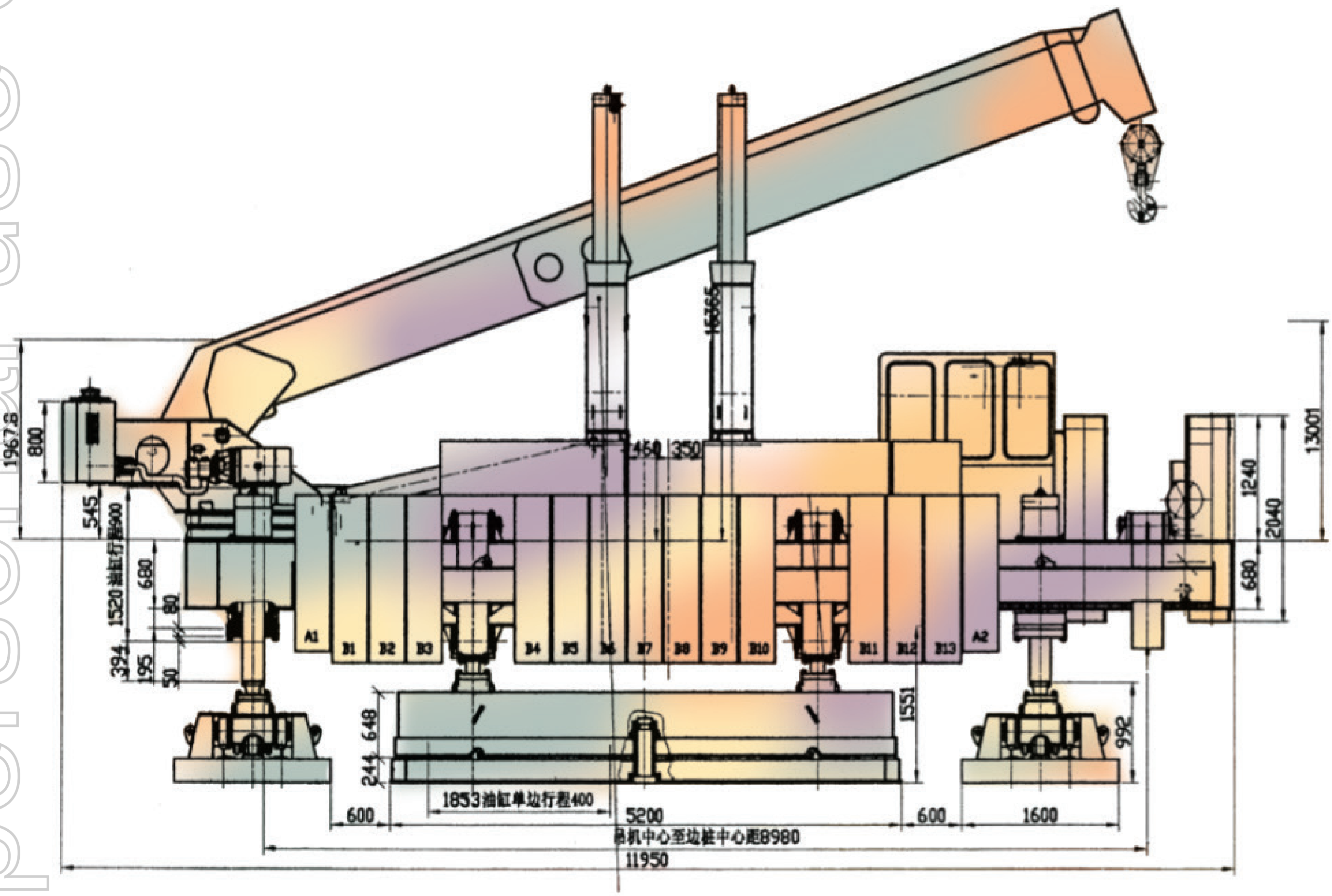
JACK-IN GROUP LIMITED (ASX: JIP)



Front View

2018
ANNUAL REPORT

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ABOUT JACK-IN GROUP

Jack-In Group Limited ("JIG") through its subsidiary, Jack-In Pile (M) Sdn Bhd is one of the leading specialist contractor for the hydraulic jack-in piling system in Malaysia. With the advantages of being both environmentally friendly and efficient, this piling system commands an exceptionally strong demand in the urban areas.

Jack-in piling machine is a preferred choice by developers and government agencies due to its much reduced noise and efficient speed. Traversing diverse market segments, our project portfolio comprises commercial, infrastructure, industrial and high rise residential projects.

With the fleet of more than 30 hydraulic injection machine, cranes and construction vehicles in Malaysia and staff strength of more than 300 employees, the company has outstanding track record of 600 projects over a period of ten years.

