





## 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

**Teo Chee Kok**  
Independent Non-Executive Director

**Loh Chen Yook**  
Non-Independent Non-Executive Director

### AUDIT COMMITTEE

**Datuk Ali bin Abdul Kadir**  
Chairman

**Tan Sri Dato' Seri Shamsul  
Azhar bin Abbas**  
Member

**Datuk Anuar bin Ahmad**  
Member

**Teo Chee Kok**  
Member

### NOMINATION AND REMUNERATION COMMITTEE

**Datuk Anuar bin Ahmad**  
Chairman

**Datuk Ali bin Abdul Kadir**  
Member

**Tan Sri Dato' Seri Shamsul  
Azhar bin Abbas**  
Member

**Teo Chee Kok**  
Member

### COMPANY SECRETARIES

**Wong Yeow Chor**  
MAICSA 0818030

**Choong Lee Wah**  
MAICSA 7019418

### 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

### AUDITORS

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

### REGISTERED OFFICE

D3-U6-15, Block D3  
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

### PRINCIPAL BANKERS/ LENDERS

Hong Leong Bank Berhad  
CIMB Bank 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 23rd Annual General Meeting (“AGM”) of ENRA Group Berhad (formerly known as Perduren (M) Berhad) (“the Company”) will be held at Function Room 1 & Room 2, 1st Floor, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 18 August 2015 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 2015 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note A)*
2. To approve the payment of Directors’ fees amounting to RM132,000 for the financial year ended 31 March 2015 (2014: RM156,000). *(Ordinary Resolution 1)*
3. To re-elect Dato’ Kamaluddin bin Abdullah who retires in accordance with Article 83 of the Company’s Articles of Association. *(Ordinary Resolution 2)*
4. To re-elect Dato’ Mazlin bin Md Junid who retires in accordance with Article 83 of the Company’s Articles of Association. *(Ordinary Resolution 3)*
5. To re-elect Datuk Ali bin Abdul Kadir who retires in accordance with Article 83 of the Company’s Articles of Association. *(Ordinary Resolution 4)*
6. To re-elect Datuk Anuar bin Ahmad who retires in accordance with Article 83 of the Company’s Articles of Association. *(Ordinary Resolution 5)*
7. To re-elect Mr. Loh Chen Yook who retires in accordance with Article 83 of the Company’s Articles of Association. *(Ordinary Resolution 6)*
8. To re-elect Tan Sri Dato’ Seri Shamsul Azhar bin Abbas who retires in accordance with Article 83 of the Company’s Articles of Association. *(Ordinary Resolution 7)*
9. To re-appoint Messrs BDO as Auditors of the Company for the financial year ending 31 March 2016 and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 8)*

### AS SPECIAL BUSINESS

#### Ordinary Resolution

10. **Authority To Allot And Issue Shares Pursuant To Section 132D Of The Companies Act, 1965**

“THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

*(Ordinary Resolution 9)*

## NOTICE OF ANNUAL GENERAL MEETING

cont'd

### Special Resolution

#### 11. Proposed Amendments to the Company's Articles of Association

“THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix A attached with the Annual Report for the financial year ended 31 March 2015 be and are hereby approved.”

*(Special Resolution)*

12. To transact any other business of which due notice shall have been given.

By Order of the Board

**WONG YEOW CHOR** (MAICSA 0818030)  
**CHOONG LEE WAH** (MAICSA 7019418)  
 Company Secretaries  
 Kuala Lumpur

16 July 2015

### NOTES:

A. *This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.*

### Proxy:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 August 2015 (General Meeting Record of Depositors) shall be eligible to attend and vote at this 23rd AGM 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. *A member who is an authorised nominee 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. A member who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 a member 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. *To be valid, this Form of Proxy must be completed, signed and deposited at the Registered Office of the Company at D3-U6-15, Block D3, 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.*

## **NOTICE OF ANNUAL GENERAL MEETING**

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### **EXPLANATORY NOTES ON SPECIAL BUSINESS**

a. *Ordinary Resolution 9*

*The proposed Ordinary Resolution 9, 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, which may include group expansion and for general working capital. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.*

*The Company did not issue any shares under the mandate granted at the last AGM of the Company held on 25 September 2014. 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.*

b. *Special Resolution*

*The proposed Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.*

### **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.*

## **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

*Pursuant to paragraph 8.27 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad*

### **Details of individuals who are standing for election as Directors**

No individual is seeking election as a Director at the forthcoming 23rd AGM of the Company.

## APPENDIX A

### Proposed Amendments to the Company's Articles of Association

Article No.	Existing Articles	Amended Articles
2 Interpretation	<p><u>Words</u>                      <u>Meanings</u></p> <p>“The Company”      PERDUREN (M) BERHAD</p> <p><i>New definition</i></p>	<p><u>Words</u>                      <u>Meanings</u></p> <p>“The Company”              ENRA GROUP BERHAD (formerly known as PERDUREN (M) BERHAD)</p> <p>“clear day”              exclusive of the day of notice and exclusive of the day on which the meeting is to be held</p>
51 General Meeting	<p>An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings. All general meetings shall be held at such time and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution.</p>	<p>An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings. All general meetings shall be held at such time and place as the Directors shall determine. <b>Such meeting of its Members may be held within Malaysia at more than one venue using any technology that allow all Members a reasonable opportunity to participate.</b> Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution.</p>
53 Notice of Meeting	<p>Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>	<p>Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) <b>clear</b> days before the meeting or at least twenty-one (21) <b>clear</b> days before the meeting where any special resolution is to be proposed or where it is an annual general meeting respectively. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) <b>clear</b> days' notice or twenty-one (21) <b>clear</b> days' notice in the case where any special resolution is proposed or where it is an annual general meeting respectively, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the stock exchange upon which the Company is listed.</p>

**APPENDIX A**

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Article No.	Existing Articles	Amended Articles
62 How a poll is to be taken	If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may, in addition to the powers of adjourning meetings contained in Article 60 adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.	If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may, in addition to the powers of adjourning meetings contained in Article 60 adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll. <b>The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrators, and verified by the scrutineers, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolutions(s) to be decided on poll.</b>
69B Proxy of Exempt Authorised Nominee	Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.	Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.  <b>However, where an Exempt Authorised Nominee appoints two (2) or more proxies, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.</b>



## APPENDIX A

*cont'd*

Article No.	Existing Articles	Amended Articles
78 Notice of candidate as a Director	No person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless a member intending to propose him has, at least eleven (11) clear days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for re-election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.	No person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless a member intending to propose him has, at least eleven (11) clear days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for re-election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place. <b>The cost of serving the notice to propose the election where the nomination is made by a Member, shall be borne by the Member making the nomination.</b>
To add 87 (h) When offices of Director deemed vacant	(new provision)	<b>(h) is absent from more than 50% of the total board of directors' meetings held during a financial year, unless an exemption or waiver is obtained from the Exchange provided always that this provision shall not apply to an Alternate Director. A Director shall be deemed to be present at a Directors' meeting if his attendance is by tele-conferencing or video-conferencing or other electronic means of audio or audio-visual communications or such other means as provided in these Articles.</b>

**APPENDIX A**

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Article No.	Existing Articles	Amended Articles
100 Notice of Directors' meeting	It shall not necessary to give any Director or Alternate Director, who has not got an address in Malaysia, registered with the Company; notice of a meeting of the Directors. Unless otherwise determined by the Directors from time to time a seven (7) days' notice of all Directors' meetings shall be given to all Directors and their Alternate Directors, who have a registered address in Malaysia. Except in the case of an emergency, reasonable notice of every Directors' meeting shall be in writing and the notice of each Directors' meeting shall be deemed to be served in the case of a Director having an address in Peninsular Malaysia, two (2) days following that on which a properly stamped letter containing the notice is posted in Peninsular Malaysia and in the case of a Director having an address in East Malaysia seven (7) days following that on which a properly stamped letter containing the notice is posted within Peninsular Malaysia.	It shall not be necessary to give any Director or Alternate Director, who has not got an address in Malaysia, registered with the Company; notice of a meeting of the Directors. Unless otherwise determined by the Directors from time to time a seven (7) days' notice of all Directors meetings shall be given to all Directors and their Alternate Directors, who have a registered address in Malaysia. Except in the case of an emergency, reasonable notice of every Directors' meeting shall be in writing and the notice of each Directors' meeting shall be deemed to be served in the case of a Director having an address in Peninsular Malaysia, , two (2) days following that on which a properly stamped letter containing the notice is posted in Peninsular Malaysia and in the case of a Director having an address in East Malaysia seven (7) days following that on which a properly stamped letter containing the notice is posted within Peninsular Malaysia. <b>and effected on the day after the date of its posting.</b>
106 Restriction on voting	A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly personal interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.	A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly personal interest (and if he shall do so his vote shall not be counted), <del>nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.</del> <b>but the Director may be counted in the quorum present at any meeting.</b>

## APPENDIX A

*cont'd*

Article No.	Existing Articles	Amended Articles
<p>127 To whom copies of profit and loss accounts etc may be sent</p>	<p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as referred to in the section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months. The Company must issue to the Members an annual report relating to it within six (6) months after the expiry of its financial year end, and such annual report which may be in the form of a printed copy or compact disc read-only-memory ("CD-ROM") or digital video read-only memory ("DVD-ROM") or such other format shall not less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 145) be sent to every member of, and to every holder of debentures of, the Company or to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's shares may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange(s) PROVIDED that this Article shall not require a copy of these documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office. In the event that the annual report is sent in CD-ROM or DVD-ROM format or such other format and a Member requests a printed copy of such documents, the Company shall send such documents to the Member within four (4) market days from the date of the receipt of the Member's request.</p>	<p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as referred to in the section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months. The Company must issue to the Members an annual report relating to it <b>within the period prescribed under the Listing Requirements or the Act</b> <del>–six–(6) months after the expiry of its financial year end;</del> and such annual report which may be in the form of a printed copy or compact disc read-only-memory ("CD-ROM") or digital video read-only memory ("DVD-ROM") or such other format shall not less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 145) be sent to every member of, and to every holder of debentures of, the Company or to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's shares may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange(s) PROVIDED that this Article shall not require a copy of these documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office. In the event that the annual report is sent in CD-ROM or DVD-ROM format or such other format and a Member requests a printed copy of such documents, the Company shall send such documents to the Member within four (4) market days from the date of the receipt of the Member's request.</p>

**APPENDIX A**

cont'd

Article No.	Existing Articles	Amended Articles
143 When service effected	Any notice or other document if served by post shall be deemed to be served in the case of a member having an address for service in Peninsular Malaysia two (2) days following that on which a properly stamped letter containing the same is posted in Peninsular Malaysia and in the case of a member having an address for service in East Malaysia seven (7) days following that on which the letter suitably stamped at airmail rates containing the same is posted within Peninsular Malaysia. In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box or by a letter from the Company Secretary certifying that the notice or document has been posted.	<p><del>Any notice or other document if served by post shall be deemed to be served in the case of a member having an address for service in Peninsular Malaysia two (2) days following that on which a properly stamped letter containing the same is posted in Peninsular Malaysia and in the case of a member having an address for service in East Malaysia seven (7) days following that on which the letter suitably stamped at airmail rates containing the same is posted within Peninsular Malaysia. In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box or by a letter from the Company Secretary certifying that the notice or document has been posted.</del></p> <p><b>Any notice or other document if served by post shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.</b></p>
151 Alteration of Articles	The Company shall not delete, amend or add to any of its existing Articles of Association which have been previously approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.	(Deleted)

**GROUP STRUCTURE**


# ENRA

## Group Berhad (236800-T)

(formerly known as Perduren (M) Berhad)

<b>100%</b>	Bendera Majujaya Sdn. Bhd.
<b>100%</b>	Perduren Holding Company Limited
<b>75%</b>	Fitzrovia Developments Limited*
<b>100%</b>	ENRA Kimia Sdn. Bhd.** <i>(formerly known as Sudut Perangsang Sdn. Bhd.)</i>
<b>100%</b>	Essential Vista Sdn. Bhd.
<b>100%</b>	Evergreen Sprint Sdn. Bhd.
<b>70%</b>	Landmark Zone Sdn. Bhd.
<b>100%</b>	Nautical Gold Sdn. Bhd.
<b>100%</b>	Orlando Manufacturing Sdn. Bhd.
<b>100%</b>	Primal Impel Sdn. Bhd.***
<b>100%</b>	Primary Pillar Sdn. Bhd.
<b>100%</b>	Prominent Massive Sdn. Bhd.***
<b>100%</b>	Ratus Nusa Sdn. Bhd.**
<b>100%</b>	Salam Nilam Sdn. Bhd.***
<b>100%</b>	Tenderly Marketing Sdn. Bhd.
<b>100%</b>	Trillion Factor Sdn. Bhd.**
<b>100%</b>	Trillion Standard Sdn. Bhd.***

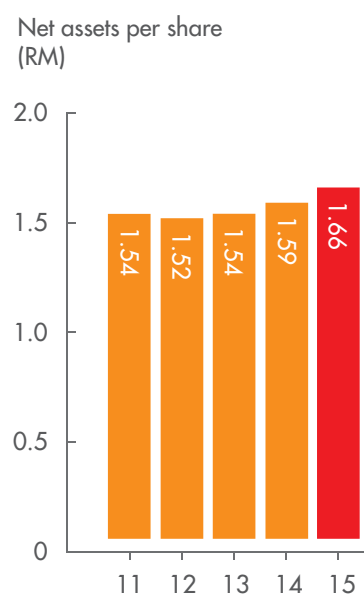
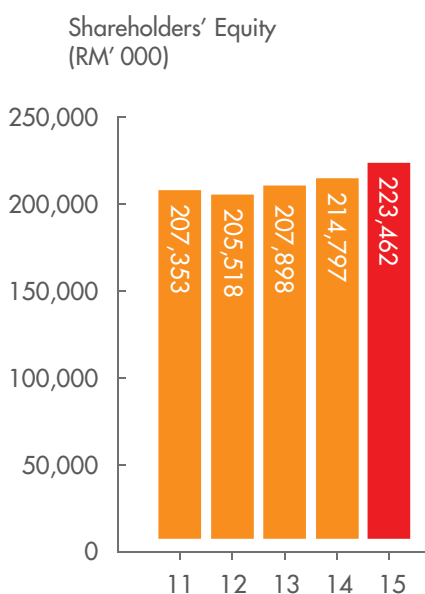
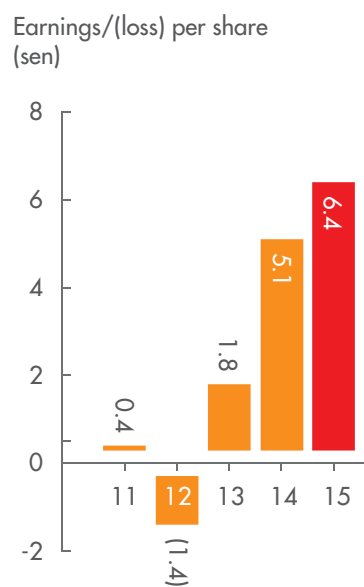
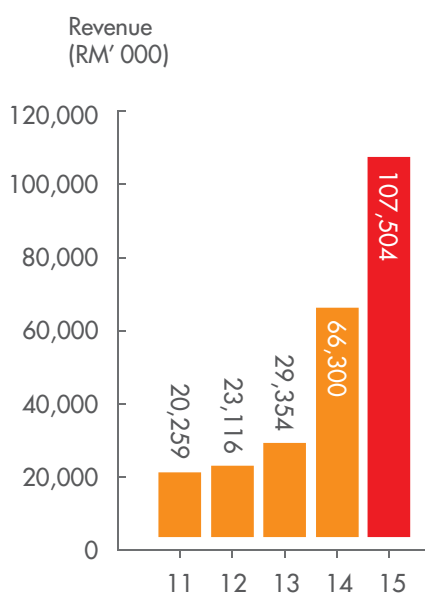
\* On 16 April 2015, the issued and paid-up share capital of Fitzrovia Developments Limited was increased from £1 to £1,000

