BREM HOLDING BERHAD (66756-P)
Incorporated In Malaysia

'17
Annual Report

We believe in responsible and sustainable business manner.

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

36th 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:

20th September 2017

Time:

10.30 a.m.

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Notice of Annual General Meeting

Notice is hereby given that the Thirty-Sixth (36th) Annual General Meeting ("AGM") 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 Wednesday, 20 September 2017, 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 2017 together with the Reports of the Directors and the Auditors thereon. (Refer Note 7(a))

2. To approve the payment of Directors' fees of RM105,000/- (2016: RM105,000/-) in respect of the year ended 31 March 2017. (Resolution 1)

3. To approve the payment of Directors' benefit up to RM120,000/- from 01 February 2017 until the next AGM. (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. Ms. Khoo Hui Keam (Article 80) (Resolution 3)
   b. Ms. Khoo Hui Giok (Article 80) (Resolution 4)

5. To re-appoint Dato' Hj. Abu Sujak bin Hj. Mahmud as a Director of the Company. (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. **Authority to Allot Shares Pursuant to Section 75 of the Companies Act, 2016** (Resolution 7)

   "THAT subject always to the Companies Act, 2016, Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of any other relevant governmental/regulatory bodies where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Companies Act, 2016, to allot and issue shares in the Company, to such persons, at any 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 issued does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier."

   b. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** (Resolution 8)

   "THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") for the Company and/or its subsidiary companies ("the Group") to enter into and to give effect to the category of Recurrent Related Party Transactions of a Revenue or Trading nature from time to time with the Related Party as specified in Part A - Section 2.3 of the Circular to Shareholders dated 31 July 2017 ("Circular") provided that such transactions are:-

   i. recurrent transactions of a revenue or trading nature;

   ii. necessary for the day-to-day operations;

   iii. undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and

   iv. are not prejudicial to the minority shareholders of the Company.

Notice of Annual General Meeting

THAT such approval shall continue to be in force until: -

i. the conclusion of the next AGM of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM; or

ii. the expiration of the period within which the next AGM to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

iii. is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is earlier,

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

c. Proposed Renewal of Authority for Share Buy-Back (Resolution 9)

"THAT, subject to compliance with Section 127 of the Companies Act, 2016, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, regulations, the Company be and is hereby authorised to allocate an amount not exceeding the total available retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company ("Proposed Purchase") as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

AND THAT upon completion of the purchase by the Company of its own shares , the Directors are authorised to retain the shares as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder AND THAT the Directors are further authorised to resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends to the Company's shareholders or to deal with the treasury shares in the manners as allowed by the Act;

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

i. the conclusion of the next AGM of the Company following at which time the authority shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii. the expiration of the period within which the next AGM is required by law to be held; or

iii. revoked or varied by ordinary resolution passed by the shareholders at a general meeting.

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provision of the Listing Requirements and any other relevant authorities AND THAT authority be and is hereby given to Directors of the Company to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities."

Notice of Annual General Meeting

d. **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 (9) years, to continue to act as an Independent Non-Executive Director of the Company."

e. **Continuing in Office as Independent Non-Executive Director** (Resolution 11)

"THAT 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 (9) 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.

By Order of the Board,

ANDREA HUONG JIA MEI (MIA 36347)
Company Secretary

Kuala Lumpur
31 July 2017

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) 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.
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 Articles of Association of the Company, 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 not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.
5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the Resolutions set out in this Notice will be put to vote by poll.
6. **General Meeting Record of Depositors**
For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 57(c) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("LR"), a Record of Depositors as at 13 September 2017 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.
7. **Explanatory Notes :-**

a. **Audited Financial Statements for financial year ended 31 March 2017**
The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, this agenda is not put forward for voting by shareholders of the Company.

b. **Payment of Directors' Benefit**
Pursuant to Section 230(1) of the Companies Act, 2016, the fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The total estimated amount of Director's benefit payable is calculated based on the number of scheduled Board and Board's Committee Meeting and other benefits from 01 February 2017 until the next AGM.

This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

c. **Re-appointment of Director**
Dato' Hj. Abu Sujak bin Hj. Mahmud was re-appointed as a Director of the Company at the Thirty-Fifth (35th) AGM held on 29 August 2016 pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of this AGM. Resolution 5, if passed, will enable him to continue his office as a Director of the Company following the conclusion of this AGM. The Companies Act, 2016 (which repealed the Companies Act, 1965) no longer requires the continuation in office by a director over seventy (70) years of age to be subject to shareholders' approval at each AGM. Accordingly, if Resolution 5 is passed, Dato' Hj. Abu Sujak bin Hj. Mahmud's continuation in office will thereafter be subject to retirement by rotation pursuant to the Company's Articles of Association.

Notice of Annual General Meeting

d. **Resolution pursuant to Section 75 of the Companies Act, 2016**
Resolution No. 7 is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Section 75 of the Companies Act, 2016 which was approved by shareholders at the last year's AGM ("the previous mandate"). As at the date of this Notice, the Company did not allot any shares pursuant to the previous mandate.

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 ten percent (10%) of the total number of issued shares of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

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.

e. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
Resolution No. 8, 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 31 July 2017, which is circulated together with this Annual Report.

f. **Proposed Renewal of Share Buy-Back**
Resolution No. 9, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the issued shares 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 31 July 2017 which is circulated together with this Annual Report.

g. **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 (9) years, and upon its recommendation, the Board of Directors has assessed and recommended them to continue to act as an 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, 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. Their length of service on the Board of more than nine (9) years does not in any way interfere with their exercise of objective judgment or their ability to act in the best interests of the Company and Group. In fact, Mr. Wong Miow Song and Dato' Hj Abu Sujak bin Hj. Mahmud, having been with the Company for more than nine (9) years, are familiar with the Group's business operations and has devoted sufficient time and commitment to their role and responsibilities as Independent Non-Executive Directors for informed and balance decision making.

v. Both of them have exercised due care and sufficient time during their tenure as Independent Non-Executive Directors of the Company and have discharged their duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the interest of the Company and its shareholders.

Resolution Nos. 10 & 11 if passed, will authorise Mr. Wong Miow Song and Dato' Hj. Abu Sujak bin Hj. Mahmud to continue in office as Independent Non-Executive Directors of the Company until the conclusion of the next AGM of the Company.

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

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)

- 100% Global Water Sdn Bhd
  - 51% PNG Water Limited
- 50.25% Brem Maju Sdn Bhd
  - 99.99% Brem Maju (PNG) Limited
- 100% Brem Construction Sdn Bhd
- 100% Brem Aluminium & Glass Sdn Bhd
- 70% Brem Oversea Investments Pte Ltd
- 100% Naga Istimewa Sdn Bhd
  - 49% Topaz Teguh Sdn Bhd
- 75% Harmony Property Sdn Bhd
- 100% Cosmo-One Realty Sdn Bhd
- 100% Intan Kemuncak Sdn Bhd
- 48.33% Titi Kaya Sdn Bhd
  - 51% NPO Builder Sdn Bhd
  - 100% Eng Ann Realty Co (Klang) Sdn Bhd
  - 60% Wonderful Perfection Sdn Bhd
- 49% GJH Ventures Sdn Bhd
- 49% GJH Prestige Sdn Bhd

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, male, aged 77, 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 a Senior Independent Non-Executive Chairman.

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

(Managing Director)

Tan Sri Dato' Khoo Chai Kaa, male, aged 66, 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 39 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. He is the father of Khoo Hui Keam and Khoo Hui Giok and the brother of Khoo Chai Thiam.

KHOO CHAI THIAM

(Executive Director)

Khoo Chai Thiam, male, aged 55, 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 35 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. He is the brother of Tan Sri Dato' Khoo Chai Kaa and the uncle of Khoo Hui Keam and Khoo Hui Giok.

LOW YEW HWA

(Non-Independent Non-Executive Director)

Low Yew Hwa, male, aged 61, Malaysian, has been with the Company since year 1989. He was appointed to the Board of the Company on 24 August 1992. Mr. Low 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.

Particulars of Each Director of Brem Holding Berhad

KHOO HUI KEAM

(Non-Independent Non-Executive Director)

Khoo Hui Keam, female, aged 41, Malaysian, was appointed to the Board of the Company on 26 November 2007 as a Non-Independent Non-Executive Director. She holds a Bachelor Degree in Business majoring in banking from Nanyang Technology University (NTU) of Singapore. She has been in the banking industry for many years before joining the Group as an Operating Manager of a subsidiary. Currently, she is the Chief Operating Officer of Crystal Crown Hotel & Resort, which has 5 hotels across Malaysia under its group. She is the daughter of Tan Sri Dato' Khoo Chai Kaa and the niece of Khoo Chai Thiam.

KHOO HUI GIOK

(Non-Independent Non-Executive Director)

Khoo Hui Giok, female, aged 39, 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 15 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. She is the daughter of Tan Sri Dato' Khoo Chai Kaa and the niece of Khoo Chai Thiam.

WONG MIOW SONG

(Independent Non-Executive Director)

Wong Miow Song, male, aged 66, 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 35 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.

Profile of Key Senior Management

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

(Managing Director)

Please refer to page 8 of this Annual Report for his profile.

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:-

a. Tan Sri Dato' Khoo Chai Kaa and Ms. Khoo Hui Keam and Ms. Khoo Hui Giok are father and daughters;
b. Ms. Khoo Hui Keam and Ms. Khoo Hui Giok are sisters; and,
c. 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:-

a. been convicted of any offences within the past five (5) years other than traffic offences.
b. been imposed with any public sanction or penalty.

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.

Audit and Non-Audit Fees

The Audit and Non-audit fees payable to the External Auditors in relation to the audit services rendered to the Company and on a group basis respectively for the financial year ended 31 March 2017 are as follows:

	The Company RM	The Group RM
Audit Fees	73,500	210,679
Non Audit Services	30,000	30,000

Recurrent Related Party Transaction of a Revenue or Trading Nature

On 29 August 2016, 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	Sinn Huat Construction Sdn. Bhd.	Brem Holding Berhad	Puan Sri Datin Lee Lei Choo Lee Kok Ting	535,454
Construction Contracts	Sinn Huat Construction Sdn. Bhd.	Brem Maju Sdn Bhd	Puan Sri Datin Lee Lei Choo Lee Kok Ting	2,563,390

Relationship of Related Parties with Brem Holding Berhad ("Brem") as at the financial year ended 31 March 2017:

Names of Related Party	Relationship
Sinn Huat Construction Sdn. Bhd.	No relationship except for the Director and Major Shareholder of the Company is related to a major shareholder of Brem

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. The joint ventures and associated companies of the Group have not been dealt with as part of the Group for the Purpose of this Statement of Risk Management and Internal Control.

BOARD AND MANAGEMENT RESPONSIBILITIES IN RISK MANAGEMENT AND INTERNAL CONTROL

The Board understands the principal risks of the business that the Group involves. Functionally, risk management are the responsibility of all executive directors and management staff members. The Executive Directors and Senior Management 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 which are in place during the financial year under review up to the date of approval of this statement:

- Quarterly 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 in the boards of the companies in which the Group has investment; if any.

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 for the property development and construction activities under the requirements of ISO 9001:2008;

iv. Management information systems generating financial data and information for reporting and monitoring purposes; and

v. Project planning, monitoring and reporting procedures ensuring timely completion of projects and achievement of business targets.

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 require separate disclosure in the Annual Report.

The Board recognises that the systems of risk management and internal control should be continuously improved. 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.

Management Discussion and Analysis

Economy and Industry Outlook

The Malaysian economy grew 4.2% in year 2016 despite the global economy which was full of uncertainties. Notwithstanding the challenges like higher inflation, volatile capital flows and lingering uncertainties in the global economic and financial environment, the official 2017 GDP growth forecast for Malaysia, as announced by Bank Negara Malaysia, is expected to have recovery with a growth rate at a range of between 4.3% and 4.8%. The domestic demand, which is led by private consumption, continued to be the main driver of the growth.

The construction sector remained resilient with a growth rate of 7.4% in year 2016 as compared to 8.2% in 2015. This sector continues to grow in year 2017 with the development of mega infrastructure projects such as the Klang Valley Mass Rapid Transit ('MRT") 2, Light Rapid Transit ("LRT") 3, Pan Borneo Highway and Refinery and Petrochemical Integrated Development ("RAPID") Pengerang.

Overview of businesses

The Group is principally engaged in construction, property development, property investments and investment holding activities. With the registration of PKK Class A contractor coupled with a category of Grade 7 with the Construction Industry Development Board Malaysia, the Group is qualified to tender and carry out all categories of contract and construction works.

Despite the challenging and competitive market, we managed to perform reasonably and remained profitable in the various segments within the Group. The Group reported revenue of RM175.6 million and profit before taxation of RM20.5 million for the financial year ended 31 March 2017 compared to revenue of RM124.7 million and profit before taxation of RM41.5 million in 2016.

The following table summarised the segmental information in 2016 and 2017 for the Group:

	2017		2016	
	Revenue	Profit before taxation	Revenue	Profit before taxation
Segment	RM Million	RM Million	RM Million	RM Million
Civil engineering and construction	92.6	4.5	30.1	7.5
Property development	37.1	4.8	50.2	17.2
Property investments and investment holding	14.3	(0.2)	14.9	4.1
Water supply and services	31.6	11.4	29.5	12.7
Total	**175.6**	**20.5**	**124.7**	**41.5**

Civil engineering and construction segment

The Group's civil engineering and construction segment reported revenue and profit before taxation of RM92.6 million and RM4.5 million respectively in 2017 as compared to revenue of RM30.1 million and profit before taxation of RM7.5 million in 2016. Higher revenue in 2017 was mainly due to contribution from the construction of sewerage treatment plant, namely Bunus project, in Titiwangsa, Kuala Lumpur. However, the profit before taxation was decreased due to lower profit margin earned in competitive tendering of external contracts.

The Group has secured RM36.7 million contract during the financial year 2017 which involves the construction and completion of main infrastructure work and appurtenance work in Klang. The civil engineering and construction segment is anticipated to continue to perform better underpinned by its strong order book and improve the overall construction margins in financial year 2018.

Management Discussion and Analysis

Property development segment

The soft Malaysian property market mainly due to the weakening Ringgit Malaysia against other foreign currencies, rising cost of raw material and foreign labour, stringent credit control policies adopted by financial institutions on approval of housing loan, the issue of oversupply and the purchasers' adoption of 'wait and see' approach.

The property development segment reported revenue and profit before taxation of RM37.1 million and RM4.8 million respectively for the financial year ended 31 March 2017 as compared to revenue of RM50.2 million and profit before taxation of RM17.2 million for the previous year. Performance was impacted by lower sales of residential property developed in Segambut Dalam, Kuala Lumpur.

The Group has adopted aggressive marketing strategy in order to boost the sales of properties. It is expected that the sales of properties will be improved and show a better performance for the financial year ending 31 March 2018.

Property investments and investment holding

The property investments and investment holding segment reported revenue and loss before taxation of RM14.3 million and RM0.2 million respectively for the financial year ended 31 March 2017 as compared to revenue of RM14.9 million and profit before taxation of RM4.1 million in 2016. The major revenue contributor to this segment was derived from Brem Mall, a retail cum office complex located in Jalan Kepong, Kuala Lumpur. The slight decrease in revenue was attributable to the early termination of tenancy agreements by some tenants of the mall. The higher profit before taxation in 2016 was mainly due to unrealised gain on foreign exchange from our investment abroad.

Record showed there was an improvement of occupancy rate at 88% and 87% for retail and office respectively for Brem Mall for financial year ended 31 March 2017. It is anticipated that this segment will continue to perform better in tandem with the adoption of aggressive marketing strategy to increase further the occupancy rate of retail and office space.

Water supply and services

The Group secured a contract of 22 years concession period of build, operate and transfer of water plant in 1997 through an indirect subsidiary company, PNG Water Ltd. The concession period will be ending in June 2019.

The water supply and services segment recorded revenue and profit before taxation of RM31.6 million and RM11.4 million respectively compared to revenue of RM29.5 million and profit before taxation of RM12.7 million in 2016. The decrease in profit before taxation was mainly due to reduction of interest income year on year from operating financial assets.

The government of Papua New Guinea is expecting to upgrade the water pumping distribution system in its country. With our twenty over years of industry expertise and extensive experience, the Group is now on a strong footing in water supply and services in Papua New Guinea. We anticipated securing the said contract that continues to deliver more favourable financial results for the coming years.

Management Discussion and Analysis

Group Outlook

The Group has established track record in the civil engineering and construction segment. It is expected to secure new contracts and generate reasonably profit margin in future. In addition to the current order book, the Group is actively involved in tendering of external contracts and aims to win the tender so as to raise the Group's profile in civil engineering and construction industry. Thus, the Group is expecting a positive contribution to the performance of this segment for the coming years.