CORPORATE INFORMATION

DIRECTORS

H'ng Bok Chuan
H'ng Hup Choong
Mak Siew Wei
Sim Seng Loong
Alan Robert Fraser
Lee Keh Sai

AUDIT COMMITTEE

Sim Seng Loong (Chairman)
Alan Robert Fraser
Lee Keh Sai

REMUNERATION COMMITTEE

Sim Seng Loong (Chairman)
H'ng Hup Choong
Alan Robert Fraser

COMPANY SECRETARY

Amanda Thum Sook Fun

SHARE REGISTRAR

Boardroom Pty Ltd
Level 12, 225 George St Sydney NSW 2000
Australia

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

AUDITOR

SYA PAC
160 Robinson Road
#2603 SBF Center
Singapore 068914
+65 6538 1993

COMPANY REGISTRATION NUMBER

201134138G
ARBN 160 966 585

REGISTERED OFFICE

138, Cecil Street, #12-01A Cecil Court
SINGAPORE 069538
Tel: +65 6534 0181

BUSINESS ADDRESSES

59-3 Jalan Sri Permaisuri 8
Bandar Sri Permaisuri, 56000 Kuala Lumpur
MALAYSIA
Tel: +603 9171 6888

Suite 1301, Level 13, 115 Pitt Street
Sydney, NSW 20000
AUSTRALIA
Tel: +612 8256 1100

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

"On behalf of the Board of Directors, I am pleased to present the annual report and audited financial statements of Jack-In Group Limited ("JIG") for the financial year ended 31 March 2018."

The Group's financial year ended 31 March 2018 saw a 3.6% decrease in revenue, as the property and construction sector in Malaysia braced itself for the impending General Elections in 2018. Nevertheless, the Group achieved a commendable gross revenue of MYR235.5 million notwithstanding the current challenging economic conditions.

Our strong track record is a testament of the sustainability of our business model. At present, revenue from our principal activity in the provision of piling services are wholly contributed from our Malaysian operation. It is our belief that our continued commitment to upholding the highest standards of business conduct will enable us to procure more new contracts in Malaysia.

Expansion Plan

It has been the Group's plan to take its successful business model to expand its businesses in other geographical area; namely Australia and Singapore.

On 18 May 2017, our Group announced a memorandum of understanding where we intend to acquire an established specialist drilling company that provides services to the civil and construction industry in Australia. This was subsequently aborted in December 2017 due to unsatisfactory results from our due diligence review.

The Group has for the time being, put its expansion plan on hold and instead will focus on its core activities in Malaysia where we do best. Our current sizeable fleet of machineries is sufficient for instant mobilisation should any project so require, allowing us to undertake projects within Malaysia in a more efficient and effective manner. We believe that, despite the challenging local economic environment, we will still be able to procure more projects in the future given our reputation and credentials.

CHAIRMAN'S STATEMENT (Cont'd)

Results

On a year-on-year, the Group's revenue decreased by MYR8.7 million or 3.6% for the financial year ended 31 March 2018 as compared to the preceding financial year. The Group reduced its loss after taxation during the year to MYR3.3 million compared to MYR19.5 million in the preceding year. The current year loss has included an unrealised loss on foreign exchange of MYR2.7 million arising from a weaker Australian Dollar in which we maintain A$6.0 million of the Group's funds in fixed deposit.

Corporate Governance

In July 2018, the Group engaged the services of an independent firm of accountants to review the operations and specific transactions of the Group following the receipt of allegations of irregularities by the external auditors. The report of the independent accountants was reviewed and accepted by the Audit Committee in December 2018, and all allegations have been dispelled satisfactorily.

The above exercise demonstrated the Board of Directors' commitment to maintaining high standards of Corporate Governance in JIG.

This however, has affected the completion of the audit for the financial year ended 31 March 2018, which was shelved to allow for the above special review. The audit process resumed in March 2019 albeit delayed.

Business Outlook

For the first time since independence, Malaysia has a change of government in May 2018. Whilst there is much uncertainty of the future, the general public is optimistic and hopeful of the new government to improve and strengthen the economy of Malaysia in the years ahead.

As property and infrastructural development is the traditional main catalyst of economic growth, we expect this sector will see a healthy recovery in 2019, which will bode well for our Group.

Conclusion

The Board remains confident that JIG is well-placed to continue to deliver justifiable and profitable growth. We are confident our outstanding track record for our Malaysian business segment will procure more business opportunities and we will continue to update our shareholders from time to time when we are awarded with significant piling and construction contracts.

I would like to thank my fellow directors and the management team who have all worked tirelessly for the Group.

I also thank you, our shareholders, for your continued support.

H'ng Bok Chuan
Chairman and Managing Director

DIRECTORS' PROFILE

H'NG BOK CHUAN
Chairman and Managing Director
Aged 56, Malaysian
Appointed on 23rd December 2016

Mr. H'ng Bok Chuan has been the Managing Director of Jack-In Pile (M) Sdn Bhd, a subsidiary of JIG since 2006. He is considered a veteran in the construction industry with more than 30 years of experience.

Mr. H'ng sets the direction and business strategies for JIG and is directly involved in the development of new piling systems and methods in addition to managing the contract department on project costing and pricing for tenders of JIG's subsidiary. He is also involved in JIG business development.

H'NG HUP CHOONG
Executive Director
Aged 47, Malaysian
Appointed on 23rd December 2016

Mr. H'ng Hup Choong has more than 21 years of experience in the piling and foundation services sector.

He is responsible for overseeing the entire operations of JIG's subsidiary, Jack-In Pile (M) Sdn Bhd, which involves resource planning, procurement, project management and logistics matters.

MAK SIEW WEI
Executive Director
Aged 44, Malaysian.
Appointed on 17th May 2017

Mr. Mak Siew Wei pursued his education in the United States of America and graduated with a Bachelor's Degree in Management Information System upon which he worked for Marvic International (NY) Ltd in New York.

He has managed hotels, entertainment and commercial projects through the stages of conducting due diligence, corporate acquisition, joint venture negotiations, obtaining regulatory approvals, risk management and investment plans for public listed companies in Malaysia and overseas market.