\*\* Acquisition of shelf companies on 1 April 2015

\*\*\* Acquisition of shelf companies on 15 June 2015

## FIVE-YEAR FINANCIAL HIGHLIGHTS

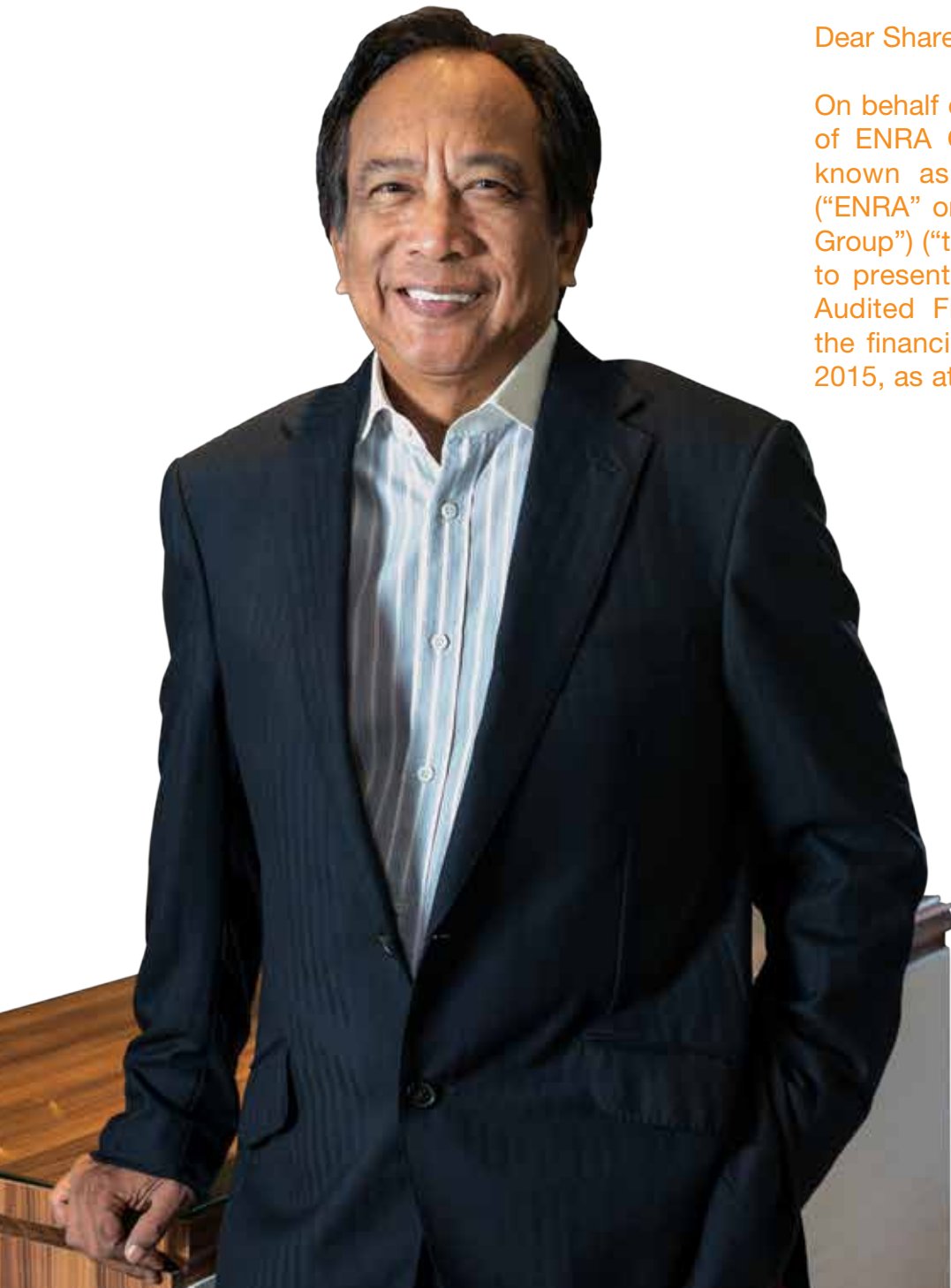
	2011	2012	2013	2014	2015
Revenue (RM'000)	20,259	23,116	29,354	66,300	107,504
Earnings/(loss) per share (sen)	0.4	(1.4)	1.8	5.1	6.4
Shareholders' equity (RM'000)	207,353	205,518	207,898	214,797	223,462
Net assets per share (RM)	1.54	1.52	1.54	1.59	1.66



# CHAIRMAN'S *STATEMENT*

Dear Shareholders,

On behalf of the Board of Directors of ENRA Group Berhad (formerly known as Perduren (M) Berhad) ("ENRA" or "the Company" or "the Group") ("the Board"), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2015, as attached.



## CHAIRMAN'S STATEMENT

*cont'd*

During the financial year under review, Dato' Kamaluddin bin Abdullah, Dato' Mazlin bin Md Junid and persons acting in concert emerged as the largest shareholders in the Group via an acquisition of a joint 69.3% stake in the Company. Dato' Kamaluddin and Dato' Mazlin subsequently completed a mandatory general offer for the remaining shares.

The Group also entered into an exercise to dispose its entire equity interest in Advantage Equity Sdn. Bhd., Balance Focus Sdn. Bhd., and Grand Sentosa Hotel Management Services Sdn. Bhd., as well as a 30% equity stake in Landmark Zone Sdn. Bhd., for RM81.5 million, all of which were fully completed by 1 July 2015. This transaction places the Group in an opportune position to invest in new developments and businesses that can improve shareholder value.

### REVIEW OF CURRENT GROUP BUSINESSES

#### FINANCIAL REVIEW

The Group recorded higher revenue of RM107.504 million for the financial year ended 31 March 2015 as compared to RM66.300 million for the financial year ended 31 March 2014, derived principally from property development revenue of RM75.094 million during the financial year. The Group recorded a post-tax profit of RM8.665 million for the financial year ended 31 March 2015 as compared to post tax profit of RM6.899 million for the financial year ended 31 March 2014.

Consequently, the Group's earnings per share has improved to 6.42 sen per share for the financial year ended 31 March 2015 as compared to 5.11 sen per share for the financial year ended 31 March 2014.

The Group's net asset per share has improved to RM1.66 per share at the end of the current financial under review as compared to RM1.59 during the end of the previous financial year.

### OPERATIONAL REVIEW

#### Property Development

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 75% of the service apartments have been sold as at 31 March 2015 whilst nearly all the retail units have been sold by the same date. The substructure works have been completed while the overall project progress is about 40% completed. Various continuing and ongoing promotional activities are being carried out to boost the sales of the balance unsold units which are primarily Bumiputera units.

#### Property Investment

Following the completion of the refurbishment exercise in the previous financial year ended 31 March 2014, the traffic flow of Holiday Plaza has improved. The Group will continue to intensify its efforts to introduce new retail tenants into Holiday Plaza to further enhance the tenant mix quality and overall shoppers' experience within the retail complex.

### DIRECTORATE

Over the financial year under review and up to the date of this statement, 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 now includes 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 Company.

The collective experience of the new members of the Board places the Company 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 strengthening its current core property business, the Company 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 Company's property division. The Company will also continue receiving the support and guidance of Mr. Teo Chee Kok who has been an independent director of the Company since 31 March 2014.

I am grateful for having been invited to join the Board in guiding the Group into new areas of growth in both the property and oil & gas industries. 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.



## CHAIRMAN'S STATEMENT

*cont'd*

### PROSPECTS & FUTURE PLANS

The Group will endeavour to 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 centre.

The ongoing Shamelin Star project in Kuala Lumpur has revenue of RM143.771 million that has yet to be recognised based on the sales progress of the development. This is expected to translate into profits progressively until completion of the Shamelin Star project. As such the Group is expected to remain profitable in the next financial year.

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 is in an opportune position to reinvest the proceeds from the disposal into new businesses and investments that will increase the sustainable profits of the Group and introduce new sources of growth. The Group's stable financial position will allow us to evaluate many opportunities, and 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. We will also explore ways to enhance the Group's internal operational effectiveness and efficiency.

The major shareholders intend to continue with the property investment and property development business whilst exploring new opportunities in the oil & gas industry by virtue of the major shareholders' business interests and experiences in the oil & gas industry.

The London property effort that was recently announced 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 overseas.

Should attractive investment proposals arise in the oil & gas industry, we will not disregard evaluating such proposals if it can improve the financial performance of the Company and retain the principle of seeking to create shareholders' value. We are cognisant of the current environment for the oil and gas market, and we believe that there may be opportunities to invest in companies with strong underlying fundamentals which still have longer term growth prospects. We are also exploring areas in the oil & gas industry where we can grow to be a sizeable niche player, a cost effective and efficient service provider. We will consider such opportunities if and when they arise, taking into account the risk and reward potential of such opportunities.

### DIVIDEND

The Directors do not recommend any dividend payment in respect of the financial year ended 31 March 2015.

### 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. I am also pleased to welcome a new expanded Management team who have joined the Group over the past year, and would like to thank all the previous Board members who have guided the Group to its current position of stability and financial health. 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  
1 July 2015

## BOARD OF DIRECTORS' PROFILE



**DATUK ALI BIN ABDUL KADIR**  
*Chairman, Independent Non-Executive  
Director*

Datuk Ali, a Malaysian aged 66, was appointed to the Board as Chairman on 1 June 2015. He is also the Chairman of the Audit 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 and the Malaysian Institute of Accountants. 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 Jobstreet Corporation Berhad, Privasia Technology Berhad, Mahkota Technologies Sdn. Bhd. and the Financial Reporting Foundation. He is a Board Member of Glomac Berhad, Citibank Berhad and the Labuan Financial Services Authority.

He was the Chairman of the Securities Commission of Malaysia from 1st March 1999 till 29th February 2004. He was tasked with rescuing the capital market from the effects of the Financial and Economic crises of 1997/8. He prosecuted wrong-doers and developed the Capital Market Master Plan. He chaired the Capital Market Advisory Council and instituted significant changes to develop the market further. He was a member of a number of national committees including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta) and the Finance Committee on Corporate Governance.

Prior to his appointment to the Securities Commission, he was the Executive Chairman and Partner of Ernst & Young and its related firms (1975-1999). He was also the former President of the Malaysian Association of Certified Public Accountants, 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. He was previously chairman of Milux Corporation Berhad (2005-2013), Microlink Solutions Berhad (2005-2013), Director of Labuan IBFC Inc and member of the Academic Advisory Panel of the Companies Commission of Malaysia.

In 2012, he was bestowed the Lifetime Achievement Award by ICAEW – KL City Chapter, and the President's Award by the Malaysian Institute of Certified Public Accountants. He was awarded the PJN by HRH The YDP Agung in 2001.

He is a shareholder of the Company.

## BOARD OF DIRECTORS' PROFILE

cont'd



**DATO' KAMALUDDIN BIN ABDULLAH**

*Executive Deputy Chairman*

Dato' Kamaluddin, a Malaysian aged 48, 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 work 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, plantations and latex products division covering the areas of marketing, corporate affairs, human resources, administration and legal affairs.

After his stint in Sime Darby, he served as Group Executive Director of Dewina Berhad, which is a diversified food group.

He is also a substantial shareholder of Scomi Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, which is involved in the areas of oil field services, marine logistics and transportation engineering. He is also a Director of Scomi Oilfield Limited, one of the largest subsidiaries and earnings contributors to Scomi Group Berhad.

He is a major shareholder of the Company.



**DATO' MAZLIN BIN MD JUNID**

*President And Group Chief Executive Officer*

Dato' Mazlin, a Malaysian aged 53, was appointed to the Board on 20 April 2015. 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 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 thirteenth (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"), a petrochemical supply company which today has a strong track record in the provision of bulk chemical services to Petroliam Nasional Malaysia ("PETRONAS"), Esso Malaysia Sdn. Bhd. and Perwaja Holdings Berhad. When he acquired SECA, it was a loss making concern which he turned around within a year and in 2007 when SECA was injected into Daya Materials Berhad ("DMB").

In 2007, he was appointed the Executive Vice Chairman, President & Group Chief Executive Officer of 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 is a major shareholder of the Company.

## BOARD OF DIRECTORS' PROFILE

cont'd



### **TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS**

*Senior Independent Non-Executive  
Director*

Tan Sri Dato' Seri Shamsul Azhar, a Malaysian aged 63, 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 Committee and Nomination and Remuneration Committee. He holds a Master's 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 Petroliaam Nasional Berhad ("PETRONAS") in 1975 and served in various capacities during his 40 year tenure with the organization culminating as the President and Chief Executive Officer of PETRONAS and 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 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 hold any shares in the Company.

## BOARD OF DIRECTORS' PROFILE

*cont'd*



**DATUK ANUAR BIN AHMAD**  
*Independent Non-Executive Director*

Datuk Anuar, a Malaysian aged 61, 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 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 PETRONAS Dagangan Berhad ("PETRONAS Dagangan"). 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 Petroleum National Berhad ("PETRONAS Group"), he was appointed as the Managing Director and Chief Executive Officer in 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 a Non-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 hold any shares in the Company.

## BOARD OF DIRECTORS' PROFILE

cont'd



### TEO CHEE KOK

*Independent Non-Executive Director*

Mr. Teo, a Malaysian aged 47, 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 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, Eka Noodles Berhad (formerly known as KBB Resources Berhad) and Len Cheong Holding Berhad.

He does not hold any shares in the Company.



### LOH CHEN YOOK

*Non-Independent Non-Executive Director*

Mr. Loh, a Malaysian aged 61, 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 hold any shares in the Company.

#### Notes:

- 1) Save as disclosed above, none of the Directors has any family relationship with any director and/or major shareholders of the Company.
- 2) None of the Directors has:
  - any conflict of interest with the Company
  - any conviction for offences within the past ten years other than traffic offences, if any

## AUDIT COMMITTEE REPORT

The Board of Directors of ENRA Group Berhad (formerly known as Perduren (M) Berhad) (“the Company” or “the Group”) (“the Board”) is pleased to present the Audit Committee Report for the financial year ended 31 March 2015.

### MEMBERSHIP AND MEETINGS

At the date of this report, the members of the Audit Committee are as follows:

Chairman	Datuk Ali bin Abdul Kadir ( <i>appointed on 1 June 2015</i> )
Members	Tan Sri Dato’ Seri Shamsul Azhar bin Abbas ( <i>appointed on 15 June 2015</i> )
	Datuk Anuar bin Ahmad ( <i>appointed on 1 June 2015</i> )
	Teo Chee Kok

The members of the Audit Committee during the financial year ended 31 March 2015 were as follows:-

		<b>Meetings attended</b>
Chairman	Leow Hoi Loong @ Liow Hoi Loong ( <i>appointed on 1 October 2014, ceased on 1 June 2015</i> )	6/6
Members	Dato’ Seri Hj. Shaik Daud bin Md. Ismail ( <i>retired on 25 September 2014</i> )	3/3
	Teo Chee Kok	9/9
	Loh Chen Yok ( <i>appointed on 1 October 2014, ceased on 20 April 2015</i> )	6/6
	Woo Min Fong ( <i>retired on 25 September 2014</i> )	0/3

### TERMS OF REFERENCE

#### Composition

The Audit Committee shall be appointed by the Board of Directors upon the recommendation of the Nomination Committee and shall consist of not less than three (3) members, all of whom are Non-Executive Directors, with a majority being Independent Directors.

