20,512,382	20,512,382	20,512,382
Amount due from associates	20	41,396,278	-	-
Amount due from joint ventures	14	28,970,730	-	-
Trade receivables	17	-	-	633,442
		565,946,331	533,460,288	531,866,399
Current Assets				
Property development costs	15	129,433,457	101,782,274	88,661,707
Operating financial assets	5	18,589,906	17,794,207	13,185,442
Inventories	16	15,713,291	25,607,101	13,235,177
Trade receivables	17	26,359,561	23,011,535	39,745,783
Other receivables, deposits and prepayments	18	7,473,020	6,863,815	6,605,674
Amount due from associates	20	-	29,949,694	-
Amount due from joint ventures	14	-	8,400,000	-
Tax recoverable		6,224,245	3,149,017	2,133,189
Deposits with licensed financial institutions	21	21,410,489	49,359,789	40,317,086
Cash and bank balances	22	11,658,552	7,991,754	13,835,320
		236,862,521	273,909,186	217,719,378
TOTAL ASSETS		802,808,852	807,369,474	749,585,777

Consolidated Statement of Financial Position as at 31st March 2016

	Note	2016 RM	2015 RM (Restated)	1.4.2014 RM (Restated)
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	23	172,736,172	172,736,172	172,736,172
Reserves	24	353,236,104	348,758,888	306,730,322
Treasury shares	25	(11,118,459)	(10,149,712)	(5,461,482)
Total equity attributable to shareholders of the Company		514,853,817	511,345,348	474,005,012
Non-controlling interests		132,464,424	149,269,148	117,084,617
Total Equity		647,318,241	660,614,496	591,089,629
LIABILITIES				
Non-current liabilities				
Hire purchase payables	26	1,070,468	1,145,976	1,090,157
Bank borrowings	27	71,549,292	83,994,152	83,770,492
Deferred tax liabilities	12	8,789,069	9,176,588	13,361,393
		81,408,829	94,316,716	98,222,042
Current Liabilities				
Trade payables	28	21,749,770	19,766,694	17,954,687
Other payables, deposits and accruals	29	20,464,853	14,828,612	12,572,294
Amount due to directors	31	135,013	98,873	254,423
Hire purchase payables	26	1,116,003	996,796	612,000
Bank borrowings	27	30,139,849	13,864,431	26,409,880
Provision for taxation		476,294	2,882,856	2,470,822
		74,081,782	52,438,262	60,274,106
Total Liabilities		155,490,611	146,754,978	158,496,148
TOTAL EQUITY AND LIABILITIES		802,808,852	807,369,474	749,585,777

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

as at 31st March 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-current Assets			
Property, plant and equipment	4	2,359,312	2,794,845
Land held for property development	6	33,994,731	33,856,258
Investment in subsidiaries	8	114,261,645	88,622,089
Investment in associates	9	5,047,000	5,047,000
Other investments	11	9,442,769	23,097,408
		165,105,457	153,417,600
Current Assets			
Property development costs	15	12,560,545	14,579,717
Inventories	16	15,314,291	12,089,674
Trade receivables	17	3,394,105	1,282,430
Other receivables, deposits and prepayments	18	3,264,101	1,010,172
Amount due from subsidiaries	19	160,919,288	176,010,792
Amount due from associates	20	41,396,278	29,949,694
Tax recoverable		812,316	-
Cash and bank balances	22	17,000	17,000
		237,677,924	234,939,479
TOTAL ASSETS		402,783,381	388,357,079
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	23	172,736,172	172,736,172
Reserves	24	199,446,924	195,930,452
Treasury shares	25	(11,118,459)	(10,149,712)
Total Equity		361,064,637	358,516,912
LIABILITIES			
Non-current liabilities			
Hire purchase payables	26	372,348	867,751
Deferred tax liabilities	12	229,487	229,487
		601,835	1,097,238
Current Liabilities			
Trade payables	28	6,132,040	19,353,849
Other payables, deposits and accruals	29	2,282,388	1,199,921
Amount due to subsidiaries	30	25,532,658	4,531,954
Amount due to directors	31	41,250	-
Hire purchase payables	26	558,091	634,948
Bank borrowings	27	6,570,482	2,413,323
Provision for taxation		-	608,934
		41,116,909	28,742,929
Total Liabilities		41,718,744	29,840,167
TOTAL EQUITY AND LIABILITIES		402,783,381	388,357,079

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income

for the financial year ended 31st March 2016

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Revenue	32	124,681,270	104,925,671	25,612,442	35,934,495
Cost of sales	33	(87,447,831)	(64,419,068)	(18,300,923)	(27,265,194)
Gross profit		37,233,439	40,506,603	7,311,519	8,669,301
Other income	34	16,474,847	47,987,056	7,144,248	43,031,560
Administrative expenses		(8,387,582)	(9,104,533)	(3,120,360)	(3,348,492)
Finance costs	35	(2,382,535)	(2,397,783)	(267,924)	(127,058)
Share of results of associates		(431,682)	63,743	-	-
Profit before taxation	36	42,506,487	77,055,086	11,067,483	48,225,311
Taxation	37	(15,588,054)	(15,419,203)	(2,569,841)	(4,783,822)
Profit for the financial year		26,918,433	61,635,883	8,497,642	43,441,489
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		(13,793,551)	20,675,130	-	-
Total comprehensive income for the financial year		13,124,882	82,311,013	8,497,642	43,441,489
Profit attributable to:					
Shareholders of the Company		16,490,431	41,847,079	8,497,642	43,441,489
Non-controlling interests		10,428,002	19,788,804	-	-
		26,918,433	61,635,883	8,497,642	43,441,489
Total comprehensive income attributable to:					
Shareholders of the Company		9,458,386	52,387,194	8,497,642	43,441,489
Non-controlling interests		3,666,496	29,923,819	-	-
		13,124,882	82,311,013	8,497,642	43,441,489
Earnings per ordinary share (sen):					
- basic	38	4.97	12.48		
- diluted	38	4.97	12.48		

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

for the financial year ended 31st March 2016

Group	Attributable to Owners of the Parent							Total Equity RM
	Share Capital RM	Capital Reserves RM	Exchange Fluctuation Reserves RM	Treasury Shares RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	
At 31st March 2015								
As previously reported	172,736,172	-	3,833,332	(10,149,712)	344,925,556	511,345,348	162,014,091	673,359,439
Prior year adjustment	-	-	-	-	-	-	(12,744,943)	(12,744,943)
Restated balance at 1st April 2015	172,736,172	-	3,833,332	(10,149,712)	344,925,556	511,345,348	149,269,148	660,614,496
Total comprehensive income for the financial year								
Profit for the financial year	-	-	-	-	16,490,431	16,490,431	10,428,002	26,918,433
Other comprehensive income for the financial year	-	-	(7,032,045)	-	-	(7,032,045)	(6,761,506)	(13,793,551)
Total comprehensive income	-	-	(7,032,045)	-	16,490,431	9,458,386	3,666,496	13,124,882
Transactions with owners								
Share repurchased	-	-	-	(968,747)	-	(968,747)	-	(968,747)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(20,471,220)	(20,471,220)
Dividends paid	-	-	-	-	(4,981,170)	(4,981,170)	-	(4,981,170)
Total transactions with owners	-	-	-	(968,747)	(4,981,170)	(5,949,917)	(20,471,220)	(26,421,137)
At 31st March 2016	172,736,172	-	(3,198,713)	(11,118,459)	356,434,817	514,853,817	132,464,424	647,318,241

Statements of Changes in Equity for the financial year ended 31st March 2016

Group	Note	Attributable to Owners of the Parent		Distributable		Total RM	Non- Controlling Interests RM	Total Equity RM
		Share Capital RM	Capital Reserves RM	Exchange Fluctuation Reserves RM	Treasury Shares RM			
At 31st March 2014		172,736,172	3,884,536	(6,706,783)	(5,461,482)	474,005,012	129,829,560	603,834,572
As previously reported		-	-	-	-	-	(12,744,943)	(12,744,943)
Prior year adjustment	47							
Restated balance at 1st April 2014		172,736,172	3,884,536	(6,706,783)	(5,461,482)	474,005,012	117,084,617	591,089,629
Total comprehensive income for the financial year		-	-	-	-	41,847,079	19,788,804	61,635,883
Profit for the financial year		-	-	-	-	-	-	-
Other comprehensive income for the financial year		-	-	10,540,115	-	10,540,115	10,135,015	20,675,130
Total comprehensive income		-	-	10,540,115	-	52,387,194	29,923,819	82,311,013
Transactions with owners		-	-	-	(4,688,230)	(4,688,230)	-	(4,688,230)
Share repurchased		-	-	-	-	-	-	-
Changes in ownership interest in a subsidiary		-	-	-	-	(368,312)	2,260,712	1,892,400
Transfer from capital reserve		-	(3,884,536)	-	-	3,884,536	-	-
Dividends paid	39	-	-	-	-	(9,990,316)	-	(9,990,316)
Total transactions with owners		-	(3,884,536)	-	(4,688,230)	(15,046,858)	2,260,712	(12,786,146)
At 31st March 2015		172,736,172	-	3,833,332	(10,149,712)	511,345,348	149,269,148	660,614,496

Statements of Changes in Equity for the financial year ended 31st March 2016

	Note	Share Capital RM	← Distributable →		Total Equity RM
			Treasury Shares RM	Retained Earnings RM	
Company					
At 1st April 2014		172,736,172	(5,461,482)	162,479,279	329,753,969
Total comprehensive income for the financial year		-	-	43,441,489	43,441,489
Transactions with owners					
Share repurchased		-	(4,688,230)	-	(4,688,230)
Dividends paid	39	-	-	(9,990,316)	(9,990,316)
At 31st March 2015		172,736,172	(10,149,712)	195,930,452	358,516,912
Total comprehensive income for the financial year		-	-	8,497,642	8,497,642
Transactions with owners					
Share repurchased		-	(968,747)	-	(968,747)
Dividends paid	39	-	-	(4,981,170)	(4,981,170)
At 31st March 2016		172,736,172	(11,118,459)	199,446,924	361,064,637

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 31st March 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	42,506,487	77,055,086	11,067,483	48,225,311
Adjustments for:				
Bad debts written off	160	-	-	-
Depreciation of:				
- property, plant and equipment	1,024,140	762,334	410,186	369,966
- investment properties	2,415,008	2,485,953	-	-
Gain on disposal of property, plant and equipment	(184,227)	(343,271)	(26,601)	(342,992)
Gain on disposal of a subsidiary	-	-	-	(1,187,278)
Gain on disposal of an associate	-	(17,165,935)	-	(28,996,040)
Interest expenses	2,382,535	2,397,783	267,924	127,058
Interest income	(12,724,274)	(21,427,925)	(6,917,608)	(6,122,838)
Property, plant and equipment written off	877	21,066	1	15,934
Share of results of associates	431,682	(63,743)	-	-
Unrealised (gain)/loss on foreign exchange, net	(153,383)	247,404	33,696	(40,298)
Operating profit before changes in working capital	35,699,005	43,968,752	4,835,081	12,048,823
Property development cost	(24,910,625)	(20,852,970)	2,019,172	(1,351,074)
Land held for property development	(1,346,007)	(7,708,711)	(138,473)	(53,336)
Operating financial assets	28,566,000	32,772,140	-	-
Inventories	9,893,810	(12,371,924)	(3,224,617)	82,448
Receivables	(20,129,637)	(13,827,191)	(15,366,832)	11,320,543
Payables	6,999,831	14,117,817	(12,098,092)	9,232,013
Subsidiaries	-	-	10,452,652	(91,524,428)
Cash generated from/(used in) operations	34,772,377	36,097,913	(13,521,109)	(60,245,011)
Tax paid	(18,046,421)	(19,826,213)	(3,991,091)	(4,706,435)
Net cash from/(used in) operating activities	16,725,956	16,271,700	(17,512,200)	(64,951,446)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(987,228)	(906,019)	(371,709)	(858,691)
Advances to joint ventures	(19,600,000)	(8,400,000)	-	-
Additional development cost in investment properties	(40,117)	(245,882)	-	-
Acquisition of land held for property development	-	(25,461,525)	-	-
Acquisition of associated companies	-	(5,047,000)	-	(5,047,000)
Proceeds from disposal of:				
- property, plant and equipment	184,232	342,999	26,604	343,000
Net proceeds from disposal of investment in subsidiary	-	-	-	1,892,400
Net proceeds from disposal of investment in associate	-	79,316,040	-	79,316,040
Interest received	1,131,111	7,586,857	6,917,608	6,122,838
Withdrawal/(placement) of deposit with licensed financial institutions	771,076	(1,665,730)	-	-
Drawdown/(placement) of unit trust	13,654,639	(23,097,408)	13,654,639	(23,097,408)
Net cash (used in)/from investing activities	(4,886,287)	22,422,332	20,227,142	58,671,179

Statements of Cash Flows

for the financial year ended 31st March 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of hire purchase payables	(1,248,689)	(767,387)	(654,260)	(414,839)
Repayment of bank borrowings	(5,627,000)	(14,113,092)	-	(5,000,000)
Drawdown of bank borrowings	7,000,000	-	2,000,000	-
Dividend paid to non-controlling interest of a subsidiary	(20,471,220)	-	-	-
Repurchase of treasury shares	(968,747)	(4,688,230)	(968,747)	(4,688,230)
Dividend paid to shareholders of the Company	(4,981,170)	(9,990,316)	(4,981,170)	(9,990,316)
Interest paid	(7,199,514)	(12,748,804)	(267,924)	(127,058)
Net cash (used in)/from financing activities	(33,496,340)	(42,307,829)	(4,872,101)	(20,220,443)
Net decrease in cash and cash equivalents	(21,656,671)	(3,613,797)	(2,157,159)	(26,500,710)
Cash and cash equivalents at the beginning of the financial year	50,269,209	50,527,105	(2,396,323)	24,104,387
Effects of exchange rate changes	(4,312,313)	3,355,901	-	-
Cash and cash equivalents at the end of the financial year	24,300,225	50,269,209	(4,553,482)	(2,396,323)
CASH AND CASH EQUIVALENTS COMPRISE:				
Deposits with licensed financial institutions	21,410,489	49,359,789	-	-
Cash and bank balances	11,658,552	7,991,754	17,000	17,000
Bank overdrafts	(7,096,093)	(4,638,535)	(4,570,482)	(2,413,323)
	25,972,948	52,713,008	(4,553,482)	(2,396,323)
Less: Deposits pledged to licensed financial institutions	(1,619,993)	(2,392,679)	-	-
Less: Deposits with maturity periods above 3 months	(52,730)	(51,120)	-	-
	24,300,225	50,269,209	(4,553,482)	(2,396,323)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The principal activities of the Company are those of general contractors, property development, property investments and investment holding. All other operational activities of the Group are undertaken by respective subsidiaries and associates and are disclosed in Notes 8 and 9 to the financial statements.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business are located at 3rd Floor, Brem House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia ("RM"). All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 15th July 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 2.3.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New FRSs and Amendments/Improvements to FRSs