On the property segment, the Group is expecting to increase the sales of properties boosted by the aggressive marketing plans through its subsidiary company namely Harmony Property Sdn Bhd. The company is currently developing residential properties in Prima Pelangi, Segambut Dalam, Kuala Lumpur. Going forward, the property arm is expected to contribute positively to the Group's earnings.

On 30 September 2016, Titi Kaya Sdn Bhd, a 48.33% subsidiary of the Brem Holding Bhd, has entered into a Share Sale Agreement in relation to the disposal of its entire equity interest of 51% in NPO Builders Sdn Bhd to Titijaya Land Bhd. The gain on disposal is estimated to be RM44 million and this will contribute significantly to the property investments and investment holding segment for the financial year 2018.

For the water supply and services segment, it is expected that there will be stable revenue and profit in 2018. The Group's aim to secure a new contract in Papua New Guinea for water supply and services segment. This segment will continue to grow and expand after the ending of concession period in June 2019.

The Group will continue to explore opportunities to further strengthen its order book and maintain sustainable growth.

Corporate Social Responsibilities

The Group has really put efforts to care for the environment such as green energy usage, best practices in environment protection and eco-friendly office that is by way of reducing carbon footprints. We also ensure that the impact is positive. We have been practising social responsibility by donating to local community and various charitable organisations including donation in cash and in kind. The Group has also demonstrated its corporate social responsibility by treating employees fairly and ethically.

Appreciation

On behalf of the Board of Directors, I would like to thank all our valued shareholders, business associates, purchasers, sub-contractors, professional consultants, suppliers, financial institutions and regulatory authorities for their continued and endless support and the assistance extended to the Group as well as showing confident in us.

I would like to extend my sincere appreciation to my fellow board members, our management team and employees for their support, invaluable dedication, contribution and commitment towards the Group over the years.

Dato' Hj. Abu Sujak Bin Hj. Mahmud
Chairman

Group Financial Highlights

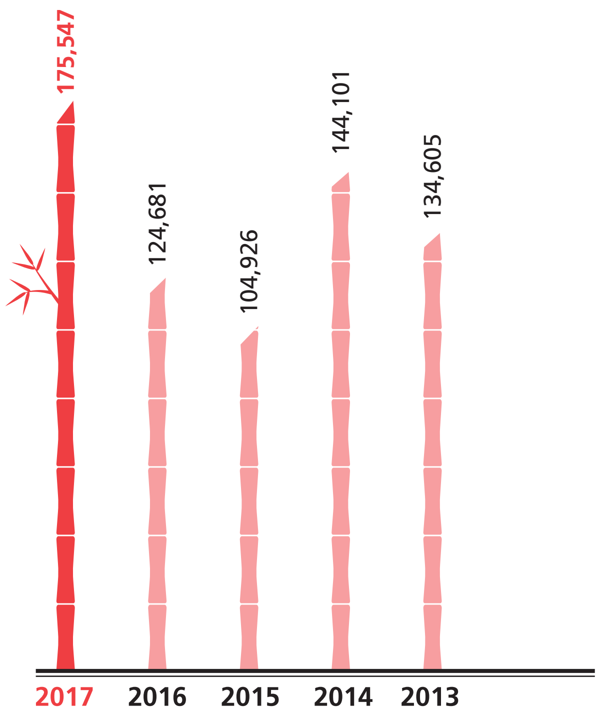
Statements of Comprehensive Income *(Financial Year Ended 31 March)*	**2017 RM '000**	**2016 RM '000** (Restated)#	**2015 RM '000**	**2014 RM '000**	**2013 RM '000**
Revenue	**175,547**	124,681	104,926	144,101	134,605
Profit Before Taxation	**20,491**	41,519	77,055	62,717	47,979
Taxation	**(7,597)**	(13,900)	(15,419)	(16,053)	(14,331)
Profit After Taxation	**12,894**	27,619	61,636	46,664	33,648
Non-Controlling Interests	**(8,140)**	(10,428)	(19,789)	(10,846)	(11,241)
Profit Attributable To Shareholders	**4,754**	17,191	41,847	35,818	22,407

Statements of Financial Position *(As At 31 March)*	**2017 RM '000**	**2016 RM '000** (Restated)#	**2015 RM '000** (Restated)#	**2014 RM '000**	**2013 RM '000**
ASSETS					
Non-Current Assets	**545,617**	562,767	567,931	531,866	581,092
Current Assets	**290,073**	239,187	237,883	217,720	191,004
Total Assets	**835,690**	801,954	805,814	749,586	772,096
EQUITIES AND LIABILITIES					
Equity Attributable to Shareholders of the Company					
Share Capital	**172,736**	172,736	172,736	172,736	172,736
Reserves	**354,074**	353,912	348,735	306,730	294,480
Treasury Shares	**(833)**	(11,118)	(10,150)	(5,461)	(4,460)
Total Equity Attributable to Shareholders of the Company	**525,977**	515,530	511,321	474,005	462,756
Non-Controlling Interests	**140,591**	130,933	147,738	117,085	142,767
Total Equity	**666,568**	646,463	659,059	591,090	605,523
Liabilities					
Non-Current Liabilities	**65,869**	81,409	94,317	98,222	125,186
Current Liabilities	**103,253**	74,082	52,438	60,274	41,387
Total Liabilities	**169,122**	155,491	146,755	158,496	166,573
Total Equity And Liabilities	**835,690**	801,954	805,814	749,586	772,096
Net Assets Per Share (RM)	**1.53**	1.56	1.54	2.82	2.74
Earnings Per Share (Sen)	**1.41***	5.18*	12.48*	10.64*^	13.21#
Gross Dividend Per Share (%)	-	6.24+	6.00	6.00	6.00
Gearing Ratio (Times)	**0.19**	0.20	0.20	0.24	0.26

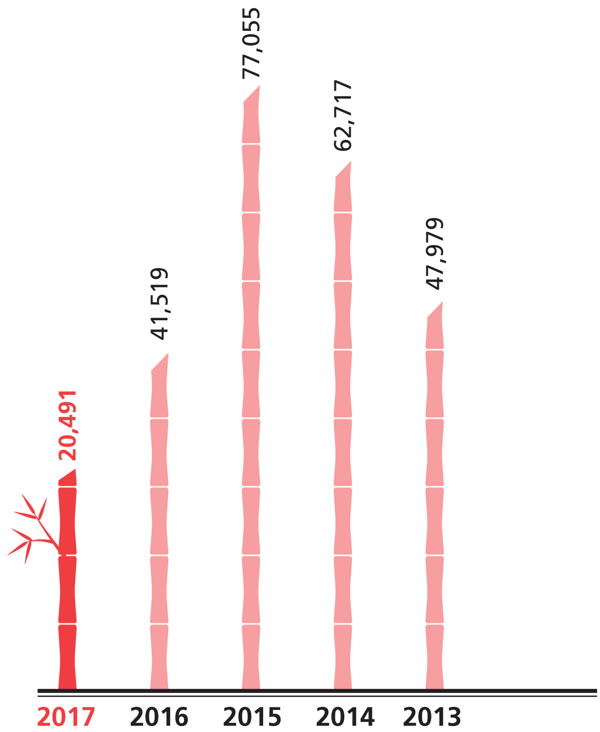
* *Based on the weighted average number of ordinary shares.*
^ *Adjusted for share split in 2014.*
\+ *Share dividend on the basis of 1 treasury share for every 25 existing ordinary shares.*
\# *Restated based on the audited financial statements for financial year ended 31 March 2017.*

Group Financial Highlights

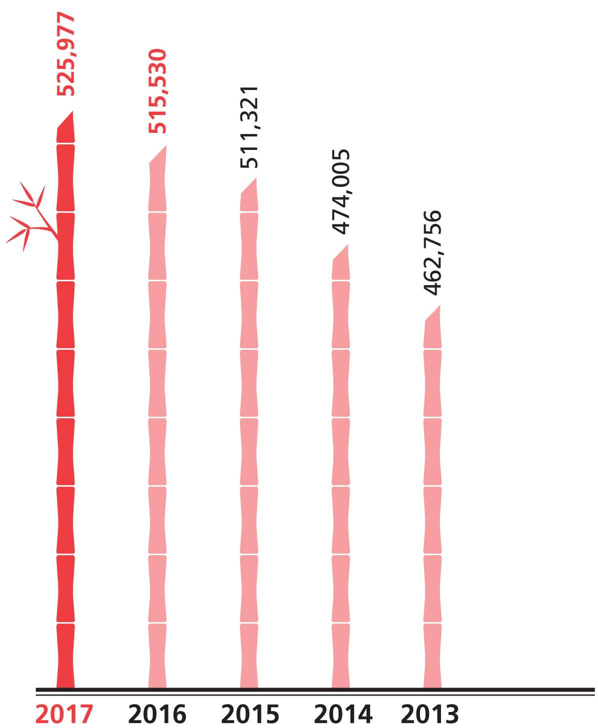
REVENUE
(RM'000)



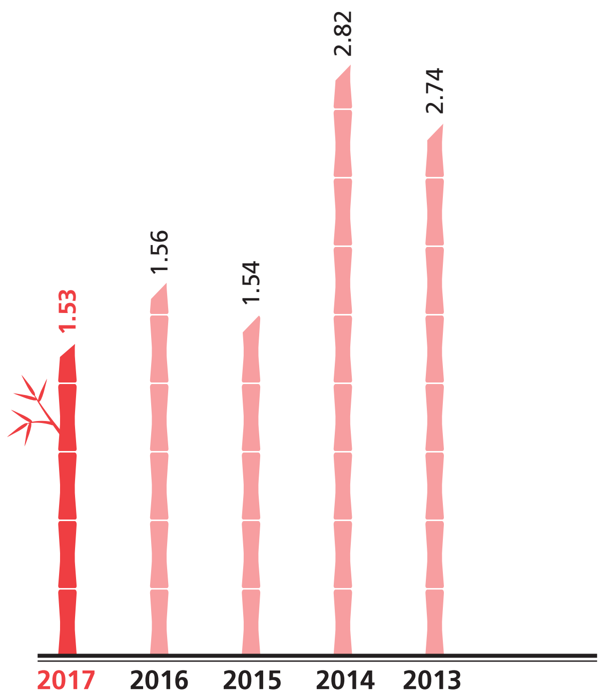
PROFIT BEFORE TAXATION
(RM'000)



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") is committed to adopt high standards of corporate governance according to the Malaysian Code on Corporate Governance ("2012 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 2017:-

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Group is managed by an effective, active and experienced Board which assumes responsibility in corporate governance and the overall performance of the Group. The Board is led by the Chairman, Dato' Hj. Abu Sujak Bin Hj. Mahmud who is an Independent Non- Executive Director. He is responsible for the effective overall functions of the Board.

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.

c. The Management is accountable to the Board and is to fulfill their responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

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 Board is also updated with the information relating to the Company and industry developments through monthly progress reports. In discharging their duties, the Directors are assured of full and timely access to all relevant information. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense with consent from the Chairman or Committee Chairman, as the case may be.

1.6 Company Secretary

The Company has appointed a qualified Company Secretary who is a member of the Malaysian Institute of Accountants and is qualified to act as a Company Secretary under Section 235(2) of the Companies Act, 2016.

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 financial results, dividend policy, related party transactions, corporate plans and programs, annual business plan and budgets, 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 2017 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; and
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 appointed two (2) 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 accordance with the Articles of Association, which form an integral part of the Memorandum and Articles of Association of the Company under Section 34(c) of the Companies Act, 2016, all directors who are appointed by the Board are subject to re-election at the next AGM after their appointment. The Memorandum and Articles of Association also proved that at least one-third (1/3) of the Board is subject to re-election at regular intervals at least once every three (3) years.

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 6 July 2017. 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 practised 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 2017 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 2017 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 RM	Allowance RM	Bonus RM	Benefit in Kind RM	Total RM
Executive Directors						
- from the Company	30,000	315,000	44,640	24,980	-	414,620
- on group basis	-	226,906	-	11,940	1,800	240,646
Non-Executive Directors						
- from the Company	75,000	-	30,000	-	22,938	127,938
- on group basis	-	383,873	-	24,000	-	407,873

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	-	-
RM200,001 – RM250,000	1	-
RM400,001 – RM450,000	-	1
RM450,001 - RM500,000	1	-

Corporate Governance Statement

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 Malaysia Securities Berhad ("Bursa Securities") or any amendment thereto.

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 Dato' Hj. Abu Sujak Bin Hj. Mahmud and Mr. Wong Miow Song have served on the Board for more than nine (9) years. The Nomination Committee has conducted an assessment to determine whether Dato' Hj. Abu Sujak and Mr. Wong 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 Securities. 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, Dato' Hj. Abu Sujak, being the member and Mr. Wong, being the Chairman 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 Chairman and MD are not related to each other. Their roles are kept separated to ensure a clear division of responsibilities, increased accountability and a greater capacity of the Board for independent decision-making. The Chairman is responsible for the leadership and management of the Board.

The Managing Director acts 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.

The Managing Director is familiar with the performance and operations of the company's business and also understands the matters affecting the industry and the company in general.

3.4 Composition of the Board

As at the financial year ended 31 March 2017, 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 Securities.

Corporate Governance Statement

3. REINFORCE INDEPENDENCE (CONTINUED)

3.4 Composition of the Board (Continued)

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.

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 2017, 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	5/5	5/5	1/1	1/1
Tan Sri Dato' Khoo Chai Kaa	5/5	N/A	N/A	1/1
Khoo Chai Thiam	5/5	N/A	N/A	N/A
Low Yew Hwa	5/5	#5/5	N/A	N/A
Wong Miow Song	5/5	5/5	1/1	1/1
Khoo Hui Keam	5/5	N/A	N/A	N/A
Khoo Hui Giok	5/5	5/5	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 2017, 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. 7 Habits of Highly Effective People
Tan Sri Dato' Khoo Chai Kaa	a. 7 Habits of Highly Effective People
Khoo Chai Thiam	a. 7 Habits of Highly Effective People
Low Yew Hwa	a. Sustainability Forum For Directors/CEOs: "The Velocity of Global Change & Sustainability-The New Business Model b. 7 Habits of Highly Effective People
Wong Miow Song	a. 7 Habits of Highly Effective People
Khoo Hui Keam	a. 7 Habits of Highly Effective People
Khoo Hui Giok	a. 7 Habits of Highly Effective People

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 (1) 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 2016 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 25 to 28.

The Audit Committee, had on 6 July 2017, 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 25 to 28 of this Annual Report.

The Statement of Risk Management and Internal Control furnished on page 11 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 twenty one (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 recent 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 20 September 2017 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, 2016 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 2017 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 2017, 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 24 July 2017.

Audit Committee Report

ESTABISHMENT AND COMPOSITION

The Audit Committee of Brem Holding Berhad was established on 25 July 1994. For the financial year ended 31 March 2017, 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-Independent 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 (3) members, of whom the majority shall be independent.

1.2. The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least three (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 fulfilled such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("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 member 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 (3) 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 no less than once every three (3) 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 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.

Audit Committee Report

SUMMARY OF THE TERMS OF REFERENCE (CONTINUED)

4. QUORUM, ATTENDANCE AND FREQUENCY OF MEETINGS (CONTINUED)

4.3. The Chairman shall call for meetings, to be held not less than four (4) times a year. The External Auditors may request a meeting if they consider one necessary.

AUDIT COMMITTEE MEETINGS

The Audit Committee met five (5) times during the financial year ended 31 March 2017. 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 *(Independent Non-Executive Director)*	5	5
Members		
Dato' Hj. Abu Sujak bin Hj. Mahmud *(Independent Non-Executive Director)*	5	5
Khoo Hui Giok *(Non-Independent Non-Executive Director)*	5	5

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2017

During the financial year ended 31 March 2017, the activities of the Audit Committee included the following:-

a. Reviewed the unaudited quarterly financial results for the financial quarter ended 30 June 2016, 30 September 2016, 31 December 2016 and 31 March 2017 and announcements for the financial quarters prior to submission to the Board of Directors for consideration and approval to release to Bursa Securities;
b. Reviewed the audited financial statements for the year ended 31 March 2017;
c. Reviewed the external auditors' audit plan to discuss their audit materiality, audit timeframe and statutory timeline, scope of work, fraud and related party transactions considerations and the new accounting standards prior to commencement of their annual audit for the financial year ended 31 March 2017 ;
d. Discussed with external auditors the findings of auditors' report arising from the audit of the Group's financial statements and the management's response;
e. Discussed with the external auditors on updates in relation to new or proposed changes to accounting standards and regulatory requirements and considered the implications to the financial statements presentation and disclosure arising from the adoption of the new Financial Reporting Standards.
f. Considered the audit fee payable and the nomination of the external auditors for recommendation to the Board for appointment;
g. Reviewed the assistance given by the employees to the external auditors in respect of the audit for the year ended 31 March 2017;
h. Met with the external auditors once during the financial year ended 31 March 2017 on 28 June 2016 without the presence of any executive Board members. There were no major concerns raised by the external auditors at the meetings;
i. Reviewed internal audit reports prepared by the Internal Auditor on the Company and its subsidiaries and management implementation of audit recommendations;
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 2017 and recommended their adoption to the Board; and
k. Reviewed and ascertain whether the established guidelines and procedures to monitor the Recurrent Related Party Transactions have been complied with.