At least one member of the Audit Committee:

- (i) must be a member of the Malaysian Institute of Accountants (“MIA”) or
- (ii) if he is not a member of the MIA, he must have at least 3 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; or
- (iii) fulfills such other requirements as prescribed or approved by the Exchange.

No alternate director shall be appointed as a member of the Audit Committee and the term of office of each Audit Committee member is subject to review by the Board every three (3) years.

The quorum for a meeting of the Audit Committee shall be two (2) members and a majority of the members present shall be Independent Directors.

## **AUDIT COMMITTEE REPORT**

*cont'd*

### **TERMS OF REFERENCE** *(Cont'd)*

#### **Authority**

The Audit Committee is authorised by the Board to:

- (i) investigate any activity within its terms of reference;
- (ii) have access to resources required to perform its duties;
- (iii) have access to any employee, information and documents relating to the Company and the Group;
- (iv) have direct access/communication with external auditors and internal auditors;
- (v) obtain external independent professional advice on any matter of the Company and where necessary, to invite such outsiders and/or professional advisers, with the relevant experience and expertise to attend meetings of the Audit Committee; and
- (vi) convene meetings with external auditors, internal auditors or both, without the presence of other directors and employees of the Company, whenever deemed necessary.

#### **Duties**

The duties of the Audit Committee are:

- (i) to consider and review the appointment or re-appointment, performance and independence of external auditors, their audit fee and any questions of resignation or dismissal and to recommend the nomination of a person or persons as external auditors where deemed appropriate ;
- (ii) to review and discuss with the external auditors:
  - (a) their audit plan and scope of work before the audit commences;
  - (b) their audit report, evaluation of the system of internal control, management letter and management's response; and
  - (c) any problems and reservations arising out of the audit, including assistance rendered by the employees during the process of audit and any matters the external auditors may wish to discuss in separate sessions without the presence of the executive Board members ;
- (iii) to review and discuss with the internal auditors:
  - (a) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - (b) their internal audit plan; and
  - (c) together with management the internal audit reports/findings and management's response thereto and, where necessary, ensure that appropriate action is taken on the recommendations set out in the reports;
- (iv) to review and assess the performance of the internal audit function as a whole;
- (v) to review the Company's quarterly results/financial report and annual financial statements before submission to the Board, focusing particularly on:
  - any changes in accounting policies and practices;
  - significant or unusual events and adjustments resulting from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal and regulatory requirements, including the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities");



## **AUDIT COMMITTEE REPORT**

*cont'd*

### **TERMS OF REFERENCE** *(Cont'd)*

#### **Duties** *(Cont'd)*

- (vi) to review any related party transaction and any conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (vii) to keep under review the adequacy and integrity of the Group's internal control system, including enterprise risk management and management information system, taking into consideration the internal audit findings and/or external auditors' evaluation of the said systems;
- (viii) to keep under review and to ensure that the Group is at all times, in compliance with the Companies Act, 1965, the Main Market Listing Requirements of Bursa Securities and other applicable legislative and reporting requirements;
- (ix) to direct and where appropriate supervise or investigate any special projects and review investigation reports on any major defalcations, frauds and thefts;
- (x) to report to Bursa Securities where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities; and
- (xi) to consider other topics and matters as defined by the Board.

#### **Secretary**

The Company Secretary of the Company shall be the Secretary of the Audit Committee.

#### **Convening of Meeting**

The Audit Committee meeting agendas shall be the responsibility of the Audit Committee Chairman, with input from its committee members.

The notice/agenda for each meeting shall be circulated to its members at least five (5) working days before each meeting. Materials, including information requested by the Audit Committee members from the management, external auditors and internal auditors shall be despatched together with the meeting agenda.

The Audit Committee shall ensure that proper Audit Committee Meeting minutes are kept.

#### **Meeting Attendance**

The Head of Internal Audit (or where the internal audit function has been outsourced, their representative), the Group Financial Controller, and a representative of the external auditors if required, attend meetings of the Audit Committee. Other Board members may attend the Audit Committee meetings upon invitation of the Audit Committee. At least twice a year, the Audit Committee shall meet with the external auditors without the presence of the executive Board members and management.

## **AUDIT COMMITTEE REPORT**

*cont'd*

### **SUMMARY OF AUDIT COMMITTEE ACTIVITIES**

During the financial year ended 31 March 2015, nine (9) Audit Committee meetings were held. The activities undertaken by the Audit Committee during the financial year under review in discharging its duties and responsibilities were as follows:

- (i) reviewed the quarterly interim financial statements and annual audited financial statements of the Company and Group and made relevant recommendations to the Board for approval, to ensure the financial report and disclosures are in compliance with the provisions of the Companies Act, 1965, Main Market Listing Requirements of Bursa Securities, the applicable approved accounting standards in Malaysia and other legal and regulatory requirements;
- (ii) reviewed the external audit plan and scope of work before commencement of audit by the external auditors;
- (iii) reviewed with the external auditors the results of their audit and audit report, including their evaluation of the Company's accounting and internal control systems and procedures;
- (iv) met with the external auditors twice without the presence of executive Board members to discuss any pertinent issues arising from their audit;
- (v) reviewed with the internal auditors their audit plans before commencement of audit and subsequently, their audit findings, issues raised, audit recommendations and management's response; and
- (vi) reviewed related party transaction/s to ensure compliance with relevant regulatory requirements.

### **INTERNAL AUDIT FUNCTION**

The internal audit function is responsible for reviewing the adequacy and integrity of the Group's internal control systems. The Group outsourced its internal audit function to an independent professional firm at an annual fee of RM39,000.

The internal audit activities carried out for the financial year ended 31 March 2015 include the following:-

- (i) formulated annual risk based audit plan and presented it to the Audit Committee for approval;
- (ii) executed internal audit reviews in accordance with the approved audit plan;
- (iii) issued audit reports containing audit findings, audit recommendations and management responses to the Audit Committee for review;
- (iv) monitored the implementation of corrective actions plans through follow-up reviews; and
- (v) attended Audit Committee meetings to table and discuss the audit reports and followed up on matters raised.

## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of ENRA Group Berhad (formerly known as Perduren (M) Berhad) (“ENRA” or “the Company” or “the Group”) (“the Board”) is committed to ensuring that a high standard of corporate governance is practised throughout the 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 2015 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 (“the Code”).

### PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

#### Function of the Board and Management

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

Beyond the matters reserved for the Board’s decision, the Board has delegated the authority to achieve the corporate objective 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.

During the financial year under review up until 31 May 2015, in the absence of the President & Group Chief Executive Officer, the Executive Directors assumed the responsibilities of the President & Group Chief Executive Officer, except for those authorities conferred by the Board on the properly constituted Board Committees.

On 1 June 2015, Dato’ Kamaluddin bin Abdullah and Dato’ Mazlin bin Md Junid were redesignated from Non-Independent Non-Executive Directors to Executive Deputy Chairman and President & Group Chief Executive Officer respectively.

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 that progress is being made towards the corporate objective.

#### Clear roles and responsibilities of the Board

In carrying out its function, the Board has delegated specific responsibilities to Board Committees, namely, the Audit Committee and 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 receive reports from the Board Committees of their proceedings and deliberations together with their recommendations and relevant decisions. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

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

The principal duties and responsibilities of the Board are: -

- Reviewing and adopting strategic plan for the Group;
- Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulation, rules, directives and guidelines.

## **STATEMENT ON CORPORATE GOVERNANCE** *cont'd*

### **PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES** *(Cont'd)*

#### **Codes and Policies**

The Board has adopted a Board Charter, which sets out its roles, functions, composition, operation and process given consideration to the principles of good corporate governance and requirements of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Board Charter further defines the roles and responsibilities of the Chairman and the President & Group Chief Executive Officer.

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 are available on the Company’s website ([www.enra.my](http://www.enra.my)).

#### **Promote Sustainability**

The Board recognises the importance of sustainability 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 the wider community, the requirements of shareholders and stakeholders and economic success.

The Board, whilst pursuing the business objectives of growth in enhancing shareholder value, is also cognisant of its corporate social responsibility (“CSR”) 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 and policies 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 attendance at relevant seminars and workshops, the costs of which are fully 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 blood donation campaigns, through the provision of venues at its complexes for use by the organisers. Nevertheless, the Group recognises the need and will strive to further broaden its contributions to the community.

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 recycling of paper usage in the operations.

The Group will continue to support and encourage all employees and businesses to find ways to help their communities. The Group’s initiatives in supporting CSR are an ongoing commitment towards creation of a competitive nation, yet a moral, ethical, caring and just society.

#### **Access to information and advice**

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.

## **STATEMENT ON CORPORATE GOVERNANCE** *cont'd*

### **PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES** *(Cont'd)*

#### **Access to information and advice** *(Cont'd)*

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.

All Directors and Board committees have full access to the senior management and to the advice and services of the Company Secretary. In addition, the Board is regularly advised and 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.

### **PRINCIPLE 2 – STRENGTHEN COMPOSITION**

At the end of the financial year, the Board consists of six (6) members, comprising a Non-Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors (INED), one (1) Non-Independent Non Executive Director (NINED) and two (2) Executive Directors (ED).

Currently, the Board consists of seven (7) members, comprising an Independent Non-Executive Chairman, one (1) Senior Independent Non-Executive Director, two (2) INEDs, one (1) ED, President & Group Chief Executive Officer who is also an Executive Director and one (1) NINED.

During the financial year under review up to the date of this report, two (2) EDs, three (3) INEDs and two (2) NINEDs retired/resigned from the Board. Loh Chen Yook who resigned on 20 April 2015 was later reappointed on 1 June 2015 given his vast experience in the property sector.

The composition of the Board is in compliance with the MMLR of Bursa Securities, which requires at least two (2) directors or one-third ( $\frac{1}{3}$ ) of the board of directors, to be independent directors. The Board is satisfied that the current Board composition fairly reflects the interest of minority shareholders in the Company.

The profiles of individual Directors are set out on pages 16 to 20 of the Annual Report.

#### **Gender Diversity**

In so far as boardroom diversity is 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 will take note of the requirement on gender diversity when vacancies on the Board arise.

#### **Nomination and Remuneration Committee**

On 1 June 2015, the Nomination Committee and Remuneration Committee were combined into Nomination and Remuneration Committee ("NRC") to facilitate better governance of nomination and remuneration of directors and senior management. However, the combined NRC will still perform the duties and responsibilities of the previous Nomination Committee and Remuneration Committee.

At the date of this report, the NRC currently consists of members as follows:

Chairman:	Datuk Anuar bin Ahmad	<i>(appointed on 1 June 2015)</i>
Members:	Datuk Ali bin Abdul Kadir	<i>(appointed on 1 June 2015)</i>
	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	<i>(appointed on 15 June 2015)</i>
	Teo Chee Kok	

## STATEMENT ON CORPORATE GOVERNANCE

cont'd

### PRINCIPLE 2 – STRENGTHEN COMPOSITION (Cont'd)

#### Nomination Committee (“NC”)

The members of the NC during the financial year under review were as follows:

		Meetings attended
Chairman	Teo Chee Kok ( <i>appointed as Chairman on 1 October 2014, redesignated as member on 1 June 2015</i> )	3/3
	Dato' Seri Hj. Shaik Daud bin Md. Ismail ( <i>retired on 25 September 2014</i> )	2/2
Members	Leow Hoi Loong @ Liow Hoi Loong ( <i>appointed on 1 October 2014, ceased on 1 June 2015</i> )	1/1
	Woo Min Foong ( <i>retired on 25 September 2014</i> )	1/1
	Loh Chen Yook ( <i>appointed on 1 October 2014, ceased on 20 April 2015</i> )	1/1

The NC held three (3) meetings during the financial year ended 31 March 2015.

#### Appointments to the Board

The NC 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 NC include:

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

The Board, on yearly basis, through the NC has reviewed the required mix of skills and experience and other qualities including core competencies, which its existing Non-Executive Directors bring to the Board.

Through its Annual Assessment and Evaluation Exercise, the NC 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 NC also appraised the Executive Directors in terms of their experience, knowledge, credibility, integrity and assesses their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company.

The NC recommends the appointment of new directors to the Board. However, the Board makes all decisions on appointment after those recommendations.

#### Remuneration Committee (“RC”)

The members of RC during the financial year under review were as follows:

		Meetings attended
Chairman	Datuk Lau Chin An ( <i>appointed on 1 October 2014, ceased on 1 June 2015</i> )	1/1
	Dato' Seri Hj. Shaik Daud bin Md. Ismail ( <i>retired on 25 September 2014</i> )	1/1
Members	Teo Chee Kok	2/2
	Leow Hoi Loong @ Liow Hoi Loong ( <i>appointed on 1 October 2014, ceased on 1 June 2015</i> )	1/1
	Law Wai Cheong ( <i>appointed on 31 March 2014, resigned on 1 October 2014</i> )	1/1

## STATEMENT ON CORPORATE GOVERNANCE

*cont'd*

### PRINCIPLE 2 – STRENGTHEN COMPOSITION *(Cont'd)*

#### Remuneration Committee *(Cont'd)*

The RC held two (2) meetings during the financial year ended 31 March 2015.

The RC is 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 and quality needed to manage the Group successfully.

The key responsibilities of the RC 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 executive management.

The RC considers the principles recommended by the Code 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 RC recommends to the Board the remuneration of the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. 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.

Directors' fees are approved by the Company's shareholders at the Annual General Meeting ("AGM") of the Company. 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 Group for the financial year ended 31 March 2015 were as follows:

	Fees (RM)	Salaries (RM)	Other Emoluments * (RM)	Total (RM)
Executive Directors	-	516,000	111,292	627,292
Non-Executive Directors	132,000	-	163,600	295,600
<b>Total</b>	132,000	516,000	274,892	922,892

(2014 : RM933,428)

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

Range of Remuneration	No of Directors Executive	No of Directors Non-Executive
Below RM50,000	-	5
RM150,001 to RM200,000	-	1
RM250,001 to RM300,000	1	-
RM350,001 to RM400,000	1	-

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

## **STATEMENT ON CORPORATE GOVERNANCE** *cont'd*

### **PRINCIPLE 2 – STRENGTHEN COMPOSITION** *(Cont'd)*

#### **Retirement and re-election of Directors**

The Company's Articles of Association ("AA") 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 ( $\frac{1}{3}$ ) 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 ( $\frac{1}{3}$ ) shall retire from office and be eligible for re-election at each AGM.

In accordance with the AA, all directors who are appointed by the Board may only hold office until the conclusion of the next AGM subsequent to their appointment and shall then be eligible for re-election by shareholders at that AGM. Accordingly, 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 and Loh Chen Yook retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election, at the recommendation of the NC and endorsed by the Board.

### **PRINCIPLE 3 – REINFORCE INDEPENDENCE**

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

#### **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 NC assesses an Independent Director's independence to ensure on-going compliance with this requirement annually.