Throughout the tenure of his career, Mr. Mak has been involved in all manner of corporate governance and capital raising as executive as well as non-executive directors of various listed companies.

He is currently an Executive Director of two public listed companies having served as the Chairman of the Risk Management as well as the Investment Committee.

DIRECTORS' PROFILE (Cont'd)

SIM SENG LOONG
Independent Director
Aged 52, Malaysian
Appointed on 23rd December 2016

Mr. Sim Seng Loong is a Certified Public Accountant in Malaysia and Australia, and also holds various other certifications through training and updates in the fields of accountancy and taxation obtained throughout this career.

He also sits on the Board of Pentamaster Corporation Berhad and Nova Wellness Group Berhad as an Independent Non-Executive Director.

ALAN ROBERT FRASER
Independent Director
Aged 69, Australian
Appointed on 3rd April 2017

Mr. Alan Robert Fraser has over 30 years of experience in Australia and overseas on greenfield mineral exploration, mine project management and mine treatment plant construction and commissioning. He has managed gold exploration projects through the stages of tenement acquisition, joint venture negotiation, obtaining regulatory approvals and the management of field exploration programs, through to completion of mining, rehabilitation and handover of the property back to community and government authorities.

Throughout the 30 plus years, Mr. Fraser has been involved in all manner of corporate governance and capital raising as chairman, managing director and non-executive director of various listed entities. He is currently a Non-Executive Director of NuEnergy Gas Ltd (NGY), having served on the board for in excess of 25 years. NGY is actively involved in Coal Bed Methane exploration and exploitation in Indonesia principally on the island of Sumatra.

LEE KEH SAI
Independent Director
Aged 83, Singaporean
Appointed on 3rd March 2017

Mr. Lee Keh Sai brings with him more than 50 years of professional experiences in electrical and power engineering, energy efficiency and power quality into the Company. He is the founder of K. S. Lee & Associates (Singapore), a professional electrical engineering consulting firm focusing on power engineering and energy efficiency.

Mr. Lee holds the credential of teaching under the Singapore Certified Energy Manager (SCEM) module on "Motor Driven Systems" since 2010 and is a certified trainer for preparatory courses for the Registration Examination of the Professional Engineer Board Part II "Practice of Professional Engineering in Electrical Engineering". He is a member of the Institution of Electrical Engineers (MIEE), UK as well as the Institution of Engineers (MIES), Singapore, and is also an arbitrator.

Criteria for an "independent" director

Where this charter or the charter of a Board Committee requires one or more "independent" directors, the following criteria are to be considered by the Board to determine if the relevant person is independent. An "independent" director is non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, the independent exercise of their judgment.

When determining the independent status of a director, the Board will consider whether the director:

(a) is a substantial shareholder of JIG (that is, holds 5% or more of the issued voting shares of JIG) or an officer of, or otherwise;

(b) associated directly with a substantial shareholder of JIG;

(c) is employed, or has previously been employed, in an executive capacity by JIG, and there has not been a period of at least three years between ceasing such employment and serving on the Board;

(d) has within the last three years been a principal of a material professional adviser or a material consultant to JIG, or an employee materially associated with the service provided;

(e) is a material supplier or customer of JIG, or an officer of or otherwise associate directly or indirectly with a material supplier or customer; or

(f) has a material contractual relationship with JIG other than as a director of JIG. Family ties and cross-directorships may be relevant in considering interests and relationship which may compromise independence and should be disclosed by directors to the Board.

DIRECTORS' MEETINGS

During the financial year ended 31 March 2018, there has been two Directors' meetings. Attendance by each Director during the year was as follows:

Directors:	**Board of Directors**		**Nomination Committee & Remuneration Committee**		**Audit Committee**		**Risk Management**	
	Held	**Attend**	**Held**	**Attend**	**Held**	**Attend**	**Held**	**Attend**
H'ng Bok Chuan	2	2	1	1	-	-	-	-
H'ng Hup Choong	2	2	-	-	-	-	-	-
Mak Siew Wei	2	2	-	-	-	-	-	-
Sim Seng Loong	2	2	-	-	2	2	-	-
Alan Robert Fraser	2	2	1	1	2	2	-	-
Lee Teong Ghee*	2	1	-	-	1	1	-	-
Lee Keh Sai	2	2	1	1	2	2	-	-

*Mr. Lee Teong Ghee has resigned as director of the Company with effect from 1 January 2018.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of JIG is committed to maintaining high standards of Corporate Governance. This Corporate Governance Statement ("Statement") discloses the extent to which JIG has followed the 3rd Edition of the ASX Corporate Governance Principles and Recommendations (ASX Principles and Recommendations).

The information in this Statement has been approved by the Board and is current as at the date of this report.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

Companies should establish and disclose the function reserved to the Board and those delegated to senior executives.

The Board's responsibilities are set out in JIG Board Charter, which is available on the subsidiary's website (http://www.jackinpile.com.my). Delegation to senior executives is set out in Board policies and in operating policies and procedures.

Recommendation 1.2

Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Prior to appointing a director or executive, or putting forward to security holders a candidate for election or re-election, JIG undertakes an internal due diligence process to ensure the candidate is of good fame and character. Qualifications and experience are carefully considered in the context of the overall organisation, with appropriate background and reference checks undertaken. JIG ensures that all material information for the election / re-election of Directors is provided to security holders in order for them to make an informed decision.

