ENRA Group Berhad (236800-T)

ANNUAL REPORT 2016

VISION

Through shared values, innovation and technology, ENRA will enable its people to create sustainable enterprise value in a manner that is responsible to its stakeholders, community and environment

SHARED VALUES

Ethical
To make decisions that promote goodness and avoid harm

Noble
To behave in a manner that is respectful to others

Reliable
To keep and deliver promises that have been made

Accountable
To take ownership of all outcomes and never passing blame

Cover Rationale :

As one of Malaysia's homegrown corporation, we take great pride in our local status. Consequently, a specially commissioned batik masterpiece adorns the cover. The stripes represent the cohesion that exists within our organization while the dots symbolize our dynamism.

The batik designs featured on the cover and two page breakers are sponsored by 'Masterpiece by Masrina Abdullah'. Masrina Abdullah is the 2003 winner of the inaugural Piala Seri Endon.

Contents

Annual General Meeting

The Twenty-Fourth (24th) Annual General Meeting

of ENRA Group Berhad ("Company") will be held at Function Room 1 & Room 2, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 11 August 2016 at 10:00 a.m.

Corporate Information

BOARD OF DIRECTORS

Datuk Ali bin Abdul Kadir
Chairman, Independent Non-Executive Director

Dato' Kamaluddin bin Abdullah
Executive Deputy Chairman

Dato' Mazlin bin Md Junid
President & Group Chief Executive Officer

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Senior Independent Non-Executive Director

Datuk Anuar bin Ahmad
Independent Non-Executive Director

Kok Kong Chin
Non-Independent Non-Executive Director

Teo Chee Kok
Independent Non-Executive Director

Loh Chen Yook
Non-Independent Non-Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Ali bin Abdul Kadir
Chairman

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Member

Datuk Anuar bin Ahmad
Member

Kok Kong Chin
Member

Teo Chee Kok
Member

COMPANY SECRETARIES

Tai Yit Chan
MAICSA 7009143

Choong Lee Wah
MAICSA 7019418

Tel: +603-7720 1188
Fax: +603-7720 1111

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya, Selangor
Tel: +603-7784 3922
Fax: +603-7784 1988

REGISTERED OFFICE

D2-U3-10, Block D2
Solaris Dutamas
No. 1 Jalan Dutamas 1
50480 Kuala Lumpur
Tel: +603-2300 3555
Fax: +603-2300 3550
Email: info@enra.my
Website: www.enra.my

AUDITORS

BDO (AF:0206)
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

PRINCIPAL BANKERS/ LENDERS

Hong Leong Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Bank Islam Malaysia Berhad
Malaysia Building Society Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code: 8613
Stock Name: ENRA

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fourth (24th) Annual General Meeting of ENRA Group Berhad ("Company") will be held at Function Room 1 & Room 2, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 11 August 2016 at 10:00 a.m for the following purposes:

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note 1 of the Explanatory Notes)*

2. To approve the payment of Directors' fees amounting to RM327,333 for the financial year ended 31 March 2016 (2015: RM132,000). *(Ordinary Resolution 1)*

3. To re-elect Dato' Kamaluddin bin Abdullah who retires in accordance with Article 76 of the Company's Articles of Association. *(Ordinary Resolution 2)*

4. To re-elect Mr. Teo Chee Kok who retires in accordance with Article 76 of the Company's Articles of Association. *(Ordinary Resolution 3)*

5. To re-elect Mr. Kok Kong Chin who retires in accordance with Article 83 of the Company's Articles of Association. *(Ordinary Resolution 4)*

6. To re-appoint Messrs. BDO as Auditors of the Company for the financial year ending 31 March 2017 and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 5)*

AS SPECIAL BUSINESS

Ordinary Resolution

7. Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue." *(Ordinary Resolution 6)*

By Order of the Board

TAI YIT CHAN (MAICSA 7009143)
CHOONG LEE WAH (MAICSA 7019418)
Company Secretaries
Kuala Lumpur

19 July 2016

Notice of Annual General Meeting
(cont'd)

NOTES:

PROXY:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 August 2016 (General Meeting Record of Depositors) shall be eligible to attend and vote at this Twenty-Fourth (24^{th}) Annual General Meeting or appoint a proxy to attend and vote on his behalf.

2. A proxy may but need not be a member of the Company and the provisions of Section 149 (1) (b) of the Companies Act, 1965 ("the Act") shall not apply to the Company.

3. Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an exempt authorised nominee 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 exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.

6. The Form of Proxy must be completed, signed and deposited at the Registered Office of the Company at D2-U3-10, Block D2, Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or adjourned meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. **To receive the Audited Financial Statements**

   Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. **Ordinary Resolution 6**

   The Company had, during its Twenty-Third (23^{rd}) Annual General Meeting held on 18 August 2015, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. As at the date of this notice, the Company has not issued any shares pursuant to this mandate obtained.

   The Ordinary Resolution 6 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding in total 10% of the issued and paid-up share capital of the Company for such purposes as they consider would be in the interest of the Company, including for repayment of bank borrowings, general working capital and raising funds for investments and/or acquisitions. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

   The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time.

Notice of Annual General Meeting

(cont'd)

PERSONAL DATA POLICY

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

Corporate Structure

as at 30 June 2016

ENRA Group Berhad (236800-T)

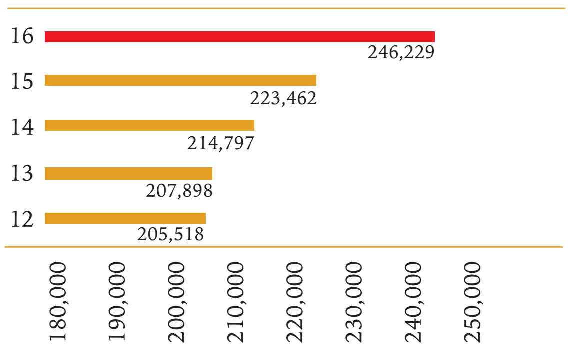
- Essential Vista Sdn. Bhd.
- Evergreen Sprint Sdn. Bhd.
- Nautical Gold Sdn. Bhd.
- Orlando Manufacturing Sdn. Bhd.
- Tenderly Marketing Sdn. Bhd.
- 70% Landmark Zone Sdn. Bhd.
- ENRA Land Sdn. Bhd. (Formerly known as Bendera Majujaya Sdn. Bhd.)
  - ENRA Property (UK) Limited (Formerly known as Perduren Holding Company Limited)
    - 75% Fitzrovia Developments Limited
    - Barnes Avenue Limited
- ENRA Management Services Sdn. Bhd. (Formerly known as Primary Pillar Sdn. Bhd.)
- ENRA Energy Logistics Sdn. Bhd. (Formerly known as Primal Impel Sdn. Bhd.)
- ENRA Labuan Sdn. Bhd. (Formerly known as Prominent Massive Sdn. Bhd.)
- ENRA Energy Sdn. Bhd. (Formerly known as Trillion Factor Sdn. Bhd.)
  - ENRA Pipeline Services Sdn. Bhd.
  - ENRA Oil & Gas Services Sdn. Bhd. (Formerly known as Ratus Nusa Sdn. Bhd.)
    - ENRA SPM Sdn. Bhd. (Formerly known as Trillion Standard Sdn. Bhd.)
    - 75% ENRA Engineering & Fabrication Sdn. Bhd. (Formerly known as Hikmah Oil & Gas Assistance Sdn. Bhd.)
  - ENRA Kimia Sdn. Bhd.
- ENRA Trading Sdn. Bhd. (Formerly known as Salam Nilam Sdn. Bhd.)

Notes:
Unless stated otherwise, all entities are 100% owned by ENRA Group Berhad.

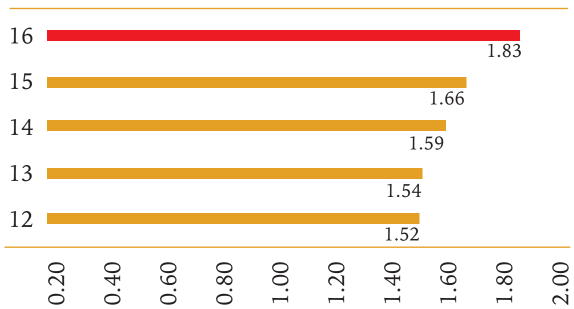
Five-Year Financial Highlights

	2012	2013	2014	2015	2016
Revenue (RM'000)	23,116	29,354	66,300	107,504	137,767
Earnings/(Loss) per share (sen)	(1.4)	1.8	5.1	6.4	6.6
Shareholders' equity (RM'000)	205,518	207,898	214,797	223,462	246,229
Net assets per share (RM)	1.52	1.54	1.59	1.66	1.83

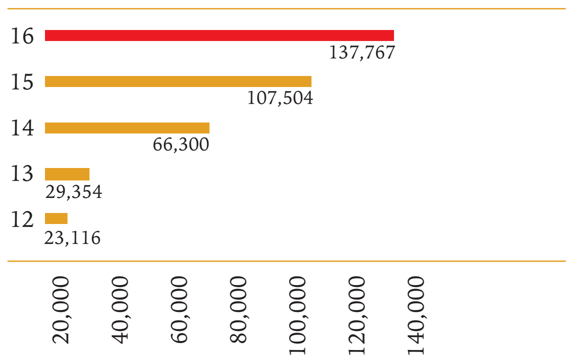
Shareholders' Equity (RM' 000)



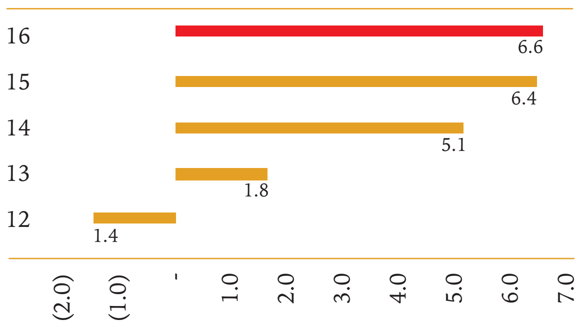
Net assets per share (RM)



Revenue (RM' 000)



Earnings/(loss) per share (sen)



ADVANCEMENT

We are progressing towards our corporate goals with great passion and determination. Inspired by our accomplishments, we are focusing our resources on our rapid rise.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of ENRA Group Berhad ("ENRA" or "Group") ("Board"), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2016, as attached.

Chairman's Statement
(cont'd)

During the financial year under review, the Group completed the disposal of its entire equity interest in Advantage Equity Sdn. Bhd., Balance Focus Sdn. Bhd., and Grand Sentosa Hotel Management Services Sdn. Bhd., on 1 July 2015 as well as a 30% equity stake in Landmark Zone Sdn. Bhd., for RM81.5 million on 1 June 2015. The completion of these transactions placed the Group in an opportune position to invest in new developments and businesses with the intention to improve shareholder value.

Premised on the foregoing, in the same financial year the Group acquired its first redevelopment property in central London, set up new divisions in chemicals trading and oil & gas services, and extensively pursued various acquisition opportunities and organic efforts, whilst continuing to support the existing businesses of the Group. The Group's directors and management will continue to be active in seeking new opportunities in the next financial year.

REVIEW OF CURRENT GROUP BUSINESSES

FINANCIAL REVIEW

The Group recorded higher revenue of RM137.767 million for the financial year ended 31 March 2016 as compared to RM107.504 million for the financial year ended 31 March 2015.

This increase was contributed by an increase in the Group's revenue from property development revenue and new oil & gas businesses, the latter of which started operations in September 2015.

The Group recorded a post-tax profit after excluding minority interest of RM8.913 million for the financial year ended 31 March 2016 as compared to post-tax profit of RM8.665 million for the financial year ended 31 March 2015. This increase was contributed primarily by an increase in property development operating profit and the onset of operating profit from the Group's new oil & gas efforts. Consequently, the Group's earnings per share has improved to 6.60 sen per share for the financial year ended 31 March 2016 as compared to 6.42 sen per share for the financial year ended 31 March 2015.

The Group's net asset per share has improved to RM1.83 per share at the end of the current financial under review as compared to RM1.66 during the end of the previous financial year.

OPERATIONAL REVIEW

During the financial year under review, the Group expanded into a new market for its property division and set up new oil & gas businesses.

Property

The Shamelin Star project in Taman Shamelin Perkasa, Kuala Lumpur, comprising of 630 units of service apartments and 30 units of retail lots, was launched in July 2013. Approximately 89% of the service apartments have been sold as at 30 June 2016 whilst all the retail units have been sold by the same date. The overall project progress is about 76% completed as at 30 June 2016. Construction on the project is expected to complete within the financial year ending 31 March 2017. Various continuing and ongoing promotional activities are being carried out to boost the sales of the balance unsold units.

We are also pleased to inform that on 1 May 2015, the Group acquired its maiden boutique property project in England on 93 Great Titchfield Street ("93 GTS"), a 5 storey Grade II listed commercial-use building which is within walking distance to Oxford Street, central London. When the Group acquired 93 GTS, the property had already been granted planning approval for conversion into 4 residential apartments. Since the completion of the acquisition of 93 GTS, the building continued to be rented, until the final tenancy was terminated in late 2015. At the same time, ENRA successfully applied for and, by June 2016, was granted an enhanced planning layout which improves the practicality and marketability of all the units. 93 GTS is currently under active redevelopment, with the majority of strip out works completed for purposes of evaluating the underlying structural integrity of the building and preparing the interior for fit-out and renovation. The Group intends to actively market the apartments in the second financial quarter of the financial year ending 2017.

The Group owns a majority of, but not all of, the retail units in Holiday Plaza. These units continue to experience a healthy occupancy rate of 83%. However, as the Group has a limited ability to improve the rental rates, we will maintain efforts to introduce new retail tenants into the Group's vacant units. Furthermore, the Group is cognisant of the increasing supply of retail space in Johor Bahru and its vicinity. The Holiday Plaza commercial tower which is wholly-owned by the Group is in a sub-optimal condition and has limited tenants. The Group is evaluating the cost and feasibility of improving the rentability of the commercial tower. However, we take note that even after a refurbishment, it is likely that Holiday Plaza's commercial tower rental terms will need to remain very competitive to entice tenants.

Chairman's Statement
(cont'd)

Energy

We are also pleased to inform that in September 2015, ENRA Kimia Sdn. Bhd. ("ENRA Kimia") began operations to provide specialty chemicals, catalysts and related services to the oil & gas industry.

ENRA also started ENRA Oil & Gas Services Sdn. Bhd. ("ENRA Oil & Gas Services") in October 2015 to provide various services for the oil & gas industry with a focus on cost effective solutions. On 5 February 2016, ENRA Oil & Gas Services entered into a sale & purchase agreement to acquire a 75% equity stake in ENRA Engineering & Fabrication Sdn. Bhd. (formerly known as Hikmah Oil & Gas Assistance Sdn. Bhd.) ("EEFab"), a minor fabricator that primarily services the oil & gas industry. This acquisition was completed on 12 May 2016, and expands the Group's oil & gas business into new niche and sustainable areas.

Despite the oil & gas industry's challenging environment, I am pleased to note that the Group was able to acquire customers and contracts to generate revenue in a short span of time. The Group is poised to capture more business in the years to come.

DIRECTORATE

Over the financial year under review, there have been a number of changes to the Board culminating in a new composition of professionals and entrepreneurs with extensive specialist experience in property development, oil & gas, and accounting and finance. The Board appointed myself as the new Chairman as well as Tan Sri Dato' Seri Shamsul Azhar bin Abbas, Datuk Anuar bin Ahmad, Dato' Kamaluddin and Dato' Mazlin as new members of the Board since the change in the controlling shareholders of the Group. The collective experience of the new members of the Board places the Group on a strong footing to explore new business opportunities in the oil & gas industry, in line with the new shareholders' plans as set out in their general take-over offer document issued on 26 January 2015. As part of maintaining its current core property business, the Group also saw the reappointment of Mr. Loh Chen Yook, the former Managing Director and advisor to ENRA, on 1 June 2015 who will provide support and oversight to the Group's existing property projects. Mr. Kok Kong Chin, the former Group Managing Director of Tropicana Corporation Berhad, joined our board on 26 February 2016 with an extensive background in investment and corporate banking, and property development. As a Group that is now actively seeking to grow inorganically, Mr. Kok's experience and knowledge will be a key contributor to the Group's strategic growth efforts.

The Group will also continue receiving the support and guidance of Mr. Teo Chee Kok who has been an independent director of the Group since 31 March 2014.

I am grateful for having been invited to join the Board in guiding the Group into new areas of growth. The extensive specialist experience of the various Board members in their respective industries will provide the Board with a strong combination of skills and knowledge to lead the Group to further heights.

PROSPECTS & FUTURE PLANS

The primary goal of the Board and management is to increase shareholder wealth and value by generating more profits via organic and inorganic forms of growth.

The ongoing Shamelin Star project in Kuala Lumpur is expected to generate profits progressively until completion of the Shamelin Star project within the financial year ending 31 March 2017. The Group will endeavour to sustain and potentially improve the financial performance of our remaining portfolio of properties in Johor Bahru despite the overall competitive environment within the vicinity of Johor Bahru city.

As a result of the disposal exercise of some of the Group's various properties and businesses that was completed by 1 July 2015, the Group was able to reinvest the disposal proceeds into new business efforts within the Group and build a platform that provides the Group with the right capabilities to acquire and grow businesses in various sectors, with the objective of increasing the sustainable profits of the Group and introducing new sources of long term growth. We will endeavour to pick and choose the right investment based on our understanding of the market's needs and appetite, as well as the fundamentals of our new investment or partner, whoever that may be.

The acquisition of the Group's London property is one such stepping stone for the expansion of our property business into niche areas, and the Management team has been actively evaluating various new real estate developments in the United Kingdom.

Chairman's Statement

(cont'd)

Concurrently, our effort to develop additional businesses that service the oil & gas industry is still ongoing, but has demonstrated success and sustainability within a short period of time. ENRA Kimia has reached profitability despite operating for approximately half a year and the acquisition of EEFab by ENRA Oil & Gas Services has expanded ENRA's oil & gas products and services into minor fabrication as well. Both ENRA Kimia and ENRA Oil & Gas Services are expected to contribute positively to the Group's financial performance in the subsequent financial year. ENRA will continue a strategy of applying for licenses on its own or acquiring controlling stakes in small-sized service providers so that the majority of ENRA's capital is retained. ENRA can then deploy its capital and reach to accelerate the growth of such businesses. We are exercising extra prudence in evaluating all prospective acquisitions/investments in this area.

The Board's and management evaluation of new business opportunities span both organic and acquisitive efforts. Due to a large array of investment ideas that the Group consistently receives, and combined with the expansive and diverse experience of the Board (which extends beyond property and oil & gas), we have also expanded our evaluation efforts into new areas so as to pursue a wider range of opportunities in line with the primary goal of increasing shareholder wealth and profit. As such, should business opportunities outside the Group's existing markets, we will not disregard evaluating such proposals if it can improve the financial performance of the Group and retain the principle of seeking to create shareholders' value. We will consider such opportunities if and when they arise, taking into account the risk and reward potential of such opportunities. The Group may also elect to realise value from more assets and invest in these new growth opportunities if the longer term benefits are advantageous compared to the retaining and maintaining the current assets.

We are also constantly exploring new ways to enhance the Group's internal operational effectiveness and efficiency, an exercise that has been ongoing since the financial year ended 31 March 2016. In the subsequent financial year ended 31 March 2017, the Group has also initiated an in-depth assessment of all legacy assets and businesses as part of the Board's and management long-term business and strategic planning.

DIVIDEND

The Board has approved a first interim single-tier dividend of 3 sen per ordinary share of RM1.00 each and a special interim single-tier dividend of 5 sen per ordinary share of RM1.00 each, amounting to RM10.793 million for the financial year ended 31 March 2016. The Board will constantly review the financial position and performance of the Group in considering future dividend issuances.

APPRECIATION

On behalf of the Board, I would like to thank the previous management and the current staff for their commitment and continued dedication towards the Group throughout the year. We are also thankful for the continued support and positive alliance from our various stakeholders and, last but not least, the continuing support of our shareholders. I look forward to building up the Group into a much more prosperous and successful company.

Thank you.

Datuk Ali bin Abdul Kadir
Chairman
30 June 2016

Corporate Social Responsibility Report

At ENRA Group Berhad, we believe in growing with the society, people and community around us. In order to prosper meaningfully, we believe we must also contribute to the betterment of the society around us. For the financial year ended 31 March 2016, we have elected to contribute to increasing the awareness campaign for breast cancer and its support community.

Corporate Social Responsibility Report
(cont'd)

According to World Health Organization each year an estimated 1.6 million new cases were diagnosed each year and for 2015 an estimated 560,000 women might lose their lives as a result of breast cancer. In Malaysia, it is estimated that one out of every 19 women might develop breast cancer at some point in their life. About 5,000 women between the ages of 30 and 60 are diagnosed with breast cancer each year and out of this yearly figure; about half are under 50 years old.

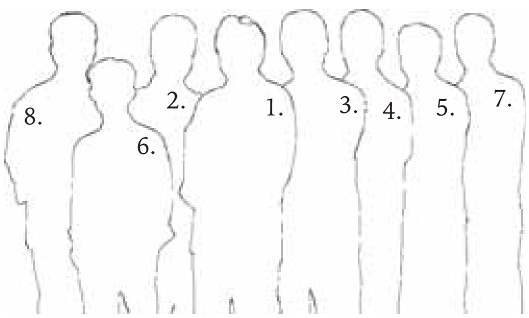
We contacted PRIDE, and we were pleased to be invited to be a major sponsor for their 10th Anniversary Dinner. PRIDE (Pink Ribbon Deeds) Foundation is a non-profit charitable organization that aims to enhance awareness efforts and improve accessibility to treatment and care of breast cancer at all levels of society.

The anniversary dinner was held at HGH Convention Centre, Sentul on Friday 23rd October 2015. The gala dinner was attended by breast cancer survivors, donors, artistes, VIPs and other dignitaries. The highlights of the night were the various performances by the breast cancer survivors themselves.

PRIDE successfully raised RM750,000-00 from this event and the proceeds were channelled to **Pride Patient Fun**d and **Pride-UMMC Palliative Care Centre.** We are proud to have contributed to this non-profit charitable organization and to the cause being championed by PRIDE.

Our modest gesture to PRIDE is in line with our Vision. At ENRA Group Berhad we believe that through shared values, innovation and technology, ENRA will enable its people to create sustainable enterprise value in a manner that is responsible to its stakeholders, community and environment.

Board of Directors' Profile



1. Datuk Ali Bin Abdul Kadir
   Chairman,
   Independent Non-Executive Director

2. Dato' Kamaluddin Bin Abdullah
   Executive Deputy Chairman

3. Dato' Mazlin Bin Md Junid
   President & Group Chief Executive Officer

4. Tan Sri Dato' Seri Shamsul Azhar Bin Abbas
   Senior Independent Non-Executive Director

5. Datuk Anuar Bin Ahmad
   Independent Non-Executive Director

6. Teo Chee Kok
   Independent Non-Executive Director

7. Loh Chen Yook
   Non-Independent Non-Executive Director

8. Kok Kong Chin
   Non-Independent Non-Executive Director

Board of Directors' Profile

(cont'd)

DATUK ALI BIN ABDUL KADIR

Chairman, Independent Non-Executive Director

Datuk Ali, a Malaysian aged 67, was appointed to the Board as Chairman on 1 June 2015. He is also the Chairman of the Audit & Risk Management Committee and member of the Nomination and Remuneration Committee. Datuk Ali is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"). He is also currently Honorary Advisor to ICAEW-KL City Chapter, Honorary Fellow of the Institute of Chartered Secretaries & Administrators (UK) and the Malaysian Institute of Directors.