For the financial year ended 31 March 2015, 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.

#### **Tenure of Independent Directors**

The Board noted that one of the recommendations of the Code 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 NC and the Independent Director's redesignation as 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 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.



## STATEMENT ON CORPORATE GOVERNANCE

*cont'd*

### PRINCIPLE 4 - FOSTER COMMITMENT

#### 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.

During the financial year ended 31 March 2015, nine (9) Board meetings were held. Details of attendance of the Directors are set out below:

No.	Name of Director	Meetings Attended
1	Dato' Seri Hj. Shaik Daud bin Md. Ismail ( <i>retired on 25 September 2014</i> )	3/3
2	Datuk Lau Chin An	9/9
3	Loh Chen Yook	8/9
4	Woo Min Fong ( <i>retired on 25 September 2014</i> )	0/3
5	Dato' Ong Chong Sek	9/9
6	Leow Hoi Loong @ Liow Hoi Loong	9/9
7	Law Wai Cheong	9/9
8	Teo Chee Kok	9/9

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the Listing Requirements.

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 they shall receive appropriate training 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. The Company Secretary co-ordinate training programmes for the Directors. The Directors are encouraged to determine the relevant programmes and seminars available that would best for them to enhance their knowledge and contributions to the Board. The Company Secretary keeps the record of the training attended by the Directors. The Company Secretary also provides the Board updates on the relevant guidelines on statutory and regulatory requirements from time to time. 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:

- Detecting financial fraud
- Related party transactions and recurrent related party transactions
- Currency Wars

### 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.

## **STATEMENT ON CORPORATE GOVERNANCE** *cont'd*

### **PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING** *(Cont'd)*

#### **Compliance with Applicable Financial Reporting Standards** *(Cont'd)*

In discharging its responsibilities, the Board is assisted by the Audit 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 37 of this Annual Report.

#### **Assessment of suitability and independence of External Auditors**

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 Committee met with the external auditors without the presence of the Executive Directors and management twice during the financial year ended 31 March 2015.

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

The Audit Committee had also received assurance from the external auditors confirming that they were, and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit 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 23<sup>rd</sup> AGM.

### **PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS**

#### **Sound risk management framework**

The Board is ultimately responsible for the establishment of a sound framework to manage risks. The Executive Directors oversee these risk management processes and activities and report 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 34 and 35 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.

The Board has outsourced an internal audit function. The Internal Auditors report directly to the Audit Committee. The Internal Auditors adopt risk-based approach towards in planning and audit execution. The scope of work covered by the internal audit function during the financial year was set out on page 24 of this Annual Report.

## **STATEMENT ON CORPORATE GOVERNANCE** *cont'd*

### **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 has established a corporate disclosure policy with the following objectives: -

- (i) to raise awareness and provide guidance to the Board of Directors, management, officers and employees on the Company's disclosure requirements and practices;
- (ii) to provide guidelines and policies to disseminate corporate information;
- (iii) to ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- (iv) 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 available to shareholders and the market at the Company's website : [www.enra.my](http://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.

The AGM of the Company provides an open forum at which shareholders and investors are informed of current developments. The Company supports the Code'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 AA 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.

#### **Poll Voting**

The Board encourages poll voting at general meetings in case of substantive resolutions, which require shareholders' approval. Prior to the commencement of the AGM, the Chairman would notify the shareholders of their right to demand for poll, provided that the minimum requirement for demanding a poll as set out in the AA is met.

#### **Effective Communication and Proactive Engagement**

At the previous AGM, except for the retiring directors of the meeting who were not present, the rest of 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 25 June 2015.

## **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

### **INTRODUCTION**

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard the stakeholders' investments and the Group's assets. The Board of Directors of ENRA Group Berhad (formerly known as Perduren (M) Berhad) ("ENRA" or "the Company" or "the Group") ("the Board") is committed to maintain a sound system of risk management and internal control in the Group. The Board is pleased to present below the Statement of Risk Management and Internal Control for the Group, which is prepared based on the "Statement on Risk Management and Internal Control-Guidelines for Directors of Listed Issuers" issued by the Task Force on Internal Control with the support and endorsement of Bursa Malaysia Securities Berhad.

### **BOARD RESPONSIBILITY**

The Board acknowledges the importance of internal controls to safeguard shareholders' investment and the Group's assets and affirms its overall responsibility for maintaining a sound system of risk management and internal control and for reviewing its adequacy and integrity.

The Board ensures that the system risk management and internal control manages the Group's key areas of risk within the acceptable risk tolerance in order to increase the likelihood that the Group's policies and business objectives will be achieved.

It must be noted, however, that such systems are designed to identify and manage rather than eliminate the risk of failure to achieve the Group's objectives and inherently can only provide reasonable and not absolute assurance against material misstatement or loss.

### **RISK MANAGEMENT FRAMEWORK**

The Group has implemented a structured Risk Management Framework to provide an ongoing process for identifying, evaluating and managing the risks faced by the Group.

The key processes of the Risk Management Framework comprise the:

- i. Identification of the Group's business goals and objectives and the associated risks;
- ii. Development of risk management strategies;
- iii. Implementation of controls and action plans; and
- iv. Monitoring of risks and refining of the risk strategies for continuous improvement.

The Executive Directors oversee these risk management processes and activities and reports to the Board on the same. Management assist the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

### **CONTROL ENVIRONMENT AND ACTIVITIES**

In addition to the Risk Management Framework, the other key elements of the Group's control are:

#### **(a) Defined lines of responsibility and delegation of authority**

The delegation of responsibilities, limits of authority and hierarchical reporting structure are defined to ensure management accountability and segregation of duties.

## **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL** *cont'd*

### **CONTROL ENVIRONMENT AND ACTIVITIES** *(Cont'd)*

#### **(b) Independent review by the Audit Committee**

The Audit Committee assists the Board in overseeing and reviewing the risks and system of internal control. The presence of the internal audit function supports this review mechanism and makes the Audit Committee's review more effective.

Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by the management. In this case, the Audit Committee in consultation with the management and the Executive Directors deliberates the integrity of the financial results, annual report and audited financial statements before recommending to the Board for distribution to the shareholders and public investors.

#### **(c) Performance reporting and information system**

The performance reporting and information system are intended to support the management decision making in assuring that the Group's business operations are progressed in accordance with the identified objectives and targets.

Essentially, this information covers operational, financial and compliance matters. Periodically, this information is presented to the Executive Directors and the significant aspects of the issues are presented to the Board and the Audit Committee.

#### **(d) Internal audit function**

The internal audit function assists the Board and the Audit Committee in assessing the Group's internal control system. The Group's internal audit function is outsourced to an independent professional firm, who reports directly to the Audit Committee. Quarterly, internal audit report and findings are reported to the Audit Committee.

### **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 assurances from the Executive Directors and the Company's Accountant that to their knowledge, the Group's risk management and internal control systems are operating adequately and 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 25 June 2015.

## **OTHER COMPLIANCE INFORMATION**

*for the financial year ended 31 March 2015*

*in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad*

### **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 RM65,010 by the external auditors or a firm or company affiliated to the external auditors.

### **MATERIAL CONTRACTS**

On 8 December 2014, the Group had announced a proposed corporate exercise for the disposal of the 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").

The major shareholder of ENRA, TS Law Group Sdn. Bhd. via Jerusan Indah Sdn. Bhd. ("JISB"), had offered to acquire from ENRA the entire issued and paid up share capital of AESB, BFSB and GSHMSSB for RM71.8m, RM1.3m and RM0.1m respectively. In addition, Meridian Hectares Sdn. Bhd. ("MHSB"), had offered to acquire 2,400,000 ordinary shares of RM1 each, representing 30% of the issued and paid-up share capital of LZSB for a cash consideration of RM8.3m.

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 RM71.8m, RM1.3m and RM0.1m respectively. As at the date of this report, these disposals are pending completion. Upon completion, these companies will cease 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 RM8.3m. This disposal has been completed on 1 June 2015.

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.

### **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, WARRANTS OR CONVERTIBLE SECURITIES**

The Company did not issue any options, warrants 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.

**OTHER COMPLIANCE INFORMATION***for the financial year ended 31 March 2015**in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad  
cont'd***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.

**PROFIT ESTIMATE, FORECAST OR PROJECTION**

There were no material variations between the results for the financial year and the unaudited results previously announced by the Company. The Company also did not issue any profit estimate, forecast or projection for the financial year under review.

**PROFIT GUARANTEE**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Companies Act, 1965 requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results and cash flows of the Company and the Group for the financial year.

The Directors consider that, in preparing the financial statements for the financial year ended 31 March 2015, the Group has 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 Companies Act, 1965 in Malaysia.

The Directors also have a general responsibility for taking such steps as reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The page is decorated with numerous butterflies of various sizes and orientations, scattered across the white background. Some are larger and more detailed, while others are smaller and fainter. They are positioned around the central text, adding a decorative and organic feel to the layout.

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## DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

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

### CHANGE OF NAME

On 19 May 2015, the Company changed its name to ENRA Group Berhad from Perduren (M) Berhad.

### RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year attributable to owners of the Company	8,665	(2,724)

### DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of final dividend in respect of the financial year 31 March 2015.

### 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 2015, the Company held 1,289,400 treasury shares at a total cost of RM1,199,000.

### 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' REPORT**

*cont'd*

### **DIRECTORS**

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

Datuk Ali bin Abdul Kadir (Chairman) (*appointed on 1 June 2015*)  
Dato' Kamaluddin bin Abdullah (Executive Deputy Chairman) (*appointed on 20 April 2015*)  
Dato' Mazlin bin Md Junid (President & Group CEO) (*appointed on 20 April 2015*)  
Tan Sri Dato' Seri Shamsul Azhar bin Abbas (*appointed on 15 June 2015*)  
Datuk Anuar bin Ahmad (*appointed on 1 June 2015*)  
Loh Chen Yook (*resigned on 20 April 2015, re-appointed on 1 June 2015*)  
Teo Chee Kok  
Dato' Seri Hj. Shaik Daud bin Md. Ismail (*retired on 25 September 2014*)  
Datuk Lau Chin An (*resigned on 1 June 2015*)  
Dato' Ong Chong Sek (*resigned on 20 April 2015*)  
Law Wai Cheong (*resigned on 1 June 2015*)  
Leow Hoi Loong @ Liow Hoi Loong (*resigned on 1 June 2015*)  
Woo Min Fong (*retired on 25 September 2014*)

In accordance with Article 83 of the Company's Articles of Association, 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 and Loh Chen Yook retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

### **DIRECTORS' INTERESTS**

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

### **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 31 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.

**DIRECTORS' REPORT**  
*cont'd***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 the effects arising from the fair value adjustments on investment properties resulting in an increase in the profit of the Group and loss of the Company for the financial year by RM1,357,000 and RM1,422,000 respectively as disclosed in Note 9 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.
- (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.

## **DIRECTORS' REPORT**

*cont'd*

### **SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 8 December 2014, the Group had announced a proposed corporate exercise for the disposal of the 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").

The major shareholder of ENRA Group Berhad (formerly known as Perduren (M) Berhad), TS Law Group Sdn. Bhd. via Jerusan Indah Sdn. Bhd. ("JISB"), had offered to acquire from ENRA Group Berhad (formerly known as Perduren (M) Berhad) the entire issued and paid up share capital of AESB, BFSB and GSHMSSB for RM71.8m, RM1.3m and RM0.1m respectively. In addition, Meridian Hectares Sdn. Bhd. ("MHSB"), had offered to acquire 2,400,000 ordinary shares of RM1 each, representing 30% of the issued and paid-up share capital of LZSB for a cash consideration of RM8.3m.

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 RM71.8m, RM1.3m and RM0.1m respectively. As at the date of this report, these disposals are pending completion. Upon completion, these companies will cease 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 RM8.3m. This disposal has been completed on 1 June 2015.

### **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  
25 June 2015

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 46 to 112 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 2015 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 38 to the financial statements on page 113 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.

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



**DATO' MAZLIN BIN MD JUNID**  
Director



**LOH CHEN YOOK**  
Director

Kuala Lumpur  
25 June 2015

## STATUTORY DECLARATION

I, Norsharizal bin Mashahrin, being the Officer primarily responsible for the financial management of ENRA Group Berhad (formerly known as Perduren (M) Berhad), do solemnly and sincerely declare that the financial statements set out on pages 46 to 113 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.



**NORSHARIZAL BIN MASHAHRIN**

Subscribed and solemnly  
declared by the above named at  
Kuala Lumpur this  
25 June 2015

Before me,

**S. IDERAJU**  
No. W451

**Commissioner for Oaths**  
Kuala Lumpur



Suite 5.1A, 5th Flr., Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur

## **INDEPENDENT AUDITORS' REPORT**

to the Members of ENRA GROUP BERHAD (formerly known as Perduren (M) Berhad)

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of ENRA Group Berhad (formerly known as Perduren (M) Berhad), which comprise statements of financial position as at 31 March 2015 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 46 to 112.

#### **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 2015 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 have been properly kept in accordance with the provisions of the Act.
- (b) 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.
- (c) 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 (formerly known as Perduren (M) Berhad)  
*cont'd*

**OTHER REPORTING RESPONSIBILITIES**

The supplementary information set out in Note 38 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 Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with 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

Kuala Lumpur  
25 June 2015



**NG SOE KEI**  
2982/08/15 (J)  
Chartered Accountant

**STATEMENTS OF FINANCIAL POSITION**

As at 31 March 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	31,742	33,289	2,416	2,532
Investment properties	9	317,649	312,953	173,054	171,224
Investments in subsidiaries	10	-	-	52,407	52,403
Trade and other receivables	12	-	-	-	39,186
		<b>349,391</b>	346,242	<b>227,877</b>	265,345
<b>Current assets</b>					
Property development costs	13	76,598	82,036	-	-
Inventories	14	30	27	-	-
Trade and other receivables	12	68,309	27,975	32,036	5,286
Current tax assets		61	513	57	492
Cash and bank balances	15	7,991	10,066	2,930	1,615
		<b>152,989</b>	120,617	<b>35,023</b>	7,393
<b>TOTAL ASSETS</b>		<b>502,380</b>	466,859	<b>262,900</b>	272,738
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	136,208	136,208	136,208	136,208
Reserves	17	87,254	78,589	50,382	53,106
<b>TOTAL EQUITY</b>		<b>223,462</b>	214,797	<b>186,590</b>	189,314
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	11	864	732	120	72
Trade and other payables	23	49,104	50,959	-	-
Borrowings	18	77,112	94,668	39,433	40,640
		<b>127,080</b>	146,359	<b>39,553</b>	40,712
<b>Current liabilities</b>					
Trade and other payables	23	72,549	53,666	10,021	21,710
Borrowings	18	78,065	51,210	26,736	21,002
Current tax liabilities		1,224	827	-	-
		<b>151,838</b>	105,703	<b>36,757</b>	42,712
<b>TOTAL LIABILITIES</b>		<b>278,918</b>	252,062	<b>76,310</b>	83,424
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>502,380</b>	466,859	<b>262,900</b>	272,738