Audit Committee Report

INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2017, 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 2017 is RM57,902/-.

The principal responsibility of the internal audit function is to undertake regular and systematic 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.

The internal auditor reviews conducted include Internal Audit on Brem Mall, Internal Audit Findings on Bunus Regional Sewage Treatment Plant, Internal Audit Report on Residensi Harmoni 2, Internal Audit Report on Goods & Services Tax ("GST") and Recurrent Related Party Transactions. All internal audit reports were discussed at Audit Committee Meetings and recommendations were duly acted upon by the management. Areas of improvement identified and timelines for the outstanding matters to be resolved were communicated to the management for further action.

REPORTS AND FINANCIAL STATEMENTS

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 31 March 2017.

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 the 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.

RESULTS

	Group RM	Company RM
Profit for the financial year	12,894,317	29,328,816
Attributable to:		
Shareholders of the Company	4,754,035	29,328,816
Non-controlling interests	8,140,282	-
	12,894,317	29,328,816

DIVIDENDS

Dividends declared by the Company since the end of previous financial year was the distribution of treasury shares as final share dividend at the ratio of 1 treasury share for every 25 existing ordinary shares held in respect of the financial year ended 31 March 2016. A total of 13,244,128 treasury shares amounting to RM10,330,420 in respect of the financial year ended 31 March 2016 was distributed on 17 October 2016.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2017.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, 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 satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of 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 financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render 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 method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or 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 affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements; and

(ii) 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 has not issued any shares or debentures during the financial year.

Directors' Report

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company repurchased 50,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM0.89 per share. The total consideration paid for the repurchase including transaction costs was RM44,494.

On 17 October 2016, the total treasury shares have been reduced to 1,101,934 by way of distribution of share dividend amounting to 13,244,128 ordinary shares to the entitled shareholders on the basis of one treasury share for every twenty five existing ordinary shares held in the Company.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

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

According to the Register of Directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

Interest in the Company

	Number of ordinary shares			
	At 1.4.2016	**Bought**	**Sold**	**At 31.3.2017**
Direct Interest				
Tan Sri Dato' Khoo Chai Kaa	48,748,820	1,949,952	-	50,698,772
Low Yew Hwa	5,061,726	202,469	-	5,264,195
Khoo Chai Thiam	6,857,344	274,293	-	7,131,637
Indirect Interest				
Tan Sri Dato' Khoo Chai Kaa *	87,461,300	5,907,244	-	93,368,544

* *Indirect interest through Brem Properties Sdn. Bhd.*

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Tan Sri Dato' Khoo Chai Kaa is deemed to have an interest in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Tan Sri Dato' Khoo Chai Kaa, Khoo Chai Thiam and Mr. Low Yew Hwa hold 1,779,080, 598,010 and 598,010 ordinary shares respectively in Brem Maju Sdn. Bhd. which constitute 29.75%, 10% and 10% respectively of the paid up share capital therein.

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 of the Company 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 the directors as disclosed in Directors' Remuneration and Note 34 to the financial statements) 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.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration are disclosed in Note 34 to the financial statements.

During the financial year, an insurance premium of RM13,500 was paid by the Group and the Company for a director and officer liability insurance with an aggrerate limit of indemnity of RM2 million.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration are disclosed in Note 34 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year are disclosed in Note 46 to the financial statements.

AUDITORS

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

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....	....
TAN SRI DATO' KHOO CHAI KAA	**KHOO CHAI THIAM**
Director	Director

Date: 24 July 2017

Consolidated Statement of Financial Position

as at 31 March 2017

	Note	2017 RM	2016 RM (Restated)	1.4.2015 RM (Restated)
ASSETS				
Non-current Assets				
Property, plant and equipment	4	4,407,843	5,091,153	4,350,709
Operating financial assets	5	32,210,740	50,475,008	76,089,395
Land held for property development	6	292,346,524	289,673,014	285,771,534
Investment properties	7	104,799,779	107,067,000	109,220,862
Investment in associates	9	49,836,496	44,117,690	34,311,279
Investment in joint ventures	10	28,923,435	28,970,732	8,400,002
Other investments	11	595,445	10,038,214	23,692,853
Deferred tax assets	12	9,299,249	6,821,913	5,581,528
Goodwill on consolidation	13	19,967,231	20,512,382	20,512,382
Trade receivables	16	3,230,000	-	-
		545,616,742	562,767,106	567,930,544
Current Assets				
Property development costs	14	140,754,069	131,757,463	104,106,280
Operating financial assets	5	23,698,804	18,589,906	17,794,207
Inventories	15	18,298,290	15,713,291	25,607,101
Trade receivables	16	23,667,529	26,359,561	23,011,535
Other receivables, deposits and prepayments	17	10,633,277	7,473,020	6,863,815
Tax recoverable		8,472,075	6,224,245	3,149,017
Deposits with licensed financial institutions	19	43,196,575	21,410,489	49,359,789
Cash and bank balances	20	21,352,163	11,658,552	7,991,754
		290,072,782	239,186,527	237,883,498
TOTAL ASSETS		835,689,524	801,953,633	805,814,042
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	21	172,736,172	172,736,172	172,736,172
Reserves	22	354,073,504	353,912,384	348,734,955
Treasury shares	23	(832,533)	(11,118,459)	(10,149,712)
Total equity attributable to shareholders of the Company		525,977,143	515,530,097	511,321,415
Non-controlling interests		140,591,284	130,932,925	147,737,649
Total Equity		666,568,427	646,463,022	659,059,064

Consolidated Statement of Financial Position
as at 31 March 2017

	Note	2017 RM	2016 RM (Restated)	1.4.2015 RM (Restated)
LIABILITIES				
Non-current liabilities				
Hire purchase payables	24	2,269,316	1,070,468	1,145,976
Bank borrowings	25	54,808,946	71,549,292	83,994,152
Deferred tax liabilities	12	8,790,466	8,789,069	9,176,588
		65,868,728	81,408,829	94,316,716
Current Liabilities				
Trade payables	26	36,716,690	21,749,770	19,766,694
Other payables, deposits and accruals	27	21,977,676	20,464,853	14,828,612
Amount due to directors	29	1,013,121	135,013	98,873
Hire purchase payables	24	2,113,517	1,116,003	996,796
Bank borrowings	25	41,220,915	30,139,849	13,864,431
Tax payable		210,450	476,294	2,882,856
		103,252,369	74,081,782	52,438,262
Total Liabilities		169,121,097	155,490,611	146,754,978
TOTAL EQUITY AND LIABILITIES		835,689,524	801,953,633	805,814,042

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

Statement of Financial Position

as at 31 March 2017

	Note	2017 RM	2016 RM (Restated)	1.4.2015 RM (Restated)
ASSETS				
Non-current Assets				
Property, plant and equipment	4	1,874,757	2,359,312	2,794,845
Land held for property development	6	34,108,156	33,994,731	33,856,258
Investment in subsidiaries	8	114,271,645	114,261,645	88,622,089
Investment in associates	9	53,859,659	46,443,278	34,996,694
Other investments	11	-	9,442,769	23,097,408
		204,114,217	206,501,735	183,367,294
Current Assets				
Property development costs	14	12,568,841	12,560,545	14,579,717
Inventories	15	15,190,893	15,314,291	12,089,674
Trade receivables	16	-	3,394,105	1,282,430
Other receivables, deposits and prepayments	17	4,717,232	3,264,101	1,010,172
Amount due from subsidiaries	18	204,267,615	160,919,288	176,010,792
Tax recoverable		2,211,373	812,316	-
Deposits with licensed financial institutions	19	1,754	-	-
Cash and bank balances		17,000	17,000	17,000
		238,974,708	196,281,646	204,989,785
TOTAL ASSETS		443,088,925	402,783,381	388,357,079
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	21	172,736,172	172,736,172	172,736,172
Reserves	22	218,445,320	199,446,924	195,930,452
Treasury shares	23	(832,533)	(11,118,459)	(10,149,712)
Total Equity		390,348,959	361,064,637	358,516,912
LIABILITIES				
Non-current liabilities				
Hire purchase payables	24	2,052,747	372,348	867,751
Deferred tax liabilities	12	229,487	229,487	229,487
		2,282,234	601,835	1,097,238
Current Liabilities				
Trade payables	26	15,799,805	6,132,040	19,353,849
Other payables, deposits and accruals	27	773,818	2,282,388	1,199,921
Amount due to subsidiaries	28	20,444,374	25,532,658	4,531,954
Amount due to directors	29	41,250	41,250	-
Hire purchase payables	24	1,525,422	558,091	634,948
Bank borrowings	25	11,873,063	6,570,482	2,413,323
Provision for taxation		-	-	608,934
		50,457,732	41,116,909	28,742,929
Total Liabilities		52,739,966	41,718,744	29,840,167
TOTAL EQUITY AND LIABILITIES		443,088,925	402,783,381	388,357,079

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

Statement of Comprehensive Income
for the financial year ended 31 March 2017

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM**	**RM**	**RM**	**RM**
			(Restated)		
Revenue	30	175,547,392	124,681,270	55,925,460	25,612,442
Cost of sales	31	(147,292,482)	(87,447,831)	(27,590,109)	(18,300,923)
Gross profit		28,254,910	37,233,439	28,335,351	7,311,519
Other income	32	11,614,596	16,474,847	7,543,140	7,144,248
Administrative expenses		(14,277,528)	(8,166,553)	(3,961,310)	(3,120,360)
Operating profit		25,591,978	45,541,733	31,917,181	11,335,407
Finance costs	33	(3,331,306)	(2,382,535)	(671,637)	(267,924)
Share of results of associates		(1,697,575)	(1,640,173)	-	-
Share of results of joint ventures		(72,297)	-	-	-
Profit before taxation	34	20,490,800	41,519,025	31,245,544	11,067,483
Taxation	35	(7,596,483)	(13,900,379)	(1,916,728)	(2,569,841)
Profit for the financial year		12,894,317	27,618,646	29,328,816	8,497,642
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		11,255,582	(13,793,551)	-	-
Total comprehensive income for the financial year		24,149,899	13,825,095	29,328,816	8,497,642
Profit attributable to:					
Shareholders of the Company		4,754,035	17,190,644	29,328,816	8,497,642
Non-controlling interests		8,140,282	10,428,002	-	-
		12,894,317	27,618,646	29,328,816	8,497,642
Total comprehensive income attributable to:					
Shareholders of the Company		10,491,540	10,158,599	29,328,816	8,497,642
Non-controlling interests		13,658,359	3,666,496	-	-
		24,149,899	13,825,095	29,328,816	8,497,642
Earnings per ordinary share (sen):					
- basic	36	1.41	5.18		
- diluted	36	1.41	5.18		

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

Statements of Changes in Equity
for the financial year ended 31 March 2017

	Note	Share Capital RM	Exchange Fluctuation Reserves RM	Treasury Shares RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
		← Attributable to Owners of the Company →						
Group								
At 1 April 2016								
As previously reported		172,736,172	(3,198,713)	(11,118,459)	356,434,817	514,853,817	132,464,424	647,318,241
Retrospective adjustments	45	-	-	-	676,280	676,280	(1,531,499)	(855,219)
Restated balance at 1 April 2016		172,736,172	(3,198,713)	(11,118,459)	357,111,097	515,530,097	130,932,925	646,463,022
Total comprehensive income for the financial year								
Profit for the financial year		-	-	-	4,754,035	4,754,035	8,140,282	12,894,317
Other comprehensive income for the financial year		-	5,737,505	-	-	5,737,505	5,518,077	11,255,582
Total comprehensive income		-	5,737,505	-	4,754,035	10,491,540	13,658,359	24,149,899
Transactions with owners								
Share repurchased		-	-	(44,494)	-	(44,494)	-	(44,494)
Dividend paid to non-controlling interests		-	-	-	-	-	(4,000,000)	(4,000,000)
Share dividends	37	-	-	10,330,420	(10,330,420)	-	-	-
Total transactions with owners		-	-	10,285,926	(10,330,420)	(44,494)	(4,000,000)	(4,044,494)
At 31 March 2017		172,736,172	2,538,792	(832,533)	351,534,712	525,977,143	140,591,284	666,568,427

Statements of Changes in Equity
for the financial year ended 31 March 2017

	Note	← Attributable to Owners of the Company → Share Capital RM	Exchange Fluctuation Reserves RM	Treasury Shares RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group								
At 1 April 2015								
As previously reported		172,736,172	3,833,332	(10,149,712)	344,925,556	511,345,348	149,269,148	660,614,496
Retrospective adjustments	45	-	-	-	(23,933)	(23,933)	(1,531,499)	(1,555,432)
Restated balance at 1 April 2015		172,736,172	3,833,332	(10,149,712)	344,901,623	511,321,415	147,737,649	659,059,064
Total comprehensive income for the financial year								
Profit for the financial year		-	-	-	17,190,644	17,190,644	10,428,002	27,618,646
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)	-	17,190,644	10,158,599	3,666,496	13,825,095
Transactions with owners								
Share repurchased		-	-	(968,747)	-	(968,747)	-	(968,747)
Dividend paid to non-controlling interests		-	-	-	-	-	(20,471,220)	(20,471,220)
Dividends	37	-	-	-	(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 31 March 2016		172,736,172	(3,198,713)	(11,118,459)	357,111,097	515,530,097	130,932,925	646,463,022

Statements of Changes in Equity
for the financial year ended 31 March 2017

	Note	Share Capital RM	Treasury Shares RM	Retained Earnings RM	Total Equity RM
Company					
At 1 April 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	37	-	-	(4,981,170)	(4,981,170)
At 31 March 2016		172,736,172	(11,118,459)	199,446,924	361,064,637
Total comprehensive income for the financial year		-	-	29,328,816	29,328,816
Transactions with owners					
Share repurchased		-	(44,494)	-	(44,494)
Share dividends	37	-	10,330,420	(10,330,420)	-
At 31 March 2017		172,736,172	(832,533)	218,445,320	390,348,959

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

Statements of Cash Flows
for the financial year ended 31 March 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	20,490,800	41,519,025	31,245,544	11,067,483
Adjustments for:				
Bad debts written off	597,662	160	329,400	-
Impairment loss on goodwill	545,151	-	-	-
Impairment loss on trade receivables	542,537	-	-	-
Depreciation of:				
- property, plant and equipment	1,159,655	1,024,140	259,788	410,186
- investment properties	2,267,221	2,193,979	-	-
Dividend income from subsidiaries	-	-	(24,530,201)	-
Gain on disposal of property, plant and equipment	(127,358)	(184,227)	(127,358)	(26,601)
Interest expenses	3,331,306	2,382,535	671,637	267,924
Interest income	(10,284,092)	(12,724,274)	(7,184,835)	(6,917,608)
Property, plant and equipment written off	1,718	877	839	1
Share of results of associates	1,697,575	1,640,173	-	-
Share of results of joint ventures	72,297	-	-	-
Unrealised loss/(gain) on foreign exchange, net	146,732	(153,383)	(51,280)	33,696
Operating profit before changes in working capital	20,441,204	35,699,005	613,534	4,835,081
Property development cost	(2,410,515)	(24,910,625)	3,457,659	2,019,172
Land held for property development	(104,222)	(1,346,007)	(113,425)	(138,473)
Operating financial assets	28,648,080	28,566,000	-	-
Inventories	(2,584,999)	9,893,810	123,398	(3,224,617)
Receivables	(4,267,412)	(7,712,323)	2,168,161	(3,920,248)
Payables	18,141,448	6,999,831	8,159,195	(12,098,092)
Subsidiaries	-	-	(36,411,981)	(3,348,920)
Cash generated from/(used in) operations	57,863,584	47,189,691	(22,003,459)	(15,876,097)
Dividend received	-	-	24,530,201	-
Tax paid	(12,166,580)	(18,046,421)	(3,315,785)	(3,991,091)
Net cash from/(used in) operating activities	45,697,004	29,143,270	(789,043)	(19,867,188)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(413,125)	(987,228)	(26,380)	(371,709)
(Advances to)/Repayment from subsidiaries	-	-	(6,951,346)	(7,356,761)
Advances to joint ventures	(25,000)	(20,570,730)	-	-
Advances to associates	(7,416,381)	(11,446,584)	(7,416,381)	(11,446,584)
Additional cost in investment properties	-	(40,117)	-	-
Proceeds from disposal of:				
- property, plant and equipment	127,359	184,232	127,359	26,604
Interest received	1,227,425	1,131,111	7,184,835	6,917,608
Net withdrawal/(placement) of deposit with licensed financial institutions	482,288	771,076	(1,754)	-
Redemption of unit trust	9,442,769	13,654,639	9,442,769	13,654,639
Net cash from/(used in) investing activities	3,425,335	(17,303,601)	2,359,102	1,423,797