He is currently the Chairman of JcbNext Berhad (formerly known as JobStreet Corporation Berhad), Privasia Technology Berhad, and Mahkota Technologies Sdn. Bhd. He is a Board Member of Glomac Berhad, Ekuiti Nasional Berhad, Citibank Berhad and the Labuan Financial Services Authority.

He served as Chairman of the Securities Commission of Malaysia from 1st March 1999 till 29th February 2004. During his tenure, he also sat on the Main Committee of IOSCO, and was elected as Chairman of Asia Pacific Regional Committee and Islamic Capital Market Working Group. Prior to his appointment to the SC, he was the Executive Chairman and Partner of Ernst & Young and its related firms (1975-1999). He was also the former President of the MICPA, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. He was appointed as an Adjunct Professor in the Accounting and Business Faculty, University of Malaya (2008 till 2011) and was then appointed to the Advisory Board of the Faculty, to date.

In 2012, he was bestowed the Lifetime Achievement Award by ICAEW – KL City Chapter, and the President's Award by MICPA. He was also bestowed the Perwira Jasa Negara by the Yang Di Pertuan Agung in 2001.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended ten (5) board meetings held in the financial year after his appointment.

He is a shareholder of the Company.

DATO' KAMALUDDIN BIN ABDULLAH

Executive Deputy Chairman

Dato' Kamaluddin, a Malaysian aged 49, was appointed to the Board on 20 April 2015. He was redesignated as Executive Deputy Chairman of the Company on 1 June 2015. He graduated with a Bachelor of Arts (Hons) in Law from the University of Cambridge, United Kingdom. He is also a Barrister-at-law of the Middle Temple.

He started his career with the Sime Darby Group, a major multi-national company, based in Malaysia. During his five-year term with the Group, he served in the tyre manufacturing and plantations divisions covering the areas of marketing, corporate affairs, human resources, administration and legal affairs.

After his stint in Sime Darby, he joined Dewina Berhad a diversified food group listed on Bursa Malaysia and served as its Group Executive Director. He was also a major shareholder of Dewina Berhad.

Dato' Kamaluddin is also a substantial shareholder of Scomi Group Berhad, a company listed on Bursa Malaysia, which is involved in the areas of oil field services, marine logistics and transportation engineering. He is also a Director of Scomi Oilfield Limited.

He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended six (6) board meetings held in the financial year after his appointment.

He is a major shareholder of the Company.

Board of Directors' Profile

(cont'd)

DATO' MAZLIN BIN MD JUNID

President & Group Chief Executive Officer

Dato' Mazlin, a Malaysian aged 54, was appointed to the Board on 20 April 2015 as a Non-Independent and Non-Executive Director. He was redesignated as President and Group Chief Executive Officer on 1 June 2015. He holds a Bachelor of Science Degree in Mechanical Engineering from the University of Brighton (formerly known as Brighton Polytechnic), Sussex, England and a Masters in Business Administration from Cranfield University, England.

He started his career 1984 with Hicom Yamaha Manufacturing (M) Sdn. Bhd. as Assistant Manager of Operations to head the Planning, Operations and Production Control.

In 1987, he joined PA Consulting Group based in the United Kingdom as Senior Consultant & Regional Manager for the manufacturing sector. During his four (4) year stint with PA Consulting Group, he was seconded to work in thirteen (13) different organisations in the area of performance improvement and profit turnaround.

In 1992, he left PA Consulting Group and joined the Sime Darby group as Managing Director of five (5) companies. He ascended to the group level of the Sime Darby group in 1995 as Group Manager. From 1995-1997, he was a business partner of ASPAC Executive Search Sdn. Bhd. ("ASPAC"), a recruitment agency in Malaysia with operations in the United Kingdom, Australia and other Asian countries through affiliate offices.

After he divested his equity stake in ASPAC, he acquired a majority interest in SECA Dyme Sdn. Bhd. ("SECA"). When he acquired SECA, it was a loss making concern which he turned around within a year.

In 2007, he was appointed as the Executive Vice Chairman, President & Group Chief Executive Officer of Daya Materials Berhad ("DMB") after DMB acquired SECA. He resigned from the Board of DMB in August 2014. He was also formerly an Independent Non-Executive Director of Sapura Industrial Berhad, Sapura Technology Berhad and Metronic Global Berhad.

He was also formerly an Independent Non-Executive Director and Chairman of the Audit Committee of MTD Infraperdana Berhad. He was also an Executive Director-Corporate Affairs & Development in Reach Energy Berhad. He is also a director of several private limited companies, which he owns.

He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended five (5) board meetings held in the financial year after his appointment.

He is a major shareholder of the Company.

TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS

Senior Independent Non-Executive Director

Tan Sri Dato' Seri Shamsul Azhar, a Malaysian aged 64, was appointed to the Board on 15 June 2015. He is our Senior Independent Non-Executive Director of the Company. He is also a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee. He holds a Masters of Science in Energy Management from the University of Pennsylvania, United States of America, a Degree in Political Science from Universiti Sains Malaysia as well as a Technical Diploma in Petroleum Economics from Institute Francaise du Petrole in France.

He joined Petroliam Nasional Berhad ("PETRONAS") in 1975 and served in various capacities during his 40 year tenure with the organization culminating as the Acting Chairman, President and Chief Executive Officer of PETRONAS and was the Chairman of PETRONAS Carigali Sdn Bhd from 10 February 2010 to 31 March 2015.

During the tenure of his leadership he guided PETRONAS in undertaking strategic landmark projects (both for PETRONAS and Malaysia), such as the Pengerang Integrated Refinery and Petrochemical Project (RAPID), the Bintulu Train 9 project, the construction of 2 PETRONAS Floating LNG facilities and Malaysia's first Regasification terminal in Malacca. He also strengthened PETRONAS' position through the acquisition of Progress Energy Canada and the development of shale gas to LNG via the Pacific North West LNG project. Under him, PETRONAS ranked 69th in The Fortune Global 500 rankings (the highest ever achieved) and became the world's 6th most profitable oil & gas company. During his 40 years with PETRONAS, he also led numerous milestone corporate developments, including the acquisition of Engen Limited, South Africa's leading refining and marketing company and the development of the Kerteh and Gebeng Integrated Petrochemical Complexes, Melaka Refinery Complex and the KLCC and Putrajaya township development projects.

He is also the Chairman of MMC Corporation Berhad and PETRONAS Gas Berhad.

He was the President/Chief Executive Officer of MISC Berhad from 1 July 2004 until 31 December 2008 and was its Chairman from February 2010 to 1 August 2011. He was also Chairman of several subsidiaries of MISC Berhad and director of several PETRONAS subsidiaries and associate companies.

He was Pro-Chancellor of Universiti Teknologi PETRONAS (UP), a member of the Board of Trustees of the Razak School of Government (RSOG), Malaysia and the Chairman of the National Trust Fund of Malaysia.

For his services to the nation, he was conferred the "Panglima Setia Mahkota" award by the Yang DiPertuan Agong of Malaysia. He was also conferred the "Dato Paduka Seri Laila Jasa Yang Amat Berjasa Darjah Kedua" by His Majesty The Sultan of Brunei and the Honor du Merit by the Republic of France.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended five (5) board meetings held in the financial year after his appointment.

He is deemed interested in the shares of the Company held by his spouse, Puan Sri Sharifah Salwa Syed Kamaruddin pursuant to Section 134(12)(c) of the Companies Act, 1965.

Board of Directors' Profile
(cont'd)

DATUK ANUAR BIN AHMAD
Independent Non-Executive Director

Datuk Anuar, a Malaysian aged 62, was appointed to the Board on 1 June 2015. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He graduated in 1977 with a Bachelor of Economics (Honours) from the London School of Economics and Political Science from University of London.

He started his career in 1977 with Petroliam Nasional Berhad ("PETRONAS"). During his 36 years of service with the PETRONAS Group, he held various senior managerial and leadership positions in marketing, trading, corporate planning and human resource management until his retirement in April 2014 where his last position held was the Executive Vice President of Gas and Power Business.

During his stint with PETRONAS Group, he was appointed as the Managing Director and Chief Executive Officer in PETRONAS Dagangan Berhad ('PETRONAS Dagangan") from 1998 to 2002. He was also a member of PETRONAS Management Committee and member of PETRONAS board from 2002 to April 2014. He also sat on the board of various companies within PETRONAS Group. In 1997, between his years of service with the PETRONAS Group, he underwent a three (3)-month business management course under the Advanced Management Program at Harvard Business School.

Presently, he is an Independent Non-Executive Director of PETRONAS Dagangan and Senior Independent Non-Executive Director of E.A. Technique (M) Berhad, both of which are companies listed on Bursa Malaysia Securities Berhad. He also holds directorships in a few private companies.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended five (5) board meetings held in the financial year after his appointment.

He does not hold any shares in the Company.

KOK KONG CHIN
Non-Independent Non-Executive Director

Mr Kok, a Malaysian aged 51, was appointed to the Board on 26 February 2016. He is a member of the Audit and Risk Management Committee.

He graduated from the National University of Malaysia with a BBA (Hons) degree and holds an MBA from Schulich School of Business, York University, Canada. He has also completed the Cambridge Advanced Leadership Programme by Judge Business School, University of Cambridge.

He has over 25 years of banking experience particularly in the areas of corporate & investment banking, private equity, finance and treasury. He also has extensive general management experience including managing a public listed company and cross border business divisions.

He was Group Managing Director of Tropicana Corporation Berhad from March 2014 to February 2016. During his tenure, he was a member of the Group Executive Committee and a board member of several Tropicana Group's subsidiaries and joint venture companies.

He was an independent director of Ping Petroleum Ltd, an independent upstream company focused on shallow water offshore production and development in South East Asia and the North Sea from June 2012 to June 2015.

Prior to joining Tropicana, he was with CIMB Group for over 10 years where he held several senior positions including Head of Regional Banking, Co-Head of Investment Banking and Head of Equity Markets & Derivatives during his tenure. Prior to joining CIMB, he was the Country Head of an Asian investment house affiliated to the Mitsubishi UFJ Financial group. He started his career in investment banking with AmInvestment Bank group.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended one (1) board meeting held in the financial year after his appointment.

He is a shareholder of the Company.

Board of Directors' Profile
(cont'd)

TEO CHEE KOK
Independent Non-Executive Director

Mr. Teo, a Malaysian aged 48, was appointed to the Board on 31 March 2014. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants both since 1994. He is a member of the Audit and Risk Management Committee, Nomination and Remuneration Committee.

He began his career in 1989 with an international public accounting firm based in Kuala Lumpur until 1993. Thereafter from 1994 to 1999, he joined a public listed group of companies with diverse business interest ranging from financial services to plantation. He has over 15 years' experience in corporate finance and related activities. Presently, he also sits on the board of Tecnic Group Berhad, and Len Cheong Holding Berhad.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended seven (7) board meetings held in the financial year after his appointment.

He does not hold any shares in the Company

LOH CHEN YOOK
Non-Independent Non-Executive Director

Mr. Loh, a Malaysian aged 62, was appointed to the Board on 1 June 2015. He was the Managing Director of the Company from year 2007 to year 2014. On 31 March 2014, he was redesignated from Managing Director to Non-Independent Non-Executive Director cum Group Adviser and later resigned on 20 April 2015. He was later re-appointed as Non-Independent Non-Executive Director on 1 June 2015.

He has over 30 years of experience in the property development, infrastructure, building construction as well as timber logging business. Currently, he is also the Chairman of Karyon Industries Berhad.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences.

He has attended six (6) board meetings held in the financial year after his appointment.

He does not hold any shares in the Company.

SUSTAINABILITY IS OUR TOP PRIORITY.

Sensitive to the urgent need to protect the environment, we are determined to maintain sustainable practices in all our business endeavours. The activities of our property division as well as our oil and gas division are bound by guidelines that must be strictly adhered to. We accept our responsibilities as a good corporate citizen. As such, we are committed to preserving the planet for future generations.

INNOVATION

Our research and development initiatives fuel our continued expansion. By embracing new ideas, we are able to accelerate our growth.

Audit and Risk Management Committee Report

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

ENRA Group Berhad's ("ENRA") Board of Directors ("Board") is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 March 2016.

The Audit and Risk Management Committee ("ARMC") has five members, all of who are Non-Executive Directors with four (4) out of five (5) members being Independent Directors, including the Chairman of the ARMC.

TERMS OF REFERENCE

The terms of reference of the ARMC are set out at the end of this Report.

MEETING

The ARMC held five (5) meetings during the financial year ended 31 March 2016. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. The President & Group Chief Executive Officer of ENRA, the Group Chief Financial Officer of ENRA and Group Head of Internal Audit and Risk Management were also invited to attend and brief the members on specific issues. The external auditors, Messrs. BDO attended some of these meetings upon the invitation of the ARMC.

Attendance of the members of the ARMC at meetings held during the financial year is as follows:

Name	Designation	Meetings Attended
Datuk Ali bin Abdul Kadir	Chairman, Independent Non-Executive Director	4/4
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	Senior Independent Non-Executive Director	4/4
Datuk Anuar bin Ahmad	Independent Non-Executive Director	4/4
Teo Chee Kok	Independent Non-Executive Director	5/5
Loh Chen Yook (Cessation of office w.e.f 20.4.2015)	Non-Independent Non-Executive Director	0/0
Leow Hoi Loong @ Liow Hoi Loong (Cessation of office w.e.f. 1.6.2015)	Independent Non-Executive Director	1/1

Kok Kong Chin was appointed as a member on 23 May 2016. He is a Non-Independent Non-Executive Director of the Company.

Audit and Risk Management Committee Report
(cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the ARMC carried out its duties in accordance with its Terms of Reference.

Below are the summaries of principal activities carried out by the ARMC during the financial year:

a) Reviewed the external auditors' scope of work and audit plans for the financial year to ensure sufficient coverage in terms of scope. Prior to the audit, representatives from the external auditors presented their audit strategy and plan. The ARMC also met with the external auditors without the Executive Directors and management being present during the financial year under review.

b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's responses.

c) Considered the audit fees payable to the external auditors.

d) Reviewed the independence, objectivity and suitability of the external auditors and services provided, including non-audit services. Non-audit fees totalling RM420,436 were paid to the external auditors and their associates during the financial year, for provision of corporate tax advisory and planning and other advisory services.

e) Approved the Internal Audit Plan for financial year ended 31 March 2016

f) Reviewed the adequacy of the Internal Audit Department's resource requirements, programmes and plans for the financial year under review and the annual assessment of the Internal Audit Department's competency, performance and staff composition. The ARMC had also met up with the out-sourced Internal Auditor on separate sessions, without the presence of the Executive Directors and management.

g) Reviewed and deliberated the internal audit reports that highlighted audit issues, recommendations and management's responses. Discussed with management the actions taken to improve the systems of internal control based on suggestions identified in the internal audit reports.

h) Recommended to the Board, improvements in internal control procedures and risk management. The Chairman of Executive Risk Management Committee ("ERMC") updates the ARMC quarterly on the risk profiles and risk management of the Group.

i) Reviewed the effectiveness of the risk management system and the risk assessment reports from the ERMC. Significant risk issues were summarized and communicated to the Board for consolidation and resolution.

j) Reviewed the annual report and the audited financial statements of ENRA prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the Financial Reporting Standards ("FRS"), International Financial Reporting Standards ("IFRS") and the provision of the Companies Act 1965, of Malaysia.

k) Reviewed ENRA's compliance in particular the quarterly and year-end financial statements with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), FRS, IFRS and other relevant legal and regulatory requirements.

l) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.

m) Reviewed the related party transactions and recurrent related party transactions of revenue or trading nature entered into by the Group.

n) Reviewed the Statement on Corporate Governance, Audit and Risk Management Report and Statement on Risk Management and Internal Control, pursuant to the MMLR of Bursa Securities and the Malaysian Code on Corporate Governance 2012.

o) Reviewed the relevant policies and guidelines for intercompany transactions.

p) Reviewed the Terms of Reference of the ARMC.

Audit and Risk Management Committee Report
(cont'd)

INTERNAL AUDIT FUNCTION

At present the Internal Audit function comprised of an in-house Head of Internal Audit and an out-source company providing the staff and support. The Internal Audit function operates within the framework stated in its Internal Audit Charter, which is approved by the ARMC. The Internal Audit function provides the ARMC with independent opinions of processes, risk exposure and systems of internal control of ENRA and its subsidiaries ("Group").

The principal role of the Internal Audit function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the Internal Audit function to provide the ARMC with independent and objective reports on the state of internal controls of the various operating units within the Group and the extent of compliance of the units within the Group's established policies and procedures as well as relevant statutory requirements. Key audit findings and recommendations are discussed at the ARMC meetings and timely and proper follow-up and the management closely tracks implementation of audit recommendations. During the year, two (2) scheduled audits were performed on Holiday Plaza and Shamelin Star Services Apartments.

The total costs incurred by the Internal Audit function of the Group in 2016 amounted to RM126,342.

TERMS OF REFERENCE FOR AUDIT AND RISK MANAGEMENT COMMITTEE

Purpose

To assist the Board in fulfilling its responsibilities, function and duties for the oversight of:

- The financial reporting process.
- The system of risk management and internal control.
- The audit process.
- The process for monitoring compliance with laws and regulations and the Group's Code of Conduct.

To report to the Board and the shareholders the ARMC's activities and issues, and the ARMC's composition, responsibilities, functions, duties and how they were discharged, and any other information required by rule, including approval of non-audit services.

Authority

The ARMC shall have unrestricted access to external auditors, internal auditors and employees of the Group and are authorised by the Board to investigate any activity within its terms of reference and to:

- Obtain external legal or other independent professional advice as necessary.
- Appoint, remunerate, and oversee the work of any registered public accounting firm employed by the Group.
- Pre-approve all auditing and non-audit services provided by the external auditors.
- If deemed necessary, convene meetings with the external auditors, internal auditors or both, excluding the attendance of the other directors and management.
- Resolve any disagreements between management and the external auditors regarding financial reporting.

Audit and Risk Management Committee Report
(cont'd)

Membership

The ARMC shall be appointed by the Board from amongst the Directors and shall consist of not less than three members. All members shall be Non-Executive Directors, a majority of whom shall be Independent Directors. All members shall be financially literate and at least one member:

- Must be a member of the Malaysian Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:

    a. He must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    b. He must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; and

- Fulfils such other requirements as prescribed or approved by Bursa Securities.

If a member of the ARMC resigns, dies or for any other reason, ceases to be a member with the result that the number of members is reduced to below three, the Board must, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

The Nomination and Remuneration Committee must review the term of office and performance of the Committee and each of its members annually to determine whether the Committee and members have carried out their duties in accordance with their terms of reference.

Chairman

The Chairman of the ARMC shall be an Independent Director appointed by the Board. He shall report on each meeting of the ARMC to the Board.

In the event of any vacancy resulting in non-compliance with requirements on composition of the ARMC and the election of an Independent Chairman of the ARMC, the Company must fill the vacancy within three months.

In the event that the elected Chairman is not able to attend a meeting of the ARMC, a member of the ARMC shall be nominated as the Chairman for the meeting. The nominated Chairman shall be Independent Director of the ARMC.

Secretary

The Company Secretary shall be the Secretary of the ARMC and shall be responsible, in consultation with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation, to the ARMC members prior to each meeting. The Secretary shall also be responsible for keeping the minutes of meetings of the ARMC and circulating them to the ARMC members and to the other members of the Board.

Meetings

Meetings shall be held not less than four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties and will normally be attended by the President & Group Chief Executive Officer and the Head of Internal Audit. A quorum shall consist of two members and a majority of the members present must be Independent Directors. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary. The ARMC shall meet with the external auditors without the presence of management at least twice a year. By request of the ARMC, the Head of Internal Audit and/or his team members, if required, shall meet with the ARMC without the presence of management. The ARMC may regulate its own procedure in lieu of convening a formal meeting by means of video or teleconferencing or any other means of audio or audio-visual communications.

The Company must ensure that other Directors and employees attend any particular meeting only at the ARMC's invitation, specific to the relevant meeting. The ARMC shall review and monitor the half yearly code of ethics compliance sign off by management.

Responsibilities

The ARMC shall undertake the following responsibilities, function and duties:

- Review the quarterly results, year-end financial statements and any formal announcements affecting the Group in accordance with MMLR of Bursa Securities, in consultation with management and the external auditors, prior to the approval by the Board, focusing on but not limited to, the following:

    - Going concern assumption;
    - Compliance with accounting standards and regulatory requirements;
    - The consistency of any changes or implementation of the accounting policies and practices;
    - Significant matters highlighted including financial reporting issues and arising from the audit;
    - Significant or unusual events and/or transactions, major accounting estimates and judgments made by the management, taking into account of the views of the external auditors and how these matters are addressed; and
    - The clarity of disclosures.

Audit and Risk Management Committee Report
(cont'd)

- Review any related party transactions and conflict of interest situations that may arise within the Group, including any transaction, procedure or course of conduct that raises questions on management integrity and the framework to be established as well as to ensure that the Directors' report such transactions annually to shareholders via the annual report.

- Review with the external auditors the results of the audit, any problem and reservations arising from the interim and final audits, the management letter, management's responses and any matter the external auditor may wish to discuss (in the absence of management, where necessary).

- Ensure timely submission of the financial statements by management.

- Review the adequacy of the Group's risk management framework and assess the resources and knowledge of the management and employees involved in the risk management process. Review the Group's risk profile and risk tolerance, review the results of the risk management exercise carried out for the Group and review the Statement on Risk Management and Internal Control.

- To review all areas of significant risks and the arrangements in place to contain those risks to acceptable levels.

- Ensure that Internal Audit carries out its functions according to the standards set by recognized professional bodies.

- To review risk reports and registers and ensure that appropriate action plans is in place to manage and mitigate the risks.
- To report to the Board any material risk observations that warrants the Board's attention.

- To provide quarterly reporting and update the Board on key risk management issues as well as ad hoc reporting.

- To work with the President & Group Chief Executive Officer and/or relevant employees of the Company in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approval of the Board.

The Audit Process

Internal Audit ("IA")

- Review the adequacy of the IA scope and plan, including the IA Charter, activities, works, competency, resources and organisational structure of the IA function. Ensure that IA function is independent of the activities and/or the works it audits and the Head of Internal Audit reports directly to the ARMC. The Head of Internal Audit will be responsible for the regular review and appraisal of the effectiveness of risk management, internal control and governance processes of the company.

- Have final authority to review and approve the annual Internal Audit Plan and all major changes to the plan. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Head of Internal Audit. The Head of Internal Audit should have the relevant qualification and be responsible for providing assurance to the ARMC that the internal controls are operating effectively.

- At least once per year, review the performance of the Head of Internal Audit and concur with the annual remuneration and salary adjustment.

- Review promptly key observations and corrective actions on the company from Audit reviews.

- Discuss problem and reservations arising from the audits and any matter the Head of Internal Audit may wish to discuss (in the absence of management where necessary).

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with the Head of Internal Auditor. Review the competency and performance of the external auditors. Consider and recommend the appointment, re-appointment, resignation, dismissal and remuneration of external auditors before making a recommendation to the Board. In determining the appointment/re-appointment of the external auditors, in addition to the suitability factors as set out below:

  - The adequacy of the experience and resources of the accounting firm;
  - The persons assigned to the audit;
  - The accounting firm's audit engagements;
  - The size and complexity of the Company and its subsidiaries being audited; and
  - The number and experience of supervisory and professional staff assigned to the particular audit, to also consider the performance of the external auditors and its independence such as:

    - The external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
    - The nature of the non-audit services provided by the external auditor and fees paid for such services relative to the audit fee; and
    - Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditor.