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 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	24	107,504	66,300	9,554	9,375
Cost of sales	25	(74,035)	(35,033)	(3,278)	(3,293)
Gross profit		33,469	31,267	6,276	6,082
Other income		3,641	4,434	2,590	6,140
Administrative expenses		(9,112)	(11,887)	(3,571)	(2,367)
Other expenses		(6,414)	(5,706)	(2,076)	(1,353)
Finance costs	26	(8,370)	(7,916)	(5,223)	(4,231)
Profit/(Loss) before tax	27	13,214	10,192	(2,004)	4,271
Tax expense	28	(4,549)	(3,293)	(720)	(1,470)
Profit/(Loss) for the financial year		8,665	6,899	(2,724)	2,801
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		8,665	6,899	(2,724)	2,801
Profit/(Loss) attributable to:					
Owners of the Company		8,665	6,899	(2,724)	2,801
Total comprehensive income/(loss) attributable to:					
Owners of the Company		8,665	6,899	(2,724)	2,801
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic and diluted	29	6.42	5.11		

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the financial year ended 31 March 2015

Group	← Non-distributable →				Distributable	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
<b>Balance as at 31 March 2013</b>	136,208	8,536	275	(1,199)	64,078	207,898
Profit for the financial year	-	-	-	-	6,899	6,899
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	6,899	6,899
<b>Balance as at 31 March 2014</b>	136,208	8,536	275	(1,199)	70,977	214,797
Profit for the financial year	-	-	-	-	8,665	8,665
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	8,665	8,665
<b>Balance as at 31 March 2015</b>	<b>136,208</b>	<b>8,536</b>	<b>275</b>	<b>(1,199)</b>	<b>79,642</b>	<b>223,462</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

Company	← Non-distributable →			Distributable	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	
<b>Balance as at 31 March 2013</b>	136,208	8,536	(1,199)	42,968	186,513
Profit for the financial year	-	-	-	2,801	2,801
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	2,801	2,801
<b>Balance as at 31 March 2014</b>	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)
<b>Balance as at 31 March 2015</b>	<b>136,208</b>	<b>8,536</b>	<b>(1,199)</b>	<b>43,045</b>	<b>186,590</b>

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

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 March 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before tax		<b>13,214</b>	10,192	<b>(2,004)</b>	4,271
Adjustments for:					
Bad debts written off		<b>52</b>	1	-	-
Depreciation of property, plant and equipment	8	<b>1,985</b>	2,031	<b>275</b>	219
Fair value adjustments on investment properties	9	<b>(1,357)</b>	(3,187)	<b>1,422</b>	(2,913)
Gain on disposal of investment properties		<b>(385)</b>	(756)	<b>(385)</b>	(756)
Gain on disposal of a subsidiary	30	<b>(20)</b>	-	<b>(1)</b>	-
Impairment losses on trade receivables	12	<b>752</b>	838	-	34
Interest expense	26	<b>8,370</b>	7,916	<b>5,223</b>	4,231
Interest income		<b>(96)</b>	(140)	<b>(2,043)</b>	(2,463)
Property, plant and equipment written off	8	<b>15</b>	140	-	-
Operating profit before changes in working capital		<b>22,530</b>	17,035	<b>2,487</b>	2,623
Decrease/(Increase) in property development costs		<b>5,438</b>	(68,464)	-	-
(Increase)/Decrease in inventories		<b>(3)</b>	3	-	-
Increase in trade and other receivables		<b>(41,138)</b>	(26,339)	<b>(1,702)</b>	(523)
Increase/(Decrease) in trade and other payables		<b>7,991</b>	79,137	<b>1,363</b>	(4,302)
Cash (used in)/generated from operations		<b>(5,182)</b>	1,372	<b>2,148</b>	(2,202)
Tax paid		<b>(3,568)</b>	(2,396)	<b>(237)</b>	(1,227)
Net cash (used in)/from operating activities		<b>(8,750)</b>	(1,024)	<b>1,911</b>	(3,429)

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

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 March 2015

*cont'd*

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of additional interest in a subsidiary	10	-	-	(4)	(7,750)
Interest received		96	134	49	46
Placement of deposits pledged		(61)	(346)	(50)	(46)
Proceeds from disposal of:					
- investment properties		1,940	11,000	1,940	11,000
- subsidiary	30	1	-	1	-
Purchase of:					
- investment properties	9	(4,894)	(7,307)	(4,807)	(7,131)
- property, plant and equipment	8	(453)	(506)	(159)	(188)
Advances from/(Repayments to) a related party		8,400	8,500	(8,500)	8,500
Advances from subsidiaries		-	-	11,019	14,706
Net cash from/(used in) investing activities		5,029	11,475	(511)	19,137
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of borrowings		36,264	22,250	6,000	-
Interest paid		(7,714)	(7,384)	(4,662)	(3,941)
Repayments of:					
- hire-purchase and lease creditors		(93)	(84)	(61)	(61)
- term loans		(32,592)	(14,039)	(7,143)	(7,142)
Net cash (used in)/from financing activities		(4,135)	743	(5,866)	(11,144)
Net (decrease)/increase in cash and cash equivalents		(7,856)	11,194	(4,466)	4,564
Cash and cash equivalents at beginning of financial year		(15,062)	(26,256)	(13,780)	(18,344)
Cash and cash equivalents at end of financial year	15(e)	(22,918)	(15,062)	(18,246)	(13,780)

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

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

## 1. CORPORATE INFORMATION

ENRA Group Berhad (formerly known as Perduren (M) 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 2015 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 25 June 2015.

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

## 3. CHANGE OF NAME

On 19 May 2015, the Company changed its name to ENRA Group Berhad from Perduren (M) Berhad.

## 4. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 46 to 112 have been prepared in accordance with Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia.

However, Note 38 to the financial statements set out on page 113 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.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### 5.1 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 and on a going concern basis.

As of 31 March 2015, the current liabilities of the Company exceeded its current assets by RM1,734,000. In addition, as at the end of the reporting period, borrowings of the Group and of the Company, which are due and repayable within one (1) year amounted to RM78,065,000 and RM26,736,000 respectively.

The Directors are confident that the Group and the Company will be able to continue as going concerns, which is dependent on the ability of the Group and of the Company to generate sufficient funds from operations, and/or disposal of assets, or to receive support from their lenders, so as to meet their obligations as and when they fall due.

## **NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd*

### **5. SIGNIFICANT ACCOUNTING POLICIES** *(Cont'd)*

#### **5.1 Basis of accounting** *(Cont'd)*

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amount, or to amounts or classification of liabilities that may be necessary, if the going concern basis of preparing the financial statements of the Group and of the Company is not appropriate.

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 7 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.

#### **5.2 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 5.2 Basis of consolidation (Cont'd)

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.

#### 5.3 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.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.3 Business combinations *(Cont'd)*

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.

#### 5.4 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.4 Property, plant and equipment and depreciation *(Cont'd)*

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

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

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 5.9 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.

#### 5.5 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 of 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 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 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.6 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.

#### 5.7 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.

#### 5.8 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.8 Investments *(Cont'd)*

##### *Subsidiaries (Cont'd)*

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.

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.

#### 5.9 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, 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.10 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 of consumables 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.

#### 5.11 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.11 Financial instruments *(Cont'd)*

##### (a) Financial assets *(Cont'd)*

###### (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.

###### (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 bank balances include cash and cash equivalents, bank overdrafts, fixed deposits pledged to financial institutions, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.11 Financial instruments *(Cont'd)*

##### (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.

##### (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 will 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.11 Financial instruments *(Cont'd)*

##### (b) Financial liabilities *(Cont'd)*

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.

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 each reporting date 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 Main Market Listing Requirements.

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.

#### 5.12 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.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.12 Impairment of financial assets *(Cont'd)*

##### *Loans and receivables (Cont'd)*

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 is 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.

#### 5.13 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.

#### 5.14 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.14 Income taxes *(Cont'd)*

##### (b) Deferred tax *(Cont'd)*

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.

#### 5.15 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.

#### 5.16 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.16 Contingent liabilities and contingent assets *(Cont'd)*

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.

#### 5.17 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.

#### 5.18 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.

##### (d) Interest income

Interest income is recognised on an accrual basis.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.18 Revenue recognition *(Cont'd)*

##### (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.

#### 5.19 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

#### 5.20 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.

#### 5.21 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

cont'd

### 6. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

#### 6.1 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 10 <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to FRS 12 <i>Disclosure of Interest in Other Entities: Investment Entities</i>	1 January 2014
Amendments to FRS 127 <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

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

#### 6.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2015

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
Amendments to FRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to FRSs <i>Annual Improvements 2010-2012 Cycle</i>	1 July 2014
Amendments to FRSs <i>Annual Improvements 2011-2013 Cycle</i>	1 July 2014
FRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 10 and FRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 116 and FRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRSs <i>Annual Improvements to 2012-2014 Cycle</i>	1 January 2016
Amendments to FRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
FRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 6. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs *(Cont'd)*

#### 6.3 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**

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MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*  
 Amendments to MFRS 1 *Government Loans*  
 MFRS 2 *Share-based Payment*  
 MFRS 3 *Business Combinations*  
 MFRS 4 *Insurance Contracts*  
 MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*  
 MFRS 6 *Exploration for and Evaluation of Mineral Resources*  
 MFRS 7 *Financial Instruments: Disclosures*  
 Amendments to MFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*  
 MFRS 8 *Operating Segments*  
 MFRS 9 *Financial Instruments*  
 MFRS 10 *Consolidated Financial Statements*  
 Amendments to MFRS 10, MFRS 11 and MFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*  
 Amendments to MFRS 10, MFRS 12 and MFRS 127 *Investments Entities*  
 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 *Disclosure of Interests in Other Entities*  
 MFRS 13 *Fair Value Measurement*  
 MFRS 14 *Regulatory Deferral Accounts*  
 MFRS 15 *Revenue from Contracts with Customers*  
 MFRS 101 *Presentation of Financial Statements*  
 Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*  
 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 112 *Income Taxes*  
 MFRS 116 *Property, Plant and Equipment*  
 Amendments to MFRS 116 *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 *Defined Benefit Plans: Employee Contributions*  
 MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 6. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (*Cont'd*)

#### 6.3 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

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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*  
MFRS 129 *Financial Reporting in Hyperinflationary Economies*  
MFRS 132 *Financial Instruments: Presentation*  
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*  
MFRS 133 *Earnings Per Share*  
MFRS 134 *Interim Financial Reporting*  
MFRS 136 *Impairment of Assets*  
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*  
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*  
MFRS 138 *Intangible Assets*  
Amendments to MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*  
MFRS 139 *Financial Instruments: Recognition and Measurement*  
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*  
MFRS 140 *Investment Property*  
MFRS 141 *Agriculture*  
Amendments to MFRSs *Annual Improvements 2009 – 2011 Cycle*  
Annual Improvements to MFRSs 2010 – 2012 Cycle  
Annual Improvements to MFRSs 2011 – 2013 Cycle  
Annual Improvements to MFRSs 2012 – 2014 Cycle  
Improvements to MFRSs (2008)  
Improvements to MFRSs (2009)  
Improvements to MFRSs (2010)  
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*



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 6. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs *(Cont'd)*

#### 6.3 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
IC Interpretation 5 <i>Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>
IC Interpretation 6 <i>Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment</i>
IC Interpretation 7 <i>Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies</i>
IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>
IC Interpretation 12 <i>Service Concession Arrangements</i>
IC Interpretation 14 <i>MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>
IC Interpretation 21 <i>Levies</i>
IC Interpretation 107 <i>Introduction of the Euro</i>
IC Interpretation 110 <i>Government Assistance – No Specific Relation to Operating Activities</i>
IC Interpretation 112 <i>Consolidation – Special Purpose Entities</i>
IC Interpretation 113 <i>Jointly Controlled Entities – Non-Monetary Contributions by Venturers</i>
IC Interpretation 115 <i>Operating Leases – Incentives</i>
IC Interpretation 125 <i>Income Taxes – Changes in the Tax Status of an Entity or its Shareholders</i>
IC Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>
IC Interpretation 129 <i>Service Concession Arrangements: Disclosures</i>
IC Interpretation 131 <i>Revenue – Barter Transactions Involving Advertising Services</i>
IC Interpretation 132 <i>Intangible Assets – Web Site Costs</i>

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.

### 7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

#### 7.1 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd*

### **7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)**

#### **7.2 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

#### 7.3 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 5.4 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 36 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 2015

*cont'd*

### **7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS** *(Cont'd)*

#### **7.3 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 and the related expenses in statements of comprehensive income by using the stage of completion method. The percentage of completion is determined by the proportion that property development costs incurred for work performed to date compares 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 by relying on past experience and 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 9 to the financial statements.

The Group measures financial instruments in the financial statements at fair value as disclosed in Note 9 and Note 35 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***8. PROPERTY, PLANT AND EQUIPMENT**

Group 2015	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
<b>Carrying amount</b>					
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
	<b>33,289</b>	<b>453</b>	<b>(15)</b>	<b>(1,985)</b>	<b>31,742</b>

	← 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
	<b>39,945</b>	<b>(8,203)</b>	<b>31,742</b>

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***8. PROPERTY, PLANT AND EQUIPMENT** *(Cont'd)*

Group 2014	Balance as at 1.4.2013 RM'000	Additions RM'000	Written off RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2014 RM'000
<b>Carrying amount</b>					
Hotel properties	16,809	-	-	(350)	16,459
Hotel renovation	13,847	75	(134)	(1,031)	12,757
Buildings	1,834	-	-	(39)	1,795
Furniture, fittings and office equipment	1,913	173	(5)	(396)	1,685
Computer hardware and software	108	251	(1)	(110)	248
Motor vehicles	393	57	-	(105)	345
	<b>34,904</b>	<b>556</b>	<b>(140)</b>	<b>(2,031)</b>	<b>33,289</b>

← At 31.3.2014 →			
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Hotel properties	17,524	(1,065)	16,459
Hotel renovation	15,429	(2,672)	12,757
Buildings	1,951	(156)	1,795
Furniture, fittings and office equipment	3,337	(1,652)	1,685
Computer hardware and software	672	(424)	248
Motor vehicles	652	(307)	345
	<b>39,565</b>	<b>(6,276)</b>	<b>33,289</b>

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
<b>Carrying amount</b>				
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
	<b>2,532</b>	<b>159</b>	<b>(275)</b>	<b>2,416</b>

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***8. PROPERTY, PLANT AND EQUIPMENT** *(Cont'd)*

	← At 31.3.2015 →		
	Cost	Accumulated depreciation	Carrying amount
	RM'000	RM'000	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

Company 2014	Balance as at 1.4.2013	Additions	Depreciation charge for the year	Balance as at 31.3.2014
	RM'000	RM'000	RM'000	RM'000

**Carrying amount**

Buildings	1,835	-	(39)	1,796
Furniture, fittings, renovation and office equipment	392	2	(88)	306
Computer hardware and software	17	186	(17)	186
Motor vehicles	319	-	(75)	244
	2,563	188	(219)	2,532

	← At 31.3.2014 →		
	Cost	Accumulated depreciation	Carrying amount
	RM'000	RM'000	RM'000
Buildings	1,952	(156)	1,796
Furniture, fittings, renovation and office equipment	880	(574)	306
Computer hardware and software	267	(81)	186
Motor vehicles	468	(224)	244
	3,567	(1,035)	2,532

- (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 the Company as set out in Note 21 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***8. PROPERTY, PLANT AND EQUIPMENT** *(Cont'd)*

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment	453	556	159	188
Financed by hire-purchase arrangements	-	(50)	-	-
Cash payments on purchase of property, plant and equipment	453	506	159	188

- (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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	230	339	166	239

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 20 to the financial statements.