(a) Adoption of Amendments/Improvements to FRSs

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

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs and Amendments/Improvements to FRSs (Continued)

(b) New FRSs and Amendments/Improvements to FRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new FRSs and amendments/improvements to FRSs that have been issued, but yet to be effective:

<u>New FRS</u>		Effective for financial periods beginning on or after
FRS 9	Financial Instruments	1st January 2018
<u>Amendments/Improvements to FRSs</u>		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1st January 2016
FRS 7	Financial Instruments: Disclosures	1st January 2016
FRS 10	Consolidated Financial Statements	Deferred/ 1st January 2016
FRS 11	Joint Arrangements	1st January 2016
FRS 12	Disclosure of Interests in Other Entities	1st January 2016
FRS 14	Regulatory Deferral Accounts	1st January 2016
FRS 101	Presentation of Financial Statements	1st January 2016
FRS 107	Statement of Cash Flows	1st January 2017
FRS 112	Income Taxes	1st January 2017
FRS 116	Property, Plant and Equipment	1st January 2016
FRS 119	Employee Benefits	1st January 2016
FRS 127	Separate Financial Statements	1st January 2016
FRS 128	Investments in Associates and Joint Ventures	Deferred/ 1st January 2016
FRS 134	Interim Financial Reporting	1st January 2016
FRS 138	Intangible Assets	1st January 2016

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

FRS 9 Financial Instruments

Key requirements of FRS 9:-

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs and Amendments/Improvements to FRSs (Continued)

(b) New FRSs and Amendments/Improvements to FRSs that have been issued, but yet to be effective (Continued)

FRS 9 Financial Instruments (Continued)

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.
- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to FRS 107 Statement of Cash Flows

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs and Amendments/Improvements to FRSs (Continued)

(b) New FRSs and Amendments/Improvements to FRSs that have been issued, but yet to be effective (Continued)

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the following limited circumstances:

- when the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs and Amendments/Improvements to FRSs (Continued)

(b) New FRSs and Amendments/Improvements to FRSs that have been issued, but yet to be effective (Continued)

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities: the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

(c) MASB Approved Accounting Standards, MFRSs

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

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

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs and Amendments/Improvements to FRSs (Continued)

(c) MASB Approved Accounting Standards, MFRSs (Continued)

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

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

MFRS 15 Revenue from Contracts with Customers

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

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of consolidation

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of consolidation (Continued)

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The transaction costs of the investments shall be recognised as expense in the profit or loss in the period in which the costs are incurred.

Under the purchase method of accounting, 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 the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. 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. The accounting policy for goodwill is set out in Note 2.3 (i). 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 acquire are reassessed on acquisition date 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1st January 2006 and 1st January 2011, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1st January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

(ii) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceeds the non-controlling interests.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of consolidation (Continued)

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains on transactions between the Group and the associated companies are eliminated against the investment to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

Unrealised losses are eliminated in the same way as unrealised gain, but only to the extent that there is no evidence of impairment.

(iv) Associated companies

Associated companies are entities, including unincorporated entities, in which the Group exercises significant influence but not control, through participation in the financial and operating policy decision of the companies.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method less any impairment losses, of accounting based on the audited or management financial statements of the associated companies unless it is classified as held for sale. Under the equity method of accounting, the Group's share of profits less losses of the associated companies during the financial year is included in the statements of comprehensive income, from the date that significant influence commences until the date that significant influence ceases. The Group's interest in the associated companies is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition accumulated profits or accumulated losses and other reserves.

When the Group's share of losses exceeds its interest in an equity associate, the carrying amount of that interest (including any long term investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(b) Property, plant and equipment and depreciation (Continued)

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

Long term leasehold land	Over the term of leases of 92 years
Plant and machinery	20%
Motor vehicles	20%
Furniture, fittings, equipment and renovation	10% - 25%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment assessed for impairment when events or changes in circumstances indicate that is carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2.3(n) to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

(c) Operating financial assets

The Group constructs or upgrade infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements include infrastructure used in public-to-private service concession arrangement for its entire concession period.

The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the interest income on that amount is calculated using the effective interest method.

Any asset carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

(d) Properties development activities

(i) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(d) Properties development activities (Continued)

(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 profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

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

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

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

Where revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under payables (within current liabilities).

(e) Investment properties

Investment properties are properties which are held to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services.

The Group has adopted the cost method in measuring investment properties. Investment properties are measured initially at its cost, including transaction cost. Subsequent to initial recognition, all properties are stated at cost less accumulated depreciation and impairment losses.

No depreciation is provided for freehold land. Freehold building is depreciated at the annual rate of 2%.

Long term leasehold land and building are depreciated evenly over the period ranging from 50 to 97 years.

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(f) 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 percentage of completion method. The percentage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs or by reference to the physical completion of the contract.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are 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 comprise 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 balance is classified as amount due to customers on contracts.

(g) Investments in subsidiary companies, associated companies and joint ventures

Investments in subsidiary companies and associated companies are stated at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2.3(n).

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

(h) Other investments

Other investments are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(o).

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

(i) Goodwill

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

For acquisition prior to 1st January 2006, goodwill represents the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For acquisition between 1st January 2006 and 31st December 2010, goodwill represents the excess of the cost of the acquisition over the Group's net interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(i) Goodwill (Continued)

For acquisition on or after 1st January 2011, the Group consider the following in measuring goodwill at the acquisition date:

- The fair value of the consideration transferred;
- The recognised amount of any non-controlling interests in the acquisition;
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; and
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

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, including 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 off and the portion of the cash-generating unit retained.

As permitted under the transitional provision of FRS 121: The Effects of Changes in Foreign Exchange Rates, goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1st January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.3 (w) (iii).

(j) Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined principally on a first-in, first-out basis (FIFO). Cost of work-in-progress and finished goods consist of direct materials, direct labour and direct overheads less foreseeable losses.

The cost of raw material comprises the original cost of purchase plus the cost of bringing the inventory to their present location and condition.

Property inventories are valued at the lower of cost and net realisable value. Cost is determined on average cost or specific identification basis. Cost of property inventories comprises the attributable costs of land and related development costs.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft and deposits pledged to licensed financial institutions.

(l) Treasury shares

The Company shares repurchased and held are designated as treasury shares. These shares are treated as unissued shares and presented as a deduction from total equity. Should such shares be cancelled, their nominal amounts will be eliminated and the differences between their cost and nominal amounts will be taken to reserves as appropriate.

(m) Financial assets

Financial asset are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not a fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for sale financial assets.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) *Held-to-maturity investments*

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(m) Financial assets (Continued)

(iii) *Loans and receivables*

Financial assets classified as loans and receivable comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

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

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or 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 and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales is a purchases or sales of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned. All regular way purchases or sales of financial asset are recognised and derecognised, as applicable, using trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(n) Impairment of non-financial assets

The Group assesses at the end of 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 the 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 asset. Where the carrying amount of an asset 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) Impairment of financial assets

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

(i) *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 receivable 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 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(o) Impairment of financial assets (Continued)

(i) *Trade and other receivables and other financial assets carried at amortised cost (Continued)*

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.

(ii) *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.

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

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

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

Impairment losses on available-for-sale equity instruments 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 of 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.

(p) 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 receivable 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 receivable 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(q) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(r) Hire purchase and leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase or lease payments at the inception of the hire purchase or lease, less accumulated depreciation and impairment losses. The corresponding liability is included in the financial statements as borrowings. In calculating the present value of the minimum hire purchase or lease payments, the discount factor used is the interest rate implicit in the hire purchase or lease, when it is practicable to determine, otherwise, the Group's incremental borrowing rate is used.

Hire purchase or lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase or leasing commitments and the fair value of the assets acquired, are charged to the financial statements over the term of the relevant hire purchase or lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for hire purchase or leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2.3 (b).

(s) Provisions for liabilities

Provisions for liabilities are recognised when the Group have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial statements date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. 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 finance cost.

(t) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(t) Financial liabilities (Continued)

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

As at the end of the financial period, the Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) *Other financial liabilities*

The Group's and the Company's other financial liabilities include trade payables, other payables, amount due to subsidiaries companies, amount due to Directors, debentures, term loans, bank overdraft, revolving credit, hire purchase payables and amount due to subsidiaries.

Trade payables, other payables and amount due to subsidiaries are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Term loans, bank overdraft, revolving credit and hire purchase payables are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(u) Revenue and other income

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. Revenue is measured at the fair value of consideration received or receivable.

(i) *Construction contracts*

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.3 (f).

(ii) *Property development*

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.3 (d).

(iii) *Sale of goods and services*

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer or when services are rendered.

(iv) *Rental income*

Rental income is recognised on the accrual basis unless collectibility is in doubt, in which case the recognition of such income is suspended.

(v) *Dividend income*

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

(vi) *Concession arrangements*

Revenue for construction services provided under the concession arrangement for water treatment plants is recognised based on the percentage of completion.

When the Group invoices the customer during the operation phase of the concession period, it will apportion the amount to be collected from the invoice between:

- a repayment of the operating financial asset, which will be used to reduce the carrying amount of the operating financial asset on the statement of financial position;
- interest income, which will be recognised as finance income in the profit or loss;
- administrative fee received, which will be recognised based on monthly fixed fee and recognised when earned over the term of the concession; and
- revenue from bulk sale of treated water, which will be recognised in the profit or loss as and when services are rendered.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(v) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(v) Income tax (Continued)

(ii) *Deferred tax (Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(w) Foreign currency

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(w) Foreign currency (Continued)

(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 average exchange rates for the financial year, which approximates the exchange rates at the dates of the translations. 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 closing rates used in the translation are:

	Group	
	2016 RM	2015 RM
Papua New Guinea Kina	1.2585	1.3865

(x) 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. Capitalisation of borrowing costs will cease when substantially all the activities necessary to prepare the assets for its intended use or sale are completed.

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

(y) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(y) Employee benefits (Continued)

(iii) Termination benefits

The Group pays termination benefits in cases of termination of employment within the framework of a restructuring. Termination benefits are recognised as a liability and an expense which the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(z) Segment reporting

For management purposes, the Group is organised into operating segments based on their business segment and geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the managing director who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

(aa) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(ab) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

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

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

(ac) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(ac) Fair value measurements (Continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on input used in the valuation technique as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

(a) Depreciation of property, plant and equipment

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

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

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

(b) Impairment of goodwill

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flow from the CGU and also choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill are given in Note 13.

(c) Property development

When the financial outcome of the development activity can be estimated reliably and the sale of the development unit is affected, the Group recognises property development profits and costs by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the financial outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probably will be recovered and the property development costs on the development units sold are recognised when incurred.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Property development (Continued)

Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development costs, the expected loss is recognised as an expense in the period in which the loss is identified.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as recoverability of the property development costs. In making the judgement, the Group and the Company evaluates based on past experience, external economic factors, by relying on the work/opinion of specialists and continuous monitoring mechanism.

Adjustments based on the percentage-of-completion method are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognise a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

(d) Recognition of construction contracts profits

The Group recognises contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of contract costs incurred, the estimated total costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(e) Income taxes

Judgement 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 and the Company recognise liabilities for expected tax liabilities 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

(f) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future fees receivable, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties; hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(g) Impairment of loans and receivables

The Company 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 Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the reporting date is disclosed in Notes 14 and 17.

(h) Revenue recognition in relation to Concession Arrangement

In accordance to IC Interpretation 12 Service Concession Agreements, the Group recognised the operating financial assets using financial asset model.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the interest income on that amount is calculated using the effective interest method.