- Review and confirm the independence and objectivity of the external auditors, taking into consideration the local professional and regulatory requirements.

Audit and Risk Management Committee Report
(cont'd)

- Review the assistance provided by the Company's employees to the external auditors.

- Develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which the ARMC considers that action or improvement is needed and making recommendations as to the steps to be taken.

- Discuss the entering of contracts and nature for the provision of non-audit services by the Group with the external auditors or its affiliates and the procedures that must be adhered. The contracts that cannot be entered into should include:

    - Management Consulting;
    - Strategic decision;
    - Internal Audit; and
    - Policy and standard operating procedures documentation.

- In the event that the non-audit fees paid to the Company's external auditors, or a firm or corporation or affiliated to the external auditors' firm are significant (e.g. 50% of the total amount of audit fees paid to the Company's external auditors), the Company is required to state the details on the nature of the non-audit services rendered in the ARMC Report.

Compliance

- Review the effectiveness of the system for monitoring compliance with MMLR of Bursa Securities and all relevant laws, guidelines and regulations issued by regulatory authorities and the results of management's investigation and follow-up (including disciplinary action) of any major instances of non-compliance.

- Review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure arrangements are in place in terms of the proportionate and independent investigation of such matters and for appropriate follow-up action.

- Review the findings of any examination by regulatory agencies, and any auditor observations.

- Review the process for communicating the Code of Conduct to the staff, and for monitoring compliance therewith.

- Obtain regular updates from management and the Head of Group Legal regarding compliance matters.

Other Responsibilities

- Institute and oversee special investigations as needed.

- In compliance with Paragraph 15.16 of MMLR of Bursa Securities, where the ARMC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the ARMC must promptly report such matter to Bursa Securities.

- Prepare the ARMC Report at the end of each financial year.

- Perform other activities and/or works related to this Terms of Reference, as requested by the Board. The ARMC is required to prepare a ARMC Report at the end of each financial year for inclusion in the Annual Report of the Company. The ARMC Report shall include the following information:

    - Composition of the ARMC, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
    - Number of ARMC meetings held during the financial year and details of attendance of each ARMC member;
    - Summary of the work carried out by the ARMC in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities;
    - Summary of the work of the Internal Audit function. The ARMC shall also assist the Board in making the following additional statements in the Company's Annual Report:
    - Statement explaining the Board's responsibility for preparing the annual audited financial statements of the Company and its subsidiaries; and
    - Statement about the state of risk management and internal controls of the Company and its subsidiaries.

Written Terms of Reference

The ARMC must have its written Terms of Reference which deal with its authority and duties, and such information must be made available on the Company's website.

Statement on Corporate Governance

The Board of Directors of ENRA Group Berhad ("Company") ("Board") is committed to ensuring that a high standard of corporate governance principles and practices are applied throughout the Company and its subsidiaries ("Group") as a fundamental part of discharging its responsibilities to safeguard shareholders' investments and protect the interests of all stakeholders.

The Board is pleased to present the Statement on Corporate Governance for the financial year ended 31 March 2016 together with pertinent information up to the date of this report outlining the application of the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observance, including the reasons thereof, is included in the following Statement.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Function of the Board and Management

The Board has the overall responsibility for the corporate governance, strategic leadership and direction, the conduct of the Group's businesses, risk management and internal controls, investor relations, management succession plan and business operations of the Group.

The members of the Board collectively contribute to the Company, a mix of industry specific, financial, regulatory and technical knowledge and experience.

Beyond the matters reserved for the Board's decision, the Board has delegated the authority to achieve the corporate objective and day-to-day management of the business of the Group to the President & Group Chief Executive Officer and supported by the Executive Director. The President & Group Chief Executive Officer remains accountable to the Board for the authority that is delegated to him, for the performance of the Group. The position of the President & Group Chief Executive Officer in essence is to ensure the effective implementation of the Group's business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

The Board oversees and monitors the decisions and actions of the President & Group Chief Executive Officer, Executive Director and the performance of the Company to gain assurance of the progress that is made towards the Company achieving its corporate objectives.

The Board is supported by the Senior Management team, implements the Company's strategic plans, policies and decision adopted by the Board and oversees the operations and business development of the Company.

The responsibilities of the Chairman and the Chief Executive Officer are also clearly divided in the Company's Board Charter, in accordance with the MCCG 2012's requirements. The Board is led by Datuk Ali bin Abdul Kadir as the Independent Non-Executive Chairman. He is responsible for leading the Board and ensuring that all Directors receive sufficient information to enable them to meaningfully participate in all matters tabled to the Board for decision.

Tan Sri Dato' Seri Shamsul Azhar bin Abbas is the Company's Senior Independent Non-Executive Director who has been designated to clarify matters or enquiries that may be raised by shareholders or investors.

There is an effective check and balance on the Board with three-quarters (3/4) of the Board members being Non-Executive Directors and with one-half (1/2) of the Board members being Independent Non-Executive Directors. Accordingly and taking into account of the experience, qualifications, capabilities knowledge of the Company's Independent Non-Executive Directors, the Board is satisfied that the current Board composition fairly reflects the interests of the Company's minority shareholders and is adequate to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company for the benefit of all stakeholders.

Statement on Corporate Governance
(cont'd)

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

Clear roles and responsibilities of the Board

In carrying out its function, the Board has delegated specific responsibilities to Board Committees, namely, the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

In order to ensure that the direction and control of the Group remains with the Board, the Board has defined the terms of reference for each Committee and receives reports from the Board Committees of their proceedings and deliberations together with their recommendations and relevant decisions. The Chairman(s) of the respective Board Committees will report to the Board on the outcome of these meetings and such reports are incorporated into the Board papers. These Board Committees were formed in order to enhance business and operational efficiency as well as efficacy and the Board remains fully responsible for the direction and control of the Company and the Group.

The ultimate responsibility for the final decision on all matters, however, lies with the Board. The Terms of Reference for the Audit and Risk Management Committee and the Nomination and Remuneration Committee can be found on the Company's website (www.enra.my).

While the Board is responsible for creating framework and policies within which the Group should be operating, the Management is accountable for the execution of the expressed policies and attainment of the Company's corporate objectives. This demarcation complements and reinforces the supervisory role of the Board.

The principal duties and responsibilities of the Board are to:

- Review and approve the annual corporate plan for the Group which includes the overall corporate strategy, sustainability strategy, business development and marketing plan, human resources plan, information technology plan, financial plan, budget, regulatory plan and risk management plan;

- Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances;

- Oversee the conduct of the Group's businesses to evaluate whether the businesses are properly managed;

- Identify principal risks and ensure the implementation of appropriate systems to manage these risks;

- Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including securities laws, Companies Act, 1965 and the MMLR of Bursa Securities);

- Approve the nomination, selection, succession policies and remuneration packages for members of the Board and Board Committees, any Executive Director and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of and where appropriate, replacing senior management or key management personnel;

- Review and approve investment policies and guidelines for the Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions; and

- review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other mattes in accordance with the approved authority limits.

Codes and Policies

The Board has adopted a Board Charter, which sets out its roles, functions, composition, operation and process giving consideration to the principles of good corporate governance and requirements of Main Market Listing Requirements of Bursa Securities.

The Board has also adopted a Directors' Code of Ethics, which outlines the conduct required of the Board members individually in order for them to discharge their duties in a professional, honest and ethical manner. This Code of Ethics also applies to officers and employees in the Group.

The Board has also put in place a Whistle-Blowing Policy, which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group.

The details of the Board Charter, Code of Ethics and Whistle-Blowing Policy can be found on the Company's website (www.enra.my).

Statement on Corporate Governance
(cont'd)

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

Promote Sustainability

The Board is mindful of the importance of business sustainability which encompasses all aspects of ethical business practices, addressing relevant Environment, Social and Governance and its increasing relevance to the Group's businesses. The Board is committed to understanding and implementing sustainable practices and exploring benefits to the business whilst attempting to achieve the right balance between the needs of wider community, the requirements of shareholders and stakeholders and economic success.

The Company's activities on corporate social responsibilities for the year under review are disclosed on pages 14 to 15 of this Annual Report.

The Board, whilst pursuing the business objectives of growth in enhancing shareholder value, is also cognisant of its corporate social responsibility and the importance of the contribution it can make in respect thereof, particularly towards improving the workplace, the community it operates in and the environment.

The Group is constantly reviewing its workplace policies and procedures to provide a conducive working environment and ensure proper development and utilisation of its human resources. Personal development is encouraged and employees are encouraged to improve their knowledge through trainings, seminars and workshops, the costs of which are either fully borne by or subsidised by the Group.

The Group's contribution to the community it operates in is currently mainly in the form of monetary contributions towards worthy causes and the needy. The Group also endeavours to support community and social programmes, such as distributing food and water to the homeless or the needy and blood donation campaigns and will strive to broaden its contributions to the community and by extension, the environment.

Notwithstanding that its principal business activity of property investment holding does not have a direct environmental impact, the Group believes in contributing positively towards minimising the environmental impact of its operations by reducing wastages and maximizing the recycling of paper and other recyclable materials used in the Group's operations.

The Group will support and encourage all employees and subsidiaries to find ways and means to help their communities. The Group's initiatives in supporting corporate social responsibility are an ongoing commitment towards creation of a competitive nation, yet a moral, ethical, caring and just society.

Access to information and advice

The Chairman ensures that all Directors have full and timely access to all information with regard to Board papers distributed in advance of meetings.

Board meetings are scheduled in advance at the beginning of each new financial year. This enables the management to plan ahead and ensure timely preparation of information for dissemination to the Board members

The Board and its Committees are supplied with an agenda and relevant meeting papers prior to each meeting to enable them to make informed decisions and where necessary, to obtain further explanations/clarifications. Detailed briefings are provided at Board meetings by management and/or professional advisors, where necessary. The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to Bursa Securities.

Minutes of every Board meetings are circulated and tabled for confirmation at the following meeting. The Board also receives Minutes of all sub-committee meetings and is briefed on the issues raised at the respective Committee meetings to ensure that all Directors are kept informed of the Committees' activities.

The Directors have unrestricted access to all information pertaining to the Group's business and affairs to enable them to carry out their duties effectively and diligently. The Audit and Risk Management Committee plays a pivotal role in channelling pertinent operational and assurance related issues to the Board. In addition, the Board is regularly updated on statutory and regulatory requirements pertaining to their duties and responsibilities. All Directors have the consent of the Board to seek independent professional advice where necessary in the course of fulfilling their duties and responsibilities, at the Company's expense.

Statement on Corporate Governance

(cont'd)

PRINCIPLE 2 – STRENGTHEN COMPOSITION

The strength of the Board lies in the composition of its members, who have a wide range of expertise, extensive experience and diverse backgrounds. The Board consists of eight (8) members comprising an Independent Non-Executive Chairman, two (2) Executive Directors (one (1) of whom is the President and Group Chief Executive Officer), one (1) Senior Independent Non-Executive Director, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. There is no individual Director or group of Directors who dominates the Board's decision-making.

During the financial year under review up to the date of this report, one (1) Executive Director, Dato' Ong Chong Sek, one (1) Independent Non-Executive Director, Mr. Leow Hoi Loong@Liow Hoi Loong, and one (1) Non-Independent Non-Executive Director, Datuk Lau Chin An, resigned from the Board.

The composition of the Board is in compliance with the MMLR of Bursa Securities, which requires at least two (2) directors or one-third (1/3rd) of the board of directors, whichever is higher, to be independent directors. The Board is satisfied that the current Board composition fairly reflects the interest of minority shareholders in the Company and is adequate to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company for the benefit of all stakeholders.

The Directors, with their different backgrounds and specialisations, collectively bring with them not only the industry knowledge but also a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and taxation. The Independent Non-Executive Directors apply objective and independent judgement to the decision-making process of the Board and provide the check and balance. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls.

The profiles of each Director are set out on pages 16 to 20 of the Annual Report.

Gender Diversity

In so far as boardroom diversity concerned, the Board does not have a specific policy for setting targets for women candidates. Evaluation of suitability of candidates is solely based on the candidates' character, time commitment, competency, experience and integrity in meeting the needs of the Company. The Board is committed to ensure transparency and diversity in making appointments to the Board (and Board Committees) based on principles of non-discrimination; regardless of race, ethnicity, gender, age, religion or belief. The Board also upholds the promotion of fair participation and equal opportunity in embracing a spirit of inclusion for all individuals of the right caliber. The Board will take note of the requirement on gender diversity when vacancies on the Board arise.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises the following members, all of whom are Independent Non-Executive Directors:-

Chairman:	Datuk Anuar bin Ahmad *(appointed on 1 June 2015)*
Members:	Datuk Ali bin Abdul Kadir *(appointed on 1 June 2015)*
	Tan Sri Dato' Seri Shamsul Azhar bin Abbas *(appointed on 15 June 2015)*
	Mr. Teo Chee Kok *(redesignated from the position of Chairman to a member of Nomination and Remuneration Committee on 1 June 2015)*

The Nomination and Remuneration Committee held six (6) meetings during the financial year ended 31 March 2016. The members of the Nomination and Remuneration Committee have many years of corporate experience and are knowledgeable in the field of executive compensation.

The Nomination and Remuneration Committee is responsible for nominating the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board. The duties and responsibilities of the Nomination and Remuneration Committee include to:

- review annually the Board structure, size and composition to ensure balance of the required mix of skills and experience of the Board, including the core competencies which non-executive directors bring to the Board;

Statement on Corporate Governance
(cont'd)

PRINCIPLE 2 – STRENGTHEN COMPOSITION (cont'd)

Nomination and Remuneration Committee (cont'd)

- review the performance of the Board's Audit and Risk Management Committee and (without prejudice to the generality of the preceding paragraph), to review the term of office and performance of each member of the Board's Audit and Risk Management Committee annually or at such other times required by the relevant authority or deemed necessary by the Nomination and Remuneration Committee; and

- assessing annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director.

Through its Annual Assessment and Evaluation Exercise, the Nomination and Remuneration Committee had conducted the assessment of the effectiveness of the Board as a whole, the efficiency of the Board Committee and the contribution of each individual Director including the Independent Directors to assess their independence. The Board also received confirmation in writing from the Independent Directors of their independence.

The Nomination and Remuneration Committee also appraised the Executive Directors in terms of their experience, knowledge, credibility, integrity and assessed their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company.

The Nomination and Remuneration Committee recommends the appointment of new directors to the Board. However, the Board makes all decisions on appointment after those recommendations.

The Nomination and Remuneration Committee is also responsible for recommending to the Board the appropriate remuneration of the Executive Directors to ensure that the Group attracts and retains Directors of the necessary calibre, experience, knowledge and quality needed to manage the Group successfully. The determination of the remuneration of the Non-Executive Directors is a matter for the Board to consider. The Directors are not involved in the approval of their own remuneration package. Non-Executive Directors are paid attendance/meeting allowance for each Board and/or Committee meeting they attend.

The key responsibilities of the Nomination and Remuneration Committee in so far as remuneration is concerned, is to review and to recommend to the Board the annual salaries, incentive arrangements and other employment conditions and to develop the framework of remuneration policy to facilitate the recruitment and effective retention of the senior management.

The Nomination and Remuneration Committee considers the principles recommended by the MCCG 2012 in determining the directors' remuneration, whereby, the executive remuneration is designed to link rewards to the Group's performance whilst the remuneration of the non-executive directors is determined in accordance with their experience and the level of responsibilities assumed.

The Directors' fees are approved by the Company's shareholders at the Company's Annual General Meeting. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

The aggregate and range of remuneration to the Executive and Non-Executive Directors received and receivable from the Company for the financial year ended 31 March 2016 whose remuneration falls into each successive bands of RM50,000 were as follows:

	Fees (RM)	**Salaries (RM)**	**Other Emoluments* (RM)**	**Total (RM)**
Executive Directors	8,000	1,000,000	140,230	1,148,230
Non-Executive Directors	319,333	-	66,200	385,533
Total	327,333	1,000,000	206,430	1,533,763
				(2015: RM922,892)

*Other emoluments include bonus, allowances, statutory contribution and benefits-in-kind

Statement on Corporate Governance

(cont'd)

PRINCIPLE 2 – STRENGTHEN COMPOSITION (cont'd)

Nomination and Remuneration Committee (cont'd)

Range of Remuneration	Executive Directors No. of Directors	Non-Executive Directors No. of Directors
Below RM50,000	-	2
RM50,001 to RM100,000	-	7
RM550,001 to RM600,000	2	-

The Board is satisfied that the Nomination and Remuneration Committee, in its current form, effectively and efficiently discharges its function in respect of the nomination and remuneration matter.

Retirement and re-election of Directors

The Company's Articles of Association provide that all directors including the President & Group Chief Executive Officer are to retire from office at least once in every three (3) years or at least one-third (1/3rd) of the directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3rd) shall retire from office and be eligible for re-election at each Annual General Meeting. Any new Director appointed by the Board during the year is required to stand for election at the next Annual General Meeting. The Directors to retire in each year are the Directors who have been longest in office since their last election. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meeting attendance and the shareholdings in the Group of each Director standing for re-election are furnished in the Profile on Board of Directors contained in the Annual Report.

In accordance with the Articles of Association, all directors who are appointed by the Board may only hold office until the conclusion of the next Annual General Meeting subsequent to their appointment and shall then be eligible for re-election by shareholders at that Annual General Meeting. Accordingly, Dato' Kamaluddin bin Abdullah, Mr. Teo Chee Kok and Mr. Kok Kong Chin who are due to retire from the Board at the forthcoming Annual General Meeting, being eligible, will offer themselves for re-election.

PRINCIPLE 3 – REINFORCE INDEPENDENCE

There is clear division of responsibilities between the Chairman and the President and Group Chief Executive Officer to engender accountability and facilitate the division of responsibility, such that no one individual has unfettered powers over decision making. The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The President and Group Chief Executive Officer, supported by the Senior Management team, implements the Group's strategic plans, policies and decisions adopted by the Board and oversees the operations and business development of the Group.

The Board recognises the importance of independence and objectivity in its decision making process, which is in line with the MCCG 2012.

Annual Assessment of Independence

An Independent Director of the Company is a Director who is independent of management and free from any business or other relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company. The Board through the Nomination and Remuneration Committee assesses an Independent Director's independence to ensure on-going compliance with this requirement annually.

For the financial year ended 31 March 2016, the Board assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the MMLR of Bursa Securities. The Board is satisfied with the level of independence demonstrated by all the independent directors and their ability to act in the best interest of the Company.

Statement on Corporate Governance
(cont'd)

PRINCIPLE 3 – REINFORCE INDEPENDENCE (cont'd)

Tenure of Independent Directors

The Board noted that one of the recommendations of the MCCG 2012 is that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, the Independent Director may continue to serve on the Board subject to prior assessment by the Board to be conducted through the Nomination and Remuneration Committee and the Independent Director's redesignation as a Non-Independent Director. The Board will justify and seek shareholders' approval in the event it retains as an Independent Director a person who has served in that capacity for more than nine (9) years.

Position of Chairman and President & Group Chief Executive Officer

The roles of the Chairman and the President & Group Chief Executive Officer are distinct and separate to engender accountability to facilitate clear division of responsibilities to ensure there is a balance of power and authority in the Company.

The Chairman is responsible for ensuring Board effectiveness and standards of conduct while the President & Group Chief Executive Officer is responsible for the overall management of the Group, including smooth running of the businesses and implementation of strategies and policies.

The Board delegates to the President & Group Chief Executive Officer (supported by the Executive Director and the Management) the implementation of the Company's strategic plan, policies and decisions adopted by the Board to achieve the Company's objective of creating long-term value for its shareholders.

PRINCIPLE 4 - FOSTER COMMITTMENT

Board meetings

The Board meets at least once in each quarter, with additional meetings held when needed. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Board and Board Committees papers are prepared by Management, which provide the relevant facts and analysis for the consideration of Directors. The agenda, relevant reports and Board papers are furnished to Directors and Board Committees members in advance to allow the Directors to have the sufficient time to peruse for effective discussion and decision making during meetings. The Chairman of the Audit and Risk Management Committee will brief the Directors at each Board meeting of any salient matters noted by the Audit and Risk Management Committee and which require the Board's notice or direction. All pertinent matters discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities, which is evidenced by the satisfactory attendance record of the Directors at Board meetings.

During the financial year ended 31 March 2016, seven (7) Board meetings were held. Details of attendance of the Directors are set out below:

No.	Name of Director	No. of Meetings Attended
1	Datuk Ali bin Abdul Kadir	5/5
2	Dato' Mazlin bin Md Junid	5/6
3	Dato' Kamaluddin bin Abdullah	6/6
4	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	5/5
5	Datuk Anuar bin Ahmad	5/5
6	Mr. Loh Chen Yook *(resigned with effect from 20 April 2015, re-appointed with effect from 1 June 2015)*	6/6
7	Mr. Teo Chee Kok	7/7
8	Mr. Kok Kong Chin *(appointed with effect from 26 February 2016)*	1/1
9	Datuk Lau Chin An *(resigned with effect from 1 June 2015)*	2/2
10	Dato' Ong Chong Sek *(resigned with effect from 20 April 2015)*	1/1
11	Mr. Law Wai Cheong *(resigned with effect from 1 June 2015)*	1/2
12	Mr. Leow Hoi Loong@Liow Hoi Loong *(resigned with effect from 1 June 2015)*	1/2

Statement on Corporate Governance
(cont'd)

PRINCIPLE 4 - FOSTER COMMITTMENT (cont'd)

Board meetings (cont'd)

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the MMLR of Bursa Securities.

In the intervals between Board meetings, any matters requiring Board decisions or approvals will be sought via circular resolutions which are supported with all relevant information and explanations required for an informed decision to be made.

Directors' training

The Directors are mindful that relevant training is required to broaden their knowledge and to keep abreast with the various changes in laws, regulations and business environment in order to effectively discharge their duties.

All Directors have attended and completed the Mandatory Accreditation Programme pursuant to the MMLR of Bursa Securities. Given the varying training needs of each Director, all the Directors have continuously undergone training programmes to enhance their skills and knowledge.

The Management co-ordinates training programmes for the Directors. The Directors are encouraged to determine the relevant programmes and seminars available that would best suit them to enhance their knowledge and contributions to the Board. The Management keeps the record of the training attended by the Directors.

The Management also provides the Board updates on the relevant guidelines on statutory and regulatory requirements from time to time. The Company Secretaries circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefs the Board quarterly on any updates at Board meetings. The external auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

The training programmes and courses attended by the Directors during the financial year under review are as follows:

Date Attended	Programme	Name of Directors
2 July 2015	Shariah Training	Datuk Ali bin Abdul Kadir
29 July 2015	Changes to the laws on property development	Kok Kong Chin
17 August 2015	HSBC Forum: RMB and China's Global Future	Kok Kong Chin
10 September 2015	Cooking the books-the Malaysian recipe on financial fraud	Datuk Anuar bin Ahmad
29 October 2015	The new Companies Bill 2015 and Boardroom war/tussle	Tan Sri Dato' Seri Shamsul Azhar bin Abbas
3-5 November 2015	11th World Islamic Economic Forum	Datuk Ali bin Abdul Kadir
23 March 2016	Updates on the Companies Bill and Identifying Red Flags in Financial Statements	Datuk Ali bin Abdul Kadir Dato' Kamaluddin bin Abdullah Dato Mazlin bin Md Junid Tan Sri Dato' Seri Shamsul Azhar bin Abbas Datuk Anuar bin Ahmad Loh Chen Yook Teo Chee Kok Kok Kong Chin
28 March 2016	The Essence of Independence	Tan Sri Dato' Seri Shamsul Azhar bin Abbas Datuk Anuar bin Ahmad

Statement on Corporate Governance
(cont'd)

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Board is committed to present a balanced and fair assessment of the Group's financial position and prospects through the issuance of the Annual Audited Financial Statements and quarterly financial reports, as well as corporate announcements affecting the Company in accordance with the MMLR of Bursa Securities.