**9. INVESTMENT PROPERTIES**

Group	Balance as at 1.4.2014	Additions	Disposals	Fair value adjustments	Balance as at 31.3.2015
2015	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Carrying amount</b>					
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
<b>Group 2014</b>					
Group	Balance as at 1.4.2013	Additions	Disposals	Fair value adjustments	Balance as at 31.3.2014
2014	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Carrying amount</b>					
At fair value:					
Freehold land	32,302	-	-	-	32,302
Buildings	280,401	7,307	(10,244)	3,187	280,651
	312,703	7,307	(10,244)	3,187	312,953



**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***9. INVESTMENT PROPERTIES (Cont'd)**

Company 2015	Balance as at 1.4.2014 RM'000	Additions RM'000	Disposal RM'000	Fair value adjustments RM'000	Balance as at 31.3.2015 RM'000
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**Carrying amount**

At fair value:

Buildings	171,224	4,807	(1,555)	(1,422)	173,054
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Company 2014	Balance as at 1.4.2013 RM'000	Additions RM'000	Disposal RM'000	Fair value adjustments RM'000	Balance as at 31.3.2014 RM'000
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**Carrying amount**

At fair value:

Buildings	171,424	7,131	(10,244)	2,913	171,224
-----------	---------	-------	----------	-------	---------

- (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		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Service charges	1,448	1,620	1,448	1,620
Sinking fund	37	-	37	-
Insurance	113	143	17	16
Repair and maintenance	666	694	23	70
Quit rent and assessment	758	659	410	345

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Service charges	1,154	1,060	1,154	1,060
Sinking fund	40	-	40	-
Insurance	19	26	-	-
Repair and maintenance	137	140	9	20
Quit rent and assessment	208	188	138	124

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***9. INVESTMENT PROPERTIES (Cont'd)**

(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
<b>Group</b>				
<b>2015</b>				
Freehold land	-	32,302	-	32,302
Buildings	-	285,347	-	285,347
	-	317,649	-	317,649
<b>2014</b>				
Freehold land	-	32,302	-	32,302
Buildings	-	280,651	-	280,651
	-	312,953	-	312,953
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Company</b>				
<b>2015</b>				
Buildings	-	173,054	-	173,054
<b>2014</b>				
Buildings	-	171,224	-	171,224

- (i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 March 2015 and 31 March 2014.
- (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.
- (iii) The fair value measurements of the investment properties are based on the highest and best use.

The investment properties of the Group are mainly used to generate rental income. However, the professional valuer has adjusted the fair value of the investment properties upwards to reflect the highest and best use of the said properties. This is to reflect the view of the Directors that the estimation would generate higher cash inflows should the investment properties be disposed off.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

cont'd

**10. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2015	2014
	RM'000	RM'000
At cost:		
- Unquoted equity shares	52,906	53,002
Less: Impairment losses	(499)	(599)
	52,407	52,403

- (a) On 31 October 2014, the Company has disposed off the entire issued and paid-up share capital of Topy Top Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM2.00. Hence, impairment losses on investments in subsidiaries amounting to RM100,000 relating to a subsidiary, Topy Top Sdn. Bhd., has been derecognised during the financial year.
- (b) On 16 February 2015, the Company has subscribed two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Bendera Majujaya Sdn. Bhd. and Primary Pillar Sdn. Bhd. for cash consideration of RM2,000 each.
- (c) On 10 March 2015, the Company has approved the incorporation of two (2) wholly-owned subsidiaries in the United Kingdom as wholly owned subsidiaries of Bendera Majujaya Sdn. Bhd., namely Perduren Holding Company Limited and Fitzrovia Developments Limited.
- (d) In the previous financial year, the Company had acquired additional issued and paid up ordinary share capital of RM7,750,000 of Landmark Zone Sdn. Bhd., a wholly-owned subsidiary of the Company.
- (e) The details of the subsidiaries, which are all incorporated in Malaysia except for Perduren Holding Company Limited and Fitzrovia Developments Limited, which are incorporated in United Kingdom, are as follows:

Name of company	Equity interest held by Company		Principal activities
	2015	2014	
	%	%	
Advantage Equity Sdn. Bhd.	100	100	Property investment
Tenderly Marketing Sdn. Bhd.	100	100	Dormant
Orlando Manufacturing Sdn. Bhd.	100	100	Dormant
Balance Focus Sdn. Bhd.	100	100	Car park operator
Essential Vista Sdn. Bhd.	100	100	Dormant
Landmark Zone Sdn. Bhd.	100	100	Property development
Grand Sentosa Hotel Management Services Sdn. Bhd.	100	100	Operation of an inn and recreation centre
Evergreen Sprint Sdn. Bhd.	100	100	Dormant
Nautical Gold Sdn. Bhd.	100	100	Dormant

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***10. INVESTMENTS IN SUBSIDIARIES (Cont'd)**

- (e) The details of the subsidiaries, which are all incorporated in Malaysia except for Perduren Holding Company Limited and Fitzrovia Developments Limited, which are incorporated in United Kingdom, are as follows: (Cont'd)

Name of company	Equity interest held by Company		Principal activities
	2015	2014	
	%	%	
Topy Top Sdn. Bhd.	-	100	Dormant
Bendera Majujaya Sdn. Bhd.	100	-	Dormant
Primary Pillar Sdn. Bhd.	100	-	Dormant
<b>Subsidiary of Bendera Majujaya Sdn. Bhd.</b>			
Perduren Holding Company Limited # *	100	-	Investment holding
<b>Subsidiary of Perduren Holding Company Limited</b>			
Fitzrovia Developments Limited # *	100	-	Property development

# Subsidiaries are consolidated based on management accounts for the financial period ended 31 March 2015.

\* Not required to be audited under the local legislations.

**11. DEFERRED TAX LIABILITIES**

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April	732	(1,141)	72	(1,280)
Recognised in profit or loss (Note 28)	132	1,873	48	1,352
Balance as at 31 March	864	732	120	72

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

cont'd

**11. DEFERRED TAX LIABILITIES (Cont'd)**

- (b) The components and movements of deferred tax liabilities 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 2014	714	18	732
Recognised in profit or loss	(34)	166	132
At 31 March 2015	<b>680</b>	<b>184</b>	<b>864</b>
At 1 April 2013	193	(1,334)	(1,141)
Recognised in profit or loss	521	1,352	1,873
At 31 March 2014	714	18	732

**Deferred tax liabilities of the Company**

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 April 2014	54	18	72
Recognised in profit or loss	14	34	48
At 31 March 2015	<b>68</b>	<b>52</b>	<b>120</b>
At 1 April 2013	54	(1,334)	(1,280)
Recognised in profit or loss	-	1,352	1,352
At 31 March 2014	54	18	72

- (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		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unutilised tax losses	7,094	14,339	-	635
Unabsorbed capital allowances	3,365	4,450	-	281
Other deductible temporary difference	8,136	7,860	-	-
	<b>18,595</b>	26,649	-	916

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 2015

*cont'd***12. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
<b>Other receivables</b>				
Amount owing by a subsidiary	-	-	-	39,186
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	27,262	5,023	407	303
Less: Impairment losses	(4,201)	(3,449)	(34)	(34)
	<b>23,061</b>	1,574	<b>373</b>	269
<b>Other receivables and deposits</b>				
Amounts owing by subsidiaries	-	-	29,547	5,080
Other receivables	1,784	2,346	1,755	219
Deposits	635	566	117	63
Less: Impairment losses				
- amounts owing by subsidiaries	-	-	-	(582)
- other receivables	-	(8)	-	-
	<b>2,419</b>	2,904	<b>31,419</b>	4,780
<b>Loans and receivables</b>	<b>25,480</b>	4,478	<b>31,792</b>	5,049
Prepayments	436	582	244	237
Accrued billings in respect of property development	42,393	22,915	-	-
	<b>42,829</b>	23,497	<b>244</b>	237
	<b>68,309</b>	27,975	<b>32,036</b>	5,286

- (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 (2014: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) The non-current amount owing by a subsidiary represents payments made on behalf which are unsecured, bears interest at 6.50% (2014: 6.50%) per annum and is not repayable within twelve (12) months after the end of reporting period.
- (c) The current amounts owing by subsidiaries represent advances and payments on behalf, which are unsecured, interest free and payable on demand in cash and cash equivalents except for RM26,604,000 (2014: RM2,417,000), which bears interest at 6.50% (2014: 6.50%) per annum.
- (d) In the previous financial year, included in other receivables are advance payments to a sub-contractor amounting to RM2,068,000 for the purpose of site preparation, earthworks, piling and basement works.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***12. TRADE AND OTHER RECEIVABLES** *(Cont'd)*

- (e) All trade and other receivables are denominated in RM.
- (f) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	22,304	937	269	173
Past due, not impaired				
- 61 to 90 days	397	175	88	56
- More than 90 days	360	462	16	40
	757	637	104	96
Past due and impaired	4,201	3,449	34	34
	27,262	5,023	407	303

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.

Receivables that are past due and impaired

During the financial year, trade receivables amounting to RM752,000 (2014: RM838,000) was 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables, gross	4,201	3,449	34	34
Less: Impairment losses	(4,201)	(3,449)	(34)	(34)
	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***12. TRADE AND OTHER RECEIVABLES** *(Cont'd)*

- (f) 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 *(Cont'd)*

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 April	3,449	2,611	34	-
Charge for the financial year	752	838	-	34
As at 31 March	4,201	3,449	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.

- (g) Information on financial risks of trade and other receivables is disclosed in Note 36 to the financial statements.

**13. PROPERTY DEVELOPMENT COSTS**

	Group	
	2015 RM'000	2014 RM'000
Leasehold land, at cost		
Balance as at 1 April	71,859	3,300
Incurred during the financial year	1,445	68,559
Balance as at 31 March	73,304	71,859
Development costs		
Balance as at 1 April	37,223	10,272
Incurred during the financial year	56,740	26,951
Balance as at 31 March	93,963	37,223
Total land and development costs	167,267	109,082
Less: Cumulative costs recognised in the statements of profit or loss and other comprehensive income		
Balance as at 1 April	(27,046)	-
Recognised during the financial year (Note 25)	(63,623)	(27,046)
Balance as at 31 March	(90,669)	(27,046)
	76,598	82,036



**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***13. PROPERTY DEVELOPMENT COSTS** *(Cont'd)*

Property development costs are analysed as follows:

	Group	
	2015	2014
	RM'000	RM'000
Leasehold land, at cost	73,304	71,859
Development costs	93,963	37,223
Accumulated costs recognised as an expense to statements profit or loss and other comprehensive income	(90,669)	(27,046)
Balance as at 31 March	<u>76,598</u>	<u>82,036</u>

Included in property development cost are borrowing costs capitalised of RM3,700,000 (2014: RM955,000) at 7.87% (2014: 7.88%) 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 RM53,504,000 (2014: RM60,759,000) for the purchase consideration of the leasehold land.

**14. INVENTORIES**

	Group	
	2015	2014
	RM'000	RM'000
<b>At cost</b>		
Consumables	<u>30</u>	<u>27</u>

Consumables amounting to RM128,000 (2014: RM162,000) have been expensed to the statements of profit or loss and other comprehensive income during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

cont'd

**15. CASH AND BANK BALANCES**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	1,981	4,266	1,648	1,598
Cash and bank balances	2,862	2,854	1,282	17
Cash at bank held under Housing Development Account	3,148	2,946	-	-
	<b>7,991</b>	<b>10,066</b>	<b>2,930</b>	<b>1,615</b>

- (a) Bank balance held under the Housing Development Account represents receipts from purchasers of residential properties less payments as withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Amendment Act 2002 and Housing Development (Housing Development Account) Regulation 1991 in connection to the Group's property development project.
- (b) 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 18 to the financial statements. The fixed deposits of the Group and of the Company bear average interest of 3.12% (2014: 2.98%) and 3.10% (2014: 2.95%) per annum respectively.
- (c) Information on financial risks of cash and bank balances is disclosed in Note 36 to the financial statements.
- (d) All cash and bank balances are denominated in RM.
- (e) 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash and bank balances</b>				
Deposits with licensed banks	1,981	4,266	1,648	1,598
Cash and bank balances	2,862	2,854	1,282	17
Cash at bank held under Housing Development Account	3,148	2,946	-	-
<b>As reported in statements of financial position</b>	<b>7,991</b>	<b>10,066</b>	<b>2,930</b>	<b>1,615</b>
Less:				
Bank overdraft (Note 18)	(28,928)	(23,208)	(19,528)	(13,797)
Deposits pledged to licensed banks	(1,981)	(1,920)	(1,648)	(1,598)
<b>As reported in statements of cash flows</b>	<b>(22,918)</b>	<b>(15,062)</b>	<b>(18,246)</b>	<b>(13,780)</b>

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

cont'd

**16. SHARE CAPITAL**

	Group and Company			
	2015		2014	
	Number of shares		Number of shares	
	'000	RM'000	'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.

**17. RESERVES**

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	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	-	-
	7,612	7,612	7,337	7,337
Distributable:				
Retained earnings	79,642	70,977	43,045	45,769
	87,254	78,589	50,382	53,106

**(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 2015, the Group held 1,289,400 (2014: 1,289,400) of the Company's treasury shares at a total cost of RM1,199,000 (2014: RM1,199,000).

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***18. BORROWINGS**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Current liabilities</b>					
Bank overdrafts	19	28,928	23,208	19,528	13,797
Hire-purchase and lease creditors	20	97	93	65	62
Term loans	21	14,559	14,559	7,143	7,143
Other borrowings	22	34,481	13,350	-	-
		<b>78,065</b>	<b>51,210</b>	<b>26,736</b>	<b>21,002</b>
<b>Non-current liabilities</b>					
Hire-purchase and lease creditors	20	118	215	90	154
Term loans	21	61,994	70,553	27,543	28,686
Other borrowings	22	15,000	23,900	11,800	11,800
		<b>77,112</b>	<b>94,668</b>	<b>39,433</b>	<b>40,640</b>
		<b>155,177</b>	<b>145,878</b>	<b>66,169</b>	<b>61,642</b>
<b>Total borrowings</b>					
Bank overdrafts	19	28,928	23,208	19,528	13,797
Hire-purchase and lease creditors	20	215	308	155	216
Term loans	21	76,553	85,112	34,686	35,829
Other borrowings	22	49,481	37,250	11,800	11,800
		<b>155,177</b>	<b>145,878</b>	<b>66,169</b>	<b>61,642</b>

All borrowings are denominated in RM.

**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 RM160,000,000 (2014: RM158,000,000) and RM158,954,000 (2014: RM157,323,000) respectively and a first party first legal charge (Note 9);
- (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 RM160,000,000 (2014: RM158,000,000) and RM158,954,000 (2014: RM157,323,000) 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;
- (c) first party pledge of deposits equivalent to three (3) months' interest servicing on the facility (Note 15);
- (d) a Facilities Agreement to secure repayment of the principal sum of RM75,000,000 together with interest thereon and all monies due and payable;

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***19. BANK OVERDRAFTS** *(Cont'd)*

The bank overdrafts of the Group and the Company are secured by the following: *(Cont'd)*

- (e) first party first legal charge over investment properties of the Group with a carrying amount of RM161,165,000 (2014: RM159,000,000), all the borrower's rights and interest to rental income relating to the property; and
- (f) a corporate guarantee for RM75,000,000 by the Company.

Information on financial risks of bank overdrafts is disclosed in Note 36 to the financial statements.