Statements of Cash Flows
for the financial year ended 31 March 2017

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of hire purchase payables	(1,829,093)	(1,248,689)	(1,073,225)	(654,260)
(Repayment to)/Advances from subsidiaries	-	-	(5,083,284)	21,158,333
Repayment of bank borrowings	(30,669,025)	(5,627,000)	-	-
Drawdown of bank borrowings	16,000,000	7,000,000	3,000,000	2,000,000
Dividend paid to non-controlling interest of a subsidiary	(4,000,000)	(20,471,220)	-	-
Repurchase of treasury shares	(44,494)	(968,747)	(44,494)	(968,747)
Dividend paid to shareholders of the Company	-	(4,981,170)	-	(4,981,170)
Interest paid	(8,485,923)	(7,199,514)	(671,637)	(267,924)
Net cash (used in)/from financing activities	(29,028,535)	(33,496,340)	(3,872,640)	16,286,232
Net increase/(decrease) in cash and cash equivalents	20,093,804	(21,656,671)	(2,302,581)	(2,157,159)
Cash and cash equivalents at the beginning of the financial year	24,300,225	50,269,209	(4,553,482)	(2,396,323)
Effects of exchange rate changes	2,858,436	(4,312,313)	-	-
Cash and cash equivalents at the end of the financial year	47,252,465	24,300,225	(6,856,063)	(4,553,482)
CASH AND CASH EQUIVALENTS COMPRISE:				
Deposits with licensed financial institutions	43,196,575	21,410,489	1,754	-
Cash and bank balances	21,352,163	11,658,552	17,000	17,000
Bank overdrafts	(16,105,838)	(7,096,093)	(6,873,063)	(4,570,482)
	48,442,900	25,972,948	(6,854,309)	(4,553,482)
Less: Deposits pledged to licensed financial institutions	(1,188,681)	(1,619,993)	-	-
Less: Deposits with maturity periods above 3 months	(1,754)	(52,730)	(1,754)	-
	47,252,465	24,300,225	(6,856,063)	(4,553,482)

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

Notes to the Financial Statements

1. GENERAL INFORMATION

Brem Holding Berhad ("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 of the Company 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 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 financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 July 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Statement of compliance

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 2016 in Malaysia.

(b) 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 they operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(c) Basis of measurement

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 to the financial statements.

(d) Use of estimates and judgements

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 reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement 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 to the financial statements.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective

(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 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 14	Regulatory Deferral Accounts
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
FRS 134	Interim Financial Reporting
FRS 138	Intangible Assets

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

(b) **New FRS, amendments/improvements to FRSs and new IC Int that have been issued, but yet to be effective**

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

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 1	First-time adoption of MFRSs	1 January 2018
FRS 2	Share-based Payment	1 January 2018
FRS 4	Insurance Contracts	1 January 2018
FRS 10	Consolidated Financial Statements	Deferred
FRS 12	Disclosure of Interests in Other Entities	1 January 2017
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 128	Investments in Associates and Joint Ventures	1 January 2018/Deferred
FRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

(b) New FRS, amendments/improvements to FRSs and new IC Int that have been issued, but yet to be effective (Continued)

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

FRS 9 Financial Instruments

Key requirements of FRS 9:

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

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the 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.

- 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 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 FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

(b) New FRS, amendments/improvements to FRSs and new IC Int 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 128 Investments in Associates and Joint Ventures

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

Amendments to FRS 140 Investment Property

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

The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

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

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

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

(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 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.2 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

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

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

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

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

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

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

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

MFRS 15 Revenue from Contracts with Customers

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

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

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

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

Notes to the Financial Statements

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.2 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

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

MFRS 16 Leases

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

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

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.

(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.

Under the acquisition 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. Any excess of the cost of acquisition over the Group's share in the net fair value of the 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) to the financial statements. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised as bargain purchase gain in profit or loss on the date of acquisition.

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 1 January 2006 and 1 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 1 January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed in profit or loss immediately.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) **Basis of consolidation (Continued)**

(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.

(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) **Associates**

Associates 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 associates 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 associates unless it is classified as held for sale. Under the equity method of accounting, the Group's share of profits less losses of the associates during the financial year is included in the consolidated statement of comprehensive income, from the date that significant influence commences until the date that significant influence ceases. The Group's interest in the associates 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.

(v) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) **Basis of consolidation (Continued)**

(v) Joint arrangements (Continued)

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with FRS 128 Investments in Associates and Joint Ventures.

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(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 any 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.

(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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(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 any 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.

(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.

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 subsidiaries, associates and joint ventures**

Investments in subsidiaries and associates and joint ventures are stated at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The policy for recognition and measurement of impairment losses is in accordance with Note 2.3(n) to the financial statements.

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

(h) **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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 Significant Accounting Policies (Continued)

(i) **Goodwill**

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

For acquisition prior to 1 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 1 January 2006 and 31 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.

For acquisition on or after 1 January 2011, the Group considers 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, at 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. 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 1 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) to the financial statements.

(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). The cost of raw material comprises the original cost of purchase plus the cost of bringing the inventory to their present location and condition. Cost of work-in-progress and finished goods consist of direct materials, direct labour and direct overheads.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(j) Inventories (Continued)

Property inventories are valued at the lower of cost and net realisable value. Cost is determined on 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.

(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 assets 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(m) **Financial assets (Continued)**

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(m) **Financial assets (Continued)**

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.

(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 of disposal 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(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.

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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(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.

(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) **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(i) *Lessee accounting*

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Any upfront lease payments are classified as land use rights within intangible assets.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 Significant Accounting Policies (Continued)

(r) **Leases**

(ii) *Lessor accounting*

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

(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.

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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(t) **Financial liabilities (Continued)**

(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.

(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) to the financial statements.

(ii) *Property development*

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

(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 a straight-line basis over the term of the lease.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 Significant Accounting Policies (Continued)

(u) **Revenue and other income (Continued)**

(v) *Dividend income*

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

(vi) *Income from unit trust*

Income from unit trust is recognised when the right to receive payment is established.

(vii) *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.

(v) **Taxes**

(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.

Notes to the Financial Statements

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 Significant Accounting Policies (Continued)

(v) **Taxes (Continued)**

(ii) *Deferred tax (Continued)*

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.

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.

(iii) *Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”) except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 Significant Accounting Policies (Continued)

(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.

(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	
	2017	**2016**
	RM	**RM**
Papua New Guinea Kina	1.394	1.2585

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(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.

(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 possible 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 40 to the financial statements, 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(ab) **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 absences 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.

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) **Impairment of goodwill (Note 13)**

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 to the financial statements.

(b) **Property development (Note 14)**

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 revenue 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)**

(b) **Property development (Note 14) (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.

(c) **Construction (Note 16)**

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.

(d) **Impairment of Investment Properties (Note 7)**

The Group assesses impairment of investment properties when events or changes in circumstances indicate that the carrying amounts of the assets may not recoverable. The Group considers internal and external factors such as market price and latest transacted price of properties within the same vicinity and nature.

The Group assessed the market price of the investment properties based on information available through internal research and Directors' best estimates.

(e) **Net Realisable Values of Inventories (Note 15)**

Reviews are made periodically by directors on future saleability and net realisable value of its inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) **Depreciation of property, plant and equipment (Note 4)**

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(g) **Income taxes (Note 35)**

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.

(h) **Deferred tax assets (Note 12)**

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when its probable that future taxable profits will be available against which the assets can be utilised. Directors' judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

(i) **Impairment of loans and receivables (Note 16, 17 and 18)**

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

(j) **Revenue recognition in relation to Concession Arrangement (Note 5)**

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.

(k) **Control over investee (Note 8)**

The Company holds a 48.33% equity interest in Titi Kaya Sdn. Bhd. ("TKSB") which is the single largest shareholder of TKSB. The Company had assessed and concluded that it has the power to direct the relevant activities of TKSB and have been actively dominating the decision-making process of TKSB by virtue of the arrangement and relationship. Accordingly, TKSB has been treated as a subsidiary of the Company.

Notes to the Financial Statements

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						
2017						
Cost						
At 1 April 2016	12,011	409,978	13,557,571	5,554,719	2,787,485	22,321,764
Additions	-	-	255,000	2,248	685,877	943,125
Foreign exchange difference	-	37,940	23,884	-	40,412	102,236
Disposals/written off	-	-	-	(398,304)	(125,722)	(524,026)
At 31 March 2017	12,011	447,918	13,836,455	5,158,663	3,388,052	22,843,099
Accumulated depreciation						
At 1 April 2016	-	107,707	11,126,512	4,076,752	1,919,640	17,230,611
Charge for the year	-	4,037	679,985	585,317	395,623	1,664,962
Foreign exchange difference	-	5,604	23,884	-	32,502	61,990
Disposals/written off	-	-	-	(398,303)	(124,004)	(522,307)
At 31 March 2017	-	117,348	11,830,381	4,263,766	2,223,761	18,435,256
Carrying amount						
At 31 March 2017	12,011	330,570	2,006,074	894,897	1,164,291	4,407,843
2016						
Cost						
At 1 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
Foreign exchange difference	-	(35,840)	(22,561)	-	(32,094)	(90,495)
Disposals/written off	-	-	(240,000)	(234,172)	(36,694)	(510,866)
At 31 March 2016	12,011	409,978	13,557,571	5,554,719	2,787,485	22,321,764
Accumulated depreciation						
At 1 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
Foreign exchange difference	-	(4,904)	(22,561)	-	(29,250)	(56,715)
Disposals/written off	-	-	(239,999)	(233,318)	(35,349)	(508,666)
At 31 March 2016	-	107,707	11,126,512	4,076,752	1,919,640	17,230,611
Carrying amount						
At 31 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)

	Plant and machinery RM	Motor vehicles RM	Furniture, fittings, equipment and renovation RM	Total RM
Company				
2017				
Cost				
At 1 April 2016	5,997,175	3,239,207	1,137,941	10,374,323
Additions	255,000	-	26,380	281,380
Disposals	-	(398,304)	(124,582)	(522,886)
At 31 March 2017	6,252,175	2,840,903	1,039,739	10,132,817
Accumulated depreciation				
At 1 April 2016	4,854,654	2,422,051	738,306	8,015,011
Charge for the year	337,585	301,095	126,415	765,095
Disposals	-	(398,303)	(123,743)	(522,046)
At 31 March 2017	5,192,239	2,324,843	740,978	8,258,060
Carrying amount				
At 31 March 2017	1,059,936	516,060	298,761	1,874,757
2016				
Cost				
At 1 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 31 March 2016	5,997,175	3,239,207	1,137,941	10,374,323
Accumulated depreciation				
At 1 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 31 March 2016	4,854,654	2,422,051	738,306	8,015,011
Carrying amount				
At 31 March 2016	1,142,521	817,156	399,635	2,359,312

(a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM943,125 (2016: RM2,279,616) and RM281,380 (2016: RM453,709) of which RM530,000 (2016: RM1,292,388) and RM255,000 (2016: RM82,000) were acquired by means of hire purchase arrangements. Cash payments of RM413,125 (2016: RM987,228) and RM26,380 (2016: RM371,709) 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 with net carrying amount of RM915,114 (2016: RM1,236,523) and RM399,728 (2016: RM630,010) respectively.

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) The depreciation of property, plant and equipment charged for the financial year is as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Property development costs (Note 14)	505,307	479,052	-	-
Amount due from contract customers (Note 16)	-	-	505,307	479,052
Profit before taxation (Note 34)	1,159,655	1,024,140	259,788	410,186
	1,664,962	1,503,192	765,095	889,238

5. OPERATING FINANCIAL ASSETS

	Group	
	2017	**2016**
	RM	**RM**
At 1 April 2016/2015	69,064,914	93,883,602
Interest income	9,056,667	11,593,163
Payment by grantor	(28,648,080)	(28,566,000)
Exchange difference	6,436,043	(7,845,851)
At 31 March	55,909,544	69,064,914
Net carrying amount		
Non-current	32,210,740	50,475,008
Current	23,698,804	18,589,906
	55,909,544	69,064,914

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 year 1997 and transfer the plant to the grantor at the end of the Concession Period ending year 2019. Such concession arrangements fall within the scope of IC Interpretation 12, Service Concession Arrangements.

The amount, being the financial assets arising from the above concession agreement was initially recognised at the fair value of the consideration receivables for the construction service delivered during the stage of construction. It carries interest at a rate of 13% (2016: 13%) per annum and repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession agreement.

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 initially 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)(vii) to the financial statements.

Notes to the Financial Statements

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group				
At 1 April 2015				
As previously reported	117,200,953	124,209,668	50,584,919	291,995,540
Retrospective adjustments (Note 45)	-	-	(6,224,006)	(6,224,006)
Restated balance at 1 April 2016	117,200,953	124,209,668	44,360,913	285,771,534
Additions	-	-	3,901,480	3,901,480
At 31 March 2016	117,200,953	124,209,668	48,262,393	289,673,014
Additions	-	-	2,673,510	2,673,510
At 31 March 2017	117,200,953	124,209,668	50,935,903	292,346,524

	Freehold land RM	Development expenditure RM	Total RM
Company			
At 1 April 2015	32,305,486	1,550,772	33,856,258
Additions	-	138,473	138,473
At 31 March 2016	32,305,486	1,689,245	33,994,731
Additions	-	113,425	113,425
At 31 March 2017	32,305,486	1,802,670	34,108,156

(a) Included in land held for property development of the Group is interest expense capitalised of RM2,938,853 (2016: RM2,555,473).

(b) The land held for property development of the Group with carrying value of RM142,884,173 (2016: RM142,884,173) has been pledged as security for a financing facility as disclosed in Note 25 to the financial statements.

7. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
2017				
Cost				
At 1 April 2016	40,709	33,791,788	92,393,912	126,226,409
Additions	-	-	-	-
At 31 March 2017	40,709	33,791,788	92,393,912	126,226,409

Notes to the Financial Statements

7. INVESTMENT PROPERTIES (Continued)

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
2017				
Accumulated depreciation				
At 1 April 2016				
As previously reported	-	5,189,607	15,074,946	20,264,553
Retrospective adjustments (Note 45)	-	-	(1,105,144)	(1,105,144)
Restated balance at 1 April 2016	-	5,189,607	13,969,802	19,159,409
Charge for the year	-	422,317	1,844,904	2,267,221
At 31 March 2017	-	5,611,924	15,814,706	21,426,630
Carrying amount				
At 31 March 2017	40,709	28,179,864	76,579,206	104,799,779
2016				
Cost				
At 1 April 2015	40,709	33,791,788	92,353,795	126,186,292
Additions	-	-	40,117	40,117
At 31 March 2016	40,709	33,791,788	92,393,912	126,226,409
Accumulated depreciation				
At 1 April 2015				
As previously reported	-	4,767,290	13,082,255	17,849,545
Retrospective adjustments (Note 45)	-	-	(884,115)	(884,115)
Restated balance at 1 April 2015	-	4,767,290	12,198,140	16,965,430
Charge for the year	-	422,317	1,771,662	2,193,979
At 31 March 2016	-	5,189,607	13,969,802	19,159,409
Carrying amount				
At 31 March 2016	40,709	28,602,181	78,424,110	107,067,000

(a) The Group's investment properties comprise commercial properties, factory building and apartment that are leased to third parties.

The fair value of the investment properties of approximately RM131,679,000 (2016: RM145,696,000) are determined by the directors based on the relevant information available through internal research and their best estimates.

The estimated fair values of investment properties were arrived at using the comparable method and the cost method of valuation. The value of the land is arrived at by reference to similar land in the locality and adjusting for location, terrain, size, present market trends and other differences, where applicable. The value of the building is estimated by calculating the cost to recreate or obtain a similar asset offering equivalent utility. The cost is then adjusted to allow for physical deterioration and other forms of obsolescence. The significant unobservable inputs used in the valuation are price per square foot and construction cost per square foot.

Notes to the Financial Statements

7. INVESTMENT PROPERTIES (Continued)

(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
Group				
Asset for which fair value is disclosed				
Land and buildings				
2017	137,079,000	-	-	131,679,000
2016	145,696,000	-	-	145,696,000

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

	Group 2017 RM	Group 2016 RM
Rental income	14,337,442	14,899,883
Direct operating expenses:		
- income generating investment properties	(7,881,941)	(10,282,729)
- non-income generating investment properties	(4,047,376)	(2,094,992)
	2,408,125	2,522,162

(d) The total net carrying amount of a leasehold land and building of a subsidiary amounting to RM106,013,405 (2016: RM108,335,806) are pledged to financial institutions as collaterals for banking facilities as disclosed in Note 25 to the financial statements.