Recommendation 1.3

Companies should have a written agreement with each Director and senior executive setting out the terms of their appointment.

The roles and responsibilities of directors and senior executives form part of appointment letters and/or service contracts.

Recommendation 1.4

The company secretary should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The company secretary is accountable to the Board, through the Chair, as required.

Recommendation 1.5

A company should have a diversity policy, disclose the contents thereof and report on the measureable objectives for achieving gender diversity.

JIG is committed to establishing and maintaining employee and Board diversity, which recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and all employees are treated equally. The Board has adopted a Diversity Policy. Which is available on its website. To ensure JIG commitment to promoting diversity is ongoing, the measureable objectives will be derived from, but not limited to, the following assessment strategies:

CORPORATE GOVERNANCE STATEMENT (Cont'd)

(a) Assessing the prevalence of female employees in the organisation against the prevalence of females in senior management and Board positions.
(b) Assessing the prevalence of ethnically and culturally diverse employees in the organisation against the prevalence of ethnically and culturally diverse employees in senior management and Board positions.
(c) Assessing JIG and its subsidiary's human resource policies and objectives against the Diversity policy.
(d) Assessing JIG and its subsidiary's education and communication policies, promotion and materials against the Diversity Policy.
(e) Assessing JIG and its subsidiary's performance objectives against the flexibility needs of a varied range of employees.

The statistics on the proportion of female employees in JIG group as at 31 March 2018 are as follows:

	2018	
	Male (%)	**Female (%)**
Board of Directors	100	-
Senior Management	100	-
Other	75	25
Total	72	28

Recommendation 1.6

Companies should disclose the process for evaluating the performance of the Board, its committee and individual directors and disclose if a performance evaluation was undertaken in the reporting period.

JIG has adopted a performance evaluation process according to ISO9001:2008 standard for the Board and its Committee and the Board considers this process appropriate for the size and composition of the Board. The performance evaluation for the Board and its Committee is an ongoing process by the Nomination Committee.

Recommendation 1.7

Companies should disclose the process for evaluating the performance of senior executives and disclose if a performance evaluation was undertaken in the reporting period.

JIG has adopted an annual performance evaluation process according to ISO 9001:2008. In addition, under this Charter, the Remuneration Committee and Nomination Committee are required to review and report to the Board on the performance of senior executives. JIG has conducted a performance evaluation for senior executives during the reporting period in accordance with the process disclosed.

Principle 2 Structure the Board to add value

Recommendation 2.1

The Board should have a Nomination Committee which has at least three members, a majority of whom are independent directors; and is chaired by an independent director.

The Company has to disclose the Charter of the Committee, its members, meetings held during the reporting period as well as individual attendances. JIG has set up separate Nomination Committee and Remuneration Committee. The Board has adopted a formal Nomination Committee Charter which includes the following:

- A description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors; and
- The Board's policy for the nomination and appointment of directors.

Information on the Committee's membership, meetings held during the reporting period as well as individual attendance can be found in the Directors' Profile page.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

Recommendation 2.2

A Company should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The names of the directors and their qualifications and experiences are stated under the Directors' Profile section of the Annual Report with the term of office held by each director.

Recommendation 2.3

A Company should disclose the names of the independent directors; relevant director's interest and the length of service of each director.

Information on each of the directors, including skills, experience and expertise relevant to each director in office at the date of the Annual Report the period they have been in office, the names of the directors considered by the Board to constitute independent directors are included in the Directors' Profile section.

Recommendation 2.4

The majority of the Board should be Independent Directors.

At the date of the Annual Report, the Board consists of three independent directors and three executive directors. JIG does not have a majority of independent directors on its Board. The Board acknowledges the ASX Corporate Governance Council's recommendation that a majority of the Board should be independent non-executive directors. Given JIG's current size and circumstances, the Board believes that it will achieve through re-election of directors of the Board.

Recommendation 2.5

The Chair should be an independent Director and not the Chairman.

The Chairman of the Board is not an independent Director. However, the Board believes that Mr. H'ng Bok Chuan is the most appropriate person to act as Chairman given his extensive knowledge of JIG and its subsidiary's overall operations and important business relationship. Mr. H'ng Bok Chuan is the Chairman and Managing Director. Given his expertise and relationships with the clients, and the reasons outlined above, the Board believes that he is the best qualified person for both the roles of Chairman and Managing Director. The Board acknowledges the ASX Corporate Governance Council's recommendation and in conjunction with the Nomination Committee will continue to evaluate the appropriateness of Mr. H'ng Bok Chuan holding both roles.

Recommendation 2.6

A Company should have a programme for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.

The Nomination Committee has been delegated the responsibility to establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board, including information and advice regarding (i) the Group financial, strategic, operational and risk management position; (ii) the rights, duties and responsibilities of the directors; (iii) the roles and responsibilities of senior executives; and (iv) the role of Board committees.

(i) the Group financial, strategic, operational and risk management position;
(ii) the rights, duties and responsibilities of the directors;
(iii) the roles and responsibilities of senior executives; and
(iv) the role of Board committees.

No professional development processes have been put in place, but directors may seek independent professional advice at the expense of JIG following conclusion with the Chairman as agreed by the Board.

Principle 3 Act Ethically and Responsibly

Recommendation 3.1

Companies should establish a Code of Conduct and disclose the Code or a summary of it.