**20. HIRE-PURCHASE AND LEASE CREDITORS**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum hire-purchase and lease payments:				
- not later than one (1) year	104	106	69	69
- later than one (1) year not later than five (5) years	123	226	92	160
Total minimum hire-purchase and lease payments	227	332	161	229
Less : Future interest charges	(12)	(24)	(6)	(13)
Present value of hire-purchase and lease payments	215	308	155	216
Repayable as follows:				
<b>Current liabilities</b>				
- not later than one (1) year	97	93	65	62
<b>Non-current liabilities:</b>				
- later than one (1) year not later than five (5) years	118	215	90	154
	215	308	155	216

Information on financial risks of hire-purchase and lease creditors is disclosed in Note 36 to the financial statements.

**21. TERM LOANS**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Term loan I	20,650	25,650	20,650	25,650
Term loan II	8,036	10,179	8,036	10,179
Term loan III	25,458	29,754	-	-
Term loan IV	16,409	19,529	-	-
Term loan V	6,000	-	6,000	-
	76,553	85,112	34,686	35,829

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***21. TERM LOANS (Cont'd)**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Repayable as follows:				
<b>Current liabilities:</b>				
- not later than one (1) year	14,559	14,559	7,143	7,143
<b>Non-current liabilities</b>				
- later than one (1) year and not later than five (5) years	57,207	58,350	27,543	28,686
- later than five (5) years	4,787	12,203	-	-
	<b>61,994</b>	70,553	<b>27,543</b>	28,686
	<b>76,553</b>	85,112	<b>34,686</b>	35,829

(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	5,000
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.

(d) Term loan IV repayable by 95 monthly instalments of RM260,000 each and final instalment of RM300,000 commencing from May 2013.

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

**NOTES TO THE FINANCIAL STATEMENTS**

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cont'd

**21. TERM LOANS (Cont'd)**

- (f) 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 RM29,654,000 (2014: RM31,011,000) and RM1,757,000 (2014: RM1,796,000) respectively, as disclosed in Note 8 to the financial statements; and
  - (ii) a charge over the carrying amounts of the Group's and of the Company's investment properties amounting to RM317,649,000 (2014: RM312,953,000) and RM173,054,000 (2014: RM171,224,000) respectively, as disclosed in Note 9 to the financial statements.
- (g) Information on financial risks of term loans and the remaining maturities is disclosed in Note 36 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 32(a) 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. During the previous financial year, 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.
- (b) Included in other borrowings is a bridging loan granted to Landmark Zone Sdn. Bhd., a subsidiary wholly-owned by the Company, by Malaysia Building Society Berhad amounting to RM34,481,000 (2014: RM22,250,000) and is payable within one (1) year.
- (c) Information on financial risks of other borrowings and their remaining maturities is disclosed in Note 36 to the financial statements.

**23. TRADE AND OTHER PAYABLES**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Accruals	49,104	50,959	-	-
<b>Current</b>				
<b>Trade payables</b>				
Third parties	25,765	8,370	21	21
<b>Other payables</b>				
Other payables	13,425	17,008	194	1,021
Accruals	7,124	13,262	422	694
Deposits and advances received	9,335	6,526	4,599	1,926
Amounts owing to subsidiaries	-	-	4,785	9,548
Amount owing to a related party	16,900	8,500	-	8,500
	46,784	45,296	10,000	21,689
	72,549	53,666	10,021	21,710

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***23. TRADE AND OTHER PAYABLES (Cont'd)**

- (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 (2014: 30 days to 60 days).
- (b) Included in other payables of the Group are advances received from a purchaser amounting to RM10,201,000 (2014: RM14,561,000) for the purchase of housing lots whereby the purchaser has made one lump sum payment.
- (c) Included in accruals (non-current liabilities and current liabilities) are the following:
- (i) interest accrued of the Group and of the Company amounting to RM656,000 (2014: RM532,000) and RM213,000 (2014: RM290,000) respectively;
  - (ii) an amount of RM343,000 (2014: RM639,000), which relates to costs accrued for the upgrading work of buildings under property, plant and equipment and investment properties of the Group; and
  - (iii) 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 RM53,504,000 (2014: RM60,759,000).
- (d) Amounts owing to subsidiaries and a related party represent advances and payments on behalf, which are unsecured, interest-free and payable on demand in cash and cash equivalents.
- (e) All trade and other payables are denominated in RM.
- (f) Information on financial risks of trade and other payables is disclosed in Note 36 to the financial statements.

**24. REVENUE**

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Services rendered:				
- rental income from investment properties	19,205	20,920	7,967	7,917
- car park income	6,263	3,551	1,587	1,458
- hotel operations revenue	6,942	7,010	-	-
- property development revenue	75,094	34,819	-	-
	<b>107,504</b>	66,300	<b>9,554</b>	9,375



**NOTES TO THE FINANCIAL STATEMENTS**

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*cont'd***25. COST OF SALES**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Services rendered	10,412	7,987	3,278	3,293
Property development cost recognised (Note 13)	63,623	27,046	-	-
	<b>74,035</b>	<b>35,033</b>	<b>3,278</b>	<b>3,293</b>

**26. FINANCE COSTS**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense:				
- bank overdrafts	2,142	1,576	1,420	863
- hire-purchase and lease creditors	12	14	7	9
- inter-company balances	-	-	348	-
- term loans	5,260	5,356	2,492	2,389
- other borrowings	3,701	1,911	956	956
Others - facility fees	-	14	-	14
	<b>11,115</b>	<b>8,871</b>	<b>5,223</b>	<b>4,231</b>
Less: Interest capitalised (Note 13)	(2,745)	(955)	-	-
	<b>8,370</b>	<b>7,916</b>	<b>5,223</b>	<b>4,231</b>

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***27. PROFIT/(LOSS) BEFORE TAX**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Profit/(Loss) before tax is arrived at after charging:</b>					
Auditors' remuneration		89	86	46	42
Bad debts written off		52	1	-	-
Depreciation of property, plant and equipment	8	1,985	2,031	275	219
Directors' remuneration paid and payable to the Directors of the Company					
- fees	31(c)	132	156	132	156
- other emoluments	31(c)	686	778	468	778
Fair value adjustments on investment properties	9	-	-	1,422	-
Impairment losses on trade receivables	12	752	838	-	34
Property, plant and equipment written off	8	15	140	-	-
Rental of:					
- premises		168	144	168	144
- equipment		15	15	5	5
<b>And crediting:</b>					
Fair value adjustments on investment properties	9	1,357	3,187	-	2,913
Gain on disposal of investment properties		385	756	385	756
Gain on disposal of a subsidiary	30	20	-	1	-
Interest income received from:					
- deposits with licensed banks		96	140	55	46
- a subsidiary		-	-	1,988	2,417
Rental income		-	-	132	110

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

cont'd

**28. TAX EXPENSE**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax				
- Current year	4,477	1,397	716	44
- (Over)/Under provision in prior years	(60)	23	(44)	74
	<b>4,417</b>	<b>1,420</b>	<b>672</b>	<b>118</b>
Deferred tax (Note 11)				
- Relating to origination and reversal of temporary differences	327	1,780	258	1,347
- (Over)/Under provision in prior years	(195)	93	(210)	5
	<b>132</b>	<b>1,873</b>	<b>48</b>	<b>1,352</b>
	<b>4,549</b>	<b>3,293</b>	<b>720</b>	<b>1,470</b>

The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2014: 25%) of the estimated taxable profits for the fiscal year.

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	3,304	2,548	(501)	1,068
Tax effects in respect of:				
Non-allowable expenses	2,628	1,302	2,118	1,627
Non-taxable income	(1,162)	(929)	(643)	(1,533)
Deferred tax assets not recognised	34	291	-	229
Utilisation of previously unrecognised deferred tax assets	-	(35)	-	-
	<b>4,804</b>	<b>3,177</b>	<b>974</b>	<b>1,391</b>
(Over)/Under provision in prior years:				
- income tax	(60)	23	(44)	74
- deferred tax	(195)	93	(210)	5
	<b>4,549</b>	<b>3,293</b>	<b>720</b>	<b>1,470</b>

Tax savings of the Group are as follows:

	Group	
	2015 RM'000	2014 RM'000
Arising from utilisation of previously unrecognised tax losses	-	35

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*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.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
Profit attributable to equity holders of the Company (RM'000)	<b>8,665</b>	6,899
Weighted average number of ordinary shares of RM1.00 each in issue after deducting the treasury shares ('000)	<b>134,919</b>	134,919
Basic earnings per ordinary share (sen)	<b>6.42</b>	5.11

**(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 2015 and 31 March 2014.

**30. DISPOSAL OF A SUBSIDIARY**

On 31 October 2014, the Company completed the disposal of its entire equity interest in a subsidiary, Topy Top Sdn. Bhd., a company incorporated in Malaysia which is a dormant company for a cash consideration of RM2 as disclosed in Note 10 to the financial statements.

The gain on disposal of the subsidiary during the financial year is as follows:

	<b>Group</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost of investment	-	<b>100</b>
Impairment of investments	-	<b>(100)</b>
Total assets	<b>1</b>	-
Total liabilities	<b>(22)</b>	-
Net assets/Carrying amount	<b>(21)</b>	-
Net proceeds from disposal	<b>1</b>	<b>1</b>
Gain on disposal	<b>(20)</b>	<b>(1)</b>

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***31. 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 10 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.

**(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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Subsidiaries:</b>				
Car park income	-	-	<b>1,581</b>	1,458
Interest income	-	-	<b>1,988</b>	2,417
Rental income	-	-	<b>132</b>	110
<b>Related party:</b>				
Rental expense	<b>144</b>	114	<b>144</b>	114
Advances received	-	8,500	-	8,500

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 23 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***31. RELATED PARTY DISCLOSURES (Cont'd)****(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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fees	132	156	132	156
Salaries, wages, bonus and allowance	619	699	422	699
Defined contribution plan	67	79	46	79
	<b>818</b>	<b>934</b>	<b>600</b>	<b>934</b>

**32. COMMITMENTS AND CONTINGENT LIABILITIES****(a) Contingent liabilities**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Unsecured</b>				
Corporate guarantees given by a financial institution for credit facilities granted to the Group and the Company	15,000	15,000	11,800	11,800

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.

**33. EMPLOYEE BENEFITS**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries, wages, bonus and allowances	5,130	5,019	1,391	1,697
Defined contribution plan	524	506	162	179
Other employee benefits	111	136	31	31
	<b>5,765</b>	<b>5,661</b>	<b>1,584</b>	<b>1,907</b>

Included in staff cost of the Group and of the Company are Executive Directors' remuneration amounting to RM818,000 (2014: RM934,000) and RM600,000 (2014: RM934,000) respectively as disclosed in Note 31(c) to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***34. OPERATING SEGMENTS**

ENRA Group Berhad (formerly known as Perduren (M) Berhad) and its subsidiaries are principally engaged in property investment, property development and investment holding activities. The Group's operation of inn and recreation centre is mainly undertaken by Grand Sentosa Hotel Management Services Sdn. Bhd, a wholly-owned subsidiary of the Company. The Group's property development activity is mainly undertaken by Landmark Zone Sdn. Bhd., a wholly-owned subsidiary of the Company.

ENRA Group Berhad (formerly known as Perduren (M) Berhad) has arrived at four (4) 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

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.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***34. OPERATING SEGMENTS (Cont'd)**

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.

2015	Rental RM'000	Car park RM'000	Hotel operations RM'000	Property development RM'000	Total RM'000
Revenue					
Total revenue	24,829	3,954	6,942	75,094	110,819
Inter-segment revenue	(3,298)	(17)	-	-	(3,315)
<b>Revenue from external customers</b>	<b>21,531</b>	<b>3,937</b>	<b>6,942</b>	<b>75,094</b>	<b>107,504</b>
Interest income	55	2	-	39	96
Finance costs	(8,364)	-	(2)	(4)	(8,370)
Net finance expense	(8,309)	2	(2)	35	(8,274)
Depreciation of property, plant and equipment	690	22	1,255	18	1,985
<b>Segment profit before income tax</b>	<b>3,020</b>	<b>512</b>	<b>(306)</b>	<b>9,987</b>	<b>13,213</b>
Tax expense	(1,788)	(137)	-	(2,624)	(4,549)
Other material non-cash items:					
- impairment losses on trade receivable	(752)	-	-	-	(752)
- gain on fair value of investment properties	1,357	-	-	-	1,357
- gain on disposal of investment properties	385	-	-	-	385
- property, plant and equipment written off	-	-	(15)	-	(15)
Additions to non-current assets other than financial instruments	5,174	17	134	22	5,347
<b>Segment assets</b>	<b>339,899</b>	<b>292</b>	<b>13,579</b>	<b>148,549</b>	<b>502,319</b>
<b>Segment liabilities</b>	<b>145,472</b>	<b>148</b>	<b>648</b>	<b>130,562</b>	<b>276,830</b>



**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***34. OPERATING SEGMENTS (Cont'd)**

<b>2014</b>	<b>Rental RM'000</b>	<b>Car park RM'000</b>	<b>Hotel operations RM'000</b>	<b>Property development RM'000</b>	<b>Total RM'000</b>
Revenue					
Total revenue	24,024	3,574	7,010	34,819	69,427
Inter-segment revenue	(3,104)	(23)	-	-	(3,127)
<b>Revenue from external customers</b>	<b>20,920</b>	<b>3,551</b>	<b>7,010</b>	<b>34,819</b>	<b>66,300</b>
Interest income	47	2	-	91	140
Finance costs	(7,912)	-	(4)	-	(7,916)
Net finance expense	(7,865)	2	(4)	91	(7,776)
Depreciation of property, plant and equipment	(630)	(24)	(1,369)	(8)	(2,031)
<b>Segment profit before income tax</b>	<b>7,247</b>	<b>343</b>	<b>409</b>	<b>2,962</b>	<b>10,961</b>
Tax expense	(2,470)	(82)	(1)	(740)	(3,293)
Other material non-cash items:					
- impairment losses on trade receivable	(803)	-	(35)	-	(838)
- Fair value adjustments on investment properties	3,187	-	-	-	3,187
- Gain on disposal of investment properties	756	-	-	-	756
- property, plant and equipment written off	-	-	(140)	-	(140)
Additions to non-current assets other than financial instruments	7,523	53	197	90	7,863
<b>Segment assets</b>	<b>329,119</b>	<b>306</b>	<b>15,241</b>	<b>121,680</b>	<b>466,346</b>
<b>Segment liabilities</b>	<b>137,975</b>	<b>154</b>	<b>988</b>	<b>111,386</b>	<b>250,503</b>

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***34. 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:

	2015 RM'000	2014 RM'000
<b>Revenue</b>		
Total revenue for reportable segments	110,819	69,427
Elimination of inter-segmental revenues	(3,315)	(3,127)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	<b>107,504</b>	66,300
<b>Profit for the financial year</b>		
Total profit for reportable segments	13,213	10,961
Elimination of inter-segment profits	1	(769)
Profit before tax	13,214	10,192
Income tax expense	(4,549)	(3,293)
Profit for the financial year	<b>8,665</b>	6,899
<b>Assets</b>		
Total assets for reportable segments	502,319	466,346
Current tax assets	61	513
Assets of the Group	<b>502,380</b>	466,859
<b>Liabilities</b>		
Total liabilities for reportable segments	276,830	250,503
Current tax liabilities	1,224	827
Deferred tax liabilities	864	732
Liabilities of the Group	<b>278,918</b>	252,062

**Geographical information**

No reporting by geographical segment is presented as the Group operates in Malaysia.

**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 2015

*cont'd***35. 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 2014.