8. INVESTMENT IN SUBSIDIARIES

	Company 2017 RM	Company 2016 RM
Unquoted shares at cost	93,422,084	91,422,089
Less: Allowance for impairment loss	(2,800,000)	(2,800,000)
	90,622,084	88,622,089
Quasi loans	23,649,561	25,639,556
	114,271,645	114,261,645

Quasi loans represent advances and payments made on behalf of which the settlement in 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.

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (Continued)

The details of the subsidiaries are as follows:

Name of Company	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal place of business/ Country of incorporation	Principal activities
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.
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.*

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (Continued)

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

Name of company	Principal place of business/ country of incorporation	2017 %	2016 %
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	2017 RM	2016 RM
Brem Maju Sdn. Bhd. and its subsidiaries ("Brem Maju Group")	6,045,665	6,707,939
Harmony Property Sdn. Bhd.	22,501,260	21,531,458
Titi Kaya Sdn. Bhd. and its subsidiaries ("Titi Kaya Group")	55,007,923	54,875,922
PNG Water Limited	56,862,284	47,640,044

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

Name of company	2017 RM	2016 RM
Brem Maju Group	3,104,638	570,696
Harmony Property Sdn. Bhd.	939,802	1,048,914
Titi Kaya Group	26,275	4,615,181
PNG Water Limited	3,895,622	4,348,423

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

	Brem Maju Group RM	Harmony Property Sdn. Bhd. RM	Titi Kaya Group RM	PNG Water Limited RM
Summarised statements of financial position				
As at 31 March 2017				
Current assets	40,316,186	160,185,539	19,568,996	88,011,821
Non-current assets	3,481,069	189,311,000	114,673,176	32,210,760
Current liabilities	(31,391,401)	(208,425,867)	(12,200,563)	(4,202,175)
Non-current liabilities	(253,929)	(53,862,897)	-	-
Net assets	12,151,925	87,207,775	122,041,609	116,020,406
Summarised statements of comprehensive income				
For the financial year ended 31 March 2017				
Revenue	92,559,710	37,091,284	-	31,566,155
Profit for the financial year	6,326,780	4,654,997	126,579	7,932,247
Other comprehensive income	381,851	-	-	10,871,955
Total comprehensive income	6,708,631	4,654,997	126,579	18,804,202

Notes to the Financial Statements

8. **INVESTMENT IN SUBSIDIARIES (Continued)**

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

	Brem Maju Group RM	Harmony Property Sdn. Bhd. RM	Titi Kaya Group RM	PNG Water Limited RM
Summarised cash flow information				
For the financial year ended 31 March 2017				
Cash flows from/(used in) operating activities	32,124,143	(33,717,512)	(1,331,144)	15,139,301
Cash flows (used in)/from investing activities	(20,276,425)	25,622	971,086	9,746,811
Cash flows (used in)/from financing activities	(8,749,488)	28,426,690	-	-
Net increase in cash and cash equivalents	3,098,230	(5,265,200)	(360,058)	24,886,112
Dividends paid to non-controlling interests	4,000,000	-	-	-
Summarised statements of financial position				
As at 31 March 2016				
Current assets	24,058,592	119,653,549	15,318,220	52,571,221
Non-current assets	3,489,599	183,108,654	112,956,192	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	121,961,434	97,216,202
Summarised statements of comprehensive income				
Financial year ended 31 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
Other comprehensive loss	(357,837)	-	-	(13,435,173)
Total comprehensive income/(loss)	789,291	4,195,654	8,484,014	(4,569,647)
Summarised cash flow information				
Financial year ended 31 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)/from investing activities	(354,506)	3,385,708	(14,053)	264,324
Cash flows (used in)/from financing activities	(648,870)	18,759,097	-	(43,537,804)
Net increase/(decrease) in cash and cash equivalents	113,111	153,721	(4,291,015)	(16,692,636)
Dividends paid to non-controlling interests	-	-	-	20,471,220

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES

	Group 2017 RM	2016 RM (Restated)	1.4.2015 RM (Restated)
At cost			
Unquoted shares	6,247,000	6,247,000	6,247,000
Share of post acquisition results	(5,223,163)	(3,525,588)	(1,885,415)
	1,023,837	2,721,412	4,361,585
Amount due from associates	48,812,659	41,396,278	29,949,694
	49,836,496	44,117,690	34,311,279

The investment in the associates is measured using the equity method.

	Company 2017 RM	2016 RM (Restated)	1.4.2015 RM (Restated)
At cost			
Unquoted shares	5,047,000	5,047,000	5,047,000
Amount due from associates	48,812,659	41,396,278	29,949,694
	53,859,659	46,443,278	34,996,694

The amount due from associates 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 substances, a part of the Company's net investment in the associates.

The details of the associates are as follows:

Name of Company	Effective equity interest 2017 %	2016 %	Principal place of business/ Country of incorporation	Natire of relationship
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. and its subsidiaries RM	GJH Prestige Sdn. Bhd. and its subsidiaries RM
31 March 2017		
Assets and liabilities:		
Current assets	4,830,292	8,324,187
Non-current assets	110,556,215	200,311,664
Current liabilities	(65,957,520)	(110,491,796)
Non-current liabilities	(51,615,268)	(90,778,331)
Net assets	(2,186,281)	7,365,724

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES (Continued)

Group	GJH Ventures Sdn. Bhd. and its subsidiaries RM	GJH Prestige Sdn. Bhd. and its subsidiaries RM
31 March 2017		
Equity attributable to:		
Owners of the associated company	(2,186,281)	2,368,112
Non-controlling interests of the associated company	-	4,782,782
	(2,186,281)	7,150,894
Results:		
Revenue	-	-
Loss for the financial year	(319,101)	(5,507,713)
Other comprehensive income	-	-
Total comprehensive loss	(319,101)	(5,507,713)
Loss for the financial year attributable to:		
- owners of the associated company	(319,101)	(2,813,271)
- non-controlling interests of the associated company	-	(2,694,442)
	(319,101)	(5,507,713)

	GJH Ventures Sdn. Bhd. and its subsidiaries RM	GJH Prestige Sdn. Bhd. and its subsidiaries RM	Other individually immaterial associates RM	Total RM
31 March 2017				
Reconciliation of net assets to carrying amount:				
Share of net (liabilities)/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	(465,571)	(3,557,592)	(1,200,000)	(5,223,163)
Amount due from associates	23,348,609	25,464,050	-	48,812,659
Share of post-acquisition other comprehensive income	-	-	-	-
Carrying amount in the statement of financial position	23,030,038	26,806,458	-	49,836,496
Group's share of results:				
Group's share of loss	(318,571)	(1,379,004)	-	(1,697,575)
Group's share of other comprehensive loss	-	-	-	-
Group's share of total comprehensive loss	(318,571)	(1,379,004)	-	(1,697,575)

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES (Continued)

Group	GJH Ventures Sdn. Bhd. and its subsidiaries RM	GJH Prestige Sdn. Bhd. and its subsidiaries RM
31 March 2016		
Assets and liabilities:		
Current assets	3,889,215	10,500,669
Non-current assets	81,532,626	198,621,883
Current liabilities	(43,140,483)	(100,425,359)
Non-current liabilities	(44,148,938)	(95,823,757)
Net (liabilities)/assets	(1,867,580)	12,873,436
Equity attributable to:		
Owners of the associated company	(1,867,580)	5,181,383
Non-controlling interests of the associated company	-	7,692,053
	(1,867,580)	12,873,436
Results:		
Revenue	-	-
Loss for the financial year	(846,552)	(5,424,074)
Other comprehensive income	-	-
Total comprehensive loss	(846,552)	(5,424,074)
Loss for the financial year attributable to:		
- owners of the associated company	(846,552)	(2,684,971)
- non-controlling interests of the associated company	-	(2,739,103)
	(846,552)	(5,424,074)

	GJH Ventures Sdn. Bhd. and its subsidiaries RM	GJH Prestige Sdn. Bhd. and its subsidiaries RM	Other individually immaterial associates RM	Total RM
31 March 2016				
Reconciliation of net assets to carrying amount:				
Share of net (liabilities)/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)	(2,178,586)	(1,200,000)	(3,525,586)
Amount due from associates	18,932,226	22,464,050	-	41,396,276
Share of post-acquisition other comprehensive income	-	-	-	-
Carrying amount in the statement of financial position	18,932,226	25,185,464	-	44,117,690
Group's share of results:				
Group's share of loss	(6,780)	(1,633,393)	-	(1,640,173)
Group's share of other comprehensive loss	-	-	-	-
Group's share of total comprehensive loss	(6,780)	(1,633,393)	-	(1,640,173)

The Group has not recognised losses relating to Topaz Teguh Sdn. Bhd. where the shares of losses exceeds the Group's interest in the associates. The Group's cumulative share of unrecognised losses at 31 March 2017 was RM284,479 (2016: RM200,986). The share of the current year's unrecognised losses amounts to RM83,493 (2016: RM73,777).

Notes to the Financial Statements

10. INVESTMENT IN JOINT VENTURES

	Group		
	2017 RM	2016 RM (Restated)	1.4.2015 RM (Restated)
At cost			
Unquoted shares	2	2	2
Share of post acquisition results	(72,297)	-	-
	(72,295)	2	2
Amount due from joint ventures	28,995,730	28,970,730	8,400,000
	28,923,435	28,970,732	8,400,002

The investment in the joint ventures of the Group is measured using the equity method.

The amount due from joint ventures 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 substances, a part of the Company's net investment in the joint ventures.

Details of the joint ventures are as follows:

Name of Company	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal place of business/ Country of incorporation	Nature of relationship
Held by Eng Ann Realty Co. (Klang) Sdn. Bhd.				
Jade Square Sdn. Bhd.("JSSB") #	50.00	50.00	Malaysia	Property development.
United Allied Master Sdn. Bhd. ("UAMSB") #	50.00	50.00	Malaysia	Property development.

\# *Audited by audit firms other than Baker Tilly Monteiro Heng.*

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:

	JSSB and UAMSB	
Group	**2017 RM**	**2016 RM**
Assets and liabilities:		
Current assets	3,970	3,970
Non-current assets	57,941,460	56,046,906
Current liabilities	(58,090,023)	(56,079,820)
Non-current liabilities	-	-
Net liabilities	(144,593)	(28,944)
Included in the assets and liabilities are:		
Cash and cash equivalents	3,970	3,970
Current financial liabilities (excluding trade and other payables and provisions)	74,045	33,698
Results:		
Revenue	-	-
Loss for the financial year	(32,544)	(20,348)
Other comprehensive income	-	-
Total comprehensive loss	(32,544)	(20,348)

Notes to the Financial Statements

11. OTHER INVESTMENTS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Non-current				
Unquoted in Malaysia				
Available-for-sale financial assets	-	9,442,769	-	9,442,769
Held-to-maturity investments	595,445	595,445	-	-
	595,445	10,038,214	-	9,442,769

Available-for-sale financial assets in Malaysia represents a unit trust known as united cash fund with United Overseas Bank (Malaysia) Berhad.

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 1 April 2016				
As previously reported	2,940,899	406,676	39,486	3,387,061
Retrospective adjustment (Note 45)	3,434,852	-	-	3,434,852
Restated balance at1 April 2016	6,375,751	406,676	39,486	6,821,913
Recognised in profit or loss	2,429,299	-	796	2,430,095
Foreign exchange difference	-	-	47,241	47,241
At 31 March 2017	8,805,050	406,676	87,523	9,299,249
At 1 April 2015				
As previously reported	3,343,411	406,676	84,264	3,834,351
Retrospective adjustment (Note 45)	1,747,177	-	-	1,747,177
Restated balance at 1 April 2015	5,090,588	406,676	84,264	5,581,528
Recognised in profit or loss	1,285,163	-	-	1,285,163
Foreign exchange difference	-	-	(44,778)	(44,778)
At 31 March 2016	6,375,751	406,676	39,486	6,821,913

	Revaluation surplus RM	Accelerated capital allowances RM	Others RM	Total RM
Group				
Deferred tax liabilities				
At 1 April 2016	4,404,324	4,397,939	(13,194)	8,789,069
Recognised in profit or loss	-	1,397	-	1,397
At 31 March 2017	4,404,324	4,399,336	(13,194)	8,790,466
At 1 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)
At 31 March 2016	4,404,324	4,397,939	(13,194)	8,789,069

Notes to the Financial Statements

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

	2017 RM	2016 RM
Company		
Deferred tax liabilities		
At 1 April 2016/2015	229,487	229,487
Recognised in profit or loss	-	-
At 31 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

Unrecognised deferred tax assets

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

	2017 RM	2016 RM
Unabsorbed capital allowance	4,623	171,493
Unused tax losses	4,658,895	3,323,334
	4,663,518	3,494,827

13. GOODWILL ON CONSOLIDATION

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

	Group	
	2017 RM	2016 RM
Property development segment	11,017,467	11,017,467
Property investment segment	7,818,799	7,818,799
Other segments	1,676,116	1,676,116
	20,512,382	20,512,382
Less: Impairment loss	(545,151)	-
	19,967,231	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 of the material segments 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:

(i) revenue projection for property development segment and property investment segment are based on the sale of development properties, rental of investment properties and operating expenses, where applicable; and

(ii) pre-tax discount rate for property development segment and property investment segment of 9% and 9% respectively, reflects the current market assessment of the risks specific to the segments.

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

(d) During the financial year, goodwill amounting to RM545,151 (2016: RM Nil) was impaired as the cash generating unit has been inactive and the Group does not expect any significant changes.

Notes to the Financial Statements

14. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Freehold land at cost				
At 1 April 2016/2015	45,813,392	46,504,070	6,022,744	6,766,133
Cost incurred during the financial year	-	52,711	-	-
Transfer to inventories	-	(685,266)	-	(685,266)
Closing of completed projects	(80,115)	(58,123)	-	(58,123)
At 31 March	45,733,277	45,813,392	6,022,744	6,022,744
Development costs				
At 1 April 2016/2015				
As previously reported	102,365,503	59,414,211	8,156,552	9,594,161
Retrospective adjustments (Note 45)	2,324,006	2,324,006	-	-
Restated balance at 1 April 2016/2015	104,689,509	61,738,217	8,156,552	9,594,161
Cost incurred during the financial year	39,065,147	45,062,766	8,296	673,865
Transfer to inventories	(2,708,397)	(1,946,385)	-	(1,946,385)
Closing of completed projects	(8,489,088)	(165,089)	-	(165,089)
At 31 March	132,557,171	104,689,509	8,164,848	8,156,552
Property development cost as at 31 March	178,290,448	150,502,901	14,187,592	14,179,296
Cost recognised in profit or loss				
At 1 April 2016/2015	(18,745,438)	(4,136,007)	(1,618,751)	(1,780,577)
Recognised during the financial year	(27,360,144)	(14,832,643)	-	(61,386)
Closing of completed projects	8,569,203	223,212	-	223,212
At 31 March	(37,536,379)	(18,745,438)	(1,618,751)	(1,618,751)
Total property development costs at 31 March	140,754,069	131,757,463	12,568,841	12,560,545
Property development cost at 31 March				
Freehold land	42,937,023	43,191,921	5,721,607	5,721,607
Development costs	97,817,046	88,565,542	6,847,234	6,838,938
	140,754,069	131,757,463	12,568,841	12,560,545

(a) The freehold land under development of the Group and of the Company amounting to RM6,871,842 (2016: RM4,041,634) and RM1,158,453 (2016: RM1,158,453) respectively are pledged to financial institutions as collaterals for banking facilities.

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

	Group	
	2017	2016
	RM	RM
Depreciation of plant and equipment	505,307	479,052
Hire of machinery and equipment	6,721	21,109
Interest expense	2,585,329	2,261,506
Staff costs	1,571,106	1,916,926

Notes to the Financial Statements

15. INVENTORIES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
At cost				
Raw materials	772,418	895,816	772,418	895,816
Completed properties	17,525,872	14,817,475	14,418,475	14,418,475
	18,298,290	15,713,291	15,190,893	15,314,291

The Group has pledged certain completed properties amounting to RM1,158,453 (2016: RM1,158,453) as security for bank overdraft facilities as disclosed in Note 25 to the financial statements.