Significant judgement is required to apply a suitable effective interest rate in order to determine the present value of the operating financial asset. If the expectation is different from the estimation, such difference will impact the carrying value of the operating financial asset.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land and building RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings, equipment and renovation RM	Total RM
Group						
2016						
Cost						
At 1st April 2015	12,011	445,818	12,688,132	5,382,213	2,115,335	20,643,509
Additions	-	-	1,132,000	406,678	740,938	2,279,616
Exchange difference	-	(35,840)	(22,561)	-	(32,094)	(90,495)
Disposals/written off	-	-	(240,000)	(234,172)	(36,694)	(510,866)
At 31st March 2016	12,011	409,978	13,557,571	5,554,719	2,787,485	22,321,764
Accumulated depreciation						
At 1st April 2015	-	108,586	10,795,437	3,616,943	1,771,834	16,292,800
Charge for the year	-	4,025	593,635	693,127	212,405	1,503,192
Exchange difference	-	(4,904)	(22,561)	-	(29,250)	(56,715)
Disposals/written off	-	-	(239,999)	(233,318)	(35,349)	(508,666)
At 31st March 2016	-	107,707	11,126,512	4,076,752	1,919,640	17,230,611
Carrying amount						
At 31st March 2016	12,011	302,271	2,431,059	1,477,967	867,845	5,091,153

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold land RM	Leasehold land and building RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings, equipment and renovation RM	Total RM
Group						
2015						
Cost						
At 1st April 2014	12,011	388,698	12,505,719	5,732,431	2,328,654	20,967,513
Additions	-	-	1,624,175	361,048	128,796	2,114,019
Exchange difference	-	57,120	35,957	-	51,149	144,226
Disposals/written off	-	-	(1,477,719)	(711,266)	(393,264)	(2,582,249)
At 31st March 2015	12,011	445,818	12,688,132	5,382,213	2,115,335	20,643,509
Accumulated depreciation						
At 1st April 2014	-	97,484	11,964,361	3,717,200	1,960,301	17,739,346
Charge for the year	-	3,909	272,834	611,006	138,016	1,025,765
Exchange difference	-	7,193	35,957	-	45,717	88,867
Disposals/written off	-	-	(1,477,715)	(711,263)	(372,200)	(2,561,178)
At 31st March 2015	-	108,586	10,795,437	3,616,943	1,771,834	16,292,800
Carrying amount						
At 31st March 2015	12,011	337,232	1,892,695	1,765,270	343,501	4,350,709
Company						
2016						
Cost						
At 1st April 2015			5,997,175	3,273,089	785,561	10,055,825
Additions			-	99,079	354,630	453,709
Disposals			-	(132,961)	(2,250)	(135,211)
At 31st March 2016			5,997,175	3,239,207	1,137,941	10,374,323
Accumulated depreciation						
At 1st April 2015			4,529,819	2,104,578	626,583	7,260,980
Charge for the year			324,835	450,431	113,972	889,238
Disposals			-	(132,958)	(2,249)	(135,207)
At 31st March 2016			4,854,654	2,422,051	738,306	8,015,011
Carrying amount						
At 31st March 2016			1,142,521	817,156	399,635	2,359,312

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Plant and machinery RM	Motor vehicles RM	Furniture, fittings, equipment and renovation RM	Total RM
Company				
2015				
Cost				
At 1st April 2014	5,850,719	3,623,307	1,080,670	10,554,696
Additions	1,624,175	361,048	81,467	2,066,690
Disposals	(1,477,719)	(711,266)	(376,576)	(2,565,561)
At 31st March 2015	5,997,175	3,273,089	785,561	10,055,825
Accumulated depreciation				
At 1st April 2014	5,850,700	2,404,849	921,653	9,177,202
Charge for the year	156,834	410,992	65,571	633,397
Disposals	(1,477,715)	(711,263)	(360,641)	(2,549,619)
At 31st March 2015	4,529,819	2,104,578	626,583	7,260,980
Carrying amount				
At 31st March 2015	1,467,356	1,168,511	158,978	2,794,845

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM2,279,616 (2015: RM2,114,019) and RM453,709 (2015: RM2,066,690) of which RM1,292,388 (2015: RM1,208,000) and RM82,000 (2015: RM1,207,999) were acquired by means of hire purchase arrangements. Cash payments of RM987,228 (2015: RM906,019) and RM371,709 (2015: RM858,691) were used to acquire the property, plant and equipment.
- (b) Included in property, plant and equipment of the Group and of the Company are motor vehicles acquired under hire purchase arrangements at net carrying amount of RM1,236,523 (2015: RM1,442,030) and RM630,010 (2015: RM902,410) respectively.
- (c) The depreciation of property, plant and equipment charged for the financial year is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Property development costs (Note 15)	479,052	263,431	-	-
Amount due from contract customers (Note 17)	-	-	479,052	263,431
Profit before taxation (Note 36)	1,024,140	762,334	410,186	369,966
	1,503,192	1,025,765	889,238	633,397

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(d) Included in property, plant and equipment of the Group and of the Company are costs of the following fully depreciated assets which are still in use:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Plant and machinery	10,221,395	10,483,957	4,373,000	4,373,000
Motor vehicle	2,031,380	2,209,570	1,103,502	1,103,502
Furniture, fittings, equipment and renovation	1,452,323	1,448,706	500,897	478,300
	13,705,098	14,142,233	5,977,399	5,954,802

5. OPERATING FINANCIAL ASSETS

	Group	
	2016 RM	2015 RM
At 1st April	93,883,602	93,255,661
Interest income	11,593,163	13,422,410
Payment by grantor	(28,566,000)	(29,948,400)
Exchange difference	(7,845,851)	17,153,931
At 31st March	69,064,914	93,883,602
Net carrying amount		
Non-current	50,475,008	76,089,395
Current	18,589,906	17,794,207
	69,064,914	93,883,602

The Group has concession arrangements with a governing body of the government of Papua New Guinea (the "grantor") to operate water treatment plants. Under the concession agreements, the Group will construct and operate the plants and water distribution networks for a Concession Period of 22 years commencing 1997 and transfer the plant to the grantor at the end of the Concession Period ending 2019. Such concession arrangements fall within the scope of IC Interpretation 12, Service Concession Arrangements.

The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the interest income on that amount is calculated using the effective interest method.

Under IC Interpretation 12, the revenue is recognised based on Note 2.3(u)(vi).

Notes to the Financial Statements

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group				
At 1st April 2014	91,739,428	124,209,668	34,981,801	250,930,897
Additions	25,461,525	-	15,603,118	41,064,643
At 31st March 2015	117,200,953	124,209,668	50,584,919	291,995,540
Additions	-	-	3,901,480	3,901,480
At 31st March 2016	117,200,953	124,209,668	54,486,399	295,897,020

	Freehold land RM	Development expenditure RM	Total RM
Company			
At 1st April 2015	32,305,486	1,550,772	33,856,258
Additions	-	138,473	138,473
At 31st March 2016	32,305,486	1,689,245	33,994,731

- (a) Included in land held for property development of the Group is interest expense capitalised of RM2,555,473 (2015: RM7,894,407).
- (b) The land held for property development of the Group with carrying value of RM142,884,173 (2015: RM142,884,173) has been pledged as security for a financing facility as disclosed in Note 27 of the financial statements.

7. INVESTMENT PROPERTIES

	Freehold Land RM	Long term leasehold Land RM	Buildings RM	Total RM
Group				
2016				
Cost				
At 1st April 2015	40,709	33,791,788	92,353,795	126,186,292
Additions	-	-	40,117	40,117
At 31st March 2016	40,709	33,791,788	92,393,912	126,226,409
Accumulated depreciation				
At 1st April 2015	-	4,767,290	13,082,255	17,849,545
Charge for the year	-	422,317	1,992,691	2,415,008
At 31st March 2016	-	5,189,607	15,074,946	20,264,553
Carrying amount				
At 31st March 2016	40,709	28,602,181	77,318,966	105,961,856

Notes to the Financial Statements

7. INVESTMENT PROPERTIES (Continued)

	Freehold Land RM	Long term leasehold Land RM	Buildings RM	Total RM
Group 2015				
Cost				
At 1st April 2014	40,709	33,791,788	92,107,913	125,940,410
Additions	-	-	245,882	245,882
At 31st March 2015	40,709	33,791,788	92,353,795	126,186,292
Accumulated depreciation				
At 1st April 2014	-	4,344,974	11,018,618	15,363,592
Charge for the year	-	422,316	2,063,637	2,485,953
At 31st March 2015	-	4,767,290	13,082,255	17,849,545
Carrying amount				
At 31st March 2015	40,709	29,024,498	79,271,540	108,336,747

- (a) The fair value of the investment properties are determined by the Directors based on the relevant information available through internal research and their best estimates.

The valuation method involves discounted cash flows which considers the present value of net cash flows to be generated from the properties, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using weighted average cost of capital. The significant unobservable input used in the valuation method were the estimated rental rates and term yield.

- (b) Fair value of investment properties for the Group is categorised as follows:

	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
2016				
Group				
Asset for which fair value is disclosed				
Freehold land	83,000	-	-	83,000
Long term leasehold land	58,650,000	-	-	58,650,000
Buildings	86,963,000	-	-	86,963,000
	145,696,000	-	-	145,696,000
2015				
Group				
Asset for which fair value is disclosed				
Freehold land	83,000	-	-	83,000
Long term leasehold land	58,391,000	-	-	58,391,000
Buildings	86,830,000	-	-	86,830,000
	145,304,000	-	-	145,304,000

Notes to the Financial Statements

7. INVESTMENT PROPERTIES (Continued)

(c) The following are recognised in profit or loss in respect of investment properties:

	Group	
	2016 RM	2015 RM
Rental income	14,899,883	14,537,906
Direct operating expenses:		
- income generating investment properties	(10,282,729)	(10,175,457)
- non-income generating investment properties	(2,094,992)	(1,201,007)
	2,522,162	3,161,442

(d) The total net carrying amount of a long term leasehold land and a building of a subsidiary amounting to RM108,335,806 (2014: RM110,544,848) are pledged to financial institutions as collaterals for banking facilities as disclosed in Note 27.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2016 RM	2015 RM
Unquoted shares at cost	91,422,089	92,127,211
Less: Disposal during the financial year	-	(705,122)
	91,422,089	91,422,089
Less: Allowance for impairment loss	(2,800,000)	(2,800,000)
	88,622,089	88,622,089
Quasi loans	25,639,556	-
	1 14,261,645	88,622,089

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

The details of the subsidiaries are as follows:

Name of Company	Effective equity interest		Country of incorporation	Principal activities
	2016 %	2015 %		
Direct				
Brem Construction Sdn Bhd. #	100.00	100.00	Malaysia	Civil engineering and general construction.
Brem Aluminium & Glass Sdn Bhd. #	100.00	100.00	Malaysia	Dormant.
Brem Maju Sdn Bhd. #	50.25	50.25	Malaysia	Civil engineering and general construction.
Brem Oversea Investments Pte Ltd. #	70.00	70.00	Hong Kong	Dormant.
Cosmo-One Realty Sdn Bhd. #	100.00	100.00	Malaysia	Property investment.
Global Water Sdn Bhd.	100.00	100.00	Malaysia	Investment holding.
Harmony Property Sdn Bhd.	75.00	75.00	Malaysia	Property development.
Intan Kemuncak Sdn Bhd. #	100.00	100.00	Malaysia	Property development.
Naga Istimewa Sdn Bhd.	100.00	100.00	Malaysia	Property development, contractor and investment holding.
Titi Kaya Sdn Bhd.	48.33	48.33	Malaysia	Property development and investment holding.

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (Continued)

Name of Company	Effective equity interest		Country of incorporation	Principal activities
	2016 %	2015 %		
Indirect through Titi Kaya Sdn Bhd				
Eng Ann Realty Co. (Klang) Sdn Bhd. #	48.33	48.33	Malaysia	Property development.
Wonderful Perfection Sdn Bhd. #	29.00	29.00	Malaysia	Property development.
NPO Builders Sdn Bhd. #	24.65	24.65	Malaysia	Property development.
Indirect through Global Water Sdn Bhd				
PNG Water Limited #	51.00	51.00	Papua New Guinea	Water concession.
Indirect through Brem Maju Sdn Bhd				
Brem Maju (PNG) Limited #	50.25	50.25	Papua New Guinea	Civil engineering and general construction.

Audited by audit firms other than Baker Tilly Monteiro Heng.

- (a) The principal place of business of Titi Kaya Sdn. Bhd. ("TKSB") is located at 3rd Floor, Brem House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan.

Even though the Group holds less than half of the voting rights of TKSB, the Group retains its existing rights which includes the ability to direct the relevant activities of the Company. This is by virtue of TKSB's Board of Directors composition where it is wholly represented by two Directors from the Group. Hence, TKSB remains a subsidiary of the Group.

- (b) The Group's subsidiary that have material non-controlling interests ("NCI") are as follows:

Name of company	Principal place of business/ country of incorporation	2016 %	2015 %
Brem Maju Sdn. Bhd.	Malaysia	49.75	49.75
Harmony Property Sdn. Bhd.	Malaysia	25.00	25.00
Titi Kaya Sdn. Bhd.	Malaysia	51.67	51.67
PNG Water Limited	Papua New Guinea	49.00	49.00

Carrying amount of material non-controlling interests:

Name of company	2016 RM	2015 RM
Brem Maju Sdn. Bhd. Group	6,707,939	6,358,327
Harmony Property Sdn. Bhd.	21,531,457	20,487,157
Titi Kaya Sdn. Bhd. Group	56,407,652	51,898,196
PNG Water Limited	47,640,044	70,344,722

Profit/(Loss) allocated to material non-controlling interests:

Name of company	2016 RM	2015 RM
Brem Maju Sdn. Bhd.	570,696	927,050
Harmony Property Sdn. Bhd.	1,048,914	(40,399)
Titi Kaya Sdn. Bhd.	4,615,181	12,664,210
PNG Water Limited	4,348,423	6,241,357

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (Continued)

- (c) The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	Brem Maju Sdn. Bhd. Group RM	Harmony Property Sdn. Bhd. RM	Titi Kaya Sdn. Bhd. Group RM	PNG Water Limited RM
Summarised statements of financial position				
As at 31st March 2016				
Current assets	24,058,592	119,653,549	19,218,220	52,571,221
Non-current assets	3,489,599	183,108,654	112,020,192	50,475,026
Current liabilities	(13,431,612)	(168,048,846)	(6,312,978)	(5,830,045)
Non-current liabilities	(633,084)	(48,587,530)	-	-
Net assets	13,483,495	86,125,827	124,925,434	97,216,202

Summarised statements of comprehensive income Financial year ended 31st March 2016

Revenue	30,120,803	24,342,555	25,755,200	41,105,052
Profit for the financial year	1,147,128	4,195,654	8,484,014	8,865,526
Total comprehensive income	1,147,128	4,195,654	8,484,014	8,865,526

Summarised cash flow information

Financial year ended 31st March 2016

Cash flows from/(used in) operating activities	1,116,487	(21,991,084)	(4,276,962)	26,580,844
Cash flows used in investing activities	(354,506)	3,385,708	(14,053)	264,324
Cash flows from financing activities	(648,870)	18,759,097	-	(43,537,804)
Net increase in cash and cash equivalents	113,111	153,721	(4,291,015)	(16,692,636)
Dividends paid to non-controlling interests	-	-	-	20,471,220