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 2014 and 31 March 2015.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is the amount of borrowings (Note 18) divided by equity attributable to owners of the Company. The policy of the Group is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's gearing ratios is 0.69 times (2014: 0.68 times). Capital represents equity attributable to owners of the Company.

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 2015.

**(b) Categories of financial instruments**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Financial assets</b>				
<b>Loans and receivables</b>				
Trade and other receivables, net of prepayments and accrued billings in respect of property development	25,480	4,478	31,792	44,235
Cash and bank balances	7,991	10,066	2,930	1,615
	<b>33,471</b>	14,544	<b>34,722</b>	45,850
<b>Financial liabilities</b>				
<b>Other financial liabilities</b>				
Borrowings	155,177	145,878	66,169	61,642
Trade and other payables	121,653	104,625	10,021	21,710
	<b>276,830</b>	250,503	<b>76,190</b>	83,352

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 35. 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 amount owing by a subsidiary and non-current accruals

The fair value of non-current amount owing by a subsidiary is estimated by discounting the expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. The fair value of non-current accruals is estimated by discounting the expected future cash flows at weighted average cost of capital of the Group.

At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

#### (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).

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***35. FINANCIAL INSTRUMENTS** *(Cont'd)***(d) Fair value hierarchy** *(Cont'd)*

The following table set out the fair value of financial instruments that are not carried at fair value on the statements of financial position:

	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
2015	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>Financial liabilities</b>					
<b>Other financial liabilities</b>					
- Hire-purchase and lease creditors	-	200	-	200	215
- Other borrowings	-	44,807	-	44,807	49,481
	-	45,007	-	45,007	49,696
<b>Company</b>					
<b>Financial liabilities</b>					
<b>Other financial liabilities</b>					
- Hire-purchase and lease creditors	-	145	-	145	155
- Other borrowings	-	10,098	-	10,098	11,800
	-	10,243	-	10,243	11,955
<b>2014</b>					
<b>Group</b>					
<b>Financial liabilities</b>					
<b>Other financial liabilities</b>					
- Hire-purchase and lease creditors	-	279	-	279	308
- Other borrowings	-	32,363	-	32,363	37,250
	-	32,642	-	32,642	37,558
<b>Company</b>					
<b>Financial liabilities</b>					
<b>Other financial liabilities</b>					
- Hire-purchase and lease creditors	-	200	-	200	216
- Other borrowings	-	9,341	-	9,341	11,800
	-	9,541	-	9,541	12,016

## **NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd*

### **36. 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 and credit 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 deposits with licensed banks 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

At 31 March 2015, if interest rates at the date had been 10 basis points lower or higher, with all variables held constant, profit net of tax of the Group and of the Company for the financial year would have been approximately RM118,000 (2014: RM106,000) and RM48,000 (2014: RM47,000) higher or lower respectively. The sensitivity is higher in 2015 than in 2014 because of an increase in outstanding borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Interest rate exposure arises from the interest bearing borrowings and interest earning deposits of the Group and of the Company.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***36. 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:

Group	Note	Weighted average effective interest rate	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
		%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 31 March 2015</b>									
<b>Fixed rates</b>									
Deposits with licensed banks	15	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
<b>Floating rates</b>									
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
<b>At 31 March 2014</b>									
<b>Fixed rates</b>									
Deposits with licensed banks	15	2.98	4,266	-	-	-	-	-	4,266
Hire-purchase and lease creditors	20	4.61	93	97	78	33	7	-	308
Other borrowings	22	7.95	13,350	8,900	15,000	-	-	-	37,250
<b>Floating rates</b>									
Bank overdrafts	19	8.35	23,208	-	-	-	-	-	23,208
Term loans	21	5.73	14,559	14,559	14,559	14,559	14,673	12,203	85,112

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***36. 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)

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
<b>At 31 March 2015</b>									
<b>Fixed rate</b>									
Deposit with a licensed bank	15	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
<b>Floating rates</b>									
Amount owing by a subsidiary	12	6.50	26,604	-	-	-	-	-	26,604
Bank overdrafts	19	8.35	19,528	-	-	-	-	-	19,528
Term loans	21	6.06	7,143	8,043	8,343	11,157	-	-	34,686
<b>At 31 March 2014</b>									
<b>Fixed rate</b>									
Deposit with a licensed bank	15	2.95	1,598	-	-	-	-	-	1,598
Hire-purchase and lease creditors	20	3.68	62	64	67	23	-	-	216
Other borrowings	22	8.10	-	-	11,800	-	-	-	11,800
<b>Floating rates</b>									
Amount owing by a subsidiary	12	6.50	2,417	3,917	3,917	3,917	3,917	23,518	41,603
Bank overdrafts	19	8.35	13,797	-	-	-	-	-	13,797
Term loans	21	5.87	7,143	7,143	7,143	7,143	7,257	-	35,829



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

#### (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.

#### 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.

	2015			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	72,549	58,234	-	130,783
Borrowings	78,072	78,842	6,471	163,385
Total undiscounted financial liabilities	<b>150,621</b>	<b>137,076</b>	<b>6,471</b>	<b>294,168</b>
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	10,021	-	-	10,021
Borrowings	26,740	41,302	1,556	69,598
Total undiscounted financial liabilities	<b>36,761</b>	<b>41,302</b>	<b>1,556</b>	<b>79,619</b>
<b>2014</b>				
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	53,666	57,740	-	111,406
Borrowings	69,023	81,709	15,710	166,442
Total undiscounted financial liabilities	<b>122,689</b>	<b>139,449</b>	<b>15,710</b>	<b>277,848</b>
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	21,710	-	-	21,710
Borrowings	23,900	45,280	-	69,180
Total undiscounted financial liabilities	<b>45,610</b>	<b>45,280</b>	<b>-</b>	<b>90,890</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

*cont'd*

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### (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.

As at the end of the reporting period, other than the amounts owing by the subsidiaries amounting to RM29,547,000 (2014: RM43,684,000), which represent 92.23% (2014: 98.23%) 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. 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.

### 37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 8 December 2014, the Group had announced a proposed corporate exercise for the disposal of the 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").

The major shareholder of ENRA Group Berhad (formerly known as Perduren (M) Berhad), TS Law Group Sdn. Bhd. via Jerusan Indah Sdn. Bhd. ("JISB"), had offered to acquire from ENRA Group Berhad (formerly known as Perduren (M) Berhad) the entire issued and paid up share capital of AESB, BFSB and GSHMSSB for RM71.8m, RM1.3m and RM0.1m respectively. In addition, Meridian Hectares Sdn. Bhd. ("MHSB"), had offered to acquire 2,400,000 ordinary shares of RM1 each, representing 30% of the issued and paid-up share capital of LZSB for a cash consideration of RM8.3m.

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 RM71.8m, RM1.3m and RM0.1m respectively. As at the date of this report, these disposals are pending completion. Upon completion, these companies will cease 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 RM8.3m. This disposal has been completed on 1 June 2015.

**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2015

*cont'd***38. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	<b>13,208</b>	3,948	<b>40,273</b>	42,233
- unrealised	<b>2,558</b>	3,154	<b>2,772</b>	3,536
	<b>15,766</b>	7,102	<b>43,045</b>	45,769
Add: Consolidation adjustments	<b>63,876</b>	63,875	-	-
Total Group/Company retained earnings as per consolidated accounts	<b>79,642</b>	70,977	<b>43,045</b>	45,769

## PROPERTIES OWNED BY ENRA GROUP BERHAD

(formerly known as Perduren (M) Berhad)

Location / Address	Built-Up Area (Sq. Ft.)	Existing Use / Description Of Property	Tenure	Approximate age of building	Date of revaluation	Carrying Amount as at 31.03.2015 (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	31 years	31/3/2015	170,200
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	30 years	31/3/2015	
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.	182,157	Car parks	Freehold	31 years	31/3/2015	
Commercial building known as Plaza Sentosa located along Jalan Sutera within Taman Sentosa 80150 Johor Bahru	710,305	Commercial and office space	Freehold	31 years	28/11/2014	159,678
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	10 years	31/3/2015	5,657

## ANALYSIS OF SHAREHOLDINGS

as at 30 June 2015

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	285	12.41	7,104	0.01
100 to 1,000 shares	1,359	59.19	921,064	0.68
1,001 to 10,000 shares	522	22.74	1,761,217	1.30
10,001 to 100,000 shares	105	4.57	3,087,273	2.29
100,001 to less than 5% of issued shares	17	0.74	26,972,885	19.99
5% and above of issued shares	8	0.35	102,169,000	75.73
<b>Total</b>	<b>2,296</b>	<b>100.00</b>	<b>134,918,543</b>	<b>100.00</b>

### THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%*
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Trillion Icon Sdn. Bhd. (PB)</i>	23,000,000	17.05
2.	M & A Nominee (Tempatan) Sdn. Bhd. <i>Pledged securities account for Mizreen Capital Sdn. Bhd. (M&amp;A)</i>	17,900,000	13.27
3.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for UBS AG Singapore (Foreign)</i>	16,499,000	12.23
4.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Amira Properties Sdn. Bhd. (PB)</i>	11,000,000	8.15
5.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Accentvest Sdn. Bhd. (PB)</i>	11,000,000	8.15
6.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kamaluddin bin Abdullah (PB)</i>	8,500,000	6.30
7.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-Asing)</i>	7,270,000	5.39
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Siva Kumar A/L M Jeyapalan (PBCL-0G0015)</i>	7,000,000	5.19
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Paling Terbilang Sdn. Bhd. (PB)</i>	6,000,000	4.45
10.	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG Singapore for Long Point Financial Limited</i>	4,829,700	3.58

## ANALYSIS OF SHAREHOLDINGS

as at 30 June 2015

cont'd

### THIRTY (30) LARGEST SHAREHOLDERS (Cont'd)

No.	Name of Shareholders	No. of Shares	%*
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Intelek Kuasa Sdn. Bhd. (PB)</i>	4,600,000	3.41
12.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kok Kong Chin (PB)</i>	3,000,000	2.22
13.	RHB Nominees (Tempatan) Sdn. Bhd. <i>TS Law Group Sdn. Bhd.</i>	2,863,885	2.12
14.	Eddy Atmadja	1,274,700	0.94
15.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Azmil Khalili bin Khalid</i>	1,000,000	0.74
16.	RHB Nominees (Asing) Sdn. Bhd. <i>RHB Securities Singapore Pte. Ltd. for Kwan Chee Seng (82018)</i>	1,000,000	0.74
17.	Khoo Nang Seng @ Khoo Nam Seng	542,700	0.40
18.	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged securities account for M &amp; A Securities Sdn. Bhd. (IPO)</i>	500,000	0.37
19.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for OCBC Securities Private Limited (Client A/C- NR)</i>	429,000	0.32
20.	Affin Hwang Nominees (Asing) Sdn. Bhd. <i>DBS Vickers Secs (S) Pte. Ltd. for New Tasek Capital Ltd.</i>	216,800	0.16
21.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Kamalanathan A/L J. Puloganathan (MY0808)</i>	190,000	0.14
22.	RHB Nominees (Asing) Sdn. Bhd. <i>Exempt AN (BP) for RHB OSK Securities Hong Kong Limited A/C Clients (Retail)</i>	150,000	0.11
23.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Athappan A/L Thanneermalai (Margin)</i>	139,600	0.10
24.	RHB Nominees (Asing) Sdn. Bhd. <i>RHB Securities Singapore Pte. Ltd. for Lim See Yong (521795)</i>	126,500	0.09
25.	Khor Boon Hong	110,000	0.08
26.	Mah Siew Sian	100,000	0.07
27.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Teh Kian An (Margin)</i>	100,000	0.07
28.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. <i>Exempt AN for UOB Kay Hian (Hong Kong) Limited-A/C Clients</i>	100,000	0.07
29.	CIMSEC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	94,000	0.07
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Chong Lee Chang (470211)</i>	92,500	0.07
	<b>Total</b>	<b>129,628,385</b>	<b>96.05</b>

**ANALYSIS OF SHAREHOLDINGS**

as at 30 June 2015

cont'd

**SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS**

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares Held		
			%*	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	4,507,629	3.34	44,600,000 <sup>a</sup>	33.06
6.	Dato' Mazlin bin Md Junid	-	-	29,400,000 <sup>b</sup>	21.79
7.	Dato' Azrene binti Abdullah	-	-	49,107,629 <sup>c</sup>	36.40
8.	Izreen Natalia binti Mazlin	-	-	29,400,000 <sup>d</sup>	21.79
9.	Ikhmal Mirza bin Mazlin	-	-	29,400,000 <sup>e</sup>	21.79

**DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS**

No.	Name of Directors	Direct Interest	No. of Shares Held		
			%*	Indirect Interest	%*
1.	Datuk Ali bin Abdul Kadir	4,000,000	2.97	-	-
2.	Dato' Kamaluddin bin Abdullah	4,507,629	3.34	44,600,000 <sup>a</sup>	33.06
3.	Dato' Mazlin bin Md Junid	-	-	29,400,000 <sup>b</sup>	21.79
4.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	-	-	-	-
5.	Datuk Anuar bin Ahmad	-	-	-	-
6.	Loh Chen Yook	-	-	-	-
7.	Teo Chee Kok	-	-	-	-

**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 virtue of Section 6 A (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 attached 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'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'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 6 A(4) of the Act.
- e Indirect interest held through (a) his father'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 6 A (4) of the Act.
- \* Excluding a total of 1,289,400 ordinary shares bought back by the Company and retained as treasury shares





# ENRA Group Berhad (236800-T)

(formerly known as Perduren (M) Berhad)

## FORM OF PROXY

CDS Account No. _____	No. of Shares Held _____
-----------------------	--------------------------

I/We \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_  
of \_\_\_\_\_

being a member/members of ENRA GROUP BERHAD (FORMERLY KNOWN AS PERDUREN (M) 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 23rd Annual General Meeting of the Company to be held at Function Room 1 & Room 2, 1st Floor, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 18 August 2015 at 10.00 a.m. and at any adjournment thereof in the manner as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To approve the payment of Directors' fees		
2	To re-elect Dato' Kamaluddin bin Abdullah		
3	To re-elect Dato' Mazlin bin Md Junid		
4	To re-elect Datuk Ali bin Abdul Kadir		
5	To re-elect Datuk Anuar bin Ahmad		
6	To re-elect Mr. Loh Chen Yook		
7	To re-elect Tan Sri Dato' Seri Shamsul Azhar bin Abbas		
8	To re-appoint Messrs BDO as Auditors of the Company		
9	Authority to Directors of the Company to issue shares		
SPECIAL RESOLUTION			
Proposed Amendments to the Company's Articles of Association			

(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 \_\_\_\_\_ 2015

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		
<b>Total</b>		<b>100%</b>

\_\_\_\_\_  
Signature of Member/Common Seal

**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 August 2015 (General Meeting Record of Depositors) shall be eligible to attend and vote at this 23rd Annual General Meeting ("the Meeting") or appoint a proxy to attend and vote on his behalf.
- 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.
- A member who is an authorised nominee 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. A member who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- Where a member 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.
- 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.
- To be valid, this Form of Proxy must be completed, signed and deposited at the Registered Office of the Company at D3-U6-15, Block D3, 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) 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.

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AFFIX  
STAMP

The Company Secretary

**ENRA Group Berhad**

(formerly known as Perduren (M) Berhad)

D3-U6-15, Block D3

Solaris Dutamas

No. 1, Jalan Dutamas 1

50480 Kuala Lumpur

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