In discharging its responsibilities, the Board is assisted by the Audit and Risk Management Committee in overseeing the Group's financial reporting processes and the quality of its financial reporting.

The Directors' Responsibility Statement in respect of the preparation of the Annual Audited Financial Statements is set out on page 46 of this Annual Report.

Assessment of suitability and independence of External Auditors

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the Audit and Risk Management Committee, in assessing the suitability and independence of the External Auditors. Such procedures entail the provision of written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The Board maintains a close and transparent relationship with the auditors in seeking their professional advice and ensuring the financial statements are prepared in compliance with the accounting standards. The Audit and Risk Management Committee had met with the external auditors without the presence of the Executive Directors and management twice during the financial year ended 31 March 2016.

The Audit and Risk Management Committee works closely with audit partner assigned by Messrs. BDO to the Company, to act as the key representative for overseeing the relationship of the Company with the external auditors. In compliance with the Malaysian Institute of Accountants, Messrs. BDO rotates its audit partners every five (5) years to ensure objectivity, independence and integrity of the audit.

On an annual basis, the Audit and Risk Management Committee would review and monitor the suitability and independence of the external auditors.

The Audit and Risk Management Committee is satisfied with the competence and independence of the external auditors and had recommended the re-appointment of the external auditors to the Directors at the 24th Annual General Meeting.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISK

Sound risk management framework

The Board is ultimately responsible for the establishment of a sound framework to manage risks. The President & Group Chief Executive Officer oversees these risk management processes and activities and reports to the Board. The Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control.

The Statement on Risk Management and Internal Control as set out on pages 40 to 43 in the Annual Report provides an overview of the management of risks and state of internal controls within the Group.

Internal Audit Function

The Board acknowledges its responsibility for the Group's systems of internal control and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

Statement on Corporate Governance
(cont'd)

PRINCIPLE 6 – RECOGNISE AND MANAGE RISK (cont'd)

Internal Audit Function (cont'd)

The Company has in its employment, an Internal Auditor who reports directly to the Chairman of the Board's Audit and Risk Management Committee. In addition, the Board has outsourced an internal audit function for the property development and investment business and operations of the Group. Both the Internal Auditor and the outsourced internal auditor for property development and investment business and operations report directly to the Audit and Risk Management Committee. Both the said Internal Auditors adopt a risk-based approach towards in planning and audit execution. The scope of work covered by the internal audit function during the financial year is set out on page 26 of this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policies and Procedures

The Board recognises the importance of effective and timely communication with shareholders and the investors to ensure they make informed decisions. The Board supports effective and timely corporate disclosure to achieve the following objectives:-

- To raise awareness and provide guidance to the Board, management, officers and employees on the Company's disclosure requirements and practices;
- To provide guidelines and policies to disseminate corporate information;
- To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- To build good investor relations with the investing public that inspires trust and confidence.

Leverage on Information Technology for Effective Dissemination of Information

All information made available to Bursa Securities is made immediately available or as soon as reasonably practicable to shareholders and the market at the Company's website: www.enra.my.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Encourage Shareholders Participation at General Meetings

The Board recognises the importance of clear and regular communication and proper and timely dissemination of information to its shareholders and institutional investors. In addition to quarterly financial reports, the Company communicates with shareholders and investors through its annual report, with comprehensive and sufficient details about financial results and activities of the Group. Whilst the Company endeavours to provide as much information as possible, it is also aware of legal and regulatory framework governing release of material and price sensitive information.

The Annual General Meeting ("AGM") of the Company provides an open forum at which shareholders and investors are informed of current developments. The Company supports the MCCG 2012's principle to encourage shareholders participation and time is allowed during the AGM for questions to be raised to the Board members.

Notice of the AGM and the Annual Report are sent out at least 21 days prior to the date of the AGM in accordance with the provisions of the Company's Articles of Association and is also advertised in a local daily newspaper. Any item of the Special Business included in the Notice of the AGM will be accompanied by a full explanation of the effects of the proposed resolution.

Effective Communication and Proactive Engagement

At the previous AGM, the Directors were present to engage directly with the shareholders. The Chairman invited shareholders to raise questions before putting a resolution to vote. The Directors, management and external auditors were present to respond to the shareholders' queries.

This Statement on Corporate Governance is made in accordance with the Board's resolution dated 16 June 2016.

Statement on Risk Management and Internal Control

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities ("Bursa Securities") requires the Board of Directors of a public listed company to include in its annual report a statement about the state of risk management and internal control of the listed issuer as a group. The Bursa Securities' Statement on Risk Management & Internal Control (Guidelines for Directors of Listed Issuers) provides guidance for compliance with these requirements. The revised Malaysian Code on Corporate Governance 2012 issued by the Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. ENRA Group Berhad's ("ENRA") Board of Directors ("Board") is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities which outlines the nature and scope of the Risk Management and internal control of ENRA during the financial year under review.

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound internal controls and risk management practices to safeguard various stakeholders' interest and to address all key risks, which the Board considers relevant and material to its operations. The Board affirms its overall responsibility for ENRA and its subsidiaries' ("Group") systems of internal controls and risk management process, which includes the establishment of an appropriate control environment and framework. The Board is also responsible for reviewing the effectiveness, adequacy and integrity of those systems. These systems are designed to manage rather than to eliminate, the risk that may impact the Group arising from non-achievement of the Group's policies, goals and objectives. Such system provides reasonable but not absolute, assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing the operating and financial controls affecting the achievement of its business objectives throughout the period. The Group Internal Audit Department plays a role in this respect. The process is semiannually reviewed at by the Board Audit and Risk Management Committee

The Board maintains ultimate responsibility over the Group's system of internal control and risk management process it has delegated to the executive management for implementation. The role of Internal Audit is to provide the reasonable assurance that the designed controls are in place and are operating as intended. Two major sites were reviewed during the year, Holiday Plaza and Shamelin Star Service apartments.

RISK MANAGEMENT FRAMEWORK

The Board undertook to review the risk management processes in place within the Group with the assistance of the Executive Risk Management Committee and the Group Internal Audit department.

The Executive Risk Management Committee meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted.

The key elements of the Group's risk management framework are as follows:

- An Executive Risk Management Committee, which is chaired by the President & Group Chief Executive Officer and includes the executive management personnel's from the relevant business and support functions and Internal Audit as the risk coordinator. The Executive Risk Management Committee is entrusted with the term of reference and the responsibility to identify and communicate to the Board the key risks the Group faces, their changes, and the management actions and plans to manage the risks.

- A Risk Management policy guide and manual, which outlines the corporate policy and framework on risks management for the Group and offers practical guidance on risk management issues. Setting up of the Risk Management Units at the subsidiary/operational level to report quarterly to the Executive Risk Management Committee.

- Risk awareness workshop sessions are conducted both at Group level as well as at subsidiary/operational levels to promote the understanding of risk management principles and practices across different functions within the Group.

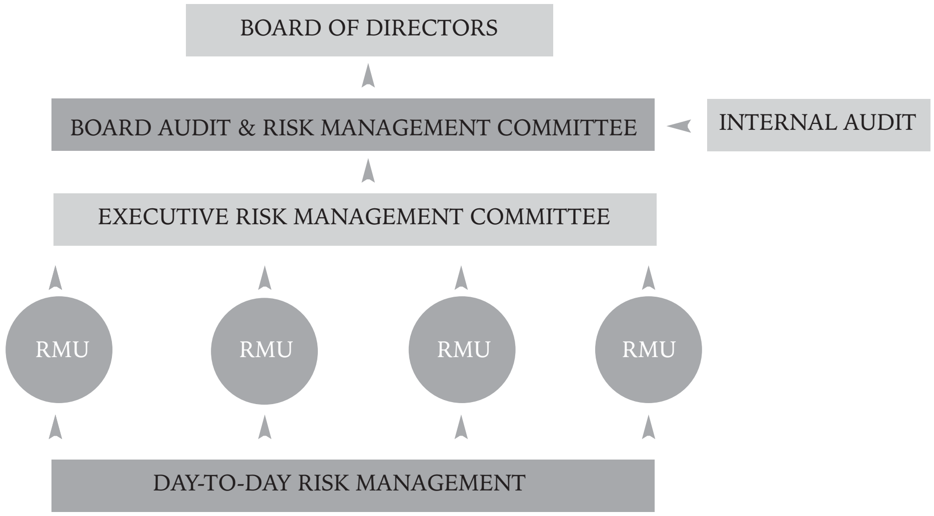
- Quarterly updates on risk management from the heads of the various business units and supporting functions to the Risk Management Units, which in turn reports the Executive Risk Management Committee.

Statement on Risk Management and Internal Control
(cont'd)

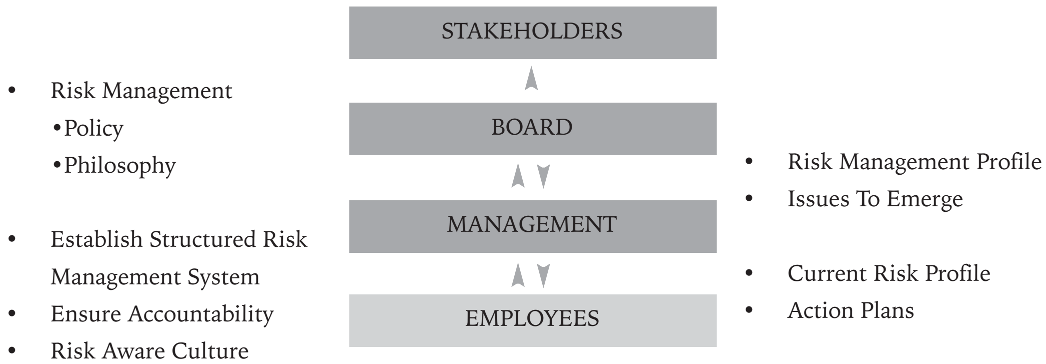
RISK MANAGEMENT FRAMEWORK (cont'd)

- Drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of the risk management principles towards cultivating a sustainable risk management culture.
- Quarterly review by the Board Audit & Risk Management Committee on the adequacy and integrity of the system of internal control and risk management process

RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT RESPONSIBILITIES



Statement on Risk Management and Internal Control

(cont'd)

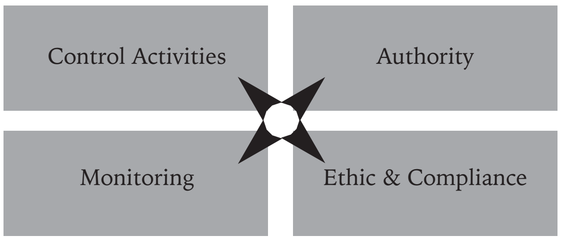
INTERNAL AUDIT FUNCTION

At present the Internal Audit function comprises of an in-house manager and a team outsourced to a consulting firm. The Internal Audit function operates within the framework stated in its Internal Audit Charter, which is approved by the Board Audit and Risk Management Committee. The Internal Audit function provides the Board Audit and Risk Management Committee with independent opinions of processes, risk exposure and systems of internal control of the Group.

The outsourced Internal Audit team together with the in-house audit manager independently reviews the key business processes, and reports to the Board Audit and Risk Management Committee on a quarterly basis. The Board Audit and Risk Management Committee reviews and evaluates the key audit issues raised by the outsourced Internal audit function and ensures that appropriate and prompt remedial action is taken by management. During the financial year, the outsourced team internal audit function prepared and presented an annual audit review schedule to Board Audit and Risk Management Committee. This annual schedule outlines the key business processes of the Group's property development as well as shopping and offices complex activities. The Board Audit and Risk Management Committee had reviewed and approved the schedule providing the Internal audit team with the mandate to complement the in-house audit function in assessing the adequacy and effectiveness of the Group's internal control system.

CONTROL ENVIRONMENT AND STRUCTURE

Apart from the above, the other key elements of the Group's internal Control system include:



a) Policies, procedures and limits of authority make up the control activities and authority
   - Clearly documented internal policies, standards and procedures are in place and semiannually updated to reflect and enhance operational efficiency. Cases of non-compliance to policies and procedures are reported to the Board Audit & Risk Management Committee.
   - Clearly defined delegation of responsibilities to committees of the Board and to management including organization structures and appropriate authority levels.

b) Strategies business planning, budgeting and reporting does the monitoring
   - Monthly comprehensive information provided to management for monitoring through the Executive Committee ("EXCO") meetings on performance against strategic plans covering all key financial and operational indicators.
   - Detailed budgeting process requiring all business units to review their budgets semiannually the budgets are discussed and approval by President & Group Chief Executive and subsequently the Board.
   - The Group Chief Financial Officer provides the Board with quarterly financial information. Effective reporting system exposes significant variances against budget. Key variances are followed up by management and reported to the Board.

c) Risk assessment makes sure that all are in compliance and meet the ethical requirements of the ethics code.
   - The President & Group Chief Executive Officer, with the input from the Executive Risk Management Committee, reviews with the Board Audit and Risk Management Committee on any significant changes in internal and external environment, which affects the Group's risk profile.

Statement on Risk Management and Internal Control

(cont'd)

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on this Statement of Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide 5 (Revised), Guidance for Auditors on Engagement and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 31 March 2016, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines nor is the Statement factually inaccurate.

BOARD ASSURANCE

For the financial year under review, the Board is satisfied and is of the view that the risk management and internal control systems in place for the year under review and up to the date of issuance of the financial statements is adequate and effective and there are no material losses resulting from significant weaknesses that require separate disclosure in the Annual Report.

The Board has also received assurance from the Executive Director, President & Group Chief Executive Officer and the Group Chief Financial Officer that to their knowledge, the Group's risk management and internal control systems are operating adequately ad effectively, in all material aspects, based on the risk management and internal control systems of the Group. Nevertheless, the Board together with the management of the Group is continuously taking measures to improve the policies and processes to further strengthen the key elements of risk management and internal control systems.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 16 June 2016.

Other Compliance Information

for the financial year ended 31 March 2016
in compliance with the MMLR of Bursa Securities

Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year under review.

Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Group for the financial year under review amounted to RM420,436 by the external auditors or a firm or company affiliated to the external auditors.

Material Contracts

(a) Disposal of entire equity interest in Advantage Equity Sdn. Bhd. ("AESB"), Balance Focus Sdn. Bhd. ("BFSB") and Grand Sentosa Hotel Management Services Sdn. Bhd. ("GSHMSSB") and 30% equity interest in Landmark Zone Sdn. Bhd. ("LZSB")

On 8 December 2014, the Group had announced a proposed corporate exercise for the disposal of the entire equity interest in AESB, BFSB and GSHMSSB and 30% equity interest in LZSB.

The shareholders of the Company had at an Extraordinary General Meeting held on 18 May 2015 approved the disposal of the Company's entire equity interest in AESB, BFSB and GSHMSSB for RM71.8 million, RM1.3 million and RM0.1 million respectively. These disposals have been completed on 1 July 2015 and these companies ceased to be subsidiaries of the Company.

At the same Extraordinary General Meeting, the shareholders of the Company also approved the disposal of 30% equity interest in LZSB for RM8.3 million. This disposal has been completed on 1 June 2015.

(b) Proposed disposal of LZSB

On 18 March 2016, the Company had entered into an agreement in respect of the disposal of 2,400,000 ordinary shares of RM1 each representing 30% equity held by the Company in LZSB to Meridian Hectares Sdn. Bhd. ("MHSB") for a cash consideration of RM13.90 million.

As at that date, the Company holds 70% equity interest in LZSB while MHSB holds the remaining 30%.

However, on 10 May 2016, the Company and MHSB have mutually agreed to terminate the agreement for the proposed disposal to renegotiate the terms and conditions to explore the possibility of disposing a higher equity interest in LZSB held by the Company.

Save for the above, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of the Directors and major shareholders which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year.

Other Compliance Information

for the financial year ended 31 March 2016
in compliance with the MMLR of Bursa Securities (cont'd)

Revaluation of Landed Properties

The Group has not adopted a policy of regular revaluation on landed properties. However, fair value accounting is applied for properties classified under the Group's Investment Properties.

Share Buy-Back

There were no purchases of its own shares by the Company during the financial year under review.

Options or Convertible Securities

The Company did not issue any options or convertible securities during the financial year under review.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year under review.

Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors and management by any relevant regulatory bodies during the financial year under review.

Variance of Actual Profit from the Forecast Profit

There was no profit estimation, forecast or projection made or released by the Company during the financial year under review. There were no variance of 10% or more between the audited results and the unaudited results previously announced pertaining to the said financial year.

Profit Guarantee

There were no profit guarantees for the financial year under review.

Directors' Responsibility Statement

The Companies Act, 1965 ("Act") requires the Directors to prepare the financial statements for the financial year ended 31 March 2016, which have been made out in accordance with the applicable Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia and the Bursa Malaysia Listing Requirements.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and its subsidiaries (the "Group") as at 31 March 2016 and of the results, financial performance and cash flows of the Group for the financial year.

The Directors consider that, in preparing the financial statements for the financial year ended 31 March 2016, the Company and the Group have used appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors have used and applied on a consistent basis, the accounting policies and practices under the applicable approved accounting standards and the provisions of the Act in Malaysia and prepared the financial statements on a going concern basis.

The Directors have a general responsibility for taking such steps as reasonably open to them to ensure that proper internal controls are in place to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities. The Directors are also responsible to ensure that the Company and the Group kept proper accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group in accordance with the Act.

Financial Statements

Page

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in property investment and investment holding activities.

The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of those activities during the financial year except for those disclosed in Note 9 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year from:		
- continuing operations	13,326	27,570
- discontinued operations	1,057	-
Profit for the financial year	14,383	27,570
Attributable to:		
Owners of the parent	8,913	27,570
Non-controlling interests	5,470	-
	14,383	27,570

DIVIDEND

No dividend has been paid or declared during the financial year.

On 13 May 2016, the Board of Directors declared a first interim single-tier dividend of 3 sen per ordinary share of RM1.00 each and a special interim single-tier dividend of 5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 March 2016. The total dividend payable amount to RM10,793,000. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2017.

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2016.

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.

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

As at 31 March 2016, the Company held 1,289,400 treasury shares at a total cost of RM1,199,000.

Directors' Report
(cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office since the date of the last report are:

Datuk Ali bin Abdul Kadir (Chairman)
Dato' Kamaluddin bin Abdullah (Executive Deputy Chairman)
Dato' Mazlin bin Md Junid (President & Group Chief Executive Officer)
Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Datuk Anuar bin Ahmad
Kok Kong Chin (appointed on 26 February 2016)
Loh Chen Yook
Teo Chee Kok

In accordance with Article 76 of the Company's Articles of Association, Dato' Kamaluddin bin Abdullah and Teo Chee Kok retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 83 of the Company's Articles of Association, Kok Kong Chin retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2016 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	Number of ordinary shares of RM1.00 each			
	Balance as at date of appointment	**Bought**	**Sold**	**Balance as at 31.3.2016**
<u>**Shares in the Company**</u>				
Direct interests				
Datuk Ali bin Abdul Kadir	-	4,000,000	-	4,000,000
Dato' Kamaluddin bin Abdullah	8,507,629	-	(4,000,000)	4,507,629
Kok Kong Chin	3,000,000	-	-	3,000,000
Indirect interests				
Dato' Kamaluddin bin Abdullah	44,600,000	-	-	44,600,000
Dato' Mazlin bin Md Junid	29,400,000	-	-	29,400,000
<u>**Shares in subsidiary**</u>				
- Landmark Zone Sdn. Bhd.				
Indirect interests				
Loh Chen Yook	-	2,400,000	-	2,400,000

None of the other Directors holding office at the end of the financial year held any beneficial interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Report

(cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in 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 other than the transactions entered into the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 35 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for:

(i) The effect arising from gain on disposal of the Company's entire equity interest in Advantage Equity Sdn. Bhd. ('AESB'), Balance Focus Sdn. Bhd. ('BFSB') and Grand Sentosa Hotel Management and Services Sdn. Bhd. ('GSHMSSB') resulting in an increase in the Group's and the Company's profit for the financial year by RM295,000 and RM28,797,000 respectively as disclosed in Note 34 to the financial statements;
(ii) The effect arising from gain on disposal of the Company's 30% of equity interest in Landmark Zone Sdn. Bhd. ('LZSB') resulting in an increase in the Company's profit for the financial year by RM5,900,000 as disclosed in Note 26 to the financial statements; and
(iii) The effect arising from fair value adjustments on investment properties resulting in a decrease in profit of the Group and of the Company for the financial year by RM3,700,000 and RM3,191,000 respectively as disclosed in Note 8 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

(cont'd)

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature 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; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year, other than those disclosed elsewhere in the financial statements, are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

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

Dato' Mazlin bin Md Junid
Director

Loh Chen Yook
Director

Kuala Lumpur
16 June 2016

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 55 to 125 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 41 to the financial statements on page 126 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Dato' Mazlin bin Md Junid
Director

Loh Chen Yook
Director

Kuala Lumpur
16 June 2016

Statutory Declaration

I, Norsharizal bin Mashahrin, being the Officer primarily responsible for the financial management of ENRA Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 126 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the above named at)
Kuala Lumpur this)
16 June 2016)

Norsharizal bin Mashahrin

Before me,

PESURUHJAYA SUMPAH
No. W 663
Nama: BALOO A/L T.PICHAI
MALAYSIA

NO. 102 & 104 1st FLOOR BANGUNAN
PERSATUAN YAP SELANGOR
JALAN TUN HS LEE

Independent Auditors' Report

to the Members of ENRA GROUP BERHAD

Report on the Financial Statements

We have audited the financial statements of ENRA Group Berhad, which comprise statements of financial position as at 31 March 2016 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 125.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the accounts and the auditors' report of all the subsidiaries of which we have not acted as auditors, which indicated in Note 9 to the financial statements.