JIG is committed to high standards of corporate governance and professional behaviour. The Board has adopted a Code of Conduct, which is available on the Group's website.

Principle 4 Safeguard integrity in corporate reporting

Recommendation 4.1

The Board should establish an Audit Committee which has at least three members, all of whom are non-executive directors and a majority of whom are independent Directors; and is chaired by an independent director, who is not a chair of the Board.

The Company has to disclose the Charter of the Committee, its members and their qualifications and experiences, meetings held during the reporting period as well as individual attendances. JIG has established an Audit Committee, consisting of three independent directors. The Chair is an independent director. The Board acknowledges the ASX Corporate Governance Council's recommendations and achieves the recommended composition of majority independent directors to ensure proper financial reporting. JIG has adopted a formal Audit Charter, which is available on the subsidiary's website (http://www.jackinpile.com.my) The name and qualifications of those appointed to the Audit Committee and their attendances at meetings of the Committee and the number of meetings of the Audit Committee are included in the Directors' Profile section.

Recommendation 4.2

The Board should, before it approves the entity's financial statements for a financial period, receive from its COO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

JIG has received assurance from the Chairman and Managing Director that the declaration provided in accordance with Section 19 9 of the Companies Act, Cap. 50 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3

The Company's External Auditor should attend its AGM and should be available to answer question from security holders relevant to the audit.

The External Auditor attends the AGM to answer questions from security holders.

Principle 5 Make timely and balanced disclosure

Recommendation 5.1

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and disclosure these policies or a summary of it.

JIG has adopted a Continuous Disclosure and External Communication Policy, where announcement of new projects and operation updates are lodged with the ASX from time to time.

Principle 6 Respect the rights of security holders

Recommendation 6.1

A Company should provide information about itself and its governance to investors via its website.

Information on JIG and its subsidiary, its operations and governance can be found on the subsidiary's website (http://www.jackinpile.com.my)

Recommendation 6.2

The Company should design and implement an investor relations programme to facilitate effective two-way communication with investors.

JIG does have a formal investor relations email for shareholders to raise any issues of concern. In addition to that, JIG is committed to communicating effectively with shareholders through ongoing releases to the market via the ASX providing shareholders the opportunity to ask questions at the general meetings of JIG and by giving shareholders ready access to balanced and understandable information about JIG and Corporate proposals, which is available on the subsidiary's website.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

JIG respects the rights of its shareholders and encourage their participation at general meetings, to facilitate the effective exercise of those rights: 1. JIG provides appropriate notice periods and disclosure to promote shareholders attendance and participation at the general meetings of JIG; and 2. External Auditor requested to attend the Annual General Meeting and be available to answer shareholders' questions about the conduct of the audit, and the preparation and content of the Auditor's report.

Recommendation 6.4

A Company should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

To facilitate effective communication with shareholders, the shareholders have the option to receive communication and to communicate with JIG by sending their queries to the Company at its address investorrelations@jackingroup.com

Principle 7 Recognise and manage risk

Recommendation 7.1

The Board should have a committee to oversee risk which has at least three members, a majority of whom are independent Directors; and is chaired by an independent director.

The Company has to disclose the Charter of the Committee, its members, meetings held during the reporting period as well as individual attendances. The Board has established a Risk Management Committee which has a formal Charter that outlines JIG's policies on risk oversight and management of material business risks. The Committee is chaired by an independent director.

Recommendation 7.2

The Company's risk management framework should be reviewed at least annually by the Board or a committee, to satisfy itself that it continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.

The Board has adopted a formal Risk Committee Charter which includes a requirement for management to design and implement the risk management and internal control system to manage JIG material business risks and report to it on whether those risks are being managed effectively. Management reports to the Board as to the effectiveness of JIG management of its material business risks during the reporting period.

Recommendation 7.3

A Company should disclose if it has an internal audit function, how the function is structured and what role it performs; or if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

JIG has established an internal audit function based on ISO9001:2008 standards for the past 6 years. The Board is undergoing transition upgrade of management standard to ISO9001:2015.

Recommendation 7.4

A Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

JIG takes its compliance with economic, environmental and social sustainability with utmost care and attention. JIG employs local employees as a priority and seeks to ensure the communities reap the economic benefits of the operating environment's natural assets.

Principle 8 Remunerate Fairly and Responsibly

Recommendation 8.1

The Board should have a Remuneration Committee which has at least three members, a majority of whom are independent Directors; and is chaired by an Independent Director.

The Company has to disclose the Charter of the Committee, its members, meetings held during the reporting period as well as individual attendances. The Board has established a Remuneration Committee. The Board has adopted a formal Remuneration Committee Charter which includes JIG's policy. The names of members of the Remuneration Committee and their attendance at meetings of the Committee are included in the Directors' Profile section.

Recommendation 8.2

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior management.

The Remuneration Committee Charter sets out the obligations on the Remuneration Committee with respect to considering the remuneration for executives and independent non-executive directors of JIG. At present, both the executive and independent non-executive directors receive fixed fees only on per annum basis.

Recommendation 8.3

A Company which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and disclose that policy or a summary of it.

All other independent directors do not have any equity-based remuneration.

ASX ADDITIONAL INFORMATION

The shareholders information set out below are as at 11 June 2019. At this date, the Company has 402,265,400 ordinary shares.