Summarised statements of financial position

As at 31st March 2015

Current assets	16,386,443	107,867,512	43,858,301	71,120,483
Non-current assets	2,423,095	172,510,078	82,618,317	76,089,415
Current liabilities	(5,894,204)	(131,840,102)	(10,035,198)	(3,646,050)
Non-current liabilities	(221,014)	(66,607,315)	-	-
Net assets	12,694,320	81,930,173	116,441,420	143,563,848

Summarised statements of comprehensive income

Financial year ended 31st March 2015

Revenue	18,773,919	3,829,292	35,595,626	41,379,719
Profit/(Loss) for the financial year	1,863,425	(180,050)	23,512,964	12,740,419
Total comprehensive income/(loss)	1,863,425	(180,050)	23,512,964	12,740,419

Summarised cash flow information

Financial year ended 31st March 2015

Cash flows from operating activities	1,130,760	(41,444,300)	4,099,546	21,706,875
Cash flows used in investing activities	61,289	(2,821,837)	(1,497)	185,515
Cash flows from/(used in) financing activities	(366,293)	39,290,026	(1,561)	63,330
Net increase/(decrease) in cash and cash equivalents	825,756	(4,976,111)	4,096,488	21,955,720
Dividends paid to non-controlling interests	-	-	-	-

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
At cost				
Unquoted shares	6,247,000	6,247,000	5,047,000	5,047,000
Share of post acquisition result	(2,030,373)	(1,598,691)	-	-
	4,216,627	4,648,309	5,047,000	5,047,000
Represented by:				
Share of net assets other than goodwill	4,034,093	4,458,995		
Goodwill on acquisition	182,534	189,314		
	4,216,627	4,648,309		

The details of the associates are as follows:

Name of Company	Effective equity interest		Country of incorporation	Principal activities
	2016 %	2015 %		
Topaz Teguh Sdn Bhd	49.00	49.00	Malaysia	Operators of bowling and snooker centre
GJH Ventures Sdn Bhd	49.00	49.00	Malaysia	Investment holding
GJH Prestige Sdn Bhd	49.00	49.00	Malaysia	Investment holding

The following table illustrates the summarised financial information of the Group's material associates adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

Group	GJH Ventures Sdn. Bhd. RM	GJH Prestige Sdn. Bhd. RM
31st March 2016		
Assets and liabilities:		
Current assets	3,889,215	10,500,669
Non-current assets	81,532,626	204,605,139
Current liabilities	(43,140,483)	(100,425,359)
Non-current liabilities	(44,148,938)	(95,823,757)
Net assets	(1,867,580)	18,856,692
Equity attributable to:		
Owners of the associated company	(1,867,580)	8,232,843
Non-controlling interests of the associated company	-	10,623,849
	(1,867,580)	18,856,692
Results:		
Revenue	-	-
Loss for the financial year	(846,552)	(558,176)
Other comprehensive income	-	-
Total comprehensive loss	(846,552)	(558,176)
Loss for the financial year attributable to:		
- owners of the associated company	(846,552)	(285,381)
- non-controlling interests of the associated company	-	(272,795)
	(846,552)	(558,176)

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES (Continued)

	GJH Ventures Sdn. Bhd. RM	GJH Prestige Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
31st March 2016				
Reconciliation of net assets to carrying amount:				
Share of net assets at acquisition date	(605,706)	4,717,466	711,745	4,823,505
Goodwill on acquisition	752,706	182,534	488,255	1,423,495
Cost of investment	147,000	4,900,000	1,200,000	6,247,000
Share of post-acquisition losses	(147,000)	(683,373)	(1,200,000)	(2,030,373)
Share of post-acquisition other comprehensive income	-	-	-	-
Carrying amount in the statement of financial position	-	4,216,627	-	4,216,627
Group's share of results:				
Group's share of loss	(6,780)	(424,902)	-	(431,682)
Group's share of other comprehensive loss	-	-	-	-
Group's share of total comprehensive loss	(6,780)	(424,902)	-	(431,682)
Group				
		GJH Ventures Sdn. Bhd. RM	GJH Prestige Sdn. Bhd. RM	
31st March 2015				
Assets and liabilities:				
Current assets		3,379,231	10,631,040	
Non-current assets		76,420,168	147,381,380	
Current liabilities		(34,295,821)	(70,594,692)	
Non-current liabilities		(46,454,459)	(69,326,874)	
Net (liabilities)/assets		(950,881)	18,090,854	
Equity attributable to:				
Owners of the associated company		(950,881)	9,099,212	
Non-controlling interests of the associated company		-	8,991,642	
		(950,881)	18,090,854	
Results:				
Revenue		-	-	
Loss for the financial year		(7,058)	(185,712)	
Other comprehensive income		-	-	
Total comprehensive loss		(7,058)	(185,712)	
Loss for the financial year attributable to:				
- owners of the associated company		(7,058)	(95,643)	
- non-controlling interests of the associated company		-	(90,069)	
		(7,058)	(185,712)	

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES (Continued)

	GJH Ventures Sdn. Bhd. RM	GJH Prestige Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
31st March 2015				
Reconciliation of net assets to carrying amount:				
Share of net assets at acquisition date	(605,706)	4,717,466	711,745	4,823,505
Goodwill on acquisition	752,706	182,534	488,255	1,423,495
Cost of investment	147,000	4,900,000	1,200,000	6,247,000
Share of post-acquisition losses	(140,220)	(258,471)	(1,200,000)	(1,598,691)
Share of post-acquisition other comprehensive income	-	-	-	-
Carrying amount in the statement of financial position	6,780	4,641,529	-	4,648,309
Group's share of results:				
Group's share of loss	(69,058)	(258,471)	391,272	63,743
Group's share of other comprehensive loss	-	-	-	-
Group's share of total comprehensive loss	(69,058)	(258,471)	391,272	63,743

The Group has not recognised losses relating to Topaz Teguh Sdn. Bhd and GJH Ventures Sdn. Bhd. where their shares of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at 31st March 2016 was RM207,287 (2015: RM133,510) and RM442,403 (2015: Nil) respectively. The share of the current year's unrecognised losses amounts to RM73,777 (2015: RM133,510) and RM442,403 (2015: Nil) respectively.

10. INVESTMENT IN JOINT VENTURES

The Group has 50% (2015: 50%) equity interest in a jointly-controlled entity, Jade Square Sdn. Bhd. ("JSSB") and United Allied Master Sdn. Bhd. ("UAMSB") that are held through a subsidiary. These joint ventures are incorporated in Malaysia and are in the business of property development.

The aggregate amounts of each of the current assets, non-current assets, current liabilities and non-current liabilities, income and expenses related to the Group's interests in the jointly-controlled entity are as follows:

Group	JSSB and UAMSB	
	2016	2015
Assets and liabilities:		
Current assets	3,970	8,416,000
Non-current assets	56,046,906	-
Current liabilities	(56,079,820)	(8,400,000)
Non-current liabilities	-	-
Net (liabilities)/assets	(28,944)	16,000
Results:		
Revenue	-	-
Loss for the financial year	(20,348)	(3,600)
Other comprehensive income	-	-
Total comprehensive loss	(20,348)	(3,600)

Notes to the Financial Statements

10. INVESTMENT IN JOINT VENTURES (Continued)

The Group has not recognised losses relating to JSSB and UAMSB where their shares of losses exceeds the Group's interest in these joint ventures. The Group's cumulative share of unrecognised losses at 31st March 2016 was RM10,988 (2015: RM900) and RM986 (2015: RM900) respectively. The share of the current year's unrecognised losses amounts to RM10,088 (2015: RM900) and RM86 (2015: RM900) respectively.

11. OTHER INVESTMENTS

	Quoted RM	Unquoted RM	Total RM
Group			
2016			
Non-current			
Available-for-sale financial assets	9,442,769	-	9,442,769
Held-to-maturity investments	-	595,445	595,445
	9,442,769	595,445	10,038,214
Market value of quoted investment	9,442,769	-	9,442,769
2015			
Non-current			
Available-for-sale financial assets	23,097,408	-	23,097,408
Held-to-maturity investments	-	595,445	595,445
	23,097,408	595,445	23,692,853
Market value of quoted investment	23,097,408	-	23,097,408
Company			
2016			
Non-current			
Available-for-sale financial assets	9,442,769	-	9,442,769
	9,442,769	-	9,442,769
Market value of quoted investment	9,442,769	-	9,442,769
2015			
Non-current			
Available-for-sale financial assets	23,097,408	-	23,097,408
	23,097,408	-	23,097,408
Market value of quoted investment	23,097,408	-	23,097,408

Notes to the Financial Statements

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Unrealised profit on intercompany transaction RM	Unabsorbed loss and capital allowance RM	Others RM	Total RM
Group				
Deferred tax assets				
At 1st April 2015	3,343,411	406,676	84,264	3,834,351
Recognised in profit or loss	(402,512)	-	-	(402,512)
Exchange difference	-	-	(44,778)	(44,778)
At 31st March 2016	2,940,899	406,676	39,486	3,387,061
At 1st April 2014	3,073,309	423,716	9,407	3,506,432
Recognised in profit or loss	270,102	(17,040)	-	253,062
Exchange difference	-	-	74,857	74,857
At 31st March 2015	3,343,411	406,676	84,264	3,834,351
	Revaluation surplus RM	Accelerated capital allowances RM	Others RM	Total RM
Group				
Deferred tax liabilities				
At 1st April 2015	4,928,997	5,646,554	(1,398,963)	9,176,588
Recognised in profit or loss	(524,673)	(1,248,615)	1,385,769	(387,519)
Exchange difference	-	-	-	-
At 31st March 2016	4,404,324	4,397,939	(13,194)	8,789,069
At 1st April 2014	4,928,997	9,023,606	(591,210)	13,361,393
Recognised in profit or loss	-	(3,377,052)	(13,194)	(3,390,246)
Exchange difference	-	-	(794,559)	(794,559)
At 31st March 2015	4,928,997	5,646,554	(1,398,963)	9,176,588
			2016 RM	2015 RM
Company				
Deferred tax liabilities				
At 1st April			229,487	67,100
Recognised in profit or loss			-	162,387
At 31st March			229,487	229,487
Representing the tax effect of:				
- Property, plant and equipment			242,681	242,681
- Provision for annual leave			(13,194)	(13,194)
			229,487	229,487

Notes to the Financial Statements

12. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2016 RM	2015 RM
Unabsorbed capital allowance	171,493	167,980
Unused tax losses	3,323,334	3,111,179
	3,494,827	3,279,159

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

13. GOODWILL ON CONSOLIDATION

	2016 RM	Group 2015 RM (Restated)	1.4.2014 RM (Restated)
At 1st April/31st March			
As previously stated	20,512,382	33,257,325	33,257,325
Prior year adjustment	-	(12,744,943)	(12,744,943)
As restated	20,512,382	20,512,382	20,512,382

(a) The carrying amount of the goodwill allocated to each cash generating units ("CGUs") are as follows:

	2016 RM	Group 2015 RM (Restated)	1.4.2014 RM (Restated)
Property development segment	11,017,467	11,017,467	11,017,467
Property investment segment	7,818,799	7,818,799	7,818,799
Other segment	1,676,116	1,676,116	1,676,116
	20,512,382	20,512,382	20,512,382

(b) The recoverable amounts of the CGUs have been determined based on the value in use calculations using cash flow projections approved by the management. Value in use was determined by discounting future cash flows over a five year period expected to be generated from continuing use of the respective CGUs.

(c) The calculation of value in use for the respective CGUs are most sensitive to the following assumptions:

Key assumptions	Property development	Property investment	Others
Discount rate (Pre-tax)	18%	10%	18%
Revenue projection	Number of development units sold and progress of development	Rental rates and occupancy rates	Management's past experience

The Directors believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGU to materially exceed their recoverable amounts.

Notes to the Financial Statements

14. AMOUNT DUE FROM JOINT VENTURES

The amount due from joint ventures is unsecured, interest free and repayable upon demand.

15. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Freehold land at cost				
At 1st April	58,759,634	56,644,692	6,766,133	6,766,133
Cost incurred during the financial year	52,711	2,554,196	-	-
Transfer to inventories	(685,266)	-	(685,266)	-
Reversal of completed projects	(58,123)	(439,254)	(58,123)	-
At 31st March	58,068,956	58,759,634	6,022,744	6,766,133
Development costs				
At 1st April	47,158,647	61,366,928	9,594,161	8,081,262
Cost incurred during the financial year	45,062,766	27,529,483	673,865	1,512,899
Transfer to inventories	(1,946,385)	-	(1,946,385)	-
Reversal of completed projects	(165,089)	(41,737,764)	(165,089)	-
At 31st March	90,109,939	47,158,647	8,156,552	9,594,161
Property development cost as at 31st March	148,178,895	105,918,281	14,179,296	16,360,294
Cost recognised in profit or loss				
At 1st April	(4,136,007)	(29,349,913)	(1,780,577)	(1,618,752)
Recognised during the financial year	(14,832,643)	(12,127,721)	(61,386)	(161,825)
Unsold units transferred	-	(13,118,427)	-	-
Reversal of completed projects	223,212	50,460,054	223,212	-
At 31st March	(18,745,438)	(4,136,007)	(1,618,751)	(1,780,577)
Total property development costs at 31st March	129,433,457	101,782,274	12,560,545	14,579,717
Property development cost at 31st March				
Freehold land	43,354,930	44,045,608	6,022,744	6,766,133
Development costs	86,078,527	57,736,666	6,537,801	7,813,584
	129,433,457	101,782,274	12,560,545	14,579,717

- (a) The freehold land under development of the Group and of the Company amounting to RM4,041,634 (2015: RM5,286,111) and RM1,158,453 (2015: RM2,466,202) respectively are pledged to financial institutions as collaterals for banking facilities.