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

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

Independent Auditors' Report

to the Members of ENRA GROUP BERHAD (cont'd)

Other Reporting Responsibilities

The supplementary information set out in Note 41 to the financial statements 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 Context of Disclose 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 MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

BDO
AF : 0206
Chartered Accountants

Ng Soe Kei
2982/08/17 (J)
Chartered Accountant

Kuala Lumpur
16 June 2016

Statements of Financial Position

As at 31 March 2016

		Group		Company	
		2016	2015	2016	2015
ASSETS	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	7	**4,267**	31,742	**2,612**	2,416
Investment properties	8	**170,400**	317,649	**169,863**	173,054
Investments in subsidiaries	9	**-**	-	**5,611**	52,407
		174,667	349,391	**178,086**	227,877
Current assets					
Property development costs	10	**65,363**	76,598	**-**	-
Inventories	11	**41,208**	30	**-**	-
Trade and other receivables	12	**78,167**	68,309	**62,563**	32,036
Current tax assets		**654**	61	**654**	57
Cash and bank balances and short term funds	13	**37,169**	7,991	**11,262**	2,930
		222,561	152,989	**74,479**	35,023
TOTAL ASSETS		**397,228**	502,380	**252,565**	262,900
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	**136,208**	136,208	**136,208**	136,208
Reserves	15	**98,995**	87,254	**77,952**	50,382
		235,203	223,462	**214,160**	186,590
Non-controlling interests		**11,026**	-	**-**	-
TOTAL EQUITY		**246,229**	223,462	**214,160**	186,590
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	16	**200**	864	**106**	120
Trade and other payables	17	**6,104**	49,104	**-**	-
Borrowings	18	**35,360**	77,112	**19,538**	39,433
		41,664	127,080	**19,644**	39,553
Current liabilities					
Trade and other payables	17	**86,374**	72,549	**3,980**	10,021
Borrowings	18	**20,945**	78,065	**14,781**	26,736
Current tax liabilities		**2,016**	1,224	**-**	-
		109,335	151,838	**18,761**	36,757
TOTAL LIABILITIES		**150,999**	278,918	**38,405**	76,310
TOTAL EQUITY AND LIABILITIES		**397,228**	502,380	**252,565**	262,900

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

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Continuing operations					
Revenue	23	**131,727**	82,935	**9,819**	9,554
Cost of sales	24	**(89,691)**	(66,902)	**(3,496)**	(3,278)
Gross profit		**42,036**	16,033	**6,323**	6,276
Other income		**1,626**	1,127	**35,829**	2,590
Administrative expenses		**(15,383)**	(5,276)	**(8,762)**	(3,571)
Other expenses		**(4,309)**	(2,216)	**(2,477)**	(2,076)
Finance costs	25	**(3,966)**	(4,879)	**(3,327)**	(5,223)
Profit/(Loss) before tax	26	**20,004**	4,789	**27,586**	(2,004)
Tax expense	27	**(6,678)**	(3,395)	**(16)**	(720)
Profit/(Loss) for the financial year from continuing operations		**13,326**	1,394	**27,570**	(2,724)
Discontinued operations					
Profit for the financial year from discontinued operations, net of tax	28	**1,057**	7,271	**-**	-
Profit/(Loss) for the financial year		**14,383**	8,665	**27,570**	(2,724)
Foreign currency translations, net of tax		**84**	-	**-**	-
Total comprehensive income/(loss)		**14,467**	8,665	**27,570**	(2,724)

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

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2016 (cont'd)

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:					
Owners of the parent		**8,913**	8,665	**27,570**	(2,724)
Non-controlling interest		**5,470**	-	-	-
		14,383	8,665	**27,570**	(2,724)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**8,977**	8,665	**27,570**	(2,724)
Non-controlling interest		**5,490**	-	**-**	-
		14,467	8,665	**27,570**	(2,724)
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic and diluted	29				
Profit from continuing operations		**5.82**	1.03		
Profit from discontinued operations		**0.78**	5.39		
Profit for the financial year		**6.60**	6.42		

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2016

Group	Note	← Non-distributable				→	Distributable			
		Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance as at 31 March 2014		136,208	8,536	275	-	(1,199)	70,977	214,797	-	214,797
Profit for the financial year		-	-	-	-	-	8,665	8,665	-	8,665
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	8,665	8,665	-	8,665
Balance as at 31 March 2015		136,208	8,536	275	-	(1,199)	79,642	223,462	-	223,462
Profit for the financial year		-	-	-	-	-	8,913	8,913	5,470	14,383
Other comprehensive income, net of tax		-	-	-	64	-	-	64	20	84
Total comprehensive income		-	-	-	64	-	8,913	8,977	5,490	14,467
Transactions with owners										
Change in equity interest in a subsidiary	39	-	-	-	-	-	2,764	2,764	5,536	8,300
Total transactions with owners		-	-	-	-	-	2,764	2,764	5,536	8,300
Balance as at 31 March 2016		136,208	8,536	275	64	(1,199)	91,319	235,203	11,026	246,229

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

Statement of Changes in Equity

For the financial year ended 31 March 2016

Company	Non-distributable Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable Treasury shares RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 31 March 2014	136,208	8,536	(1,199)	45,769	189,314
Loss for the financial year	-	-	-	(2,724)	(2,724)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss	-	-	-	(2,724)	(2,724)
Balance as at 31 March 2015	136,208	8,536	(1,199)	43,045	186,590
Profit for the financial year	-	-	-	27,570	27,570
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	27,570	27,570
Balance as at 31 March 2016	136,208	8,536	(1,199)	70,615	214,160

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

Statements of Cash Flows

For the financial year ended 31 March 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax from:					
Continuing operations		**20,004**	4,789	**27,586**	(2,004)
Discontinued operations		**1,506**	8,425	**-**	-
Adjustments for:					
Bad debts written off		**1**	52	**1**	-
Depreciation of property, plant and equipment	7	**938**	1,985	**366**	275
Fair value adjustments on investment properties	8	**3,700**	(1,357)	**3,191**	1,422
Gain on disposal of investment properties		**-**	(385)	**-**	(385)
Gain on disposal of subsidiaries	34	**(295)**	(20)	**(28,797)**	(1)
Gain on disposal of equity interest in a subsidiary		**-**	-	**(5,900)**	-
Impairment losses on trade receivables	12	**162**	752	**-**	-
Interest expense		**4,667**	8,370	**3,327**	5,223
Interest income		**(801)**	(96)	**(1,107)**	(2,043)
Loss on disposal of property, plant and equipment		**25**	-	**-**	-
Property, plant and equipment written off	7	**-**	15	**-**	-
Unrealised gain on foreign exchange		**(176)**	-	**-**	-
Operating profit/(loss) before changes in working capital		**29,731**	22,530	**(1,333)**	2,487
Decrease in property development costs		**11,235**	5,438	**-**	-
Increase in inventories		**(44,609)**	(3)	**-**	-
Increase in trade and other receivables		**(23,782)**	(41,138)	**(444)**	(1,702)
Increase/(Decrease) in trade and other payables		**31,578**	7,991	**(1,385)**	1,363
Cash generated from/(used in) operations		**4,153**	(5,182)	**(3,162)**	2,148
Tax paid		**(6,566)**	(3,568)	**(628)**	(237)
Net cash (used in)/from operating activities		**(2,413)**	(8,750)	**(3,790)**	1,911
Acquisition of subsidiaries for cash	9	**-**	-	**(7)**	(4)
Interest received		**801**	96	**520**	49
Placement of fixed deposits pledged		**(2,930)**	(61)	**(50)**	(50)
Proceeds from disposal of:					
- investment properties		**-**	1,940	**-**	1,940
- subsidiaries	34	**82,789**	1	**73,200**	1
- equity interest in a subsidiary	39	**8,300**	-	**8,300**	-
- property, plant and equipment		**22**	-	**-**	-
Purchase of:					
- investment properties	8	**(15)**	(4,894)	**-**	(4,807)
- property, plant and equipment	7	**(1,648)**	(453)	**(378)**	(159)
Advances from/(Repayments to) a related party		**4,914**	8,400	**-**	(8,500)
Advances (to)/from subsidiaries		**-**	-	**(34,281)**	11,019
Net cash from/(used in) investing activities		**92,233**	5,029	**47,304**	(511)

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

Statements of Cash Flows

For the financial year ended 31 March 2016 (cont'd)

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		**19,523**	36,264	**-**	6,000
Interest paid		**(4,667)**	(7,714)	**(3,198)**	(4,662)
Repayments of:					
- hire-purchase and lease creditors		**(218)**	(93)	**(121)**	(61)
- other borrowings		**(45,984)**	(12,231)	**(11,800)**	-
- term loans		**(9,053)**	(20,361)	**(7,199)**	(7,143)
Net cash used in financing activities		**(40,399)**	(4,135)	**(22,318)**	(5,866)
Net increase/(decrease) in cash and cash equivalents		**49,421**	(7,856)	**21,196**	(4,466)
Cash and cash equivalents at beginning of financial year		**(22,918)**	(15,062)	**(18,246)**	(13,780)
Effects of exchange rate changes on cash and cash equivalents		**(859)**	-	**-**	-
Cash and cash equivalents at end of financial year	13(e)	**25,644**	(22,918)	**2,950**	(18,246)

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

Notes to the Financial Statements

31 March 2016

1. CORPORATE INFORMATION

ENRA Group 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 is located at D3-U6-15, Block D3, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 March 2016 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 June 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in property investment and investment holding activities. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for those disclosed in Note 9 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 55 to 125 have been prepared in accordance with Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia.

However, Note 41 to the financial statements set out on page 126 has been prepared 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.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with FRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee;

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual agreements; and

(iii) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, the accounting policies of the subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(i) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits respectively;*

(ii) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and

(iii) Assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(i) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(ii) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value, or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. 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 will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the costs of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates and period are as follows:

Hotel properties	2%
Hotel renovation	6.67%
Buildings	50 years
Furniture, fittings, renovation and office equipment	10% - 33.33%
Computer hardware and software	20% - 33.33%
Motor vehicles	20%
Plant and machinery	10%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 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.

4.5 Leases and hire-purchase

(a) Finance leases and hire-purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.6 Property development costs

Property development costs comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

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

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

4.7 Investment properties

Investment properties are properties, which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuer with appropriate recognised professional qualification and have recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.8 Investments

Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 Investments (cont'd)

Subsidiaries (cont'd)

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories, property development costs, deferred tax assets and investment properties measured at fair value and non-current assets (or disposal groups) held for sale, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to reduce the carrying amount of assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.10 Inventories

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

Cost is determined using the first-in, first-out formula. The cost comprises all cost of purchases plus the cost of bringing the inventories to their present location and condition.

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

4.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(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 at 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 at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at 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 is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

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

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

(iii) Loans and receivables

Financial assets classified as loans and receivables 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, bank overdrafts and fixed deposits with banks and other short term, highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

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

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at 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.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

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

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

(c) Equity (cont'd)

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act, 1965 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.12 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial 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 loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates 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 impairment reversed is recognised in profit or loss.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

4.14 Income taxes

Income taxes include all taxes on taxable profits and other taxes such as real property gains taxes payables on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or
(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Company and its subsidiaries make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, net of discount and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Rental income

Rental income is recognised on an accrual basis.

(b) Car park income

Car park income is recognised upon rendering of services.

(c) Hotel operations revenue

Hotel operations revenue comprise of rental of hotel rooms, sale of food and beverages and other hotel related income, and are recognised upon occupancy of rooms and delivery of goods and acceptance by customers, net of service charge and sales tax.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.19 Revenue recognition (cont'd)

(d) Interest income

Interest income is recognised on an accrual basis.

(e) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

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

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

(f) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

(g) Logistic income

Logistic income is recognised upon rendering of services.

4.20 Discontinued operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the beginning of the comparative period.

4.21 Operating segments

Operating segments are defined as components of the Group that:

(a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

Notes to the Financial Statements

31 March 2016 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.21 Operating segments (cont'd)

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten per cent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten per cent (10%) or more of the greater, in absolute amount of:

(i) The combined reported profit of all operating segments that did not report a loss; and
(ii) The combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten per cent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75%) percent of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.22 Earnings per share

(i) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.23 Fair value measurement

The fair value of an asset or a liability 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 fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(i) The condition and location of the asset; and

(ii) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.23 Fair value measurement (cont'd)

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(i) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(ii) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRSs adopted during the financial year

The Group and Company adopted the following Standards of the FRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	**Effective Date**
Amendments to *FRS 119 Defined Benefit Plans: Employee Contribution*s	1 July 2014
Amendments to *FRSs Annual Improvements 2010-2012 Cycle*	1 July 2014
Amendments to *FRSs Annual Improvements 2011-2013 Cycle*	1 July 2014

There is no material effect upon the adoption of these Amendments and Interpretation during the financial year.

5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the FRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	**Effective Date**
FRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 10 and FRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	*Deferred*
Amendments to FRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 116 and FRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
Amendments to FRS 101 *Disclosure Initiative*	1 January 2016
Amendments to FRS 10, FRS 12 and *FRS 128 Investment Entities: Applying the consolidation Exception*	1 January 2016
FRS 9 Financial *Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year

The Group and Company have yet to adopt the following Standards of the Malaysian Financial Reporting Standards ('MFRS') Framework that were issued by the MASB during the financial year.

Title

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
MFRS 2 *Share-based Payment*
MFRS 3 *Business Combinations*
MFRS 4 *Insurance Contracts*

Notes to the Financial Statements

31 March 2016 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year (cont'd)

The Group and Company have yet to adopt the following Standards of the Malaysian Financial Reporting Standards ('MFRS') Framework that were issued by the MASB during the financial year (cont'd).

Title

MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
Amendments to MFRS 5 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 6 *Exploration for and Evaluation of Mineral Resources*
MFRS 7 *Financial Instruments: Disclosures*
Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)
Amendments to MFRS 7 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 8 *Operating Segments*
MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in November 2009) [will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*
MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in October 2010) [will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*
Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS *9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)*
MFRS 9 *(Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139) [will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*
MFRS 9 *Financial Instruments (IFRS 9 as issued by IASB in July 2014)*
MFRS 10 *Consolidated Financial Statements*
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
MFRS 11 *Joint Arrangements*
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
MFRS 12 D*isclosure of Interests in Other Entities*
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
MFRS 13 *Fair Value Measurement*
MFRS 14 *Regulatory Deferral Accounts*
MFRS 15 *Revenue from Contracts with Customers*
MFRS 15 *Effective date of MFRS 15*
MFRS 16 *Leases*
MFRS 101 *Presentation of Financial Statements*
Amendments to MFRS 101 *Disclosure Initiative*
MFRS 102 *Inventories*
MFRS 107 *Statement of Cash Flows*
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
MFRS 110 *Events After the Reporting Period*
MFRS 111 *Construction Contracts*
MFRS 112 *Income Taxes*
MFRS 116 *Property, Plant and Equipment*
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
MFRS 117 *Leases*
MFRS 119 *Employee Benefits (revised)*
Amendments to MFRS 119 (*Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*
MFRS 123 *Borrowing Costs*
MFRS 124 *Related Party Disclosures*
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*
MFRS 127 *Separate Financial Statements*
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
MFRS 128 *Investments in Associates and Joint Ventures*

Notes to the Financial Statements

31 March 2016 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year (cont'd)

The Group and Company have yet to adopt the following Standards of the Malaysian Financial Reporting Standards ('MFRS') Framework that were issued by the MASB during the financial year (cont'd).

Title
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
MFRS 129 *Financial Reporting in Hyperinflationary Economies*
MFRS 132 *Financial Instruments: Presentation*
MFRS 133 *Earnings Per Share*
MFRS 134 *Interim Financial Reporting*
Amendments to MFRS 134 *(Annual Improvements to MFRSs 2012-2014 Cycle)*
MFRS 136 *Impairment of Assets*
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*
MFRS 138 *Intangible Assets*
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
MFRS 139 *Financial Instruments: Recognition and Measurement*
MFRS 140 *Investment Property*
MFRS 141 *Agriculture*
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
Annual Improvements to MFRSs 2012 – 2014 Cycle
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6 *Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies*
IC Interpretation 9 *Reassessment of Embedded Derivatives*
IC Interpretation 10 *Interim Financial Reporting and Impairment*
IC Interpretation 12 *Service Concession Arrangements*
IC Interpretation 13 *Customer Loyalty Programmes*
IC Interpretation 14 *MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
IC Interpretation 15 *Agreements for the Construction of Real Estate*
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*
IC Interpretation 18 *Transfers of Assets from Customers*
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
IC Interpretation 21 *Levies*
IC Interpretation 107 *Introduction of the Euro*
IC Interpretation 110 *Government Assistance – No Specific Relation to Operating Activities*
IC Interpretation 115 *Operating Leases – Incentives*
IC Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*
IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
IC Interpretation 129 *Service Concession Arrangements: Disclosures*
IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*
IC Interpretation 132 *Intangible Assets – Web Site Costs*

The Group is in the process of assessing the impact of implementing these Standards, Amendments and Interpretations since the effects would only be observable for the financial year ending 31 March 2018.

Notes to the Financial Statements

31 March 2016 (cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

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

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

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

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

(b) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases due to the lease period ranged from one (1) to three (3) years out of the investment properties' economic life of fifty (50) years.

(c) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

(d) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(e) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment based on common life expectancies applied in the industry as disclosed in Note 4.4 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and, therefore future depreciation charges could be revised.

(b) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying value of receivables.

(c) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 38 to the financial statements.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits would be available against which the losses and capital allowances can be utilised. Significant management 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 together with future tax planning strategies.

(e) Impairment of investments in subsidiaries and amounts owing by subsidiaries

The Company reviews the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of receivables on the amounts owing by subsidiaries when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the value in use of the respective subsidiaries.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

Notes to the Financial Statements

31 March 2016 (cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

6.3 Key sources of estimation uncertainty (cont'd)

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year (cont'd).

(f) Property development

The Group recognise revenue from property development revenue and expenses in statements of profit or loss and other comprehensive income 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.

Significant judgements 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 the recoverability of the development projects. The property development also includes an estimation of variation works that are recoverable from customers. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(g) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable:

(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).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group engages a professional valuer to perform valuations on various assets as disclosed separately in Note 8 to the financial statements.

The Group measures financial instruments in the financial statements at fair value as disclosed in Note 8 and Note 38 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group **2016** **Carrying amount**	**Balance as at 1.4.2015 RM'000**	**Additions RM'000**	**Disposal of subsidiaries (Note 34) RM'000**	**Disposals RM'000**	**Depreciation charge for the year RM'000**	**Balance as at 31.3.2016 RM'000**
Hotel properties	16,109	-	(16,020)	-	(89)	-
Hotel renovation	11,789	-	(11,533)	-	(256)	-
Buildings	1,756	-	-	-	(39)	1,717
Furniture, fittings, renovation and office equipment	1,541	795	(1,261)	(47)	(232)	796
Computer hardware and software	313	378	(51)	-	(179)	461
Motor vehicles	234	745	(18)	-	(121)	840
Plant and machinery	-	475	-	-	(22)	453
	31,742	2,393	(28,883)	(47)	(938)	4,267

	At 31.3.2016		
	Cost RM'000	**Accumulated depreciation RM'000**	**Carrying amount RM'000**
Buildings	1,951	(234)	1,717
Furniture, fittings, renovation and office equipment	1,624	(828)	796
Computer hardware and software	793	(332)	461
Motor vehicles	1,270	(430)	840
Plant and machinery	475	(22)	453
	6,113	(1,846)	4,267

Group **2015** **Carrying amount**	**Balance as at 1.4.2014 RM'000**	**Additions RM'000**	**Written off RM'000**	**Depreciation charge for the year RM'000**	**Balance as at 31.3.2015 RM'000**
Hotel properties	16,459	-	-	(350)	16,109
Hotel renovation	12,757	62	-	(1,030)	11,789
Buildings	1,795	-	-	(39)	1,756
Furniture, fittings and office equipment	1,685	213	(15)	(342)	1,541
Computer hardware and software	248	178	-	(113)	313
Motor vehicles	345	-	-	(111)	234
	33,289	453	(15)	(1,985)	31,742

Notes to the Financial Statements

31 March 2016 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	At 31.3.2015		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Hotel properties	17,524	(1,415)	16,109
Hotel renovation	15,491	(3,702)	11,789
Buildings	1,951	(195)	1,756
Furniture, fittings and office equipment	3,477	(1,936)	1,541
Computer hardware and software	850	(537)	313
Motor vehicles	652	(418)	234
	39,945	(8,203)	31,742

Company **2016**	**Balance as at 1.4.2015 RM'000**	**Additions RM'000**	**Depreciation charge for the year RM'000**	**Balance as at 31.3.2016 RM'000**
Carrying amount				
Buildings	1,757	-	(40)	1,717
Furniture, fittings, renovation and office equipment	236	135	(102)	269
Computer hardware and software	254	243	(146)	351
Motor vehicles	169	184	(78)	275
	2,416	562	(366)	2,612

	At 31.3.2016		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Buildings	1,952	(235)	1,717
Furniture, fittings, renovation and office equipment	1,033	(764)	269
Computer hardware and software	651	(300)	351
Motor vehicles	652	(377)	275
	4,288	(1,676)	2,612

Company **2015**	**Balance as at 1.4.2014 RM'000**	**Additions RM'000**	**Depreciation charge for the year RM'000**	**Balance as at 31.3.2015 RM'000**
Carrying amount				
Buildings	1,796	-	(39)	1,757
Furniture, fittings, renovation and office equipment	306	18	(88)	236
Computer hardware and software	186	141	(73)	254
Motor vehicles	244	-	(75)	169
	2,532	159	(275)	2,416

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	At 31.3.2015		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Buildings	1,952	(195)	1,757
Furniture, fittings, renovation and office equipment	898	(662)	236
Computer hardware and software	408	(154)	254
Motor vehicles	468	(299)	169
	3,726	(1,310)	2,416

(a) The hotel properties and buildings of the Group and of the Company are charged to financial institutions for banking facilities granted to the Group and to the Company as set out in Note 21 to the financial statements.

(b) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Purchase of property, plant and equipment	**2,393**	453	**562**	159
Financed by hire-purchase arrangements	**(745)**	-	**(184)**	-
Cash payments on purchase of property, plant and equipment	**1,648**	453	**378**	159

(c) The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase arrangements are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Motor vehicles	**838**	230	**272**	166

8. INVESTMENT PROPERTIES

Group 2016	Balance as at 1.4.2015 RM'000	Additions RM'000	Disposal of subsidiaries (Note 34) RM'000	Fair value adjustments RM'000	Balance as at 31.3.2016 RM'000
Carrying amount					
At fair value:					
Freehold land	32,302	-	(32,302)	-	-
Buildings	285,347	15	(111,262)	(3,700)	170,400
	317,649	15	(143,564)	(3,700)	170,400

Notes to the Financial Statements

31 March 2016 (cont'd)

8. INVESTMENT PROPERTIES (cont'd)

Group 2015	Balance as at 1.4.2014 RM'000	Additions RM'000	Disposals RM'000	Fair value adjustments RM'000	Balance as at 31.3.2015 RM'000
Carrying amount					
At fair value:					
Freehold land	32,302	-	-	-	32,302
Buildings	280,651	4,894	(1,555)	1,357	285,347
	312,953	4,894	(1,555)	1,357	317,649

Company 2016	Balance as at 1.4.2015 RM'000	Additions RM'000	Disposal RM'000	Fair value adjustments RM'000	Balance as at 31.3.2016 RM'000
Carrying amount					
At fair value:					
Buildings	173,054	-	-	(3,191)	169,863
2015					
Carrying amount					
At fair value:					
Buildings	171,224	4,807	(1,555)	(1,422)	173,054

(a) The investment properties of the Group and of the Company are charged to financial institutions for banking facilities granted to the Group and the Company as set out in Notes 19 and 21 to the financial statements.

(b) Direct operating expenses arising from the investment properties generating rental income during the financial year were as follows:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Service charges	**1,516**	1,448	**1,516**	1,448
Sinking fund	**149**	37	**149**	37
Insurance	**86**	113	**17**	17
Repair and maintenance	**24**	666	**24**	23
Quit rent and assessment	**377**	758	**292**	410

8. INVESTMENT PROPERTIES (cont'd)

(c) Direct operating expenses arising from the investment properties that did not generate rental income during the financial year were as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Service charges	**1,264**	1,154	**1,264**	1,154
Sinking fund	**158**	40	**158**	40
Insurance	**15**	19	**-**	-
Repair and maintenance	**10**	137	**10**	9
Quit rent and assessment	**83**	208	**64**	138

(d) The fair value of investment properties of the Group and the Company are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2016				
Buildings	-	170,400	-	170,400
2015				
Freehold land	-	32,302	-	32,302
Buildings	-	285,347	-	285,347
	-	317,649	-	317,649
Company				
2016				
Buildings	-	169,863	-	169,863
2015				
Buildings	-	173,054	-	173,054

(i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 March 2016 and 31 March 2015.