SUBSTANTIAL SHAREHOLDERS

Holder Name	No. of shares
HSBC Custody Nominees	156,121,891
Citicorp Nominees Pty Limited	74,254,400
RHB Securities Singapore Pte Ltd	44,183,315
CUCM Holdings Sdn Bhd	36,000,000
BNP Paribas Noms Pty Ltd	31,053,913

TOP 10 LARGEST SHAREHOLDERS

Holder Name	No. of Shares	(%)
HSBC Custody Nominees	156,121,891	38.8%
Citicorp Nominees Pty Limited	74,254,400	18.5%
RHB Securities Singapore Pte Ltd	44,183,315	11.0%
CUCM Holdings Sdn Bhd	36,000,000	8.9%
BNP Paribas Noms Pty Ltd	31,053,913	7.7%
Premier Global Consultancy Sdn Bhd	16,500,000	4.1%
Infinite Discovery SDN BHD	11,884,207	3.0%
Teng Whoo Goh	5,000,000	1.2%
Ho Nam Siah	5,000,000	1.2%
Yuen Ee Wong	2,511,532	0.6%

DISTRIBUTION OF SHAREHOLDING

Holding Ranges	Holders	Total Units	%
1 – 1000	73	3,809	<0.1%
1,001 – 10,000	198	933,134	0.2%
10,001 – 100,000	32	1,230,256	0.3%
100, 001 – 10,000,000	31	30,100,475	7.5%
Above 10,000,000	7	369,997,726	92.0%
TOTAL	**341**	**402,265,400**	**100.0%**

There were no shareholders holding less than a marketable parcel of one share each.

NO ORDINARY SHARES ARE SUBJECT TO ESCROW.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The directors present their statement to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 March 2018.

Opinion of the directors

In the opinion of the directors, the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group for the year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized these financial statements for issue.

Directors of the Company

The directors in office at the date of this statements are:

H'ng Bok Chuan – Executive Chairman
H'ng Hup Choong – Executive Director
Mak Siew Wei – Executive Director
Sim Seng Loong – Independent Non-Executive Director
Lee Keh Sai – Independent Non-Executive Director
Alan Robert Fraser – Independent Non-Executive Director

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

According to the register of directors' shareholdings kept by the Company for the purpose of Section 164 of the Companies Act, Cap. 50 (the "Act"), the directors who held office at the end of the financial year had no interests in the shares of the Company and its related corporations except as stated below:-

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
Name of directors	**Beginning of financial year**	**End of financial year**	**Beginning of financial year**	**End of financial year**
H'ng Bok Chuan	105,000,000	105,000,000	18,000,000	36,000,000
H'ng Hup Choong	60,000,000	60,000,000	18,000,000	36,000,000
Paul Kuan Chee Yeow (resigned on 28.7.17)	-	-	41,250,000	17,864,286
Mak Siew Wei	2,509,032	2,509,032	-	-
Lee Teong Ghee (resigned on 1.1.18)	-	-	19,500,000	-

Mr. H'ng Bok Chuan, by virtue of Section 7 of the Companies Act, is deemed to have an interest in all the related corporations of the Company.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (Cont'd)

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the year by virtue of the exercise of options to take up unissued shares of the Company whether granted before or during the year.

There were no unissued shares of the Company under option as at the end of the year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Sim Seng Loong (Chairman)
Alan Robert Fraser
Lee Keh Sai

All member of the Audit Committee are Independent Non-Executive Directors.

The Audit Committee performs the functions in accordance with the Audit and Risk Committee Charter and Section 201B(5) of the Companies Act, Cap. 50. The main responsibilities of the Audit Committee are to:

(i) review, assess and approve the audit plan of the Company's independent auditor and the annual full and concise reports, the half-year financial report and all other financial information published by the Company or released to the market;

(ii) assist the board in reviewing the effectiveness of the organization's internal control environment covering:
- effectiveness and efficiency of operations;
- reliability of financial reporting; and
- compliance with applicable laws and regulations

(iii) determine the overall scope of the external audit and the assistance given by the Company's officers to the auditors;

(iv) oversee the effective operation of the risk management framework;

(v) recommend to the board the appointment, removal and remuneration of the external auditor and review the term of their engagement, the scope and quality of the audit and assess performance;

(vi) consider the independence, objectivity and competence of the external auditor on an ongoing basis;

(vii) review the nature and approve the level of non-audit services provided by the external auditor and ensure it does not adversely impact on auditor independence;

(viii) review and monitor related party transactions and assess their propriety;

(ix) report to the board on matter relevant to the committee's role and responsibilities; and

(x) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programme and any reports received from regulators.

In fulfilling its responsibilities, the Audit Committee:

(i) receives regular reports from management and the external auditor;

(ii) liaises and monitors the performance and effectiveness of the external auditor, including the term of engagement, audit plan and findings and assessment of independence;

(iii) meets with the external auditor at least once a year, or more frequently if necessary, to discuss the results of their respective examination and their evaluation of the Company's system of internal accounting controls;

(iv) reviews the processes the CEO and CFO have in place to support their certifications to the board;

(v) reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;

(vi) meets separately with external auditor at least once a year without presence of management; and

(vii) provides the external auditor with a clear line of direct communication at any time to either the Chair of the Audit Committee or the Chair of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that SYA PAC be nominated for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The auditors, SYA PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