Notes to the Financial Statements

15. PROPERTY DEVELOPMENT COSTS (Continued)

(b) The following expenses incurred during the financial year is included in development costs:

	Group	
	2016 RM	2015 RM
Depreciation of plant and equipment	479,052	263,431
Hire of machinery and equipment	21,109	135,954
Interest expense	2,261,506	2,456,614
Rental of premises	-	12,000
Staff costs	1,916,926	2,987,852

16. INVENTORIES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
At cost				
Raw materials	895,816	302,850	895,816	302,850
Completed properties	14,817,475	25,304,251	14,418,475	11,786,824
	15,713,291	25,607,101	15,314,291	12,089,674
Recognised in profit or loss:				
Inventories recognised as cost of sales	31,828,460	1,145,503	18,048,718	82,448

The Group has pledged certain completed properties amounting to RM1,158,453 (2015: RM2,466,202) as security for bank overdraft facilities as disclosed in Note 27.

17. TRADE RECEIVABLES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Contract retention	2,234,098	2,186,424	-	-
Trade receivables	10,845,487	20,180,493	-	637,812
Amount due from contract customers	13,279,976	644,618	3,394,105	644,618
Total trade receivables	26,359,561	23,011,535	3,394,105	1,282,430

The Group's and the Company's normal trade credit terms ranges from 14 to 105 (2015: 14 to 105) days. Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements

17. TRADE RECEIVABLES (Continued)

The ageing analysis of the Group's and of the Company's trade receivables and contract retention are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Neither past due nor impaired	3,252,984	23,848	-	-
Past due but not impaired				
1 to 30 days	5,906,614	8,353,991	-	320,000
31 to 60 days	361,791	1,780,939	-	-
61 to 90 days	250,246	1,414,601	-	-
91 to 120 days	59,882	4,045,153	-	-
More than 120 days	3,248,068	6,748,385	-	317,812
	9,826,601	22,343,069	-	637,812
	13,079,585	22,366,917	-	637,812

Receivables that are neither past due nor impaired

Trade receivables and contract retention that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company. More than 51% (2015: 51%) of the Group's trade receivables and contract retention respectively arise from customers with more than a year experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM9,826,601 (2015: RM22,343,069) and RM Nil (2015: RM637,812) respectively that are past due at the reporting date but no impairment allowance is necessary in respect of these trade receivables. They are companies with good collection track record and no recent history of default.

The following shows the elements included in amount due from/(to) contract customers:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Total contract costs incurred to date	89,193,799	71,884,355	13,676,256	21,004,002
Add: attributable profits	8,371,024	6,099,124	1,425,600	2,205,787
	97,564,823	77,983,479	15,101,856	23,209,789
Less: progress billings	(84,396,815)	(79,171,004)	(11,707,751)	(33,017,619)
	13,168,008	(1,187,525)	3,394,105	(9,807,830)
Analysed as follows:				
Amount due from contract customers	13,279,976	644,618	3,394,105	644,618
Amount due to contract customers (Note 28)	(111,968)	(1,832,143)	-	(10,452,448)
	13,168,008	(1,187,525)	3,394,105	(9,807,830)

Notes to the Financial Statements

17. TRADE RECEIVABLES (Continued)

The following expenses incurred during the financial year are included in the contract costs:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Depreciation of plant and equipment	-	-	479,052	263,431
Hire of machinery and equipment	295,985	269,780	21,109	135,954
Rental of premises	93,620	24,690	-	12,000
Staff costs	2,912,745	2,644,618	1,916,926	2,987,852

The following shows the elements included in accrued billings/(progress billings) in respect of property development costs:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Revenue recognised in the profit or loss	26,100,785	2,132,230	1,840,230	2,132,230
Less: Billings to purchasers	(28,463,996)	(3,025,549)	(2,665,549)	(3,025,549)
	(2,363,211)	(893,319)	(825,319)	(893,319)
Analysed as follows:				
Progress billings (Note 28)	(2,363,211)	(893,319)	(825,319)	(893,319)

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other receivables	5,620,328	5,355,617	2,581,591	302,769
Deposits	1,699,618	1,377,407	591,325	611,725
Prepayments	153,074	130,791	91,185	95,678
	7,473,020	6,863,815	3,264,101	1,010,172

Included in other receivables is an amount of RM1,304,782 (2015: Nil) advance to a sub-contractor. This amount is unsecured, bears interest of 8.85% (2015: Nil) per annum and is repayable on demand.

19. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2016 RM	2015 RM
Trade	75,331,886	72,140,595
Non-trade	85,587,402	103,870,197
	160,919,288	176,010,792

The non-trade amount due from subsidiaries are unsecured, interest free and repayable on demand, except for amount owing by certain subsidiaries which bears interest at the rate of 2% (2015: 2%) per annum above the bank base lending rate.

The trade credit term is as disclosed in Note 17.

Notes to the Financial Statements

20. AMOUNT DUE FROM ASSOCIATES

The amount due from associates is unsecured, interest free and repayable upon demand.

21. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

(a) The interest rates of deposits and the maturities of deposits as at the end of the financial year were as follows:

	Group	
	2016	2015
Interest rates (%) per annum	0.79 - 3.15	0.65 - 3.15
Maturity months	1 to 12	1 to 12

(b) Deposits of RM1,619,993 (2015: RM2,392,679) of the Group is pledged to financial institutions as security for banking facilities granted to the Group.

22. CASH AND BANK BALANCES

Included in the bank balances of the Group is RM304,044 (2015: RM2,822,432) which is maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

23. SHARE CAPITAL

	Group and Company			
	2016		2015	
	Number of shares	RM	Number of shares	RM
Authorised:				
Ordinary shares of RM0.50 each	500,000,000	250,000,000	500,000,000	250,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each:				
At 1st April/31st March	345,472,344	172,736,172	345,472,344	172,736,172

The holders of ordinary shares (except treasury 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

24. RESERVES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-distributable				
Exchange fluctuation reserve	(3,198,713)	3,833,332	-	-
	(3,198,713)	3,833,332	-	-
Distributable				
Retained earnings	356,434,817	344,925,556	199,446,924	195,930,452
	353,236,104	348,758,888	199,446,924	195,930,452

Exchange fluctuation reserve

The exchange fluctuation reserve comprises foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Notes to the Financial Statements

25. TREASURY SHARES

	Group and Company			
	2016		2015	
	Number of shares	RM	Number of shares	RM
At 1st April	13,261,562	10,149,712	4,549,031	5,461,482
Purchased during the financial year	1,034,500	968,747	2,881,500	4,688,230
Shares split	-	-	5,831,031	-
At 31st March	14,296,062	11,118,459	13,261,562	10,149,712

During the financial year, the Company repurchased 1,034,500 (2015: 2,881,500) ordinary shares comprising of 1,034,500 ordinary shares of RM0.50 each, of its issued ordinary shares from open market at an average price of RM0.94 (2015: RM1.63) per share. The total consideration paid for the purchase including transaction costs was RM968,747 (2015: RM4,688,230) and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia. Treasury shares have no rights to vote, not entitled to dividends and participation in other distribution.

As at 31st March 2016, the total issued and fully paid ordinary share amounts to 345,472,344 (2015: 345,472,344) and the treasury shares held by the Company amounts to 14,296,062 (2015: 13,261,562). The number of outstanding ordinary shares in issue after the set-off of the treasury shares is therefore 331,176,282 (2015: 332,210,782) ordinary shares of RM0.50 each.

26. HIRE PURCHASE PAYABLES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Minimum hire purchase payments:				
Within 1 year	1,217,738	1,084,932	576,139	696,510
More than 1 year but less than 5 years	1,094,370	1,190,324	395,507	905,259
	2,312,108	2,275,256	971,646	1,601,769
Less: Future finance charges	(125,637)	(132,484)	(41,207)	(99,070)
Present value of hire purchase	2,186,471	2,142,772	930,439	1,502,699
Present value of hire purchase:				
Within 1 year	1,116,003	996,796	558,091	634,948
More than 1 year but less than 5 years	1,070,468	1,145,976	372,348	867,751
	2,186,471	2,142,772	930,439	1,502,699
Analysed as:				
Due within 1 year	1,116,003	996,796	558,091	634,948
Due after 1 year	1,070,468	1,145,976	372,348	867,751
	2,186,471	2,142,772	930,439	1,502,699

The hire purchase liabilities bear interest between 2.35% to 3.66% (2015: 2.35% to 3.20%) per annum.

Notes to the Financial Statements

27. BANK BORROWINGS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Short Term Borrowings				
<i>Secured:</i>				
Term loans	21,043,756	9,225,896	-	-
Bank overdraft	7,096,093	4,638,535	4,570,482	2,413,323
Revolving credit	2,000,000	-	2,000,000	-
	30,139,849	13,864,431	6,570,482	2,413,323
Long Term Borrowings				
<i>Secured:</i>				
Term loans	71,549,292	83,994,152	-	-
Total Borrowings				
Term loans	92,593,048	93,220,048	-	-
Bank overdraft	7,096,093	4,638,535	4,570,482	2,413,323
Revolving credit	2,000,000	-	2,000,000	-
	101,689,141	97,858,583	6,570,482	2,413,323

The maturity of the borrowings are disclosed in Note 45 (a).

(a) Term loans

The secured term loans of the Group are obtained from local financial institutions. The term loans are secured as follows:

Local secured term loans

- (i) Legal charge on a long term leasehold land and building of a subsidiary (Note 7);
- (ii) Debenture incorporating a fixed and floating charges for all monies owing or payable under facility over all present and future of a subsidiary;
- (iii) Assignment of all right, title and interest derived from tenancy agreement in respect of certain properties of a subsidiary;
- (iv) Corporate guarantee of the Company; and
- (v) First charge on industrial land and freehold land of a subsidiary (Note 6).

The local term loans bears interest rate ranging from 0.50% to 1.75% (2015: 0.50% to 1.75%) per annum above the financial institution's base lending rate.

(b) Bank overdrafts

The secured bank overdrafts of the Group and of the Company are obtained from local financial institutions and are secured as follows:

- (i) Legal charges over the freehold land under development of the Group and of the Company of RM4,041,634 (2015: RM3,915,090) and RM1,158,453 (2015: RM1,158,453) at cost respectively; and
- (ii) Facility agreement and corporate guarantee of the Company.

The bank overdrafts bear interest ranging from 1.75% to 2.00% (2015: 1.75% to 2.50%) per annum above the respective financial institutions' base lending rates.

(c) Revolving credit

The revolving credit of the Company bears interest of 2.00% (2015: 2.00%) per annum above financial institutions' cost of funds.

The revolving credit of the Company is repayable on demand.

Notes to the Financial Statements

28. TRADE PAYABLES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Contract retention	3,065,698	3,279,382	2,432,977	2,519,595
Trade payables	16,208,893	13,761,850	2,873,744	5,488,487
Amount due to contract customers (Note 17)	111,968	1,832,143	-	10,452,448
Progress billings in respect of property development costs (Note 17)	2,363,211	893,319	825,319	893,319
	21,749,770	19,766,694	6,132,040	19,353,849

The normal trade credit term granted to the Group and to the Company ranges from 30 to 90 (2015: 30 to 90) days.

29. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other payables	13,450,515	5,642,015	737,259	72,760
Deposits	4,672,830	4,729,564	-	-
Accruals	2,341,508	4,457,033	1,545,129	1,127,161
	20,464,853	14,828,612	2,282,388	1,199,921

30. AMOUNT DUE TO SUBSIDIARIES

	Company	
	2016 RM	2015 RM
Trade	2,846,517	3,004,146
Non-trade	22,686,141	1,527,808
	25,532,658	4,531,954

The non-trade amount due to subsidiaries is unsecured, interest free and payable on demand. The trade credit term is disclosed in Note 28.

31. AMOUNT DUE TO DIRECTORS

The amount due to Directors is unsecured, interest-free and payable upon demand in cash and cash equivalents.

32. REVENUE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Contract revenue	30,070,943	22,721,938	25,504,442	35,642,495
Property development	50,205,755	39,716,918	108,000	292,000
Water supply and services rendered	29,511,889	27,957,309	-	-
Rental income	14,892,683	14,529,506	-	-
	124,681,270	104,925,671	25,612,442	35,934,495

Notes to the Financial Statements

33. COST OF SALES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Contract cost	22,153,765	14,428,361	18,199,724	27,010,513
Property development cost	26,872,407	12,308,759	101,199	254,681
Operation and maintenance charges				
- water supply and services rendered	28,172,793	26,810,551	-	-
- rental income	10,248,866	10,871,397	-	-
	87,447,831	64,419,068	18,300,923	27,265,194

34. OTHER INCOME

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income	12,724,274	21,427,925	6,917,608	6,122,838
Gain on disposal of a subsidiary	-	-	-	1,187,278
Gain on disposal of an associate	-	17,165,935	-	28,996,040
Gain on realised foreign exchange	2,427,039	-	-	-
Gain on unrealised foreign exchange	192,300	59,085	-	40,298
Net proceeds from litigation settlement	-	5,629,211	-	5,629,211
Compensation	-	480,000	-	-
Rental income	346,566	428,186	-	-
Gain on disposal of property, plant and equipment	184,227	343,271	26,601	342,992
Commission from projects	-	-	-	570,715
Miscellaneous	600,441	2,453,443	200,039	142,188
	16,474,847	47,987,056	7,144,248	43,031,560

35. FINANCE COSTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Finance costs on:				
- Term loan	1,638,113	1,891,808	-	-
- Revolving credit	29,670	-	29,670	-
- Bank commitment	20,421	223,469	20,421	51,829
- Bank overdraft	384,194	176,127	196,365	43,567
- Hire purchase	85,265	65,369	21,468	21,804
	2,157,663	2,356,773	267,924	117,200
Other finance costs	224,872	41,010	-	9,858
	2,382,535	2,397,783	267,924	127,058

Notes to the Financial Statements

36. PROFIT BEFORE TAXATION

Profit for the financial year has been arrived at:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
After charging:				
Auditors' remuneration				
- Statutory	180,497	182,519	55,000	50,000
- under provision in prior year	3,350	7,862	15,000	-
Bad debts written off	160	-	-	-
Impairment loss on trade receivables	9,943	587,636	-	-
Depreciation of:				
- property, plant and equipment	1,024,140	762,334	410,186	369,966
- investment properties	2,415,008	2,485,953	-	-
Interest expenses	2,382,535	2,397,783	267,924	127,058
Loss on foreign exchange				
- realised	10,941	116	-	-
- unrealised	38,917	306,489	33,696	-
Property, plant and equipment written off	877	21,066	1	15,934
Rental of premises	337,548	282,740	137,300	115,900
Staff and labour costs	4,829,453	4,307,751	1,704,174	1,612,612
And crediting:				
Commission received	-	-	-	570,715
Gain on disposal of property, plant and equipment	184,227	343,271	26,601	342,992
Gain on disposal of a subsidiary	-	-	-	1,187,278
Gain on disposal of an associate	-	17,165,935	-	28,996,040
Gain on foreign exchange				
-realised	2,427,039	-	-	-
-unrealised	192,300	59,085	-	40,298
Rental income	346,566	428,186	-	-
Interest income	12,724,274	21,427,925	6,917,608	6,122,838
Management and administration fee	48,000	28,500	151,020	115,605

(a) Staff and labour costs comprise:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Salaries, wages and bonus	4,414,226	3,912,927	1,577,040	1,493,955
Social security costs	30,304	29,694	7,424	6,925
Increase/(decrease) in short term accumulating compensated absences	(28,363)	7,247	(2,263)	237
Contribution to defined contribution plan	413,286	357,883	121,973	111,495
	4,829,453	4,307,751	1,704,174	1,612,612

Notes to the Financial Statements

36. PROFIT BEFORE TAXATION (Continued)

(b) Directors remuneration costs comprise:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors' fees	157,900	121,380	105,000	105,000
Salaries, bonus and other emoluments	1,049,600	575,380	420,860	401,140
Contribution to defined contribution plan	-	14,928	-	-
	1,207,500	711,688	525,860	506,140

37. TAXATION

The provision for taxation for the financial year is computed at the prevailing tax rates.