(ii) Investment properties at Level 2 fair value were determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair value of the investment property portfolio of the Group and the Company every twelve (12) months.

Notes to the Financial Statements

31 March 2016 (cont'd)

9. INVESTMENTS IN SUBSIDIARIES

	Company 2016 RM'000	Company 2015 RM'000
At cost:		
- Unquoted equity shares	**6,110**	52,906
Less: Impairment losses	**(499)**	(499)
	5,611	52,407

(a) Disposal of subsidiaries

(i) On 1 July 2015, the Company completed the disposal of its entire equity interest in Advantage Equity Sdn. Bhd. ('AESB'), Balance Focus Sdn. Bhd. ('BFSB') and Grand Sentosa Hotel Management and Services Sdn. Bhd. ('GSHMSSB'), companies incorporated in Malaysia which are engaged in property investment, car park operations and operations in inn and recreation respectively for a cash consideration of RM73,200,000. Consequently, AESB, BFSB and GSHMSSB have ceased to become subsidiaries of the Company. The effects of the disposal of AESB, BFSB and GSHMSSB are disclosed in Note 34 to the financial statements.

(b) Transaction with owners

(i) On 1 June 2015, the Company completed the disposal of its 30% equity interest in Landmark Zone Sdn. Bhd. ('LZSB'), a company incorporated in Malaysia which is engaged in property development for RM8,300,000. Consequently, the equity interest of the Company in LZSB had decreased from 100% to 70%. The effects of the disposal are disclosed in Note 39 to the financial statements.

(c) Acquisition/Incorporation of subsidiaries and subscription of shares in subsidiaries

(i) On 1 April 2015, the Company has subscribed two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of ENRA Energy Sdn. Bhd. (f.k.a Trillion Factor Sdn. Bhd.) ('EESB'), ENRA Kimia Sdn. Bhd. (f.k.a Sudut Perangsang Sdn. Bhd.) ('EKSB') and ENRA Oil & Gas Services Sdn. Bhd. (f.k.a. Ratus Nusa Sdn. Bhd.) ('EOGSSB') for total cash consideration of RM5,000.

(ii) On 14 April 2015, the issued and paid up share capital of Fitzrovia Developments Limited ('FDL'), a company incorporated in United Kingdom has been increased by £999 from £1 to £1,000, ENRA Property (UK) Limited (f.k.a. Perduren Holding Company Limited) ('EPUKL'), a wholly owned indirect subsidiary of the Company has subscribed for 749 ordinary shares of £1 each for cash consideration of £749, representing 75% of total allotment of 999 ordinary shares of £1 each in the share capital of FDL. The subscription has no material financial impact to the Group.

(iii) On 15 June 2015, the Company has subscribed two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of ENRA Labuan Sdn. Bhd. (f.k.a. Prominent Massive Sdn. Bhd.), ENRA Energy Logistics Sdn. Bhd. (f.k.a. Primal Impel Sdn. Bhd.), ENRA Trading Sdn. Bhd. (f.k.a. Salam Nilam Sdn. Bhd. and ENRA SPM Sdn. Bhd. (f.k.a. Trillion Standard Sdn. Bhd.) ('ESPMSB') for a total cash consideration of RM7,000.

(iv) On 11 August 2015, EKSB, a wholly owned indirect subsidiary of the Company has increased its authorised share capital from RM400,000 divided into 400,000 ordinary shares of RM1.00 each to RM5,000,000 divided into 5,000,000 ordinary shares.

On the same date, issued and paid up share capital of EKSB has increased by 900,000 from RM100,000 to RM1,000,000, EESB, a wholly owned subsidiary of the Company has subscribed for 900,000 ordinary shares of RM1 each for cash consideration of RM900,000, representing 100% of total allotment of 900,000 ordinary shares of RM1.00 each in the share capital of EKSB. The subscription has no financial impact to the Group.

9. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) Acquisition/Incorporation of subsidiaries and subscription of shares in subsidiaries (cont'd)

(v) On 14 August 2015, EOGSSB, a wholly owned indirect subsidiary of the Company has increased its authorised share capital from RM400,000 divided into 400,000 ordinary shares of RM1.00 each to RM5,000,000 divided into 5,000,000 ordinary shares.

On the same date, issued and paid up share capital of EOGSSB, has been increased by 999,998 from RM2 to RM1,000,000, EESB, a wholly owned subsidiary of the Company has subscribed for 999,998 ordinary shares of RM1 each for cash consideration of RM999,998, representing 100% of total allotment of 999,998 ordinary shares of RM1.00 each in the share capital of EOGSSB. The subscription has no financial impact to the Group.

(vi) On 16 October 2015, the Company has approved the incorporation of a subsidiary in the United Kingdom as wholly owned subsidiary of EPUKL, namely Barnes Avenue Limited ('BVL').

(vii) On 28 October 2015, the Company had transferred its entire equity interest in ESPMSB to its indirect subsidiary, EOGSSB.

(viii) On 31 December 2015, the Company had transferred its entire equity interest in EKSB and EOGSSB to its wholly owned subsidiary, EESB.

(ix) On 3 March 2016, the Company has approved the incorporation of a subsidiary in the Malaysia as wholly owned subsidiary of EESB, namely ENRA Pipeline Services Sdn. Bhd..

(d) The details of the subsidiaries, which are all incorporated in Malaysia except for EPUKL, FDL and BVL, which are incorporated in United Kingdom, are as follows:

Name of company	Equity interest held by Company		Principal activities
	2016 %	2015 %	
Advantage Equity Sdn. Bhd.	-	100	Property investment
Tenderly Marketing Sdn. Bhd.	100	100	Dormant
Orlando Manufacturing Sdn. Bhd.	100	100	Dormant
Balance Focus Sdn. Bhd.	-	100	Car park operator
Essential Vista Sdn. Bhd.	100	100	Dormant
Landmark Zone Sdn. Bhd.	70	100	Property development
Grand Sentosa Hotel Management Services Sdn. Bhd.	-	100	Operation of an inn and recreation centre
Evergreen Sprint Sdn. Bhd.	100	100	Dormant
Nautical Gold Sdn. Bhd.	100	100	Dormant
ENRA Land Sdn. Bhd. (f.k.a. Bendera Majujaya Sdn. Bhd.)	100	100	Dormant
ENRA Management Services Sdn. Bhd. (f.k.a. Primary Pillar Sdn. Bhd.)	100	100	Dormant
ENRA Labuan Sdn. Bhd. (f.k.a. Prominent Massive Sdn. Bhd.)	100	-	Dormant

Notes to the Financial Statements

31 March 2016 (cont'd)

9. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) The details of the subsidiaries, which are all incorporated in Malaysia except for EPUKL, FDL and BVL, which are incorporated in United Kingdom, are as follows (cont'd):

Name of company	Equity interest held by Company 2016 %	2015 %	Principal activities
ENRA Energy Logistics Sdn. Bhd. (f.k.a. Primal Impel Sdn. Bhd.)	100	-	Dormant
ENRA Trading Sdn. Bhd. (f.k.a. Salam Nilam Sdn. Bhd.)	100	-	Dormant
ENRA Energy Sdn. Bhd. (f.k.a. Trillion Factor Sdn. Bhd.)	100	-	Dormant
Subsidiaries of ENRA Energy Sdn. Bhd. (f.k.a. Trillion Factor Sdn. Bhd.)			
ENRA Kimia Sdn. Bhd. (f.k.a. Sudut Perangsang Sdn. Bhd.)	100	-	Trading on gas and chemical related services
ENRA Oil & Gas Services Sdn. Bhd. (f.k.a. Ratus Nusa Sdn. Bhd.)	100	-	Providing warehousing and logistics services for oil and gas contractors
ENRA Pipeline Services Sdn. Bhd.	100	-	Dormant
Subsidiary of ENRA Oil & Gas Services Sdn. Bhd. (f.k.a. Ratus Nusa Sdn. Bhd.)			
ENRA SPM Sdn. Bhd. (f.k.a. Trillion Standard Sdn. Bhd.)	100	-	Dormant
Subsidiary of ENRA Land Sdn. Bhd. (f.k.a. Bendera Majujaya Sdn. Bhd.)			
ENRA Property (UK) Limited (f.k.a. Perduren Holding Company Limited)#	100	100	Investment holding
Subsidiaries of ENRA Property (UK) Limited (f.k.a. Perduren Holding Company Limited)#			
Fitzrovia Developments Limited#	75	100	Property development and trading
Barnes Avenue Limited@	100	-	Dormant

Subsidiaries audited by BDO Member Firms.

@ *Subsidiary is consolidated based on management account provided for the financial period ended 31 March 2016.*

9. INVESTMENTS IN SUBSIDIARIES (cont'd)

(e) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

2016	Landmark Zone Sdn. Bhd.	Fitzrovia Developments Limited	Total
NCI percentage of ownership interest and voting interest	30%	25%	
Carrying amount of NCI (RM'000)	11,200	(174)	11,026
Profit allocated to NCI (RM'000)	5,664	(194)	5,470

(f) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

2016	Landmark Zone Sdn. Bhd. RM'000	Fitzrovia Developments Limited RM'000
Assets and liabilities		
Non-current assets	80	-
Current assets	135,635	53,269
Non-current liabilities	(6,146)	(15,415)
Current liabilities	(92,236)	(38,550)
Net assets/(liabilities)	37,333	(696)
Results		
Revenue	108,308	-
Profit/(Loss) for the financial year	20,040	(782)
Total comprehensive income	20,040	(702)
Cash flows from operating activities	24,851	(39,738)
Cash flows from investing activities	11,305	-
Cash flows from financing activities	(34,199)	49,432
Net increase in cash and cash equivalents	1,957	9,694

Notes to the Financial Statements

31 March 2016 (cont'd)

10. PROPERTY DEVELOPMENT COSTS

	Group 2016 RM'000	Group 2015 RM'000
Leasehold land, at cost		
Balance as at 1 April	**73,304**	71,859
Incurred during the financial year	**1,169**	1,445
Balance as at 31 March	**74,473**	73,304
Development costs		
Balance as at 1 April	**93,963**	37,223
Incurred during the financial year	**65,362**	56,740
Balance as at 31 March	**159,325**	93,963
Total land and development costs	**233,798**	167,267
Less: Cumulative costs recognised in the statements of profit or loss and other comprehensive income		
Balance as at 1 April	**(90,669)**	(27,046)
Recognised during the financial year (Note 24)	**(77,766)**	(63,623)
Balance as at 31 March	**(168,435)**	(90,669)
	65,363	76,598

Property development costs are analysed as follows:

	Group 2016 RM'000	Group 2015 RM'000
Leasehold land, at cost	**74,473**	73,304
Development costs	**159,325**	93,963
Accumulated costs recognised as an expense to statements profit or loss and other comprehensive income	**(168,435)**	(90,669)
Balance as at 31 March	**65,363**	76,598

Included in property development cost are borrowing costs capitalised during the financial year of RM1,913,000 (2015: RM2,745,000) at 8.10% (2015: 7.87%) per annum.

Leasehold land

The leasehold land under development is provided by Koperasi Shamelin Berhad, a third party, pursuant to the Joint Venture agreement dated 28 February 2011 for the development of Shamelin Star project. At the end of the reporting period, the Group has accrued an amount of RM50,273,000 (2015: RM53,504,000) for the purchase consideration of the leasehold land as disclosed in Note 17(c)(i) to the financial statements.

Notes to the Financial Statements

31 March 2016 (cont'd)

11. INVENTORIES

	Group 2016 RM'000	Group 2015 RM'000
At cost		
Property held for sale	**39,844**	-
Inventories in transit	**83**	-
Consumables	**9**	30
Finished goods	**1,272**	-
	41,208	30

Inventories amounting to RM5,729,000 (2015: RM128,000) have been expensed to the statements of profit or loss and other comprehensive income during the financial year.

During the financial year, the Group had acquired a freehold property in London with its intention to develop and subsequent resale in the near future. The property held for sale of the Group is charged to a financial institution for banking facility granted to the Group as set out in Note 21 to the financial statements.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade receivables				
Trade receivables	**38,764**	27,262	**2,958**	407
Less: Impairment losses	**(34)**	(4,201)	**(34)**	(34)
	38,730	23,061	**2,924**	373
Other receivables and deposits				
Amounts owing by subsidiaries	**-**	-	**59,043**	29,547
Other receivables	**9,195**	1,784	**12**	1,755
Deposits	**1,629**	635	**309**	117
	10,824	2,419	**59,364**	31,419
Loans and receivables	**49,554**	25,480	**62,288**	31,792
Prepayments	**1,228**	436	**275**	244
Accrued billings in respect of property development	**27,385**	42,393	**-**	-
	28,613	42,829	**275**	244
	78,167	68,309	**62,563**	32,036

Notes to the Financial Statements

31 March 2016 (cont'd)

12. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 30 to 60 days (2015: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) The amounts owing by subsidiaries represent advances and payments on behalf, which bears interest at 5% (2015: 6.5%) per annum and payable on demand in cash and cash equivalents except for Nil (2015: RM2,943,000).

(c) The currency exposure profile of receivables (exclude prepayments) are as follows:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Ringgit Malaysia	**76,543**	67,873	**62,288**	31,792
US Dollar	**300**	-	**-**	-
British Pound	**96**	-	**-**	-
	76,939	67,873	**62,288**	31,792

(d) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Neither past due nor impaired	**19,524**	22,304	**774**	269
Past due, not impaired				
- 61 to 90 days	**1,125**	397	**231**	88
- More than 90 days	**18,081**	360	**1,919**	16
	19,206	757	**2,150**	104
Past due and impaired	**34**	4,201	**34**	34
	38,764	27,262	**2,958**	407

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

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

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payment history. The trade receivables that are past due but not impaired are unsecured in nature.

Notes to the Financial Statements

31 March 2016 (cont'd)

12. TRADE AND OTHER RECEIVABLES (cont'd)

(d) The ageing analysis of trade receivables of the Group and of the Company are as follows (cont'd):

Receivables that are past due and impaired

Trade receivables of the Group and of the Company that are past due and impaired at the end of the reporting period are as follows:

	Group Individually impaired		Company Individually impaired	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Trade receivables, gross	**34**	4,201	**34**	34
Less: Impairment losses	**(34)**	(4,201)	**(34)**	(34)
	-	-	-	-

The reconciliations of movement in the impairment losses of trade receivables are as follows:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
At 1 April	**4,201**	3,449	**34**	34
Charge for the financial year	**162**	752	**-**	-
Disposal of subsidiaries	**(4,329)**	-	**-**	-
As at 31 March	**34**	4,201	**34**	34

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

(e) Information on financial risks of trade and other receivables is disclosed in Note 38 to the financial statements.

13. CASH AND BANK BALANCES AND SHORT TERM FUNDS

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Fixed deposits with licensed banks	**11,489**	1,981	**8,276**	1,648
Cash and bank balances	**25,495**	6,010	**2,986**	1,282
	36,984	7,991	**11,262**	2,930
Short term funds				
At fair value through profit or loss				
- Investment in fixed income trust funds in Malaysia	**185**	-	**-**	-
	37,169	7,991	**11,262**	2,930

Notes to the Financial Statements

31 March 2016 (cont'd)

13. CASH AND BANK BALANCES AND SHORT TERM FUNDS (cont'd)

(a) Investment in fixed income trust funds in Malaysia represents investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(b) Included in the Group's cash and bank balances is an amount of RM1,834,000 (2015: RM3,148,000) held under the Housing Development Account pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015, which is not available for general use by the Group.

(c) Certain deposits with licensed banks are pledged to licensed banks as security for credit facilities granted to the Group and the Company as set out in Note 19 to the financial statements. The fixed deposits of the Group and of the Company bear average interest of 3.21% (2015: 3.29%) and 3.15% (2015: 3.10%) per annum respectively. The fixed deposits of the Group and of the Company have maturity period of one (1) month to twelve (12) months (2015: three (3) months to twelve (12) months).

(d) Information on financial risks of cash and bank balances is disclosed in Note 38 to the financial statements.

(e) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	**23,538**	7,991	**11,262**	2,930
US Dollar	**274**	-	**-**	-
British Pound	**13,357**	-	**-**	-
	37,169	7,991	**11,262**	2,930

(f) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances				
Fixed deposits with licensed banks	**11,489**	1,981	**8,276**	1,648
Cash and bank balances	**25,495**	6,010	**2,986**	1,282
Short term funds	**185**	-	**-**	-
As reported in statements of financial position	**37,169**	7,991	**11,262**	2,930
Less:				
Bank overdrafts (Note 19)	**(6,614)**	(28,928)	**(6,614)**	(19,528)
Fixed deposits pledged to licensed banks and more than three (3)months	**(4,911)**	(1,981)	**(1,698)**	(1,648)
As reported in statements of cash flows	**25,644**	(22,918)	**2,950**	(18,246)

Notes to the Financial Statements

31 March 2016 (cont'd)

14. SHARE CAPITAL

	Group and Company			
	2016		2015	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM1.00 each:				
Authorised	**500,000**	**500,000**	500,000	500,000
Issued and fully paid	**136,208**	**136,208**	136,208	136,208

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

15. RESERVES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-distributable:				
Treasury shares	**(1,199)**	(1,199)	**(1,199)**	(1,199)
Share premium	**8,536**	8,536	**8,536**	8,536
Capital reserve	**275**	275	**-**	-
Exchange translation reserve	**64**	-	**-**	-
	7,676	7,612	**7,337**	7,337
Distributable:				
Retained earnings	**91,319**	79,642	**70,615**	43,045
	98,995	87,254	**77,952**	50,382

(a) Treasury shares

The shareholders of the Company, by way of an ordinary resolution passed at the annual general meeting held on 19 September 2007, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ('Share Buy Back').

The shares of the Company repurchased were held as treasury shares in accordance with Section 67A(3)(b) of the Companies Act, 1965 in Malaysia.

As at 31 March 2016, the Group held 1,289,400 (2015: 1,289,400) of the Company's treasury shares at a total cost of RM1,199,000 (2015: RM1,199,000).

(b) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

Notes to the Financial Statements

31 March 2016 (cont'd)

16. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Balance as at 1 April	**864**	732	**120**	72
Disposal of subsidiaries (Note 34)	**(606)**	-	**-**	-
Recognised in profit or loss (Note 27)	**(58)**	132	**(14)**	48
Balance as at 31 March	**200**	864	**106**	120
Presented after appropriate offsetting:				
Deferred tax assets, net	**(154)**	-	**(148)**	-
Deferred tax liabilities, net	**354**	864	**254**	120
	200	864	**106**	120

(b) The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 April 2015	680	184	864
Disposal of subsidiaries (Note 34)	(606)	-	(606)
Recognised in profit or loss	208	(112)	96
At 31 March 2016	282	72	354
At 1 April 2014	714	18	732
Recognised in profit or loss	(34)	166	132
At 31 March 2015	680	184	864

Deferred tax assets of the Group

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 April 2015	-	-	-
Recognised in profit or loss	-	(154)	(154)
At 31 March 2016	-	(154)	(154)

Notes to the Financial Statements

31 March 2016 (cont'd)

16. DEFERRED TAX LIABILITIES (cont'd)

(b) The components and movements of deferred tax liabilities and assets during the financial year are as follows (cont'd):

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 April 2015	68	52	120
Recognised in profit or loss	186	(52)	134
At 31 March 2016	254	-	254
At 1 April 2014	54	18	72
Recognised in profit or loss	14	34	48
At 31 March 2015	68	52	120

Deferred tax assets of the Company

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 April 2015	-	-	-
Recognised in profit or loss	-	(148)	(148)
At 31 March 2016	-	(148)	(148)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2016 RM'000	2015 RM'000
Unutilised tax losses	**6,436**	6,265
Unabsorbed capital allowances	**150**	124
	6,586	6,389

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries would be available against which the deductible temporary differences can be utilised.

The differences do not expire under current tax legislations.

Notes to the Financial Statements

31 March 2016 (cont'd)

17. TRADE AND OTHER PAYABLES

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-current				
Other payables				
Accruals	**6,104**	49,104	**-**	-
Current				
Trade payables				
Third parties	**10,091**	25,765	**-**	21
Other payables				
Other payables	**14,500**	13,425	**20**	194
Accruals	**58,383**	7,124	**560**	422
Deposits and advances received	**3,400**	9,335	**3,400**	4,599
Amount owing to a subsidiary	**-**	-	**-**	4,785
Amount owing to a related party	**-**	16,900	**-**	-
	76,283	46,784	**3,980**	10,000
	86,374	72,549	**3,980**	10,021

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranged from 30 days to 60 days (2015: 30 days to 60 days).

(b) Included in other payables of the Group are the following:

(i) advances received from purchasers amounting to RM8,085,000 (2015: RM12,953,000) for the purchase of housing lots whereby the purchaser has made one lump sum payment; and
(ii) advances received from non-controlling interest, SIP 93GT Ltd. amounting to RM4,914,000 (2015: Nil).

(c) Included in accruals (non-current liabilities and current liabilities) are the following:

(i) commitment in relation to the Joint Venture Agreement entered between Landmark Zone Sdn. Bhd., a wholly-owned subsidiary of the Company with a third party for the development of a commercial property development project at Lots 11749 and 11750, Taman Shamelin Perkasa, Kuala Lumpur, amounting to RM50,273,000 (2015: RM53,504,000); and
(ii) an amount of RM12,900,000 (2015: Nil), which relates to property development costs accrued for the Group's property development project.

(d) In the previous financial year, amount owing to a related party represented advances and payments on behalf, which were unsecured and payable on demand in cash and cash equivalents.

(e) In the previous financial year, amount owing to a subsidiary represented advances and payments on behalf, which were unsecured, bore interest at 8.10% and payable on demand in cash and cash equivalents.

Notes to the Financial Statements

31 March 2016 (cont'd)

17. TRADE AND OTHER PAYABLES (cont'd)

(f) The currency exposure profile of payables are as follows:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Ringgit Malaysia	**52,641**	121,653	**3,980**	10,021
US Dollar	**224**	-	**-**	-
British Pound	**39,613**	-	**-**	-
	92,478	121,653	**3,980**	10,021

(g) Information on financial risks of trade and other payables is disclosed in Note 38 to the financial statements.

18. BORROWINGS

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-current liabilities					
Hire-purchase and lease creditors	20	**537**	118	**130**	90
Term loans	21	**34,823**	61,994	**19,408**	27,543
Other borrowings	22	**-**	15,000	**-**	11,800
		35,360	77,112	**19,538**	39,433
Current liabilities					
Bank overdrafts	19	**6,614**	28,928	**6,614**	19,528
Hire-purchase and lease creditors	20	**186**	97	**88**	65
Term loans	21	**10,648**	14,559	**8,079**	7,143
Other borrowings	22	**3,497**	34,481	**-**	-
		20,945	78,065	**14,781**	26,736
		56,305	155,177	**34,319**	66,169
Total borrowings					
Bank overdrafts	19	**6,614**	28,928	**6,614**	19,528
Hire-purchase and lease creditors	20	**723**	215	**218**	155
Term loans	21	**45,471**	76,553	**27,487**	34,686
Other borrowings	22	**3,497**	49,481	**-**	11,800
		56,305	155,177	**34,319**	66,169

Notes to the Financial Statements

31 March 2016 (cont'd)

18. BORROWINGS (cont'd)

The currency exposure profile of borrowings are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	**38,321**	155,177	**34,319**	66,169
British Pound	**17,984**	-	**-**	-
	56,305	155,177	**34,319**	66,169

19. BANK OVERDRAFTS

The bank overdrafts of the Group and the Company are secured by the following:

(a) Loan Agreement cum Deed of Assignment of RM70,000,000 over the investment properties of the Group and the Company with a carrying amount of RM156,500,000 (2015: RM160,000,000) and RM155,963,000 (2015: RM158,954,000) respectively and a first party first legal charge;

(b) Specific debenture of RM70,000,000 by way of a fixed and floating charge over the investment properties of the Group and of the Company with a carrying amount of RM156,500,000 (2015: RM160,000,000) and RM155,963,000 (2015: RM158,954,000) respectively, all the borrower's rights, interests and benefits in and under the property including all sales proceeds, rental income, other revenue, claims and any undertaking relating to the property; and

(c) first party pledge of fixed deposits equivalent to three (3) months' interest servicing on the facility (Note 13).