H'NG BOK CHUAN

MAK SIEW WEI

Dated: 21 June 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JACK-IN GROUP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Jack-In Group Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and International Financial Reporting Standards ('IFRSs') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 9 to the financial statements concerning an estimation uncertainty which has been made by the management of the Company relating to allowance for doubtful debts on trade receivables balances that are past due but not impaired. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Key audit matter	How the matter was addressed in the audit
Revenue recognition The stage of completion used for revenue recognition is based on survey reports of contract activities. Estimation of costs including contingencies for each contract requires management to make certain assumptions, and profitability of each contract requires judgement based on industry experience, taking into account, inter alia, time and materials required to complete. Any changes in these estimates could result in material variances in revenue and related costs, including any provisions to recognize for foreseeable losses. As the budgeted and progressive margin recognized on existing contracts could significantly change in future periods, there is an inherent risk that certain contracts may be loss-making.	We verified the contract revenues and costs recognized to contract terms, project status and survey reports and other relevant supporting documents. We reviewed the reasonableness of estimates used and evaluated for the risk of possible management bias by performing analytical procedure, including trend analysis over disaggregated data on sampling of contracts. We also reviewed management's assessment of estimated costs to complete and probability of further costs, such as rectification costs and made enquiries on the rationale for such possible occurrences with management.
Impairment of trade receivables and amount due from customers for contract works The Group's trade receivables and amount due from customers for contract works amounted to MYR69.8 million and MYR57.3 million respectively. The Group identifies debtors with potential recoverability issues based on past repayment trends and aging. Judgement is required to determine if any impairment loss is required to be recognized against these receivables.	We reviewed management's assessment of the recoverability of receivables, focusing on individually significant and long outstanding amounts. We enquired management regarding their understanding of debtors and assessment on recoverability and estimation of allowance for doubtful debts. We reviewed the payment history of debtors and checked for receipts subsequent to the year-end. We also considered contract performance and other arrangements reached with customers, including any settlement arrangements.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 15 to 17 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and all other information in the annual report ("Other Sections"), which is expected to be made available to us after that date.

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

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

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

When we read the other information in the annual report which is expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JACK-IN GROUP LIMITED (Cont'd)

Other Matter

The consolidated financial statements of the Group and of the Company for the year ended 31 March 2017 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated 30 June 2017.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is David Lim.

SYA PAC
Public Accountants and
Chartered Accountants
Singapore

21 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Group 2018 MYR	2017 MYR
Contract revenue		**235,508,074**	244,243,853
Contract costs		**214,101,132**	213,869,551
Attributable profit		**21,406,942**	30,374,302
Other income		**3,001,872**	1,994,492
Administrative expenses		**19,035,300**	10,271,243
Other expenses		**2,740,067**	34,851,489
Finance costs		**3,768,598**	2,809,707
		25,543,965	47,932,439
Loss before tax	3	**(1,135,151)**	(15,563,645)
Taxation	4	**(2,160,671)**	(3,982,990)
Loss after tax		**(3,295,822)**	(19,546,635)
Other comprehensive income, net of tax			
Foreign currency translation differences		**13,161**	(3,579)
Total comprehensive income for the year		**(3,282,661)**	(19,550,214)
Loss per ordinary share:	18		
Attributable to owners of the Group			
Basic		**(0.0082)**	(0.1734)
Diluted		**(0.0082)**	(0.1734)

This statement must be read in conjunction with notes to the financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Group 2018 MYR	Group 2017 MYR	Company 2018 MYR	Company 2017 MYR
Assets					
Non-current assets					
Investment property	5.1	**-**	2,500,000	**-**	-
Property, plant and equipment	6	**37,470,860**	37,496,356	**-**	-
Investment in subsidiaries	7	**-**	-	**193,284,000**	193,284,000
		37,470,860	39,996,356	**193,284,000**	193,284,000
Current assets					
Asset held for sale	5.2	**2,500,000**	-	**-**	-
Contract assets	8	**57,348,350**	47,702,589	**-**	-
Trade and other receivables	9	**116,055,874**	110,755,938	**1,081,124**	33,913
Prepayments		**2,035,810**	1,272,186	**6,673**	398,385
Cash and short-term deposits	10	**30,846,640**	34,822,847	**18,550,915**	24,501,276
		208,786,674	194,553,560	**19,638,712**	24,933,574
Total assets		**246,257,534**	234,549,916	**212,922,712**	218,217,574
Equity and liabilities					
Capital and reserves					
Share capital	11	**94,831,961**	94,831,961	**250,335,755**	250,335,755
Revenue reserve		**8,974,018**	12,269,840	**(41,186,269)**	(35,563,385)
Other reserves	12	**(38,248,776)**	(38,261,937)	**-**	-
		65,557,203	68,839,864	**209,149,486**	214,772,370
Non-current liabilities					
Deferred tax liabilities	13	**2,665,986**	1,852,771	**-**	-
Borrowings	14	**8,605,726**	10,346,731	**-**	-
		11,271,712	12,199,502	**-**	-
Current liabilities					
Borrowings	14	**37,384,347**	41,608,668	**-**	-
Trade and other payables	15	**122,787,288**	95,737,862	**3,773,226**	3,445,204
Contract liabilities	8	**9,256,984**	16,164,020	**-**	-
		169,428,619	153,510,550	**3,773,226**	3,445,204
Total liabilities		**180,700,331**	165,710,052	**3,773,226**	3,445,204
Total equity and liabilities		**246,257,534**	234,549,916	**212,922,712**	218,217,574

This statement must be read in conjunction with notes to the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