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Income tax				
- current year				
- Malaysian income tax	8,664,335	12,665,231	2,700,000	4,500,000
- Foreign income tax	3,803,510	4,303,075	-	-
- Withholding tax	3,211,119	-	15,102	-
- prior years				
- Malaysian income tax	(107,185)	51,861	(145,261)	121,435
- Foreign income tax	-	2,911,760	-	-
	15,571,779	19,931,927	2,569,841	4,621,435
Deferred tax (Note 12)				
- current year	886,503	477,938	-	(6,055)
- prior years	(870,228)	(4,990,662)	-	168,442
	16,275	(4,512,724)	-	162,387
	15,588,054	15,419,203	2,569,841	4,783,822

The Malaysian income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated taxable profits for the fiscal year.

Income tax for subsidiaries in Malaysia is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements

37. TAXATION (Continued)

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before taxation	42,506,487	77,055,086	11,067,483	48,225,311
Taxation at Malaysian statutory tax rate	10,201,556	19,263,771	2,656,195	12,056,327
Tax effects in respect of:				
Effect of tax rates in foreign jurisdictions	761,378	722,511	-	-
Non-deductible expenses	2,932,711	1,226,084	41,481	60,612
Non-taxable income	(654,925)	(2,801,009)	(6,111)	(7,622,994)
Foreign withholding tax	3,211,119	-	15,102	-
Reduction in deferred tax resulting from reduction in tax rate	18,882	-	351	-
Deferred tax assets not recognised during the financial year	51,760	(1,166,794)	-	-
(Over)/under provision of income tax in prior financial years	(977,413)	(2,027,041)	(145,261)	289,877
Origination of temporary differences	42,986	326,607	8,084	-
Share of results of associates	-	(124,926)	-	-
	15,588,054	15,419,203	2,569,841	4,783,822

The unabsorbed tax losses and unutilised of capital allowances are available for offset against future taxable profits of the subsidiary and Company in which those items arose. These amounts are subject to agreement by the Inland Revenue Board.

38. BASIC AND DILUTED EARNINGS PER SHARE

	Group	
	2016 RM	2015 RM
Net earnings for the year (RM)	16,490,431	41,847,079
Weighted average number of ordinary shares *	331,965,501	335,193,932
Basic earnings per share (sen)	4.97	12.48

* The weighted average number of ordinary shares takes into account the share split during the previous financial year.

Basic earnings per share are calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

The diluted earnings per share is equal to the basic earnings per share for the financial year 2016 and 2015 as there is no dilutive potential ordinary shares in issue.

Notes to the Financial Statements

39. DIVIDENDS

	Company	
	2016 RM	2015 RM
Dividend paid		
Financial year ended 31st March 2015		
- final single tier dividend of 3%, paid on 18th November 2015	4,981,170	-
Financial year ended 31st March 2015		
- interim single tier dividend of 3%, paid on 18th March 2015	-	4,983,162
Financial year ended 31st March 2014		
- final single tier dividend of 3%, paid on 18th November 2014	-	5,007,154
	4,981,170	9,990,316

At the forthcoming Annual General Meeting, a final dividend to the entitled shareholders at the ratio of one treasury share for every twenty-five existing ordinary shares of RM0.50 each held by the shareholders in the Company in respect of the financial year ended 31st March 2016 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect the proposed dividend. Such dividends, if approved by shareholders, will be accounted for in equity as a distribution of treasury shares in the financial year ending 31st March 2017.

40. CONTINGENCIES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Secured:				
Guarantees given to financial institutions for bank guarantee facilities granted to the Company and subsidiaries in favour of third parties	36,691,661	12,928,540	36,691,661	12,928,540
Guarantees given to financial institutions on borrowings and credit facilities granted to subsidiaries	-	-	101,689,141	97,858,583

41. MATERIAL LITIGATIONS

- (a) A purported claim of RM787,882 together with interest and cost has been made by Syarikat Bina Setia Jasa ("SBSJ"), a sub-contractor, against Brem Maju Sdn. Bhd. ("BMSB"), a subsidiary company of the Company in respect of claim on contract works performed. BMSB is contesting the claim and has taken up counsel on the matter with the solicitors. SBSJ's application for summary judgement was dismissed with cost on 12th October 1995. An application to strike out the claim has been made by BMSB and on 9 February 2006, the Court had granted an order in terms of BMSB's application with costs. SBSJ filed an appeal to Judge In Chambers and the appeal was dismissed with costs on 22nd June 2006. On 21st July 2006, SBSJ has filed an appeal to the Court of Appeal. The Court has allowed costs of RM84,364 inclusive of interest of 8% per annum from 23rd June 2009 till full date of full realisation and the Allocatur fee of RM6,755 to be paid by SBSJ to BMSB. The Order and the Allocatur has been filed on 26th July 2010 and the same is pending extraction from the Court. The decision of the Judgement Debtors' application to set aside the bankruptcy Notice was filed on 18th July 2012. The matter was fixed for hearing on 26th July 2012 and it was dismissed with costs to be paid by the Judgement Debtors to BMSB. On 3 August 2012, the Creditor's Petition was filed and an Adjudication and Receiving Order was recorded against SBSJ for failure to satisfy the judgement sum and interest to BMSB. On 15th October 2012, the Proof Debt Form and General Proxy have been filed with the Official Assignee's office. The creditor's meeting was on 12th September 2013. There has been no development since 12th September 2013.

Notes to the Financial Statements

41. MATERIAL LITIGATIONS (Continued)

- (b) Intan Kemuncak Sdn. Bhd. ("IKSB"), a subsidiary company of Brem Holding Berhad, commenced an action against Koperasi Celcom Berhad ("KCB") on 23rd April 2002 for RM5,643,021, being the damages resulting from the unlawful termination by KCB of a joint venture agreement dated 30th July 1999 entered into between IKSB and KCB ("JVA"), relating to a housing project development. KCB had on 25th June 2002 filed its defence and made a counter claim against IKSB for breaching the terms of the JVA, which allegedly led to the termination of the JVA and KCB suffering damages amounting to RM13,586,580. IKSB has on 5th July 2002 filed in its defence to KCB's counter claim. The application of summary judgment by IKSB was dismissed by the Senior Assistant Registrar and IKSB filed in an appeal to the Judge in Chambers against the decision of the Senior Assistant Registrar. The summary judgement was obtained against KCB on 9th April 2004. However, KCB has filed in an appeal against the decision of the High Court Judge. The Directors and solicitors are of the opinion that IKSB will not suffer any material loss in respect of the purported claim. There has been no development since 29th April 2004.

42. SIGNIFICANT RELATED PARTIES TRANSACTIONS

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Billings on contract work charge to subsidiaries				
- Harmony Property Sdn. Bhd.	-	-	11,707,750	27,982,100
- Naga Istimewa Sdn. Bhd.	-	-	-	184,831
- Eng Ann Realty Co (Klang) Sdn. Bhd.	-	-	-	12,479,797
Interest income received/receivable from subsidiaries				
- Harmony Property Sdn. Bhd.	-	-	6,421,658	3,879,119
- NPO Builders Sdn. Bhd.	-	-	-	835,551
Management fee received/receivable from a subsidiary				
- PNG Water Limited	-	-	151,020	109,188
Rental of premises paid/payable to related party which certain Directors have interest in				
- Nikmat Maju Development Sdn. Bhd.	150,000	150,000	109,800	89,500
Comission received from a subsidiary				
- Brem Maju Sdn. Bhd.	-	-	-	570,715

(c) Key management personnel remuneration

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group as disclosed in Note 36(b).

Notes to the Financial Statements

43. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Business Segments of the Group is organised into four major segments which is civil engineering and construction, property development, property investments and investment holding, and water supply and services.

	Civil engineering and construction RM	Property development RM	Property investments and investment holding RM	Water supply and services RM	Elimination RM	Consolidated RM
2016						
Revenue						
External sales	30,070,943	50,205,755	14,892,683	29,511,889	-	124,681,270
Inter-segment sales	25,554,302	-	-	-	(25,554,302)	-
Total revenue	55,625,245	50,205,755	14,892,683	29,511,889	(25,554,302)	124,681,270
Results						
Segment results	13,080,971	17,762,602	7,341,349	12,677,842	(5,542,060)	45,320,704
Finance costs	(173,352)	(571,070)	(1,638,113)	-	-	(2,382,535)
Share of results of associates	-	-	(431,682)	-	-	(431,682)
Taxation	(3,435,819)	(4,757,449)	(3,591,276)	(3,803,510)	-	(15,588,054)
Non-controlling interests						(10,428,002)
Profit attributable to owners of the Company						16,490,431
Interest income	6,939,937	2,552,968	194,870	11,857,487	(8,820,988)	12,724,274
Assets and Liabilities						
Segment assets	86,463,457	488,857,182	119,241,965	103,052,108	(19,534,869)	778,079,843
Associates						4,216,627
Unallocated corporate assets						20,512,382
Consolidated total assets						802,808,852
Segment liabilities	26,698,009	91,461,694	31,320,404	5,275,112	735,392	155,490,611
Consolidated total liabilities						155,490,611
Other information						
Capital expenditure	2,088,322	93,589	137,822	-	-	2,319,733
Depreciation and amortisation	890,469	577,172	2,450,559	-	-	3,918,200
Non cash expenses other than depreciation and amortisation	27	160	850	-	-	1,037

Notes to the Financial Statements

43. SEGMENTAL INFORMATION (Continued)

	Civil engineering and construction RM	Property development RM	Property investments and investment holding RM	Water supply and services RM	Elimination RM	Consolidated RM
2015						
Revenue						
External sales	22,721,938	39,716,918	14,529,506	27,957,309	-	104,925,671
Inter-segment sales	31,694,476	-	-	-	(31,694,476)	-
Total revenue	54,416,414	39,716,918	14,529,506	27,957,309	(31,694,476)	104,925,671
Results						
Segment results	20,764,004	31,270,241	32,846,460	14,340,105	(19,831,684)	79,389,126
Finance costs	(136,172)	(369,803)	(1,891,808)	-	-	(2,397,783)
Share of results of associates	-	-	63,743	-	-	63,743
Taxation	(5,041,680)	(7,778,497)	(996,385)	(1,602,641)	-	(15,419,203)
Non-controlling interests						(19,788,804)
Profit attributable to owners of the Company						41,847,079
Interest income	6,166,978	6,367,692	139,292	13,607,925	(4,853,962)	21,427,925
Assets and Liabilities						
Segment assets	73,548,528	428,231,840	146,635,592	147,203,934	(13,411,111)	782,208,783
Associates						4,648,309
Unallocated corporate assets						20,512,382
Consolidated total assets						807,369,474
Segment liabilities	28,588,565	80,670,571	34,351,405	3,144,437	-	146,754,978
Consolidated total liabilities						146,754,978
Other information						
Capital expenditure	2,085,390	18,771	255,740	-	-	2,359,901
Depreciation and amortisation	922,183	338,423	2,251,112	-	-	3,511,718
Non cash expenses other than depreciation and amortisation	15,935	5,129	2	-	-	21,066

Notes to the Financial Statements

43. SEGMENTAL INFORMATION (Continued)

Geographical Segments

Revenue, property, plant and equipment and investment properties information based on the geographical location of customers and asset respectively are as follows:

	Revenue		Property, plant and equipment and investment properties	
	2016 RM	2015 RM	2016 RM	2015 RM
Malaysia	95,169,381	76,968,362	110,725,559	112,316,360
Papua New Guinea	29,511,889	27,957,309	327,450	371,096
	124,681,270	104,925,671	111,053,009	112,687,456

Revenue from one major customer amounting to RM29,511,889 (2015: RM27,957,309) relates to the sales from the water supply and services segment.

44. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The significant accounting policies in Note 2.3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Available for sale RM	Held to maturity RM	Financial liabilities at amortised cost RM	Total RM
Group					
2016					
Financial assets					
Operating financial asset	69,064,914	-	-	-	69,064,914
Other investments	-	9,442,769	595,445	-	10,038,214
Trade receivables *	13,079,585	-	-	-	13,079,585
Other receivables and deposits	7,319,946	-	-	-	7,319,946
Amount due from associates	41,396,278	-	-	-	41,396,278
Amount due from joint ventures	28,970,730	-	-	-	28,970,730
Cash and bank balances	33,069,041	-	-	-	33,069,041
	192,900,494	9,442,769	595,445	-	202,938,708
Financial liabilities					
Trade payables #	-	-	-	19,274,591	19,274,591
Other payables, deposits and accruals	-	-	-	20,464,853	20,464,853
Amount due to directors	-	-	-	135,013	135,013
Hire purchase payables	-	-	-	2,186,471	2,186,471
Borrowings	-	-	-	101,689,141	101,689,141
	-	-	-	143,750,069	143,750,069

Notes to the Financial Statements

44. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of financial instruments (Continued)

	Loans and receivables RM	Available for sale RM	Held to maturity RM	Financial liabilities at amortised cost RM	Total RM
Group					
2015					
Financial assets					
Operating financial asset	93,883,602	-	-	-	93,883,602
Other investments	-	23,097,408	595,445	-	23,692,853
Trade receivables *	22,366,917	-	-	-	22,366,917
Other receivables and deposits	6,733,024	-	-	-	6,733,024
Amount due from associates	29,949,694	-	-	-	29,949,694
Amount due from joint ventures	8,400,000	-	-	-	8,400,000
Cash and bank balances	57,351,543	-	-	-	57,351,543
	218,684,780	23,097,408	595,445	-	242,377,633
Financial liabilities					
Trade payables #	-	-	-	17,041,232	17,041,232
Other payables, deposits and accruals	-	-	-	14,828,612	14,828,612
Amount due to directors	-	-	-	98,873	98,873
Hire purchase payables	-	-	-	2,142,772	2,142,772
Borrowings	-	-	-	97,858,583	97,858,583
	-	-	-	131,970,072	131,970,072
Company					
2016					
Financial assets					
Other investments	-	9,442,769	-	-	9,442,769
Other receivables and deposits	3,172,916	-	-	-	3,172,916
Amount due from subsidiaries	160,919,288	-	-	-	160,919,288
Amount due from associates	41,396,278	-	-	-	41,396,278
Cash and bank balances	17,000	-	-	-	17,000
	205,505,482	9,442,769	-	-	214,948,251
Financial liabilities					
Trade payables #	-	-	-	5,306,721	5,306,721
Other payables, deposits and accruals	-	-	-	2,282,388	2,282,388
Amount due to subsidiaries	-	-	-	25,532,658	25,532,658
Amount due to directors	-	-	-	41,250	41,250
Hire purchase payables	-	-	-	930,439	930,439
Borrowings	-	-	-	6,570,482	6,570,482
	-	-	-	40,663,938	40,663,938

Notes to the Financial Statements

44. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of financial instruments (Continued)

	Loans and receivables RM	Available for sale RM	Held to maturity RM	Financial liabilities at amortised cost RM	Total RM
Company					
2015					
Financial assets					
Other investments	-	23,097,408	-	-	23,097,408
Trade receivables *	637,812	-	-	-	637,812
Other receivables and deposits	914,494	-	-	-	914,494
Amount due from subsidiaries	176,010,792	-	-	-	176,010,792
Amount due from associates	29,949,694	-	-	-	29,949,694
Cash and bank balances	17,000	-	-	-	17,000
	207,529,792	23,097,408	-	-	230,627,200
Financial liabilities					
Trade payables #	-	-	-	8,008,082	8,008,082
Other payables, deposits and accruals	-	-	-	1,199,921	1,199,921
Amount due to subsidiaries	-	-	-	4,531,954	4,531,954
Hire purchase payables	-	-	-	1,502,699	1,502,699
Borrowings	-	-	-	2,413,323	2,413,323
	-	-	-	17,655,979	17,655,979

* Amount due from contract customers were excluded from trade receivables.

Progress billings in respect of property development costs and amount due to contract customers were excluded from trade payables.

(b) Fair value of financial instruments

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

The fair value of non-current receivables are estimated by discounting future cash flows using current lending/borrowing rates for similar types of arrangements.

(ii) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of finance lease is estimated using discounted cash flow analysis, based on current lending rates for similar types of arrangements.

Notes to the Financial Statements

44. FINANCIAL INSTRUMENTS (Continued)

(b) Fair value of financial instruments (Continued)

The carrying amounts of financial assets and liabilities recognised in the financial statements are reasonable approximation of their fair values except as follows:

	Carrying Amount RM	Group Fair Value RM
2016		
Financial assets		
Amount due from associates	41,396,278	*
Amount due from joint ventures	28,970,730	*
Financial liabilities		
Hire purchase payables	2,186,471	2,160,623
2015		
Financial assets		
Nil		
Financial liabilities		
Hire purchase payables	2,142,772	2,113,150
	Carrying Amount RM	Company Fair Value RM
2016		
Financial liabilities		
Hire purchase payables	930,439	929,599
2015		
Financial liabilities		
Hire purchase payables	1,502,699	1,476,897

* *Not reliably measurable*

(c) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, the lowest level input that is significant to the fair value measurement as whole:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

44. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value hierarchy (Continued)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Fair value of financial instruments not carried at fair value			
	Amount RM	Level 1 RM	Level 2 RM	Level 3 RM
2016				
Group				
Hire purchase payables	2,160,623	-	2,160,623	-
Company				
Hire purchase payables	929,599	-	929,599	-
2015				
Group				
Hire purchase payables	2,113,150	-	2,113,150	-
Company				
Hire purchase payables	1,476,897	-	1,476,897	-

Policy on transfer between levels

The fair value of assets and liabilities to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31st March 2016 and 2015, there was no transfer between the fair value measurement hierarchy.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, foreign currency risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing these risks. The Group's risk management approach seeks to minimise the potential material adverse impact of those exposures.

The following section provides details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's interest risk arises primarily from interest-bearing financial assets and financial liabilities. The Group's and the Company's interest-bearing financial assets include fixed deposits that are short term in nature and are held to earn a better yield than cash at banks. The fixed deposits placed with licensed banks at fixed rate expose the Group and the Company to fair value interest rate risk. The Group's and the Company's interest-bearing financial liabilities include hire purchase payables, term loans and revolving credit.

Notes to the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Interest rate risk (Continued)

Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk whilst finance lease payables at fixed rate expose the Group and the Company to fair value interest rate risk. The Group and the Company manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

The following tables set out the carrying amounts, the contractual interest rates as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	Contractual Interest Rate %	Within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
Group						
At 31st March 2016						
Fixed rate						
Financial assets						
Deposits with licensed financial institutions	21	2.90 - 3.60	21,410,489	-	-	21,410,489
Financial liabilities						
Hire purchase payables	26	2.35 - 3.66	1,116,003	1,070,468	-	2,186,471
Floating rate						
Financial liabilities						
Term loans	27	7.35 - 8.60	21,043,756	50,601,995	20,947,297	92,593,048
Bank Overdraft	27	8.60 - 8.85	7,096,093	-	-	7,096,093
Revolving credit	27	8.85	2,000,000	-	-	2,000,000
			30,139,849	50,601,995	20,947,297	101,689,141
Group						
At 31st March 2015						
Fixed rate						
Financial assets						
Deposits with licensed financial institutions	21	2.44	49,359,789	-	-	49,359,789
Financial liabilities						
Hire purchase payables	26	3.70	996,796	1,145,976	-	2,142,772
Floating rate						
Financial liabilities						
Term loans	27	7.65	9,225,896	45,463,985	38,530,167	93,220,048
Bank Overdraft	27	9.35	4,638,535	-	-	4,638,535
			13,864,431	45,463,985	38,530,167	97,858,583

Notes to the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Interest rate risk (Continued)

	Note	Contractual Interest Rate %	Within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
Company						
At 31st March 2016						
Fixed rate						
Financial liabilities						
Hire purchase payables	26	2.35 - 2.85	558,091	372,348	-	930,439
Floating rate						
Financial liabilities						
Bank Overdraft	27	9.35	4,570,482	-	-	4,570,482
Revolving credit	27	8.85	2,000,000	-	-	2,000,000
			6,570,482	-	-	6,570,482
At 31st March 2015						
Fixed rate						
Financial liabilities						
Hire purchase payables	26	3.70	634,948	867,751	-	1,502,699
Floating rate						
Financial liabilities						
Bank Overdraft	27	9.35	2,413,323	-	-	2,413,323

Sensitivity analysis for interest rate risk

An increase in market interest rate by 100 basis points on financial assets and liabilities of the Group and of the Company which have variable interest rates at the reporting date would decrease the Group's and the Company's profit before tax by RM1,016,891 and RM666,816 respectively (2015: RM978,586 and RM802,222). This analysis assumes that all other variables remain constant.

A decrease in market interest rates by 100 basis points on financial assets and liabilities of the Company which have variable interest rates at the reporting date would have had the equal by opposite effect on the profit before tax on the amount show above, on the basis that all other variables remain constant.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investment and cash and cash equivalents), the Group minimise credit risk by dealing exclusively with high credit rating counter parties.

The Company is also exposed to credit risk arising from corporate guarantee provided in respect of credit facilities granted to the subsidiary companies.

Notes to the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (Continued)

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.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- (i) The carrying amount of each class of financial assets recognised in the statements of financial position.
- (ii) A nominal amount of RM99,689,141 (2015: RM97,858,583) relating to corporate guarantees to bank and other financial institutions for credit facilities granted to subsidiaries.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks and other financial institutions and quoted shares that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Notes 17 and 18.

Credit risk concentration profile

As at the end of the reporting period, the Group has concentration of credit risk in the form of outstanding owing by 1 (2015: 1) customer represents 36% (2015: 26%) of total receivables respectively.

(c) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The Group does not have any significant exposure to foreign currency risk.

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes to the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flow RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
Group						
At 31st March 2016						
Financial liabilities						
Trade payables	19,274,591	19,274,591	19,274,591	-	-	19,274,591
Other payables	20,464,853	20,464,853	20,464,853	-	-	20,464,853
Amount due to Directors	135,013	135,013	135,013	-	-	135,013
Hire purchase payables	2,186,471	2,312,108	1,217,738	1,094,370	-	2,312,108
Borrowings	101,689,141	108,427,009	35,747,615	61,688,772	21,817,722	119,254,109
	143,750,069	150,613,574	76,839,810	62,783,142	21,817,722	161,440,674
At 31st March 2015						
Financial liabilities						
Trade payables	17,041,232	17,041,232	17,041,232	-	-	17,041,232
Other payables	14,828,612	14,828,612	14,828,612	-	-	14,828,612
Amount due to Directors	98,873	98,873	98,873	-	-	98,873
Hire purchase payables	2,142,772	2,275,256	1,084,932	1,190,324	-	2,275,256
Borrowings	97,858,583	97,858,583	13,864,431	45,463,985	38,530,167	97,858,583
	131,970,072	132,102,556	46,918,080	46,654,309	38,530,167	132,102,556
Company						
At 31st March 2016						
Financial liabilities						
Trade payables	5,306,721	5,306,721	5,306,721	-	-	5,306,721
Other payables	2,282,388	2,282,388	2,282,388	-	-	2,282,388
Amount due to subsidiaries	25,532,658	25,532,658	25,532,658	-	-	25,532,658
Amount due to directors	41,250	41,250	41,250	-	-	41,250
Hire purchase payables	930,439	971,646	576,139	395,507	-	971,646
Borrowings	6,570,482	6,570,482	6,570,482	-	-	6,570,482
Financial guarantee contracts	-	101,689,141	101,689,141	-	-	101,689,141
	40,663,938	142,394,286	141,998,779	395,507	-	142,394,286
At 31st March 2015						
Financial liabilities						
Trade payables	8,008,082	8,008,082	8,008,082	-	-	8,008,082
Other payables	1,199,921	1,199,921	1,199,921	-	-	1,199,921
Amount due to subsidiaries	4,531,954	4,531,954	4,531,954	-	-	4,531,954
Hire purchase payables	1,502,699	1,601,769	696,510	905,259	-	1,601,769
Borrowings	2,413,323	2,413,323	2,413,323	-	-	2,413,323
Financial guarantee contracts	-	97,858,583	97,858,583	-	-	97,858,583
	17,655,979	115,613,632	114,708,373	905,259	-	115,613,632

Notes to the Financial Statements

46. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios as at 31st March 2016 and as at 31st March 2015 were as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade payables	21,749,770	19,766,694	6,132,040	19,353,849
Other payables, deposits and accruals	20,464,853	14,828,612	2,282,388	1,199,921
Amount due to subsidiaries	-	-	25,532,658	4,531,954
Amount due to Directors	135,013	98,873	41,250	-
Hire purchase payables	2,186,471	2,142,772	930,439	1,502,699
Bank borrowings	101,689,141	97,858,583	6,570,482	2,413,323
Less: Cash and cash equivalents	(33,069,041)	(57,351,543)	(17,000)	(17,000)
Net Debt	113,156,207	77,343,991	41,472,257	28,984,746
Equity attributable to the shareholders of the Company	514,853,817	511,345,348	361,064,637	358,516,912
Capital and net debt	628,010,024	588,689,339	402,536,894	387,501,658
Gearing Ratio	18%	13%	10%	7%

There were no changes in the Group's approach to capital management during the financial year.

47. PRIOR YEAR ADJUSTMENT

During the financial year, the Group noted an incorrect computation of goodwill in the property development segment in accordance with FRS 3 Business Combinations. Accordingly, the Group have made adjustments in accordance with FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The effects of the above adjustments are as follows:

	As previously reported RM	Prior year adjustment RM	As restated RM
Group			
As at 31st March 2015			
Statement of financial position			
Goodwill on consolidation	33,257,325	(12,744,943)	20,512,382
Non-controlling interest	162,014,091	(12,744,943)	149,269,148
As at 1st April 2014			
Statement of financial position			
Goodwill on consolidation	33,257,325	(12,744,943)	20,512,382
Non-controlling interest	129,829,560	(12,744,943)	117,084,617

The adjustment did not have any impact on the statement of comprehensive income or the statement of cash flows for the financial year ended 31st March 2015.