Information on financial risks of bank overdrafts is disclosed in Note 38 to the financial statements.

20. HIRE-PURCHASE AND LEASE CREDITORS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Minimum hire-purchase and lease payments:				
- not later than one (1) year	**227**	104	**96**	69
- later than one (1) year not later than five (5) years	**603**	123	**142**	92
Total minimum hire-purchase and lease payments	**830**	227	**238**	161
Less : Future interest charges	**(107)**	(12)	**(20)**	(6)
Present value of hire-purchase and lease payments	**723**	215	**218**	155
Repayable as follows:				
Current liabilities:				
- not later than one (1) year	**186**	97	**88**	65
Non-current liabilities:				
- later than one (1) year not later than five (5) years	**537**	118	**130**	90
	723	215	**218**	155

Information on financial risks of hire-purchase and lease creditors is disclosed in Note 38 to the financial statements.

Notes to the Financial Statements

31 March 2016 (cont'd)

21. TERM LOANS

	Group			Company
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Term loan I	**15,650**	20,650	**15,650**	20,650
Term loan II	**5,837**	8,036	**5,837**	8,036
Term loan III	**-**	25,458	**-**	-
Term loan IV	**-**	16,409	**-**	-
Term loan V	**6,000**	6,000	**6,000**	6,000
Term loan VI	**17,984**	-	**-**	-
	45,471	76,553	**27,487**	34,686
Repayable as follows:				
Current liabilities:				
- not later than one (1) year	10,648	14,559	8,079	7,143
Non-current liabilities:				
- later than one (1) year and not later than five (5) years	34,523	57,207	19,108	27,543
- later than five (5) years	300	4,787	300	-
	34,823	61,994	19,408	27,543
	45,471	76,553	27,487	34,686

(a) The repayment term for Term loan I is set out as follows:

Year	Annual repayment RM'000
2009	1,600
2010	2,000
2011	2,000
2012	5,000
2013	5,000
2014	5,000
2015	5,000
2016	5,000
2017	5,000
2018	3,750
2019	1,900

(b) Term loan II is repayable by 28 quarterly instalments of RM535,714 each and a final instalment of RM535,722 commencing from January 2012.

(c) Term loan III is repayable by 119 monthly instalments of RM358,000 each and final instalment of RM398,000 commencing from March 2011. This term loan has been derecognised as it arose from disposed subsidiaries.

(d) Term loan IV repayable by 95 monthly instalments of RM260,000 each and final instalment of RM300,000 commencing from May 2013. This term loan has been derecognised as it arose from disposed subsidiaries.

(e) Term loan V is repayable by 20 quarterly instalments of RM300,000 each commencing from July 2016.

Notes to the Financial Statements

31 March 2016 (cont'd)

21. TERM LOANS (cont'd)

(f) Term loan VI is repayable by seven (7) equal quarterly instalments of £457,000 each commencing from 8 March 2017.

(g) The term loans are secured by the following:

(i) a charge over the carrying amounts of the Group's and of the Company's property, plant and equipment amounting to RM1,717,000 (2015: RM29,654,000) and RM1,717,000 (2015: RM1,756,000) respectively, as disclosed in Note 7 to the financial statements;

(ii) a charge over the carrying amounts of the Group's and of the Company's investment properties amounting to RM170,400,000 (2015: RM317,649,000) and RM169,863,000 (2015: RM173,054,000) respectively, as disclosed in Note 8 to the financial statements; and

(iii) a charge over the carrying amount of the Group's property held for sale amounting to RM39,844,000 (2015: Nil) as disclosed in Note 11 to the financial statements.

(h) Information on financial risks of term loans and the remaining maturities is disclosed in Note 38 to the financial statements.

22. OTHER BORROWINGS

(a) The other borrowings of the Group and the Company are guaranteed by a corporate guarantee from the Company as disclosed in Note 33 to the financial statements and were repayable by way of bullet repayments of RM11,800,000 and RM3,200,000 in May 2013 and August 2013 respectively. In prior financial years, the repayment terms have been revised, whereby the repayments of RM11,800,000 and RM3,200,000 were extended to June 2016 and May 2016 respectively. The repayments of RM11,800,000 has been repaid during the financial year and the repayments of RM3,200,000 will be extended to July 2016.

(b) Included in other borrowings is a bridging loan granted to Landmark Zone Sdn. Bhd., a subsidiary owned by the Company, by Malaysia Building Society Berhad amounting to RM297,000 (2015: RM34,481,000) and is payable within one (1) year.

(c) Information on financial risks of other borrowings and their remaining maturities is disclosed in Note 38 to the financial statements.

23. REVENUE

	Group		Company	
	2016	2015	2016	2015
Continuing operations	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Services rendered:				
- rental income from investment properties	**8,246**	5,515	**8,190**	7,967
- car park income	**1,228**	2,326	**1,629**	1,587
- logistic	**1,813**	-	**-**	-
- oil and gas	**688**	-	**-**	-
Sale of goods	**11,444**	-	**-**	-
Property development revenue	**108,308**	75,094	**-**	-
	131,727	82,935	**9,819**	9,554

Notes to the Financial Statements

31 March 2016 (cont'd)

24. COST OF SALES

	Group		Company	
	2016	2015	2016	2015
Continuing operations	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Services rendered				
- rental income from investment properties	**409**	599	**409**	599
- car park income	**2,687**	2,680	**3,087**	2,679
- logistic	**1,510**	-	**-**	-
- oil and gas	**226**	-	**-**	-
Finished goods	**7,093**	-	**-**	-
Property development cost recognised (Note 10)	**77,766**	63,623	**-**	-
	89,691	66,902	**3,496**	3,278

25. FINANCE COSTS

	Group		Company	
	2016	2015	2016	2015
Continuing operations	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest expense:				
- bank overdrafts	**1,039**	1,420	**1,039**	1,420
- hire-purchase and lease creditors	**17**	9	**4**	7
- inter-company balances	**-**	-	**129**	348
- term loans	**2,723**	2,492	**2,154**	2,492
- other borrowings	**1,917**	3,701	**-**	956
Others - facility fees	**183**	2	**1**	-
	5,879	7,624	**3,327**	5,223
Less: Interest capitalised (Note 10)	**(1,913)**	(2,745)	**-**	-
	3,966	4,879	**3,327**	5,223

26. PROFIT/(LOSS) BEFORE TAX

		Group		Company	
Continuing operations		2016	2015	2016	2015
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Profit/(Loss) before tax is arrived at after charging:					
Auditors' remuneration		**153**	56	**54**	46
Bad debts written off		**1**	-	**1**	-
Depreciation of property, plant and equipment	7	**509**	287	**366**	275
Directors' remuneration paid and payable to the Directors of the Company					
- fees	35(c)	**327**	132	**327**	132
- other emoluments	35(c)	**2,227**	686	**1,206**	468
Fair value adjustments on investment properties	8	**3,700**	-	**3,191**	1,422
Rental of:					
- premises		**709**	168	**36**	168
- equipment		**46**	6	**1**	5
Realised loss on foreign exchange		**51**	-	**-**	-
Finance costs	25	**3,966**	4,879	**3,327**	5,223

Notes to the Financial Statements

31 March 2016 (cont'd)

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

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
And crediting:					
Unrealised gain on foreign exchange		**176**	-	**-**	-
Fair value adjustments on investment properties	8	**-**	722	**-**	-
Gain on disposal of investment properties		**-**	385	**-**	385
Gain on disposal of subsidiaries	34	**295**	20	**28,797**	1
Gain on disposal of equity interest in a subsidiary		**-**	-	**5,900**	-
Interest income received from:					
- fixed deposits with licensed banks		**600**	135	**520**	55
- short term funds		**185**	-	**-**	-
- subsidiaries		**-**	-	**587**	1,988
Rental income		**5**	-	**-**	132

27. TAX EXPENSE

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Continuing operations				
Current tax expense based on profit for the financial year				
- Current year	**6,907**	3,334	**112**	716
- Over provision in prior years	**(182)**	(44)	**(82)**	(44)
	6,725	3,290	**30**	672
Deferred tax (Note 16)				
- Relating to origination and reversal of temporary differences	**(32)**	314	**(14)**	258
- Over provision in prior years	**(15)**	(209)	**-**	(210)
	(47)	105	**(14)**	48
Total tax expense from continuing operations	**6,678**	3,395	**16**	720
Discontinued operations				
Income tax				
- Current year provision	**460**	1,143	**-**	-
- Over provision in prior years	**-**	(16)	**-**	-
	460	1,127	**-**	-
Deferred tax (Note 16)				
- Relating to origination and reversal of temporary differences	**11**	13	**-**	-
- (Over)/Under provision in prior years	**(22)**	14	**-**	-
	(11)	27	**-**	-
Total tax expense from discontinued operations	**449**	1,154	**-**	-

27. TAX EXPENSE (cont'd)

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

(b) Tax expense for other tax authorities are calculated at the rates prevailing in those respective jurisdictions.

(c) The numerical reconciliations between the tax expense and the product of accounting profit/(loss) multiplied by applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
Continuing operations	**2016 RM'000**	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Profit/(Loss) before tax	**20,004**	4,789	**27,586**	(2,004)
Tax at Malaysian statutory tax rate of 24% (2015: 25%)	**4,801**	1,197	**6,621**	(501)
Tax effects in respect of:				
Non-allowable expenses	**2,369**	3,093	**1,946**	2,118
Non-taxable income	**(308)**	(642)	**(8,469)**	(643)
Lower tax rate in foreign jurisdiction	**(48)**	-	**-**	-
Deferred tax assets not recognised	**47**	-	**-**	-
Unabsorbed capital allowances not recognised in a loss making subsidiaries	**14**	-	**-**	-
	6,875	3,648	**98**	974
Over provision in prior years:				
- income tax	**(182)**	(44)	**(82)**	(44)
- deferred tax	**(15)**	(209)	**-**	(210)
	6,678	3,395	**16**	720

28. DISCONTINUED OPERATIONS

(a) On 1 July 2015, the Company disposed of its entire equity interest in AESB, BFSB and GSHMSSB, which were part of the rental, car park and hotel management segment respectively for a total cash consideration of RM73,200,000. The decision to dispose AESB, BFSB and GSHMSSB was driven by strategy of the Group in focusing on property investment, property development and oil and gas business. The effects of disposal of AESB, BFSB and GSHMSSB are disclosed in the Note 34 to the financial statements.

Notes to the Financial Statements

31 March 2016 (cont'd)

28. DISCONTINUED OPERATIONS (cont'd)

(b) The operations were reported as part of rental from investment properties, car park and hotel operations segments. An analysis of the results of the discontinued operations are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Revenue	**6,040**	24,569
Cost of sales	**(1,826)**	(7,133)
Gross profit	**4,214**	17,436
Other income	**21**	2,514
Expenses	**(2,028)**	(8,034)
Finance costs	**(701)**	(3,491)
Profit before tax	**1,506**	8,425
Tax expense	**(449)**	(1,154)
Profit for the financial year	**1,057**	7,271

(c) The following amounts have been included in arriving at profit before tax of the discontinued operations:

		Group	
		2016	**2015**
	Note	**RM'000**	**RM'000**
Profit before tax is arrived at after charging:			
Auditors' remuneration		**-**	33
Bad debts written off		**-**	52
Depreciation of property, plant and equipment	7	**429**	1,698
Fair value adjustments on investment properties	8	**-**	2,079
Impairment loss on trade and other receivables	12	**162**	752
Loss on disposal of property, plant and equipment		**25**	-
Property, plant and equipment written off	7	**-**	15
Rental of equipment		**3**	9
Interest expenses		**701**	3,491
And crediting:			
Interest income received from:			
- fixed deposits with licensed banks		**16**	-

(d) The cash flows attributable to the discontinued operations are as follows:

	Group	
	2016	**2015**
Inflow/(Outflow)	**RM'000**	**RM'000**
Operating activities	**(6,101)**	11,191
Investing activities	**9,013**	(7,707)
Financing activities	**(2,560)**	(4,059)

Notes to the Financial Statements

31 March 2016 (cont'd)

29. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2016 RM'000	Group 2015 RM'000
Profit from continuing operations attributable to equity holders of the parent	**7,856**	1,394
Profit from discontinued operations attributable to equity holders of the parent	**1,057**	7,271
Profit attributable to equity holders of the parent	**8,913**	8,665
Weighted average number of ordinary shares of RM1.00 each in issue after deducting the treasury shares ('000)	**134,919**	134,919
Basic earnings per ordinary share for:		
Profit from continuing operations	**5.82**	1.03
Profit from discontinued operations	**0.78**	5.39
Profit for the financial year	**6.60**	6.42

(b) Diluted

The diluted earnings per ordinary share for the financial year is the same as basic earnings per ordinary share for the financial year as there were no dilutive potential ordinary shares as at 31 March 2016 and 31 March 2015.

30. DIVIDENDS

	Group and Company 2016 Gross dividend per share sen	Group and Company 2016 Amount of dividend net of tax RM'000
Interim dividend proposed	3	4,047
Special interim dividend proposed	5	6,746
	8	10,793

On 13 May 2016, the Board of Directors declared a first interim single-tier dividend of 3 sen per ordinary share of RM1.00 each and a special interim single-tier dividend of 5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 March 2016. The total dividend payable amount to RM10,793,000. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2017.

Notes to the Financial Statements

31 March 2016 (cont'd)

31. EMPLOYEE BENEFITS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries, wages, bonus and allowances	**8,303**	5,890	**4,060**	1,523
Defined contribution plan	**847**	590	**431**	162
Other employee benefits	**334**	102	**175**	31
	9,484	6,582	**4,666**	1,716

Included in staff cost of the Group and of the Company are Executive Directors' remuneration amounting to RM2,227,000 (2015: RM686,000) and RM1,206,000 (2015: RM468,000) respectively as disclosed in Note 35(c) to the financial statements.

32. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

The Group has entered into commercial leases of office, warehouse and equipment. The Group has aggregate future minimum lease commitments as at the end of reporting periods as follow:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Not later than one (1) year	**412**	22
Later than one (1) year and not later than five (5) years	**89**	-
	501	22

(b) Capital commitments

	Group	
	2016	**2015**
	RM'000	**RM'000**
Contracted but not provided for		
Property held for sale under development	**6,276**	-

33. CONTINGENT LIABILITIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unsecured				
Corporate guarantees given by the Company for credit facilities granted to the Group and the Company	-	15,000	-	11,800
Corporate guarantees given by the Company for banking facilities granted to the subsidiaries	-	-	47,039	-
Secured				
Bank guarantee given to suppliers in respect of goods supplied to its wholly-owned subsidiary	4,231	-	-	-

The Directors are of the opinion that the fair value of the corporate guarantees is negligible as the possibility of any outflow in settlement arising from the default of credit facilities is remote.

34. DISPOSAL OF SUBSIDIARIES

(a) On 1 July 2015, the Company completed the disposal of its entire equity interest in AESB, BFSB and GSHMSSB, companies incorporated in Malaysia which are engaged in property investment, car park operations and operations in inn and recreation respectively for a cash consideration of RM73,200,000 as disclosed in Note 28 to the financial statements. The effects of the disposal of AESB, BFSB and GSHMSSB are disclosed as follows:

(i) The carrying amounts of the identifiable assets and liabilities of AESB, BFSB and GSHMSSB as at the date of disposal are as follows:-

	Note	2016 RM'000
Property, plant and equipment	7	28,883
Investment properties	8	143,564
Inventories		19
Trade and other receivables		2,972
Cash and bank balances		2,172
Total identifiable assets		177,610
Trade and other payables		(53,962)
Borrowings		(49,717)
Deferred tax liabilities	16	(606)
Current tax liabilities		(420)
Total identifiable net assets		72,905

(ii) The consideration for the disposal of AESB, BFSB and GSHMSSB are as follows:-

	2016 RM'000
Deemed disposal consideration	73,200
Add: Amount owing to the Company	2,076
Disposal consideration received in cash	75,276

Notes to the Financial Statements

31 March 2016 (cont'd)

34. DISPOSAL OF SUBSIDIARIES (cont'd)

(a) On 1 July 2015, the Company completed the disposal of its entire equity interest in AESB, BFSB and GSHMSSB, companies incorporated in Malaysia which are engaged in property investment, car park operations and operations in inn and recreation respectively for a cash consideration of RM73,200,000 as disclosed in Note 28 to the financial statements. The effects of the disposal of AESB, BFSB and GSHMSSB are disclosed as follows (cont'd):

(iii) The effects of disposal of AESB, BFSB and GSHMSSB on cash flows are as follows:

	2016 RM'000
Deemed disposal consideration for the subsidiaries disposed of, in cash	**75,276**
Less: Cash and bank balances disposed of	**(2,172)**
Less: Bank overdraft disposed of	**9,685**
Net cash inflow on disposal	**82,789**

(iv) The gain on disposal of AESB, BFSB and GSHMSSB during the financial year are as follows:

	Group RM'000	**Company RM'000**
Cost of investment	-	44,403
Total identifiable assets	177,610	-
Total identifiable liabilities	(104,705)	-
Total identifiable net assets/Carrying amount	72,905	44,403
Less: Net proceeds from disposal	(73,200)	(73,200)
Gain on disposal	(295)	(28,797)

35. RELATED PARTY DISCLOSURES

(a) Identities 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 party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 9 to the financial statements;

(ii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and

(iii) Company in which a director is also a Director of the Company.

35. RELATED PARTY DISCLOSURES (cont'd)

(b) Significant related party transactions and balances

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Subsidiaries:				
Car park income	**-**	-	**400**	1,581
Interest income	**-**	-	**587**	1,988
Rental income	**-**	-	**132**	132
Interest expense	**-**	-	**(129)**	(349)
Related party:				
Rental expense	**-**	144	**-**	144

The related party transactions described above were carried out on terms and conditions mutually agreed with the respective parties.

Balances of the above related parties are disclosed in Note 12 and Note 17 to the financial statements.

(c) Compensation of key management personnel

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 and of the Company.

The remunerations of Directors during the financial year were as follows:

	Group			Company
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees	**327**	132	**327**	132
Salaries, bonus and allowance	**2,025**	619	**1,086**	422
Defined contribution plan	**202**	67	**120**	46
	2,554	818	**1,533**	600

36. OPERATING SEGMENTS

ENRA Group Berhad and its subsidiaries are principally engaged in property investment, property development, investment holding activities and operation of an inn and recreation centre.

AESB, BFSB and GSHMSSB, which were principally involved in investment property, car park operation and operation of an inn and recreation centre and also part of the operating segment in rental, car park and hotel operations respectively were disposed of during the financial year as disclosed in Note 34 to the financial statements and were reclassified as discontinued operations as disclosed in Note 28 to the financial statements.

Notes to the Financial Statements

31 March 2016 (cont'd)

36. OPERATING SEGMENTS (cont'd)

During the financial year, the Group has started operation in oil and gas sector through its two (2) wholly owned subsidiaries, namely EKSB and EOGSSB.

ENRA Group Berhad has arrived at five (5) reportable segments that are organised and managed separately according to the nature and services and specific expertise requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(a) Rental

Rental of the investment properties.

(b) Car park

Car park collections at the investment properties.

(c) Hotel operations

Operation of an inn and recreation centre.

(d) Property development

Joint venture property development.

(e) Oil and gas

Trading and logistic services.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in consolidated financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude current tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude current tax liabilities and deferred tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliations from segments assets and liabilities to the Group position.

2016	**Rental RM'000**	**Car park RM'000**	**Hotel operations RM'000**	**Property development RM'000**	**Oil and gas RM'000**	**Total RM'000**
Revenue						
Total revenue	11,764	2,792	1,770	108,308	13,945	138,579
Inter-segment revenue	(229)	(583)	-	-	-	(812)
Discontinued operations (Note 28)	(3,289)	(981)	(1,770)	-	-	(6,040)
Revenue from external customers	8,246	1,228	-	108,308	13,945	131,727
Interest income	520	-	-	265	-	785
Finance costs	(3,774)	-	-	(5)	(187)	(3,966)
Net finance expense	(3,254)	-	-	260	(187)	(3,181)

36. OPERATING SEGMENTS (cont'd)

2016	**Rental RM'000**	**Car park RM'000**	**Hotel operations RM'000**	**Property development RM'000**	**Oil and gas RM'000**	**Total RM'000**
Depreciation of property, plant and equipment	371	-	-	21	117	509
Segment profit before income tax	(8,347)	-	-	26,183	2,168	20,004
Segment assets	241,184	-	-	135,714	19,676	396,574
Segment liabilities	61,447	-	-	85,864	1,472	148,783
Other information:						
- Loss on fair value of investment properties	3,700	-	-	-	-	3,700
- Bad debts written off	1	-	-	-	-	1
Additions to non-current assets other than financial instruments	583	-	-	15	1,677	2,275

2015	**Rental RM'000**	**Car park RM'000**	**Hotel operations RM'000**	**Property development RM'000**	**Total RM'000**
Revenue					
Total revenue	22,503	6,280	6,942	75,094	110,819
Inter-segment revenue	(3,298)	(17)	-	-	(3,315)
Discontinued operations (Note 28)	(13,690)	(3,937)	(6,942)	-	(24,569)
Revenue from external customers	5,515	2,326	-	75,094	82,935
Interest income	96	-	-	39	135
Finance costs	(4,875)	-	-	(4)	(4,879)
Net finance expense	(4,779)	-	-	35	(4,744)
Depreciation of property, plant and equipment	269	-	-	18	287
Segment (loss)/profit before income tax	(5,198)	-	-	9,987	4,789
Segment assets	339,899	292	13,579	148,549	502,319
Segment liabilities	145,472	148	648	130,562	276,830
Other information:					
- gain on fair value of investment properties	722	-	-	-	722
- gain on disposal of investment properties	385	-	-	-	385
Additions to non-current assets other than financial instruments	5,054	-	-	22	5,076

Notes to the Financial Statements

31 March 2016 (cont'd)

36. OPERATING SEGMENTS (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2016 RM'000	2015 RM'000
Profit for the financial year		
Total profit for reportable segments	**20,004**	4,789
Profit on discontinued operations (Note 28)	**1,057**	7,271
Income tax expenses	**(6,678)**	(3,395)
Profit before tax and discontinued operations	**14,383**	8,665
Non-controlling interest	**(5,470)**	-
Profit for the financial year	**8,913**	8,665
Assets		
Total assets for reportable segments	**396,574**	502,319
Current tax assets	**654**	61
Assets of the Group	**397,228**	502,380
Liabilities		
Total liabilities for reportable segments	**148,783**	276,830
Current tax liabilities	**2,016**	1,224
Deferred tax liabilities	**200**	864
Liabilities of the Group	**150,999**	278,918

Geographical information

No geographical information is presented as major businesses of the Group operate in Malaysia and the overseas operation of the Group is still insignificant.

Major customers

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year.

Notes to the Financial Statements

31 March 2016 (cont'd)

37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the entities of the Group would be able to continue as going concerns while maximising the returns to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the financial year ended 31 March 2015.