16. TRADE RECEIVABLES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Non-current assets				
Trade receivables	3,230,000	-	-	-
Current assets				
Trade receivables	15,550,903	10,845,487	-	-
Contract retention sum	2,274,212	2,234,098	-	-
Accrued billings	4,218,070	-	-	-
Amount due from contract customers	2,166,881	13,279,976	-	3,394,105
	24,210,066	26,359,561	-	3,394,105
Less: Impairment for trade receivables	(542,537)	-	-	-
	23,667,529	26,359,561	-	3,394,105
Total trade receivables	26,897,529	26,359,561	-	3,394,105

The Group's and the Company's normal trade credit terms ranges from 14 to 105 (2016: 14 to 105) days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables is amount of RM4,230,000 (2016: RM Nil) due from non-controlling shareholder of a subsidiary.

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

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Neither past due nor impaired	10,243,291	3,252,984	-	-
Past due but not impaired				
1 to 30 days	6,838,304	5,906,614	-	-
31 to 60 days	227,596	361,791	-	-
61 to 90 days	305,207	250,246	-	-
91 to 120 days	302,309	59,882	-	-
More than 120 days	2,595,871	3,248,068	-	-
	10,269,287	9,826,601	-	-
Impaired	542,537	-	-	-
	21,055,115	13,079,585	-	-

16. **TRADE RECEIVABLES (Continued)**

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.

Amounts due from house buyers are mostly with end financing facilities from end financiers. In respect of house buyers with no end financing facilities, the Group retains the legal title to all properties sold until the full contracted sales value is settled. Accordingly, under normal circumstances, amounts due from house buyers are not impaired.

Receivables that are impaired

The Group's trade receivables that are individually impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017	**2016**
	RM	**RM**
At April 2016/2015	-	-
Charge for the financial year	542,537	-
At 31 March	542,537	-

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total contract costs incurred to date	150,213,631	89,193,799	40,450,459	13,676,256
Add: attributable profits	17,403,141	8,371,024	5,412,000	1,425,600
	167,616,772	97,564,823	45,862,459	15,101,856
Less: progress billings	(183,359,435)	(84,396,815)	(55,668,134)	(11,707,751)
	(15,742,663)	13,168,008	(9,805,675)	3,394,105
Analysed as follows:				
Amount due from contract customers	2,166,881	13,279,976	-	3,394,105
Amount due to contract customers (Note 26)	(17,909,544)	(111,968)	(9,805,675)	-
	(15,742,663)	13,168,008	(9,805,675)	3,394,105

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Depreciation of plant and equipment	-	-	505,307	479,052
Hire of machinery and equipment	1,262,653	295,985	6,721	21,109
Rental of premises	169,555	93,620	-	-
Staff costs	2,711,796	2,912,745	1,571,106	1,916,926

Notes to the Financial Statements

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Other receivables	1,547,504	2,079,091	273,164	321,522
Advances to sub-contractors	5,875,480	1,304,782	3,906,920	1,304,782
GST refundable	209,966	2,236,455	-	955,287
Deposits	2,720,105	1,699,618	259,825	591,325
Prepayments	280,222	153,074	277,323	91,185
	10,633,277	7,473,020	4,717,232	3,264,101

The advances to sub-contractors are unsecured and interest free except for amounts of RM5,398,346 (2016: RM1,304,752) which bear interest ranging from 1% to 8.85% (2016: 8.85%) per annum. Included in advances to a sub-contractor is an amount of RM1,491,426 (2016: RM Nil) advanced to a company in which its director and major shareholder is related to a director of the Company.

18. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2017 RM	2016 RM
Trade	111,738,867	75,331,886
Non-trade	92,528,748	85,587,402
	204,267,615	160,919,288

The non-trade amount due from subsidiaries are unsecured, interest free and repayable upon demand in cash, except for amount of RM83,090,584 (2016: RM85,111,123) owing by certain subsidiaries which bears interest at the rate of 2% (2016: 2%) per annum above the bank base lending rate.

The trade credit term is as disclosed in Note 16 to the financial statements.

19. 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		Company	
	2017	2016	2017	2016
Interest rates (%) per annum	1.25 - 3.48	0.79 - 3.15	3.00	-
Maturity months	1 - 12	1 to 12	12	-

(b) Deposits of RM1,190,435 (2016: RM1,619,993) of the Group is pledged to financial institutions as security for banking facilities granted to the Group.

20. CASH AND BANK BALANCES

Included in the bank balances Group is RM1,901,648 (2016: RM304,044) which is maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991. This amount is restricted from use in other operations.

Notes to the Financial Statements

21. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares	RM	Number of shares	RM
Authorised:				
Ordinary shares	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
Ordinary shares				
At 1 April/31 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.

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months upon the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue of the relative entitlement of any of the members as a result of this transition.

22. RESERVES

	Group		Company	
	2017 RM	2016 RM (Restated)	2017 RM	2016 RM
Exchange fluctuation reserve	2,538,792	(3,198,713)	-	-
Retained earnings	351,534,712	357,111,097	218,445,320	199,446,924
	354,073,504	353,912,384	218,445,320	199,446,924

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.

23. TREASURY SHARES

	Group and Company			
	2017		2016	
	Number of shares	RM	Number of shares	RM
At 1 April	14,296,062	11,118,459	13,261,562	10,149,712
Purchased during the financial year	50,000	44,494	1,034,500	968,747
Distribution	(13,244,128)	(10,330,420)	-	-
At 31 March	1,101,934	832,533	14,296,062	11,118,459

Notes to the Financial Statements

23. TREASURY SHARES (Continued)

During the financial year, the Company repurchased 50,000 (2016: 1,034,500) ordinary shares comprising 50,000 (2016: 1,034,500) ordinary shares, of its issued ordinary shares from open market at an average price of RM0.89 (2016: RM0.94) per share. The total consideration paid for the purchase including transaction costs was RM44,494 (2016: RM968,747) and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia. Treasury shares have no rights to vote, not entitled to dividends and participation in other distribution.

As at 31 March 2017, the total issued and fully paid ordinary share amounts to 345,472,344 (2016: 345,472,344) and the treasury shares held by the Company amounts to 1,101,934 (2016: 14,296,062). The number of outstanding ordinary shares in issue after the set-off of the treasury shares is therefore 344,370,410 (2016: 331,176,282) ordinary shares.

24. HIRE PURCHASE PAYABLES

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Minimum hire purchase payments:				
Within 1 year	2,353,579	1,217,738	1,683,357	576,139
More than 1 year but less than 5 years	2,323,395	1,094,370	2,148,656	395,507
	4,676,974	2,312,108	3,832,013	971,646
Less: Future finance charges	(294,141)	(125,637)	(253,844)	(41,207)
Present value of hire purchase	4,382,833	2,186,471	3,578,169	930,439
Present value of hire purchase:				
Within 1 year	2,113,517	1,116,003	1,525,422	558,091
More than 1 year but less than 5 years	2,269,316	1,070,468	2,052,747	372,348
	4,382,833	2,186,471	3,578,169	930,439
Analysed as:				
Due within 1 year	2,113,517	1,116,003	1,525,422	558,091
Due after 1 year	2,269,316	1,070,468	2,052,747	372,348
	4,382,833	2,186,471	3,578,169	930,439

The hire purchase liabilities bear effective interest at rates ranging from 4.48% to 7.03% (2016: 4.48% to 7.03%) per annum.

25. BANK BORROWINGS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Short Term Borrowings				
Secured:				
Term loans	20,115,077	21,043,756	-	-
Bank overdraft	16,105,838	7,096,093	6,873,063	4,570,482
Revolving credit	5,000,000	2,000,000	5,000,000	2,000,000
	41,220,915	30,139,849	11,873,063	6,570,482

Notes to the Financial Statements

25. BANK BORROWINGS (Continued)

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Long Term Borrowings				
Secured:				
Term loans	54,808,946	71,549,292	-	-
Total Borrowings				
Term loans	74,924,023	92,593,048	-	-
Bank overdraft	16,105,838	7,096,093	6,873,063	4,570,482
Revolving credit	5,000,000	2,000,000	5,000,000	2,000,000
	96,029,861	101,689,141	11,873,063	6,570,482

The maturity of the borrowings are disclosed in Note 42(a) to the financial statements.

(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 term loans bear interest with rates ranging from 0.50% to 1.75% (2016: 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; and
(ii) Facility agreement and corporate guarantee of the Company.

The bank overdrafts bear interest with rates ranging from 1.75% to 2.00% (2016: 1.75% to 2.00%) per annum above the respective financial institutions' base lending rates.

(c) **Revolving credit**

The revolving credit of the Company bears interest of 2.00% (2016: 2.00%) per annum above financial institutions' cost of funds.

Notes to the Financial Statements

26. TRADE PAYABLES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Trade payables	12,514,441	16,208,893	2,581,225	2,873,744
Contract retention sum	5,467,386	3,065,698	2,587,586	2,432,977
Amount due to contract customers (Note 16)	17,909,544	111,968	9,805,675	-
Progress billings in respect of property development costs	825,319	2,363,211	825,319	825,319
	36,716,690	21,749,770	15,799,805	6,132,040

The normal trade credit term granted to the Group and to the Company ranges from 30 to 90 (2016: 30 to 90) days.

Included in trade payables of the Group is an amount of RM28,937 (2016: RM Nil) owing to a company in which its director and major shareholder is related to a director of the Company.

27. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Other payables	10,344,162	11,095,370	116,502	122,746
GST payable	1,077,913	2,355,145	315,305	614,513
Deposits	9,373,012	4,672,830	-	-
Accruals	1,182,589	2,341,508	342,011	1,545,129
	21,977,676	20,464,853	773,818	2,282,388

Included in other payables is:

(a) an amount of RM850,000 (2016: RM Nil) being advances from a third party. This amount is unsecured, bears interest of 8% (2016: Nil) per annum and is repayable on demand; and

(b) an amount of RM1,000,000 (2016: RM Nil) due to non-controlling shareholders of a subsidiary who are also the directors of the Company. This amount is non-trade in nature, non-interest bearing, repayable on demand and expected to be settled in cash.

Included in deposits of the Group is an amount of RM4,518,187 (2016: RM Nil) being security deposit received for the sale of a subsidiary of the Company as further disclosed in Note 46 to the financial statements.

28. AMOUNT DUE TO SUBSIDIARIES

	Company 2017 RM	Company 2016 RM
Trade	2,841,517	2,846,517
Non-trade	17,602,857	22,686,141
	20,444,374	25,532,658

The non-trade amount due to subsidiaries is unsecured, interest free and repayable upon demand in cash. The trade credit term is disclosed in Note 28 to the financial statements.

Notes to the Financial Statements

29. AMOUNT DUE TO DIRECTORS

The amount due to directors is non-trade in nature, unsecured, interest-free and payable upon demand in cash.

30. REVENUE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Contract revenue	92,559,710	30,070,943	31,395,259	25,504,442
Property development	37,091,284	50,205,755	-	108,000
Water supply and services rendered	31,566,155	29,511,889	-	-
Dividend income from Subsidiaries	-	-	24,530,201	-
Rental income	14,330,243	14,892,683	-	-
	175,547,392	124,681,270	55,925,460	25,612,442

Included in revenue from property development are revenue recognised based on the stage of completion method in respect of the property units sold amounting to RM37,091,284 (2016: RM37,005,328).

31. COST OF SALES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Contract cost	81,123,649	22,153,765	27,551,888	18,199,724
Property development cost	28,935,735	26,872,407	38,221	101,199
Operation and maintenance charges				
- water supply and services rendered	29,351,588	28,172,793	-	-
Direct operating expenses of investment properties	7,881,510	10,248,866	-	-
	147,292,482	87,447,831	27,590,109	18,300,923

Included in property development costs are cost of sales recognised based on the stage of completion method in respect of the property units sold amounting to RM27,360,144 (2016: RM14,832,643).

32. OTHER INCOME

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest income	10,284,092	12,724,274	7,184,835	6,917,608
Gain on foreign exchange				
- realised	-	2,427,039	-	-
- unrealised	56,832	192,300	51,280	-
Rental income	480,292	346,566	8,000	-
Gain on disposal of property, plant and equipment	127,358	184,227	127,358	26,601
Miscellaneous	666,022	600,441	171,667	200,039
	11,614,596	16,474,847	7,543,140	7,144,248

Notes to the Financial Statements

33. FINANCE COSTS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Finance costs on:				
- Term loan	2,309,713	1,638,113	-	-
- Revolving credit	294,984	29,670	243,444	29,670
- Bank commitment	39,518	20,421	20,366	20,421
- Bank overdraft	612,856	384,194	395,998	196,365
- Hire purchase	74,235	85,265	11,829	21,468
	3,331,306	2,157,663	671,637	267,924
Other finance costs	-	224,872	-	-
	3,331,306	2,382,535	671,637	267,924

34. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at:

		Group 2017 RM	Group 2016 RM (Restated)	Company 2017 RM	Company 2016 RM
After charging:					
Auditors' remuneration					
- statutory audit		210,679	180,497	73,500	55,000
- under provision in prior year		28,700	3,350	15,000	15,000
- other services		30,000	20,000	30,000	20,000
Bad debts written off		597,662	160	329,400	-
Impairment loss on trade receivables		542,537	-	-	-
Depreciation of:					
- property, plant and equipment		1,159,655	1,024,140	259,788	410,186
- investment properties		2,267,221	2,193,979	-	-
Interest expenses		3,331,306	2,382,535	671,637	267,924
Loss on foreign exchange					
- realised		-	10,941	-	-
- unrealised		203,564	38,917	-	33,696
Property, plant and equipment written off		1,718	877	839	1
Rental of premises		331,488	337,548	137,400	137,300
Staff and labour costs	(a)	3,570,735	3,549,841	1,207,658	1,178,314
Directors' remuneration	(b)	1,454,263	1,279,612	519,620	525,860
And crediting:					
Gain on disposal of property, plant and equipment		127,358	184,227	127,358	26,601
Gain on foreign exchange					
- realised		-	2,427,039	-	-
- unrealised		56,832	192,300	51,280	-
Rental income		480,292	346,566	8,000	-
Interest income		10,284,092	12,724,274	7,184,835	6,917,608
Management and administration fee		48,000	48,000	171,667	151,020

Notes to the Financial Statements

34. PROFIT BEFORE TAXATION (Continued)

(a) **Staff and labour costs comprise:**

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Salaries,wages and bonus	3,189,602	3,206,726	1,065,799	1,051,180
Social security costs	34,857	30,304	9,094	7,424
Increase/(decrease) in short term accumulating compensated absences	7,432	(28,363)	7,432	(2,263)
Contribution to defined contribution plan	338,844	341,174	125,333	121,973
	3,570,735	3,549,841	1,207,658	1,178,314

(b) **Directors' remuneration costs comprise:**

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Directors' fees	224,367	157,900	105,000	105,000
Salaries, bonus and other emoluments	1,147,780	1,049,600	414,620	420,860
Contribution to defined contribution plan	82,116	72,112	-	-
	1,454,263	1,279,612	519,620	525,860

35. TAXATION

	Group		Company	
	2017 RM	**2016 RM (Restated)**	**2017 RM**	**2016 RM**
Current tax				
- current year				
- Malaysian income tax	6,641,727	8,664,335	1,900,000	2,700,000
- Foreign income tax	3,409,784	3,803,510	-	-
- Witholding tax	33,057	3,211,119	16,728	15,102
- prior years				
- Malaysian income tax	(59,387)	(107,185)	-	(145,261)
	10,025,181	15,571,779	1,916,728	2,569,841
Deferred tax (Note 12)				
- current year	(2,428,698)	(801,172)	-	-
- prior years	-	(870,228)	-	-
	(2,428,698)	(1,671,400)	-	-
	7,596,483	13,900,379	1,916,728	2,569,841

The Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) 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% 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

35. 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	
	2017 RM	2016 RM (Restated)	2017 RM	2016 RM
Profit before taxation	20,490,800	41,519,025	31,245,544	11,067,483
Taxation at Malaysian statutory tax rate	4,917,792	9,964,566	7,498,930	2,656,195
Tax effects in respect of:				
Effect of tax rates in foreign jurisdictions	685,262	761,378	-	-
Non-deductible expenses	1,717,124	1,088,384	366,853	41,481
Non-taxable income	(152,965)	(654,925)	(5,965,783)	(6,111)
Foreign witholding tax	16,728	3,211,119	16,728	15,102
Reduction in deferred tax resulting from reduction in tax rate	-	18,882	-	351
Deferred tax assets not recognised during the financial year	64,511	51,760	-	-
Over provision of income tax in prior financial years	(59,387)	(977,413)	-	(145,261)
Origination of temporary differences	-	42,986	-	8,084
Share of results of associates	407,418	393,642	-	-
Share of results of joint ventures	17,351	-	-	-
	7,596,483	13,900,379	1,916,728	2,569,841

36. BASIC AND DILUTED EARNINGS PER SHARE

	Group	
	2017 RM	2016 RM (Restated)
Profit attributable to shareholders of the Company (RM)	4,754,035	17,190,644
Weighted average number of ordinary shares	337,158,022	331,965,501
Basic earnings per share (sen)	1.41	5.18

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue, net of treasury shares, during the financial year.