Supplementary Information

on the Disclosure of Realised and Unrealised Profits or Losses

The following analysis of realised and unrealised retained profits or losses of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Securities dated 25th March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealise Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at year end is analysed as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained earnings of the Company and its subsidiaries				
- Realised	468,951,658	446,226,908	199,676,411	196,018,389
- Unrealised	(8,344,304)	(9,149,696)	(229,487)	(87,937)
	460,607,354	437,077,212	199,446,924	195,930,452
Total share of retained earnings from associates				
- Realised	(2,030,373)	(1,491,885)	-	-
- Unrealised	-	(106,330)	-	-
	458,576,981	435,478,997	199,446,924	195,930,452
Less: Consolidated adjustments	(102,142,164)	(90,553,441)	-	-
	356,434,817	344,925,556	199,446,924	195,930,452

The disclosure of realised and unrealised profits or losses 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.

Statement by Directors

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

We, **TAN SRI DATO' KHOO CHAI KAA** and **KHOO CHAI THIAM**, being two of the Directors of BREM HOLDING BERHAD, state that, in the opinion of the Directors, the financial statements set out on pages 34 to 108 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st March 2016 and of their financial performance and cash flows of the financial year then ended.

The supplementary information set out in page 109 have been prepared in accordance with the Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

TAN SRI DATO' KHOO CHAI KAA
Director

KHOO CHAI THIAM
Director

Date: 15th July 2016

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **TAN SRI DATO' KHOO CHAI KAA**, being the Director primarily responsible for the financial management of BREM HOLDING BERHAD, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 34 to 108 and the supplementary information set out on page 109 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN SRI DATO' KHOO CHAI KAA

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 15th July 2016.

Before me,

HAJJAH JAMILAH ISMAIL (No. : W626)
Commissioner for Oaths

Independent Auditors' Report

to the members of Brem Holding Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Brem Holding Berhad, which comprise the statements of financial position as at 31st March 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 108.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, 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 judgement, 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 controls relevant to the Company'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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st March 2016 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report to the members of Brem Holding Berhad (Incorporated in Malaysia)

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 Companies Act, 1965 in Malaysia to be kept by the Company of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- b) We have considered the financial statements 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 financial statements 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 financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out in page 109 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 Disclosure 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 Matter

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 contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Heng Fu Joe
No. 2966/11/16(J)
Chartered Accountant

Kuala Lumpur

Date: 15th July 2016

Analysis of Shareholdings

as at 30 June 2016

SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000.00
Issued and fully paid-up capital	:	RM172,736,172
Class of shares	:	Ordinary shares of RM0.50 each
Voting rights	:	1 vote per share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of		No. of	
	Shareholders	%	Shares held	%
1 to 99	108	2.48	3,880	0.01
100 to 1,000	202	4.65	77,640	0.02
1,001 to 10,000	2,518	57.92	13,077,048	3.95
10,001 to 100,000	1,321	30.39	39,975,256	12.07
100,001 to less than 5% of issued shares	195	4.49	114,410,366	34.55
5% and above of issued shares	3	0.07	163,582,092	49.40
TOTAL	4,347	100.00	331,126,282	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1	BREM PROPERTIES SDN BHD	85,457,400	25.81
2	TAN SRI DATO' KHOO CHAI KAA	48,748,820	14.72
3	WAWASAN EKUITI SDN BHD	29,375,872	8.87
4	AFFIN HWANG NOMINEES(TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR CLASSICAL GLORY SDN. BHD.	7,368,100	2.23
5	KHOO CHAI THIAM	6,070,444	1.83
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LOW YEW HWA	5,061,726	1.53
7	TAN SRI DATO' YAP SUAN CHEE	5,054,220	1.53
8	CLASSICAL GLORY SDN BHD	4,746,614	1.43
9	WAWASAN EKUITI SDN BHD	4,436,310	1.34
10	BOND RESOURCES SDN. BERHAD	3,279,650	0.99
11	AFFIN HWANG NOMINEES(TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR BREM PROPERTIES SDN. BHD.	2,770,300	0.84
12	TAN JIN TUAN	2,618,000	0.79
13	KOPERASI JAYADIRI MALAYSIA BERHAD	2,580,000	0.78
14	AFFIN HWANG NOMINEES TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR BOND RESOURCES SDN. BERHAD	2,532,178	0.76

Analysis of Shareholdings as at 30 June 2016

LIST OF THIRTY LARGEST SHAREHOLDERS (Continued)

No.	Name	Shareholdings	%
15	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LEONG KAM CHEE	2,500,000	0.76
16	TEO KWEE HOCK	2,130,600	0.64
17	TRADEMA HOLDINGS SDN.BHD.	2,061,162	0.62
18	KINGSLEY LIM FUNG WANG	1,835,000	0.55
19	LAW KING BOON @ LAU KENG BOON	1,712,600	0.52
20	LTK (MELAKA) SDN BHD	1,533,000	0.46
21	KENANGA NOMINEES (TEMPATAN)SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR GOH SWEE MOI	1,500,000	0.45
22	YEOH PHEK LENG	1,395,000	0.42
23	TAN JIN TUAN	1,314,000	0.40
24	HLIB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TENG SIEW KEAN	1,226,790	0.37
25	KEK LIN SIANG	1,215,954	0.37
26	CIMB GROUP NOMINEES (ASING)SDN. BHD. BENEFICIARY : EXEMPT AN FOR DBS BANK LTD	1,140,000	0.34
27	KHOO PING KAW	1,111,116	0.34
28	RHB CAPITAL NOMINEES(TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	1,021,140	0.31
29	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD BENEFICIARY : EXEMPT AN FOR BANK OF SINGAPORE LIMITED	1,000,000	0.30
30	GEOFFREY LIM FUNG KEONG	1,000,000	0.30
		233,795,996	70.60

Analysis of Shareholdings

as at 30 June 2016

SUBSTANTIAL SHAREHOLDERS

(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares of RM0.50 each			
	Direct	%	Indirect	%
1. Tan Sri Dato' Khoo Chai Kaa	48,748,820	14.72	88,227,700	26.65
2. Puan Sri Datin Lee Lei Choo	-	-	136,976,520	41.37
3. Wawasan Ekuiti Sdn. Bhd.	33,812,182	10.21	-	-
4. Musa Bin Abas	200,000	0.06	33,812,182	10.21
5. Brem Properties Sdn. Bhd.	88,227,700	26.65	-	-
6. Norhayati Binti Ali Polah	-	-	33,812,182	10.21

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares of RM0.50 each			
	Direct	%	Indirect	%
The Company				
Tan Sri Dato' Khoo Chai Kaa	48,748,820	14.72	88,227,700	26.65
Khoo Chai Thiam	6,857,344	2.07	-	-
Low Yew Hwa	5,061,726	1.53	-	-
Wong Miow Song	-	-	-	-
Dato' Hj. Abu Sujak Bin Hj. Mahmud	-	-	-	-
Khoo Hui Keam	-	-	-	-
Khoo Hui Giok	-	-	-	-

By virtue of his interest in shares in the Company, Tan Sri Dato' Khoo Chai Kaa is also deemed to be interested in the shares in all subsidiaries to the extent that the Company has an interest.

Directors' Name	No. of Ordinary Shares of HK\$1 each			
	Direct	%	Indirect	%
Subsidiary Companies:-				
a) Brem Oversea Investments Pte. Limited				
Low Yew Hwa	600,000	5.00	-	-

	No. of Ordinary Shares of K1 each			
	Direct	%	Indirect	%
b) Brem Maju (PNG) Limited				
Tan Sri Dato' Khoo Chai Kaa	1	0.0004	-	-
Low Yew Hwa	1	0.0004	-	-

Properties Held by the Brem Group of Companies

Location	Description/ Existing use	Date of acquisition	Area	Tenure/ Age of building	Net book value as at 31 March 2016 RM'000
BREM HOLDING BERHAD					
PT 19658-19697, 19869-19870 19873, 19927-20035, 23824 Mukim of Sungai Pasir, District of Kuala Muda, Kedah Darul Aman.	Development land - vacant	07/01/1994	23.84 acres	Freehold	33,995
PT 4657-4660, 4663, 4667, 4669, 4672-4674, 4678-4684, 4688-4700, 4704-4706, 4724, Mukim of Pinang Tunggal, District of Kuala Muda, Kedah Darul Aman.	Development land - vacant	07/01/1994	84.07 acres	Freehold	13,719
COSMO-ONE REALTY SDN BHD					
Lot 7, Jalan 222, Petaling Jaya, Selangor Darul Ehsan.	Factory building for rental	04/09/1996	1.21 acres	Leasehold Expiring on 20/07/2065	8,080
NAGA ISTIMEWA SDN BHD					
PT 14218, 14221 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Investment property for rental - retail cum office complex	26/10/1995	2.74 acres	Leasehold Expiring on 01/08/2095 Age: 8 years	108,336
HARMONY PROPERTY SDN BHD					
Lot 80905 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Property under development	31/03/2005	0.82 acres	Freehold	8,347
PT 26776 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Property under development	31/03/2005	7.22 acres	Freehold	88,521
Lot No. 2868-2870 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005	5.94 acres	Freehold	17,434

Properties Held by the Brem Group of Companies

Location	Description/ Existing use	Date of acquisition	Area	Tenure/ Age of building	Net book value as at 31 March 2016 RM'000
HARMONY PROPERTY SDN BHD (Cont'd)					
Lot No. 2520-2522 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005 17/11/1995	5.94 acres	Freehold	7,993
Lot No. 2494 - 2496, 2519 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005 10/10/1995	7.94 acres	Freehold	8,077
Lot 1919, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	08/04/2011	3.0 acres	Freehold	24,896
Lot 2 & Lot 9, District of Petaling, Selangor Darul Ehsan.	Development land - vacant	15/03/2011	7.59 acres	Leasehold Expiring on 16/05/2065	64,860
Lot 5114 & PT 1157, Mukim of Ulu Kelang, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	19/11/2010	33.28 acres	Leasehold Expiring on 05/04/2083	93,150
BREM MAJU SDN BHD					
Lot 4649, WC/S - 5, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan. (WC 23, Antah Tower, Off Jalan Kuching, 51200 Kuala Lumpur)	Single bedroom apartment for rental	03/11/1986	58.71 sq m.	Freehold Age: 29½ years	73
BREM MAJU (PNG) LIMITED					
Allotment 2, Section 516, Waigani Drive, Hohola, NCD, Papua New Guinea.	3-storey residential house	15/03/2003	0.06 acre	Leasehold Expiring on 28/05/2095 Age: 13 years	302

Properties Held by the Brem Group of Companies

Location	Description/ Existing use	Date of acquisition	Area	Tenure/ Age of building	Net book value as at 31 March 2016 RM'000
TITI KAYA SDN BHD					
PT 27609-PT 27611, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	21/10/1995	12.30 acres	Freehold	2,847
PT 27612 & PT 41705 (Formerly as Grant 30380, Lot 84), Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	30/12/1996 09/05/1997	161.57 acres	Freehold	25,744
ENG ANN REALTY CO. (KLANG) SDN BHD					
Lot No. 3328-3330, 2900 & PT 252 (Formerly 3325), Mukim of Bukit Raja, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/06/1994	4.70 acres	Freehold	3
Lot 6469 & 1674, Mukim of Bukit Raja, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/01/1994	0.1 acre	Freehold	6
Lot 15377, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/01/1994	5.31 acres	Freehold	94
PT 27612 & PT 41705 (Formerly as Grant 30380, Lot 84), Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	10/06/1994	109.71 acres	Freehold	204
NPO BUILDERS SDN BHD					
PT 21018 (HSD 248199) & PT 21019 (HSD 248200), Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan.	Development land - vacant	27/12/2004	46.21 acres	Freehold	31,792
INTAN KEMUNCAK SDN BHD					
Lot 1918, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	24/07/2014	3.06 acres	Freehold	25,619



Proxy Form

35th Annual General Meeting

I/We _____, (NRIC No./Company No.) _____
of _____
being a Member/Members of BREM HOLDING BERHAD hereby appoint _____
of _____
or failing *him/her _____
of _____

or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-Fifth Annual General Meeting of the Company, to be held at Crown Hall, 1st Floor, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Monday, 29 August 2016, at 10.30 a.m. and at any adjournment thereof. **(strike out whichever is not desired)*

(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. Unless otherwise instructed, the Proxy may vote or abstain from voting at his discretion)

No.	Resolutions	For	Against
1.	To declare a final share dividend		
2.	To approve Directors' fees		
3.	Re-election of Tan Sri Dato' Khoo Chai Kaa as Director		
4.	Re-election of Mr. Wong Miow Song as Director		
5.	Re-appointment of Dato' Hj. Abu Sujak Bin Hj. Mahmud as Director		
6.	To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors of the Company		
7.	Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
8.	Ordinary Resolution 2 - Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature		
9.	Ordinary Resolution 3 - Proposed Renewal of Authority For Share Buy-Back		
10.	Ordinary Resolution 4 - Continuing in office for Mr. Wong Miow Song As Independent Non-Executive Director		
11.	Ordinary Resolution 5 - Continuing in office for Dato' Hj. Abu Sujak Bin Hj. Mahmud As Independent Non-Executive Director		

Signed this _____ day of _____ 2016

No. of Shares held	
CDS Account No.	
Tel No. (during office hours)	

Signature

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
2. Where a member is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
3. In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the company's Common Seal or under the hand of the officer or attorney duly authorised.
4. The Form of Proxy must be deposited at the Company's Registered Office at 3rd Floor, BREM House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the meeting or any adjournment thereof.
5. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 August 2016 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.

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Affix
stamp

The Company Secretary

BREM HOLDING BERHAD (66756-P)
3rd Floor, BREM House
Crystal Crown Hotel
No. 12, Lorong Utara A
Off Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan

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www.bremholding.com

BREM HOLDING BERHAD (66756-P)

3rd Floor, BREM House, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara
46200 Petaling Jaya, Selangor Darul Ehsan.