The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions. In order to maintain or adjust the capital structure, the Group may from time to time adjust the dividend payout to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2015 and 31 March 2016.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The policy of the Group is to keep the gearing ratio within manageable levels. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances (including fixed deposits with licensed banks) and short term funds. At the end of the reporting period, the Group's gearing ratio is 0.31 times (2015: 0.55 times). Capital represents equity attributable to the owners of the parent.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 March 2016.

(b) Categories of financial instruments

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Loans and receivables				
Trade and other receivables, net of prepayments and accrued billings in respect of property development	**49,554**	25,480	**62,288**	31,792
Cash and bank balances	**36,984**	7,991	**11,262**	2,930
Fair value through profit or loss				
- short term funds	**185**	-	-	-
	86,723	33,471	**73,550**	34,722
Financial liabilities				
Other financial liabilities				
Borrowings	**56,305**	155,177	**34,319**	66,169
Trade and other payables	**92,478**	121,653	**3,980**	10,021
	148,783	276,830	**38,299**	76,190

Notes to the Financial Statements

31 March 2016 (cont'd)

37. FINANCIAL INSTRUMENTS (cont'd)

(c) Determination of fair value

Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair values

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

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

(ii) Hire-purchase and lease creditors and other borrowings

The fair values of these financial instruments are estimated future contractual cash flows at current market rate for similar financial instruments and of the same remaining maturities at the end of the reporting period.

(iii) Non-current accruals

The fair value of non-current accruals is estimated by discounting the expected future cash flows at cost of borrowings of the subsidiary.

At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

(iv) Short term funds

The fair values of short term funds are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

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).

37. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy (cont'd)

The significant unobservable input used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below:

Financial instruments	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputsand fairvalue
Financial liabilities			
Non-current accruals	Discounted cash flows method	Discount rate (8.0%)	The higher the discount rate, the lower the fair value of the liabilities would be.

The following table set out the fair value of financial instruments that are not carried at fair value on the statements of financial position:

2016	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group						
Financial liabilities						
Other financial liabilities						
- Hire-purchase and lease creditors	-	606	-	606	606	723
- Other borrowings	-	3,235	-	3,235	3,235	3,497
	-	3,841	-	3,841	3,841	4,220
Company						
Financial liabilities						
Other financial liabilities						
- Hire-purchase and lease creditors	-	194	-	194	194	218
2015						
Group						
Financial liabilities						
Other financial liabilities						
- Hire-purchase and lease creditors	-	200	-	200	200	215
- Other borrowings	-	44,807	-	44,807	44,807	49,481
	-	45,007	-	45,007	45,007	49,696
Company						
Financial liabilities						
Other financial liabilities						
- Hire-purchase and lease creditors	-	145	-	145	145	155
- Other borrowings	-	10,098	-	10,098	10,098	11,800
	-	10,243	-	10,243	10,243	11,955

Notes to the Financial Statements

31 March 2016 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to interest rate risk, liquidity and cash flow risk, credit risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks, short term funds and borrowings. The Group borrows at both, fixed and floating rates of interest to generate the desired interest profile and to manage the exposure of the Group and of the Company to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of reporting period changed by 10 basis points with all other variables held constant:

	Group		Company	
	2016 RM'000 Profit net of tax	**2015 RM'000 Profit net of tax**	**2016 RM'000 Profit net of tax**	**2015 RM'000 Profit net of tax**
Increase by 0.1% (2015: 0.1%)	**(34)**	(118)	**25**	(48)
Decrease by 0.1% (2015: 0.1%)	**34**	118	**(25)**	48

Interest rate exposure arises from the interest bearing borrowings and interest earning fixed deposits and short term funds of the Group and of the Company.

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 March 2016									
Fixed rates									
Fixed deposits with licensed banks and short term funds	13	3.21	11,674	-	-	-	-	-	11,674
Hire-purchase and lease creditors	20	6.61	186	153	135	137	112	-	723
Other borrowings	22	8.10	3,497	-	-	-	-	-	3,497

Notes to the Financial Statements

31 March 2016 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (cont'd):

Group	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Floating rates									
Bank overdrafts	19	8.35	6,614	-	-	-	-	-	6,614
Term loans	21	4.88	10,648	23,758	8,365	1,200	1,200	300	45,471
At 31 March 2015									
Fixed rates									
Fixed deposits with licensed banks	13	3.12	1,981	-	-	-	-	-	1,981
Hire-purchase and lease creditors	20	4.56	97	78	33	7	-	-	215
Other borrowings	22	7.93	34,481	15,000	-	-	-	-	49,481
Floating rates									
Bank overdrafts	19	8.35	28,928	-	-	-	-	-	28,928
Term loans	21	5.83	14,559	15,459	15,759	18,573	7,416	4,787	76,553
Company									
At 31 March 2016									
Fixed rate									
Fixed deposit with a licensed bank	13	3.29	8,276	-	-	-	-	-	8,276
Hire-purchase and lease creditors	20	0.71	88	47	25	27	31	-	218
Amounts owing by subsidiaries	12	5.00	59,043	-	-	-	-	-	59,043
Floating rates									
Bank overdrafts	19	8.35	6,614	-	-	-	-	-	6,614
Term loans	21	6.01	8,079	8,343	8,365	1,200	1,200	300	27,487

Notes to the Financial Statements

31 March 2016 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk (cont'd):

Company	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 March 2015									
Fixed rate									
Fixed deposit with a licensed bank	13	3.10	1,648	-	-	-	-	-	1,648
Hire-purchase and lease creditors	20	2.63	65	67	23	-	-	-	155
Other borrowings	22	8.10	-	11,800	-	-	-	-	11,800
Amounts owing by subsidiaries	12	6.50	26,604	-	-	-	-	-	26,604
Floating rates									
Bank overdrafts	19	8.35	19,528	-	-	-	-	-	19,528
Term loans	21	6.06	7,143	8,043	8,343	11,157	-	-	34,686

(ii) Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group actively manages its operating cash flow to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity and cash flow risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

2016	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Group				
Financial liabilities				
Trade and other payables	86,374	14,767	-	101,141
Borrowings	21,008	36,694	300	58,002
Total undiscounted financial liabilities	107,382	51,461	300	159,143
Company				
Financial liabilities				
Trade and other payables	3,981	-	-	3,981
Borrowings	14,789	20,818	300	35,907
Total undiscounted financial liabilities	18,770	20,818	300	39,888
2015				
Group				
Financial liabilities				
Trade and other payables	72,549	58,234	-	130,783
Borrowings	78,072	78,842	6,471	163,385
Total undiscounted financial liabilities	150,621	137,076	6,471	294,168
Company				
Financial liabilities				
Trade and other payables	10,021	-	-	10,021
Borrowings	26,740	41,302	1,556	69,598
Total undiscounted financial liabilities	36,761	41,302	1,556	79,619

(iii) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The credit period is generally for a period of 30 days to 60 days. The exposure to credit risk is monitored on an ongoing basis.

There are no specific considerations of credit risk and the maximum exposures to credit risk of the Group are represented by the carrying amounts of the financial assets in the statements of financial position.

Notes to the Financial Statements

31 March 2016 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Credit risk (cont'd)

As at the end of the reporting period, other than the amounts owing by the subsidiaries amounting to RM59,043,000 (2015: RM29,547,000), which represent 94.37% (2015: 92.23%) of trade and other receivables of the Company, there is no significant concentration of credit risk of the Group and of the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 12 to the financial statements.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12 to the financial statements. Fixed deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 to the financial statements.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is subject to foreign exchange fluctuations through the import and export of finished goods. The Group also has cash and bank balances and payables denominated in foreign currencies. At the end of reporting period, the Group holds bank balance denominated in foreign currencies, US Dollar and British Pound amounting to RM274,000 (2015: Nil) and RM13,364,000 (2015: Nil) respectively.

The Group is also exposed to foreign currency risk in respect of the overseas subsidiaries.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Company to a reasonably possible change in the US Dollar and British Pound exchange rates against the Ringgit Malaysia ('RM') respectively, with all variables held constant 3% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

		Group 2016 RM'000
Profit after tax		
US Dollar/RM	- strengthen by 3%	8
	- weaken by 3%	(8)
British Pound/RM	- strengthen by 3%	(595)
	- weaken by 3%	595

39. CHANGE OF COMPOSITION OF THE GROUP

On 1 June 2015, the Company disposed its 30% equity interest in LZSB for a total cash consideration of RM8,300,000. Arising therefrom, the Company's equity interest in LZSB was decreased from 100% to 70%.

The fair value of the identifiable assets and liabilities of LZSB as at the date of disposal as follows:

	2016 RM'000
Carrying amount of net identifiable assets, liabilities and contingent liabilities, if any, of LZSB at the date of disposal	18,453
Less: Carrying amount of 70% equity interest at the date of disposal	(12,917)
Identifiable net assets disposed at 30%	5,536
Gain on disposal of equity interest in LZSB	2,764
Purchase consideration received in cash	8,300

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 1 May 2015, the Company completed the acquisition of a property held for sale for a total cash consideration of £6,375,000. The property is a freehold five (5)-storey office building located in United Kingdom and intended to be redeveloped into four (4) luxury apartments. The development was commenced during the financial year.

(b) On 21 September 2015, the Company had entered into a Heads of Agreement with AWT International (Asia) Sdn. Bhd. ('AWTIASB') with the intention of collaborating to form a Special Purpose Vehicle ('SPV') ('Proposed Collaboration').

Subsequently on 26 February 2016, EOGSSB, a wholly indirect owned subsidiary of the Company had entered into a Shareholder Agreement with AWT International (Decommissioning) Sdn. Bhd. ('AWTIDSB') to collaborate on well, platform and field abandonment/decommissioning and brownfield rejuvenation projects. EOGSSB and AWTIDSB propose to from or acquire a SPV whereby the SPV's ratio of equity breakdown between AWTIDSB and EOGSSB shall be 49%:51% respectively. Upon the incorporation or acquisition of the SPV, the SPV shall become a subsidiary of EOGSSB and accordingly a subsidiary of the Company.

The SPV has not been incorporated/acquired at the date of this report.

(c) On 5 February 2016, EOGSSB, a wholly owned subsidiary of the Company had entered into Share Sale Agreement and Shareholder Agreement in respect of the acquisition of 750,000 ordinary shares of RM1.00 each in the share capital of Hikmah Oil & Gas Assistance Sdn. Bhd. ('HOGASB'), representing 75% of the total issued and paid up share capital of HOGASB ('Proposed Acquisition') for a cash consideration of RM10,290,000. Upon the completion of the Proposed Acquisition, HOGASB shall become subsidiary of EOGSSB and accordingly subsidiary of the Company. The Proposed Acquisition has been subsequently completed on 12 May 2016.

(d) On 18 March 2016, the Company had entered into a conditional Share Sale Agreement with Meridian Hectares Sdn. Bhd. ('MHSB') for the proposed disposal of 2,400,000 ordinary shares of RM1.00 each, representing 30% equity interest held by the Company in LZSB ('Proposed Disposal') for a cash consideration of RM13,900,000. Upon completion of the Proposed Disposal, LZSB will become an associate of the Company with equity interest of 40%.

However, on 10 May 2016, the Company announced to terminate the conditional share sale agreement for the Proposed Disposal to renegotiate on the terms and conditions of the Proposed Disposal to explore the possibility of disposing a higher equity interest in LZSB held by the Company.

Notes to the Financial Statements

31 March 2016 (cont'd)

41. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries:				
- realised	**92,406**	13,208	**71,020**	40,273
- unrealised	**(303)**	2,558	**(405)**	2,772
	92,103	15,766	**70,615**	43,045
Add/(Less): Consolidation adjustments	**(784)**	63,876	**-**	-
Total Group/Company retained earnings as per consolidated accounts	**91,319**	79,642	**70,615**	43,045

Properties Owned by ENRA Group Berhad

Location / Address	Built-up area (Sq. Ft.)	Existing use / Description of property	Tenure	Approximate age of building.	Carrying amount as at 31.03.2016 (RM'000)
Units held under Strata Title Nos. M1-1-2, M1-1-3, M1-1-44, M1-1-46 to M1-1-50, M1-1-83 M1-1-91, M1-1-148, M1-2-149, M1-2-156, M1-2-157, M1-2-176, M1-2-177, M1-2-212, M1-2-221,M1-3-298, M1-3-304 to M1-3-307, M1-3-311, M1-3-312, M1-3-322 to M1-3-325, M1-3-331, M1-3-332, M1-3-344, M1-3-356, M1-3-357, M1-3-363, M1-3-366, M1-3-370, M1-3-389, M1-3-414, M1-3-417, M1-4-423, M1-4-425, M1-4-426 located at Podium Block, Holiday Plaza, Jalan Dato Sulaiman, Century Garden, 80250 Johor Bahru.	140,975	Commercial Space	Freehold	32 years	166,500
All Suites in Tower Block held under Strata Title Nos. M1-5-427 to M1-20-442 Holiday Plaza, Jalan Dato Sulaiman, Century Garden, 80250 Johor Bahru.	122,515	Office space	Freehold	31 years	
613 units of car park bays held under Strata Title No. M1-B1-1 located at basement of Holiday Plaza, Jalan Dato Sulaiman, Century Garden, 80250 Johor Bahru.	182,158	Car parks	Freehold	32 years	
Units held under Strata Title Nos. M1-1-2, M1-2-6, M1-3-10, M1-4-14, M1-5-18 & M1-6-22 in a 6-storey office building known as Shamelin Business Centre located along Jalan 4/91 Taman Shamelin Perkasa, Cheras, 56100 Kuala Lumpur	18,912	Office space	Leasehold expiring on 11.09.2082	11 years	5,617
Units held under Title Number: NGL748650 in a 5-storey Grade II listed building known as 93 Great Titchfield Street, W1W 6RP London, United Kingdom	6,272	Redevelopment to residential units	Freehold	210 years	39,844

Analysis of Shareholdings

as at 30 June 2016

Authorised Share Capital	:	RM500,000,000
Issued and Paid-up Share Capital	:	RM136,207,943
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 Vote per Ordinary Share

SHAREHOLDINGS DISTRIBUTION

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
Less than 100 shares	286	13.04	7,257	0.01
100 to 1,000 shares	1,325	60.42	893,750	0.66
1,001 to 10,000 shares	472	21.52	1,573,164	1.17
10,001 to 100,000 shares	78	3.56	2,324,787	1.72
100,001 to less than 5% of issued shares	25	1.14	44,626,585	33.08
5% and above of issued shares	7	0.32	85,493,000	63.37
Total	2,193	100.00	134,918,543	100.00

** Excluding a total of 1,289,400 ordinary shares bought back by the Company and retained as treasury shares*

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%*
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Trillion Icon Sdn. Bhd. (PBCL-0G0283)*	23,000,000	17.05
2.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Maybank International Labuan Branch for Mizreen Capital Sdn. Bhd.*	12,000,000	8.89
3.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Kamaluddin bin Abdullah (PBCL-0G0285)*	11,400,000	8.45
4.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Amira Properties Sdn. Bhd. (PB)*	11,000,000	8.15
5.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Accentvest Sdn. Bhd. (PB)*	11,000,000	8.15
6.	CIMSEC Nominees (Asing) Sdn. Bhd. *Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)*	10,093,000	7.48
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Siva Kumar A/L M Jeyapalan (PBCL-0G0015)*	7,000,000	5.19
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Paling Terbilang Sdn. Bhd. (PB)*	6,000,000	4.45
9.	M & A Nominee (Tempatan) Sdn. Bhd. *Pledged securities account for Mizreen Capital Sdn. Bhd. (M&A)*	5,900,000	4.37
10.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Novel Pioneer Global Limited*	5,000,000	3.71

Analysis of Shareholdings

as at 30 June 2016 (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

No.	Name of Shareholders	No. of Shares	%*
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Intelek Kuasa Sdn. Bhd. (PB)*	4,600,000	3.41
12.	AmBank (M) Berhad *Pledged securities account for Ali bin Abdul Kadir*	4,000,000	2.96
13.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Kok Kong Chin (PB)*	3,000,000	2.22
14.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Pledged securities account for New Lake Investments Limited*	3,000,000	2.22
15.	RHB Nominees (Tempatan) Sdn. Bhd. *TS Law Group Sdn. Bhd.*	2,863,885	2.12
16.	Sharifah Salwa binti Syed Kamaruddin	2,000,000	1.48
17.	RHB Nominees (Asing) Sdn. Bhd. *Exempt AN for RHB Securities Singapore Pte. Ltd. (A/C Clients)*	1,436,000	1.06
18.	Eddy Atmadja	1,274,700	0.94
19.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Kamaluddin bin Abdullah (PB)*	1,100,000	0.82
20.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for Azmil Khalili bin Khalid*	1,000,000	0.74
21.	Khoo Nang Seng @ Khoo Nam Seng	664,700	0.49
22.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd for Long Point Financial Limited*	599,700	0.44
23.	EB Nominees (Tempatan) Sendirian Berhad *Pledged securities account for M & A Securities Sdn. Bhd. (IPO)*	500,000	0.37
24.	HLIB Nominees (Tempatan) Sdn. Bhd. *Plegded securities account for Abu Sahid bin Mohamed (MG0172-003)*	295,900	0.22
25.	Liew Sui Kum	249,900	0.19
26.	Affin Hwang Nominees (Asing) Sdn. Bhd. *DBS Vickers Secs (S) Pte Ltd for New Tasek Capital Ltd*	216,800	0.16
27.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Kamalanathan A/L J. Puloganathan (MY0808)*	215,000	0.16
28.	Doitbest Holdings Sdn. Bhd.	150,000	0.11
29.	Loong Caesar	150,000	0.11
30.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for Khoo Bee Lian*	150,000	0.11
	Total	129,859,585	96.22

* *Excluding a total of 1,289,400 ordinary shares bought back by the Company and retained as treasury shares.*

Analysis of Shareholdings

as at 30 June 2016 (cont'd)

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares Held Direct Interest	%*	Indirect Interest	%*
1.	Trillion Icon Sdn. Bhd.	23,000,000	17.05	-	-
2.	Amira Properties Sdn. Bhd.	11,000,000	8.15	-	-
3.	Mizreen Capital Sdn. Bhd.	18,400,000	13.64	-	-
4.	Accentvest Sdn. Bhd.	11,000,000	8.15	-	-
5.	Dato' Kamaluddin bin Abdullah	12,507,629	9.27	44,600,000 [a]	33.06
6.	Dato' Mazlin bin Md Junid	-	-	29,400,000 [b]	21.79
7.	Dato' Azrene binti Abdullah	-	-	57,107,629 [c]	42.33
8.	Izreen Natalia binti Mazlin	-	-	29,400,000 [d]	21.79
9.	Ikhmal Mirza bin Mazlin	-	-	29,400,000 [e]	21.79
10.	Siva Kumar A/L M Jeyapalan	7,074,400	5.24	-	-

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS

No.	Name of Directors	No. of Shares Held Direct Interest	%*	Indirect Interest	%*
1.	Datuk Ali bin Abdul Kadir	4,000,000	2.96	-	-
2.	Dato' Kamaluddin bin Abdullah	12,507,629	9.27	44,600,000 [a]	33.06
3.	Dato' Mazlin bin Md Junid	-	-	29,400,000 [b]	21.79
4.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	-	-	2,000,000 [f]	1.48
5.	Datuk Anuar bin Ahmad	-	-	-	-
6.	Loh Chen Yook	-	-	-	-
7.	Teo Chee Kok	-	-	-	-
8.	Kok Kong Chin	3,000,000	2.22	-	-

Notes:

a *Indirect interest held through Trillion Icon Sdn. Bhd., Amira Properties Sdn. Bhd., Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. in which he has controlling interests by virtue of Section 6A (4) of the Companies Act, 1965 ("the Act")*

b *Indirect interest held through Mizreen Capital Sdn. Bhd. and Accentvest Sdn. Bhd. in which he has controlling interests by virture of Section 6A (4) of the Act.*

c *Indirect interest held through (a) Trillion Icon Sdn. Bhd. in which she is entitled to exercise not less than 15% of the votes atatched to the voting shares, (b) Amira Properties Sdn. Bhd. in which she is entitled to exercise not less than 15% of the votes attached to the voting shares, (c) her spouse, Dato' Kamaluddin bin Abdullah's direct interest in ENRA and (d) her spouse's indirect interest held through Trillion Icon Sdn. Bhd., Amira Properties Sdn. Bhd., Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. by virtue of Section 6A (4) of the Act.*

d *Indirect interest held through (a) her father, Dato' Mazlin bin Md Junid's indirect interest held through Mizreen Capital Sdn. Bhd. and Accentvest Sdn. Bhd. (b) Accentvest Sdn. Bhd. in which she is entitled to exercise not less than 15% of the votes attached to the voting shares by virtue of Section 6A (4) of the Act.*

e *Indirect interest held through (a) his father, Dato' Mazlin bin Md Junid's indirect interest held through Mizreen Capital Sdn. Bhd. and Accentvest Sdn. Bhd. (b) Mizreen Capital Sdn. Bhd. in which he is entitled to exercise not less than 15% of the votes attached to the voting shares and (c) Accentvest Sdn. Bhd. in which he is entitled to exercise not less than 15% of the votes attached to the voting shares by virtue of Section 6A (4) of the Act.*

f *Indirect interest held through his spouse, Puan Sri Sharifah Salwa Syed Kamaruddin's direct interest in ENRA by virtue of Section 134 (12) (c) of the Act*

* *Excluding 1,289,400 ordinary shares of RM1.00 each bought back by the Company and retained as treasury shares.*

ENRA Group Berhad (236800-T)

CDS Account No.			No. of Shares Held	

FORM OF PROXY

I/We ____________________NRIC No./Passport No./Company No.____________________

of____

being a member / members of ENRA GROUP BERHAD, hereby appoint ____________________

NRIC No./Passport No.: ______________ of ____________________

or failing whom, ____________________NRIC No./Passport No.____________________

of ____

or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fourth (24th) Annual General Meeting of the Company to be held at **Function Room 1 & Room 2, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur** on **Thursday, 11 August 2016** at **10:00 a.m**. and at any adjournment thereof thereof in respect of my/our shareholding in the manner as indicated below:

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To approve the payment of Directors' fees for the financial year ended 31 March 2016		
2. To re-elect Dato' Kamaluddin bin Abdullah (Article 76 of the Articles of Association of the Company)		
3. To re-elect Mr. Teo Chee Kok (Article 76 of the Articles of Association of the Company)		
4. To re-elect Mr. Kok Kong Chin (Article 83 of the Articles of Association of the Company)		
5. To re-appoint Messrs. BDO as Auditors of the Company		
6. Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors of the Company to allot and issue shares		

(Please indicate with an "X" in the space provided above to indicate how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Signed this __________day of ________________2016

____

Signature of Member/Common Seal of Member(s)

For appointment of two (2) proxies, percentage of shareholdings to be represented by the two (2) proxies		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 August 2016 (General Meeting Record of Depositors) shall be eligible to attend and vote at this Twenty-Fourth (24th) Annual General Meeting or appoint a proxy to attend and vote on his behalf.

2. A proxy may but need not be a member of the Company and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company.

3. Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an exempt authorised nominee 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 exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.

6. The Form of Proxy must be completed, signed and deposited at the Registered Office of the Company at D2-U3-10, Block D2, Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or adjourned meeting.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 19 July 2016.

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Affix
stamp

The Company Secretary
ENRA Group Berhad
D2-U3-10, Block D2,
Solaris Dutamas,
No. 1 Jalan Dutamas 1,
50480 Kuala Lumpur

Then fold here

Fold this flap for sealing

ENRA Group Berhad (236800-T)

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