The diluted earnings per share is equal to the basic earnings per share for the financial year 2017 and 2016 as there is no dilutive potential ordinary shares in issue.

Notes to the Financial Statements

37. DIVIDENDS

	Company 2017 RM	2016 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- final single tier dividend of 1.5 sen per share in respect of financial year ended 31 March 2015	-	4,981,170
Share dividends:		
- final share dividend for 2016: 1 treasury share for every 25 existing ordinary shares held in respect of financial year ended 31 March 2016	10,330,420	-

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2017.

38. 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 contested the claim and has taken up counsel on the matter with the solicitors. SBSJ's application for summary judgement was dismissed with cost on 12 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 22 June 2006. On 21 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 23 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 26 July 2010 and the same is pending extraction from the Court. The decision of the Judgement Debtors' application to set aside the bankcruptcy Notice was filed on 18 July 2012. The matter was fixed for hearing on 26 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 15 October 2012, the Proof Debt Form and General Proxy have been filed with the Official Assignee's office. The creditor's meeting was on 12 September 2013. There has been no development since 12 September 2013.

(b) Intan Kemuncak Sdn. Bhd. ("IKSB"), a subsidiary company of Brem Holding Berhad, commenced an action against Koperasi Celcom Berhad ("KCB") on 23 April 2002 for RM5,643,021, being the damages resulting from the unlawful termination by KCB of a joint venture agreement dated 30 July 1999 entered into between IKSB and KCB ("JVA"), relating to a housing project development. KCB had on 25 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 5 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 with damages to be assessed by the Court on 9 April 2004. However, KCB has filed in an appeal to the Court of Appeal against the decision of the High Court Judge on 29 April 2004. KCB has on 6 December 2004 obtained the order to file the Record of Appeal out of time. There has been no development since then.

Notes to the Financial Statements

39. 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	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Billings on contract work charge to subsidiaries	-	-	43,960,383	11,707,750
Interest income received/ receivable from subsidiaries	-	-	6,839,462	6,421,658
Management fee received/ receivable from a subsidiary	-	-	171,667	151,020
Rental of premises paid/payable to related party in which certain directors have interest in	300,000	150,000	109,800	109,800
Construction cost paid/payable to a company in which its director and major shareholder is related to a director of the Company	3,098,844	-	535,454	-

The information regarding outstanding balances arising from related party transactions as at reporting date is disclosed in Notes 18, 27, 28 and 29 to the financial statements.

(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 34(b) to the financial statements.

40. 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 associates, joint ventures and corporate assets.

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 are civil engineering and construction, property development, property investments and investment holding, and water supply and services.

Notes to the Financial Statements

40. 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
2017							
Revenue							
External sales		92,559,710	37,091,284	14,330,243	31,566,155	-	175,547,392
Inter-segment sales	(a)	31,395,259	-	24,530,201	-	(55,925,460)	-
Total revenue		123,954,969	37,091,284	38,860,444	31,566,155	(55,925,460)	175,547,392
Results							
Segment results	(b)	15,887,303	6,389,679	27,766,088	11,365,886	(35,816,978)	25,591,978
Finance costs		(413,636)	(1,626,214)	(1,291,456)	-	-	(3,331,306)
Share of results of associates		-	-	(1,697,575)	-	-	(1,697,575)
Share of results of joint ventures		-	-	(72,297)	-	-	(72,297)
Taxation		(1,636,393)	(1,490,174)	(1,060,132)	(3,409,784)	-	(7,596,483)
Non-controlling interests							(8,140,282)
Profit attributable to owners of the Company							4,754,035
Interest income		367,733	105,566	63,982	9,746,811	-	10,284,092
Assets and Liabilities							
Segment assets	(c)	29,051,140	504,477,974	115,907,648	120,163,447	(32,637,847)	736,962,362
Associates and joint ventures							78,759,931
Unallocated corporate assets							19,967,231
Consolidated total assets							835,689,524
Segment liabilities	(d)	54,857,169	93,094,688	27,575,198	3,399,717	(9,805,675)	169,121,097
Consolidated total liabilities							169,121,097
Other information							
Capital expenditure		916,161	4,769	22,195	-	-	943,125
Depreciation and amortisation		1,269,155	136,998	2,526,030	-	-	3,932,183
Non cash expenses other than depreciation and amortisation		839	-	879	-	-	1,718

Notes to the Financial Statements

40. 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
2016							
Revenue							
External sales		30,070,943	50,205,755	14,892,683	29,511,889	-	124,681,270
Inter-segment sales	(a)	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	(b)	13,002,000	17,762,602	7,341,349	12,677,842	(5,542,060)	45,541,733
Finance costs		(173,352)	(571,070)	(1,638,113)	-	-	(2,382,535)
Share of results of associates		-	-	(1,640,173)	-	-	(1,640,173)
Taxation		(1,748,144)	(4,757,449)	(3,591,276)	(3,803,510)	-	(13,900,379)
Non-controlling interests							(10,428,002)
Profit attributable to owners of the Company							17,190,644
Interest income		518,279	319,590	28,918	11,857,487	-	12,724,274
Assets and Liabilities							
Segment assets	(c)	45,707,175	459,886,450	119,241,965	103,052,108	(19,534,869)	708,352,829
Associates and joint ventures							73,088,422
Unallocated corporate assets							20,512,382
Consolidated total assets							801,953,633
Segment liabilities	(d)	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		669,440	577,172	2,450,559	-	-	3,697,171
Non cash expenses other than depreciation and amortisation		27	160	850	-	-	1,037

Notes to the Financial Statements

40. SEGMENTAL INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities, and other material items are as follows:

(a) Inter-segment revenue

Inter segment revenues are eliminated on consolidation.

(b) Reconciliation of segment results

	2017 RM	2016 RM
Elimination of inter-segment finance costs	5,734,970	7,263,860
Elimination of inter-segment profits	30,082,008	(1,721,800)
	35,816,978	5,542,060

(c) Reconciliation of assets

	2017 RM	2016 RM
Inter-segment assets	32,637,847	19,534,869

(d) Reconciliation of liabilities

	2017 RM	2016 RM
Inter-segment liabilities	9,805,675	(735,392)

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		Non-current assets*	
	2017 RM	2016 RM	2017 RM	2016 RM
Malaysia	143,981,237	95,169,381	503,127,887	495,104,519
Papua New Guinea	31,566,155	29,511,889	383,421	327,452
	175,547,392	124,681,270	503,511,308	495,431,971

* *Excluding other investments, deferred tax assets and operating financial assets.*

Revenue from one major customer amounting to RM31,566,155 (2016: RM29,511,889) relates to the sales from the water supply and services segment.

Notes to the Financial Statements

41. FINANCIAL INSTRUMENTS

(a) Categories 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 to the financial statements 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 financial assets RM	Held to maturity RM	Financial liabilities at amortised cost RM	Total RM
Group					
2017					
Financial assets					
Operating financial asset	55,909,544	-	-	-	55,909,544
Other investments	-	-	595,445	-	595,445
Trade receivables *	24,730,648	-	-	-	24,730,648
Other receivables and deposits	4,267,609	-	-	-	4,267,609
Deposits with licensed financial institutions	43,196,575	-	-	-	43,196,575
Cash and bank balances	21,352,163	-	-	-	21,352,163
	149,456,539	-	595,445	-	150,051,984
Financial liabilities					
Trade payables #	-	-	-	17,981,827	17,981,827
Other payables, deposits and accruals	-	-	-	20,899,763	20,899,763
Amount due to directors	-	-	-	1,013,121	1,013,121
Hire purchase payables	-	-	-	4,382,833	4,382,833
Borrowings	-	-	-	96,029,861	96,029,861
	-	-	-	140,307,405	140,307,405
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	3,778,709	-	-	-	3,778,709
Deposits with licensed financial institutions	21,410,489	-	-	-	21,410,489
Cash and bank balances	11,658,552	-	-	-	11,658,552
	118,992,249	9,442,769	595,445	-	129,030,463
Financial liabilities					
Trade payables #	-	-	-	19,274,591	19,274,591
Other payables, deposits and accruals	-	-	-	18,109,708	18,109,708
Amount due to directors	-	-	-	135,013	135,013
Hire purchase payables	-	-	-	2,186,471	2,186,471
Borrowings	-	-	-	101,689,141	101,689,141
	-	-	-	141,394,924	141,394,924

Notes to the Financial Statements

41. FINANCIAL INSTRUMENTS (Continued)

(a) Categories of financial instruments (Continued)

	Loans and receivables RM	Available for sale financial assets RM	Held to maturity RM	Financial liabilities at amortised cost RM	Total RM
Company					
2017					
Financial assets					
Other receivables and deposits	532,989	-	-	-	532,989
Amount due from subsidiaries	204,267,615	-	-	-	204,267,615
Deposit with licensed financial insititutions	1,754	-	-	-	1,754
Cash and bank balances	17,000	-	-	-	17,000
	204,819,358	-	-	-	204,819,358
Financial liabilities					
Trade payables #	-	-	-	5,168,811	5,168,811
Other payables, deposits and accruals	-	-	-	458,513	458,513
Amount due to subsidiaries	-	-	-	20,444,374	20,444,374
Amount due to directors	-	-	-	41,250	41,250
Hire purchase payables	-	-	-	3,578,169	3,578,169
Borrowings	-	-	-	11,873,063	11,873,063
	-	-	-	41,564,180	41,564,180
2016					
Financial assets					
Other investments	-	9,442,769	-	-	9,442,769
Trade receivables *	-	-	-	-	-
Other receivables and deposits	912,847	-	-	-	912,847
Amount due from subsidiaries	160,919,288	-	-	-	160,919,288
Cash and bank balances	17,000	-	-	-	17,000
	161,849,135	9,442,769	-	-	171,291,904
Financial liabilities					
Trade payables #	-	-	-	5,306,721	5,306,721
Other payables, deposits and accruals	-	-	-	1,667,875	1,667,875
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
	-	-	-	40,049,425	40,049,425

* *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.*

Notes to the Financial Statements

41. FINANCIAL INSTRUMENTS (Continued)

(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, current operating financial assets and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

The fair value of non-current operating financial assets 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.

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

	Group		Company	
	Carrying Amount RM	**Fair Value RM**	**Carrying Amount RM**	**Fair Value RM**
2017				
Financial assets				
Trade receivables (non-current)	3,230,000	2,767,432	-	-
Operating financial assets	55,909,544	55,909,544	-	-
Financial liabilities				
Hire purchase payables	4,382,833	4,373,326	3,578,169	3,511,092
2016				
Financial assets				
Operating financial assets	69,064,914	69,064,914	-	-
Financial liabilities				
Hire purchase payables	2,186,471	2,160,623	930,439	929,599

(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).

41. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value hierarchy (Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company'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
2017				
Group				
Trade receivables (non-current)	2,767,432	-	-	2,767,432
Operating financial assets	55,909,544	-	-	55,909,544
Hire purchase payables	4,382,833	-	4,382,833	-
Company				
Hire purchase payables	3,578,169	-	3,578,169	-
2016				
Group				
Operating financial assets	69,064,914	-	-	69,064,914
Hire purchase payables	2,160,623	-	2,160,623	-
Company				
Hire purchase payables	929,599	-	929,599	-

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 31 March 2017 and 2016, there was no transfer between the fair value measurement hierarchy.

42. 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 rate 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

42. 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 manage their 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 31 March 2017						
Fixed rate						
Financial assets						
Deposits with licensed financial institutions	19	1.25 - 3.48	43,196,575	-	-	43,196,575
Financial liabilities						
Hire purchase payables	24	4.48 - 7.03	2,113,517	2,269,316	-	4,382,833
Floating rate						
Financial liabilities						
Term loans	25	7.15 - 8.69	20,115,077	48,728,739	6,080,207	74,924,023
Bank Overdraft	25	8.60 - 8.85	16,105,838	-	-	16,105,838
Revolving credit	25	8.85	5,000,000	-	-	5,000,000
			41,220,915	48,728,739	6,080,207	96,029,861
At 31 March 2016						
Fixed rate						
Financial assets						
Deposits with licensed financial institutions	19	0.79 - 3.15	21,410,489	-	-	21,410,489
Financial liabilities						
Hire purchase payables	24	4.48 - 7.03	1,116,003	1,070,468	-	2,186,471
Floating rate						
Financial liabilities						
Term loans	25	7.15 - 8.69	21,043,756	50,601,995	20,947,297	92,593,048
Bank Overdraft	25	8.60 - 8.85	7,096,093	-	-	7,096,093
Revolving credit	25	8.85	2,000,000	-	-	2,000,000
			30,139,849	50,601,995	20,947,297	101,689,141

Notes to the Financial Statements

42. 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 31 March 2017						
Floating rate						
Financial assets						
Amount due from subsidiaries	18	8.85	83,090,584	-	-	83,090,584
Fixed rate						
Financial liabilities						
Hire purchase payables	24	4.48 - 7.03	1,525,422	2,052,747	-	3,578,169
Floating rate						
Financial liabilities						
Bank overdraft	25	8.85	6,873,063	-	-	6,873,063
Revolving credit	25	8.85	5,000,000	-	-	5,000,000
			11,873,063	-	-	11,873,063
At 31 March 2016						
Floating rate						
Financial assets						
Amount due from subsidiaries	18	8.85	85,111,123	-	-	85,111,123
Fixed rate						
Financial liabilities						
Hire purchase payables	24	4.48 - 7.03	558,091	372,348	-	930,439
Floating rate						
Financial liabilities						
Bank Overdraft	25	9.35	4,570,082	-	-	4,570,082
Revolving credit	25	8.85	2,000,000	-	-	2,000,000
			6,570,482	-	-	6,570,482

Sensitivity analysis for interest rate risk

An increase in market interest rate by 100 basis points on financial 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 RM960,299 and RM949,636 respectively (2016: RM1,016,891 and RM916,816). 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 Group and 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.

Notes to the Financial Statements

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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 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 RM100,193,776 (2016: RM101,689,141) relating to corporate guarantees to bank and other financial institutions for credit facilities granted by the Company to subsidiaries and associates.

(iii) A nominal amount of RM4,899,468 (2016: RM Nil) relating to corporate guarantees to bank and other financial institutions for credit facilities granted by the Group and the Company to the associates.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 16 to the financial statements. Deposits with banks and other financial institutions and quoted investments 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.

Inter-company balance

The Company provides advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Financial guarantee contacts

The Company is exposed to credit risk in relation to corporate guarantees in respect of bank facilities granted to certain subsidiaries, trade payables of subsidiaries and associates. The Company monitors the results of the subsidiaries and their repayment on an on-going basis.

As at the reporting date, there was no indication that the subsidiaries would default on repayment.

The financial guarantees have not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it is unlikely the subsidiaries will default within the guarantee period.

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 (2016: 1) customer represents 23% (2016: 36%) of total receivables respectively.

Notes to the Financial Statements

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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.

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
Group					
At 31 March 2017					
Financial liabilities					
Trade payables	17,981,827	17,981,827	17,981,827	-	-
Other payables	20,899,763	20,899,763	20,899,763	-	-
Amount due to directors	1,013,121	1,013,121	1,013,121	-	-
Hire purchase payables	4,382,833	4,676,974	2,353,579	2,323,395	-
Borrowings	96,029,861	115,066,249	47,494,226	66,926,364	645,659
Financial guarantee contracts	-	4,899,468	4,899,468	-	-
	140,307,405	164,537,402	94,641,984	69,249,759	645,659
At 31 March 2016					
Financial liabilities					
Trade payables	19,274,591	19,274,591	19,274,591	-	-
Other payables	18,109,708	18,109,708	18,109,708	-	-
Amount due to directors	135,013	135,013	135,013	-	-
Hire purchase payables	2,186,471	2,312,108	1,217,738	1,094,370	-
Borrowings	101,689,141	119,227,109	35,720,615	61,688,772	21,817,722
	141,394,924	159,058,529	74,457,665	62,783,142	21,817,722
Company					
At 31 March 2017					
Financial liabilities					
Trade payables	5,168,811	5,168,811	5,168,811	-	-
Other payables	458,513	458,513	458,513	-	-
Amount due to subsidiaries	20,444,374	20,444,374	20,444,374	-	-
Amount due to directors	41,250	41,250	41,250	-	-
Hire purchase payables	3,578,169	3,832,013	1,683,357	2,148,656	-
Borrowings	11,873,063	11,873,063	11,873,063	-	-
Financial guarantee contracts	-	100,193,776	100,193,776	-	-
	41,564,180	142,011,800	139,863,144	2,148,656	-

Notes to the Financial Statements

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

	Carrying amount RM	Contractual undiscounted cash flow RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
Company					
At 31 March 2016					
Financial liabilities					
Trade payables	5,306,721	5,306,721	5,306,721	-	-
Other payables	1,667,875	1,667,875	1,667,875	-	-
Amount due to subsidiaries	25,532,658	25,532,658	25,532,658	-	-
Amount due to directors	41,250	41,250	41,250	-	-
Hire purchase payables	930,439	971,646	576,139	395,507	-
Borrowings	6,570,482	6,570,482	6,570,482	-	-
Financial guarantee contracts	-	101,689,141	101,689,141	-	-
	40,049,425	141,779,773	141,384,266	395,507	-

43 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 31 March 2017 and as at 31 March 2016 were as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables	36,716,690	21,749,770	15,799,805	6,132,040
Other payables, deposits and accruals	21,977,676	20,464,853	773,818	2,282,388
Amount due to subsidiaries	-	-	20,444,374	25,532,658
Amount due to directors	1,013,121	135,013	41,250	41,250
Hire purchase payables	4,382,833	2,186,471	3,578,169	930,439
Bank borrowings	96,029,861	101,689,141	11,873,063	6,570,482
Less: Cash and cash equivalents	(64,548,738)	(33,069,041)	(18,754)	(17,000)
Net Debt	95,571,443	113,156,207	52,491,725	41,472,257
Equity attributable to the shareholders of the Company	525,977,143	515,530,097	390,348,959	361,064,637
Capital and net debt	621,548,586	628,686,304	442,840,684	402,536,894
Gearing Ratio	15%	18%	12%	10%

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

The subsidiaries of the Company is required to maintain certain gearing ratio for its borrowings granted by financial institutions. The subsidiaries have complied with this capital requirement as at the financial year end.

44. NON-CANCELLABLE OPERATING LEASE RECEIVABLES

Operating lease commitments – as lessor

Future minimum rental receivable under the non-cancellable operating lease at the reporting date is as follows:

	Group	
	2017	**2016**
- Not later than one year	7,994,043	9,625,045
- More than one year and not later than five years	7,334,488	11,036,278
	15,328,531	20,661,323

45. RETROSPECTIVE ADJUSTMENTS

During the financial year, the Group made the following retrospective adjustments to restate the consolidated financial statements for the financial year ended 31 March 2016:

(a) reclassification of development costs of a property project from land held for property development to property development costs where the development activities can be completed within the normal operating cycle;
(b) recognition of the realisation of previous years' unrealised construction profits of an investment property of the Group through use;
(c) reclassification of amounts due from associates and joint ventures to investments in associates and joint ventures as these amounts are, in substance, a part of the Group's net investment in the associates and joint ventures. Consequently, additional share of losses are recognised by the Group in the associates and joint ventures;
(d) recognition of share of additional losses in associates in previous financial years arising from the charge out of previously capitalised borrowing costs in land held for property development to profit or loss;
(e) recognition of the effect on deferred tax assets arising from the elimination of capitalised inter-company borrowing costs in the previous financial years; and
(f) recognition of the shortfall between cost of constructing affordable housing and the economic benefits expected to be received from the sale of the affordable housing.

The effects of the above adjustments are as follows:

	As previously reported RM	Adjustments RM	As restated RM
Group			
As at 31 March 2016			
Statement of financial position			
Land held for property development	295,897,020	(6,224,006)	289,673,014
Investment properties	105,961,856	1,105,144	107,067,000
Investment in associates	4,216,627	39,901,063	44,117,690
Investment in joint ventures	2	28,970,730	28,970,732
Amount owing from associates	41,396,278	(41,396,278)	-
Amount owing from joint ventures	28,970,730	(28,970,730)	-
Deferred tax assets	3,387,061	3,434,852	6,821,913
Property development costs	129,433,457	2,324,006	131,757,463
Retained earnings	356,434,817	676,280	357,111,097
Non-controlling interests	132,464,424	(1,531,499)	130,932,925

Notes to the Financial Statements

45. RETROSPECTIVE ADJUSTMENTS (Continued)

	As previously reported RM	Adjustments RM	As restated RM
Group			
As at 1 April 2015			
Land held for property development	291,995,540	(6,224,006)	285,771,534
Investment properties	108,336,747	884,115	109,220,862
Investment in associates	4,648,309	29,662,970	34,311,279
Investment in joint ventures	2	8,400,000	8,400,002
Amount owing from associates	29,949,694	(29,949,694)	-
Amount owing from joint ventures	8,400,000	(8,400,000)	-
Deferred tax assets	3,834,351	1,747,177	5,581,528
Property development costs	101,782,274	2,324,006	104,106,280
Retained earnings	344,925,556	(23,933)	344,901,623
Non-controlling interests	149,269,148	(1,531,499)	147,737,649
Financial year ended 31 March 2016			
Statement of comprehensive income			
Administrative expenses	8,387,582	(221,029)	8,166,553
Share of results of associates	431,682	1,208,491	1,640,173
Taxation	15,588,054	(1,687,675)	13,900,379
Profit for the financial year	26,918,433	700,213	27,618,646
Total comprehensive income	13,124,882	700,213	13,825,095
Profit attributable to owners of the Company	16,490,431	700,213	17,190,644
Total comprehensive income attributable to owners of the Company	9,458,386	700,213	10,158,599
Earnings per share attributable to owner of the Company (sen)			
- basic	4.97	0.21	5.18
- diluted	4.97	0.21	5.18

46. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 30 September 2016, Titi Kaya Sdn. Bhd. (“TKSB”), a subsidiary of the Company had entered into a Shares Sale Agreement (“SSA”) with Titijaya Land Berhad in relation to disposal by TKSB of its entire equity interests of 51.00% in NPO Builder Sdn. Bhd. for a total cash consideration of RM45,181,873. The initial completion date is 180 days from the date of SSA with an automatic extension of another 90 days or any extension of time as may be mutually agreed between the parties.

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 25 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	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total retained earnings of the Company and its subsidiaries				
- Realised	468,740,846	468,951,658	218,623,527	199,676,411
- Unrealised	(8,442,999)	(8,189,524)	(178,207)	(229,487)
	460,297,847	460,762,134	218,445,320	199,446,924
Total share of accumulated losses from associates				
- Realised	(5,223,161)	(3,525,586)	-	-
Total share of accumulated losses from joint ventures				
- Realised	(72,297)	-	-	-
	455,002,389	457,236,548	218,445,320	199,446,924
Less: Consolidation adjustments	(103,467,677)	(100,125,451)	-	-
	351,534,712	357,111,097	218,445,320	199,446,924

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 251(2) of the Companies Act 2016

We, **TAN SRI DATO' KHOO CHAI KAA** and **KHOO CHAI THIAM**, being two of the directors of BREM HOLDING BERHAD, do hereby state that in the opinion of the directors, the financial statements set out on pages 34 to 110 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows of the financial year then ended.

The supplementary information set out in page 111 has 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*, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

TAN SRI DATO' KHOO CHAI KAA
Director

....

KHOO CHAI THIAM
Director

Date: 24 July 2017

Statutory Declaration

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

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 110 and the supplementary information set out on page 111 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 Petaling Jaya in the Selangor Darul Ehsan on 24 July 2017.

Before me,

WONG CHOY YIN (B 508)
Commissioner for Oaths

Independent Auditors' Report
to the members of Brem Holding Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brem Holding Berhad, which comprise the statements of financial position as at 31 March 2017 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 34 to 110.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

<u>Goodwill on consolidation (Note 3(a) and 13 to the financial statements)</u>

The Group has significant goodwill allocated to property development and property investment segments. The goodwill is tested for impairment annually. This assessment requires the exercise of significant judgements by directors on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections.

Our response:
Our audit procedures focus on evaluating the cash flow projections and the Group's forecasting procedures which included, among others:

- assessing the recoverable amount based on valuation methodology adopted by the Group in accordance with the requirements FRS 136 *Impairment of assets*;
- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions that are expected to be most sensitive to the recoverable amount.

Independent Auditors' Report
to the members of Brem Holding Berhad

Revenue and cost of sales recognition (Note 3(b) and (c), 30 and 31 to the financial statements)

We focused on this area because the amount of revenue and corresponding cost of sales recognised in the construction business and property development require the directors to apply significant judgement. The revenue and corresponding cost of sales are recognised based on the estimated total revenue and costs, the extent of costs incurred to date and the stage of completion method. The stage of completion method is determined by reference to costs incurred for work performed to date bear to the estimated total costs for each project. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:
Our audit procedures on a selected sample of major projects included, among others:

- challenging the Group' major assumptions by comparing to contractual terms, historical margin and our understanding gathered from the analysis of changes in assumptions from previous year;
- discussing the progress of the projects and expected outcome with the project managers to obtain an understanding of the basis on which the estimates are made;
- assessing the reasonableness of computed stage of completion for identified projects against architect certificate or progress report and the physical completion; and
- checking the mathematical computation of the recognised revenue and corresponding cost of sales recognised during the financial year.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Independent Auditors' Report
to the members of Brem Holding Berhad

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent Auditors' Report
to the members of Brem Holding Berhad

Report on Other Legal and Regulatory Requirements

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

Other Reporting Responsibilities

The supplementary information set out on page 111 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of 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 Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lee Kong Weng
No. 2967/07/17(J)
Chartered Accountant

Kuala Lumpur

Date: 24 July 2017

Analysis of Shareholdings
as at 30 June 2017

SHARE CAPITAL

Issued and Fully Paid-Up Capital	:	RM172,736,172
Total Number of Issued Shares	:	345,472,344 (inclusive of 1,136,934 Treasury Shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares held	%
1 to 99	164	3.86	6,557	0.00
100 to 1,000	208	4.90	70,739	0.02
1,001 to 10,000	2,170	51.11	10,418,988	3.03
10,001 to 100,000	1,479	34.83	39,520,505	11.48
100,001 to less than 5% of issued shares	222	5.23	124,193,247	36.07
5% and above of issued shares	3	0.07	170,125,374	49.40
TOTAL	4,246	100.00	344,335,410	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1	BREM PROPERTIES SDN.BHD.	88,875,696	25.81
2	KHOO CHAI KAA	50,698,772	14.72
3	WAWASAN EKUITI SDN.BHD.	30,550,906	8.87
4	KHOO CHAI THIAM	6,313,261	1.83
5	AFFIN HWANG NOMINEES(TEMPATAN) SDN. BHD. BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR CLASSICAL GLORY SDN. BHD.	5,456,524	1.58
6	MAYBANK NOMINEES (TEMPATAN)SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LOW YEW HWA	5,264,195	1.53
7	TAN SRI DATO’ YAP SUAN CHEE	5,256,388	1.53
8	AFFIN HWANG NOMINEES (TEMPATAN)SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR BREM PROPERTIES SDN. BHD.	5,242,048	1.52
9	AFFIN HWANG NOMINEES(TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR BOND RESOURCES SDN. BHD.	5,026,053	1.46
10	CLASSICAL GLORY SDN. BHD.	4,936,478	1.43
11	WAWASAN EKUITI SDN. BHD.	4,613,762	1.34
12	TAN JIN TUAN	2,722,720	0.79
13	KOPERASI JAYADIRI MALAYSIA BERHAD	2,580,000	0.75

Analysis of Shareholdings
as at 30 June 2017

LIST OF THIRTY LARGEST SHAREHOLDERS (CONTINUED)

No.	Name	Shareholdings	%
14	TRADEMA HOLDINGS SDN. BHD.	2,276,608	0.66
15	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : CIMB BANK FOR TAN LEE KAU	2,008,000	0.58
16	KINGSLEY LIM FUNG WANG	1,924,000	0.56
17	CIMB GROUP NOMINEES (ASING) SDN. BHD. BENEFICIARY : EXEMPT AN FOR DBS BANK LTD	1,705,600	0.50
18	LTK (MELAKA) SDN. BHD.	1,594,320	0.46
19	KENANGA NOMINEES (TEMPATAN)SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR GOH SWEE MOI	1,500,000	0.44
20	ALLIANCEGROUP NOMINEES(TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR ER KA WEI	1,400,000	0.41
21	TAN JIN TUAN	1,378,060	0.40
22	CHEW HUN SENG	1,300,000	0.38
23	HLIB NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TENG SIEW KEAN	1,275,861	0.37
24	KEK LIN SIANG	1,264,592	0.37
25	LAW KING BOON @ LAU KENG BOON	1,161,504	0.34
26	KHOO PING KAW	1,150,000	0.33
27	KENANGA NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR ONG KING SENG	1,090,000	0.32
28	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	1,061,985	0.31
29	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD BENEFICIARY : EXEMPT AN FOR BANK OF SINGAPORE LIMITED	1,040,000	0.30
30	GEOFFREY LIM FUNG KEONG	1,040,000	0.30
		241,707,333	70.20

Analysis of Shareholdings
as at 30 June 2017

SUBSTANTIAL SHAREHOLDERS
(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares Held Direct	%	Indirect	%
1. Tan Sri Dato' Khoo Chai Kaa	50,698,772	14.72	94,117,744	27.33
2. Puan Sri Datin Lee Lei Choo	-	-	144,816,516	42.05
3. Wawasan Ekuiti Sdn. Bhd.	35,164,668	10.21	-	-
4. Musa Bin Abas	150,000	0.04	35,164,668	10.21
5. Brem Properties Sdn. Bhd.	94,117,744	27.33	-	-
6. Norhayati Binti Ali Polah	-	-	35,164,668	10.21

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares Held Direct	%	Indirect	%
The Company				
Tan Sri Dato' Khoo Chai Kaa	50,698,772	14.72	94,117,744	27.33
Khoo Chai Thiam	7,131,637	2.07	-	-
Low Yew Hwa	5,264,195	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 Brem Holding Berhad and its Subsidiaries

Location	Description/ Existing use	Date of acquisition	Area	Tenure/ Age of building	Net book value as at 31 March 2017 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	34,108
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	12,668
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	7,916
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	106,013
HARMONY PROPERTY SDN BHD					
Lot 80940 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Property under development	31/03/2005	7.22 acres	Freehold	142,688
Lot No. 2868-2870 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	31/03/2005	5.94 acres	Freehold	17,646
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	8,149

Properties Held by Brem Holding Berhad and its Subsidiaries

Location	Description/ Existing use	Date of acquisition	Area	Tenure/ Age of building	Net book value as at 31 March 2017 RM'000
HARMONY PROPERTY SDN BHD (CONT'D)					
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	5,613
Lot 1919, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	08/04/2011	3.0 acres	Freehold	26,713
Lot 2 & Lot 9, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan.	Development land - vacant	15/03/2011	7.59 acres	Leasehold Expiring on 16/05/2065	68,120
Lot 5114 & PT 1157, District of Petaling, Selangor Darul Ehsan.	Development land - vacant	19/11/2010	33.49 acres	Leasehold Expiring on 05/04/2083 & 9/11/2083	97,928
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	72
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	331
TITI KAYA SDN BHD					
PT 27609-PT 27611, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Development land - vacant	21/10/1995	12.43 acres	Freehold	2,847

Properties Held by Brem Holding Berhad and its Subsidiaries

Location	Description/ Existing use	Date of acquisition	Area	Tenure/ Age of building	Net book value as at 31 March 2017 RM'000
TITI KAYA SDN BHD (CONT'D)					
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	161.82 acres	Freehold	25,737
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	3
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	109.88 acres	Freehold	204
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

BREM HOLDING BERHAD (66756-P)
Incorporated In Malaysia

Proxy Form

36th 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 and on *my/our behalf at the Thirty-Sixth (36th) Annual General Meeting of the Company to be held at the Crown Hall, 1st Floor, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 20 September 2017, 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 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 approve Directors' fees		
2.	To approve Directors' benefits		
3.	Re-election of Ms. Khoo Hui Keam as Director		
4.	Re-election of Ms. Khoo Hui Giok as Director		
5.	Re-appointment of Dato' Hj. Abu Sujak bin Hj. Mahmud as Director		
6.	Re-appointment of Messrs. Baker Tilly Monteiro Heng as Auditors		
7.	Ordinary Resolution - Authority to issue shares pursuant to Section 75 of the Companies Act, 2016		
8.	Ordinary Resolution - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
9.	Ordinary Resolution - Proposed Renewal of Authority For Share Buy-Back		
10.	Ordinary Resolution - Continuing in Office for Mr. Wong Miow Song as Independent Non-Executive Director		
11.	Ordinary Resolution - Continuing in Office for Dato' Hj Abu Sujak bin Hj. Mahmud as Independent Non-Executive Director		

Dated this __________ day of ____________________ 2017

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 (2) 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 of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.

3. In the case of a corporate body, the proxy appointed must be in accordance with the Articles of Association of the Company, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an 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 not less than forty eight (48) hours before the time set for the meeting or any adjournment thereof.

5. **General Meeting Record of Depositors**
For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 57(c) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 13 September 2017 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

Fold this flap for sealing

Fold Here

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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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.

www.bremholding.com