		Group						
	Note	Share capital MYR	Revenue reserve MYR	Revaluation reserve MYR	Capital redemption reserve MYR	Translation reserve MYR	Others MYR	Total MYR
Current year								
Balance at 1 April 2017		94,831,961	12,269,840	278,494	-	(3,579)	(38,536,852)	68,839,864
Total comprehensive income for the year		-	(3,295,822)	-	-	13,161	-	(3,282,661)
Balance at 31 March 2018		**94,831,961**	**8,974,018**	**278,494**	**-**	**9,582**	**(38,536,852)**	**65,557,203**
Prior year								
Balance at 1 April 2016		5,000,000	31,816,475	278,494	500,000	-	-	37,594,969
Deemed consideration in reverse acquisition	11	68,766,083	-	-	-	-	(39,036,852)	29,729,231
Issuance of new shares	11	22,077,000	-	-	-	-	-	22,077,000
Share issuance expenses	11	(1,011,122)	-	-	-	-	-	(1,011,122)
Effect of implementation of Companies Act 2016 In Malaysia	12	-	-	-	(500,000)	-	500,000	-
Total comprehensive income for the year		-	(19,546,635)	-	-	(3,579)	-	(19,550,214)
Balance at 31 March 2017		94,831,961	12,269,840	278,494	-	(3,579)	(38,536,852)	68,839,864

This statement must be read in conjunction with notes to the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

		Company		
	Note	**Share capital MYR**	**Revenue reserve MYR**	**Total MYR**
Current year				
Balance at 1 April 2017		250,335,755	(35,563,385)	214,772,370
Total comprehensive income for the year		-	(5,622,884)	(5,622,884)
Balance at 31 March 2018		**250,335,755**	**(41,186,269)**	**209,149,486**
Prior year				
Balance at 1 April 2016		34,429,643	(34,391,457)	38,186
Issuance of new shares	11	216,917,234	-	216,917,234
Share issuance expenses	11	(1,011,122)	-	(1,011,122)
Total comprehensive income for the year		-	(1,171,928)	(1,171,928)
Balance at 31 March 2017		250,335,755	(35,563,385)	214,772,370

This statement must be read in conjunction with notes to the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Group 2018 MYR	Group 2017 MYR
Operating activities			
Loss before tax		**(1,135,151)**	(15,563,645)
Adjustments for:			
Bad debts		**64,125**	75,688
Depreciation		**6,989,999**	6,228,981
Deposit written off		**407,386**	-
Gain on disposal of property, plant and equipment		**-**	(21,999)
Impairment loss on receivables		**8,631**	-
Interest expense		**3,699,860**	2,809,707
Interest income		**(215,195)**	(232,661)
Reversal of allowance for doubtful debts		**(127,110)**	-
Reverse acquisition listing expense		**-**	25,089,135
Waiver of interest		**(1,912,965)**	-
Operating profit before working capital changes		**7,779,580**	18,385,206
Trade and other receivables		**(16,062,353)**	(62,011,917)
Trade and other payables		**24,795,523**	43,933,881
Cash generated from operation		**16,512,750**	307,170
Income tax paid		**(4,074,463)**	(4,889,402)
Interest paid		**(2,976,029)**	(1,920,880)
Net cash movement in operating activities		**9,462,258**	(6,503,112)
Investing activities			
Interest received		**215,195**	232,661
Proceeds from disposal of subsidiaries		**-**	4,637,100
Proceeds from disposal of property, plant and equipment		**-**	22,000
Purchase of property, plant and equipment		**(6,964,503)**	(7,731,671)
Net cash movement in investing activities		**(6,749,308)**	(2,839,910)
Financing activities			
Drawdown of revolving credit		**2,000,000**	-
Drawdown of term loan		**2,836,212**	566,728
Drawdown of trust receipts		**462,571**	22,760,153
Interest paid		**(723,831)**	(888,827)
Payment of finance lease payables		**(5,583,578)**	(4,972,806)
Payment of term loan instalments		**(645,530)**	-
Placement of fixed deposits pledged		**(7,372,481)**	(13,530,314)
Proceeds from issuance of shares		**-**	22,077,000
Repayment of bankers' acceptance		**(2,213,000)**	(1,830,000)
Share issuance expense		**-**	(1,011,122)
Net cash movement in financing activities		**(11,239,637)**	23,170,812
Net changes in cash and cash equivalents		**(8,526,687)**	13,827,790
Cash and cash equivalents at beginning of the year		**11,634,124**	(2,193,083)
Effect of changes in foreign exchange rates		**-**	(583)
Cash and cash equivalents at end of the year	16	**3,107,437**	11,634,124

This statement must be read in conjunction with notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. DOMICILE AND ACTIVITIES

The financial statements of the Company and the Group for the financial year ended 31 March 2018 were authorized for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The registered office of the Company is located at 138 Cecil Street, #12-01A Cecil Court, Singapore 069538.

The Company was incorporated and domiciled in Singapore on 25 November 2011 under the name of Oilfield Workforce Group Pte Ltd as a private limited company. On 8 November 2012, the Company converted from a private limited company into a public limited company and assumed the name Oilfield Workforce Group Limited. On 25 January 2013, the Company was admitted to the Official Listing of Australian Securities Exchange ("ASX") Limited and commenced trading on 29 January 2013.

Jack-In Holdings Pte Ltd was incorporated on 9 March 2016 for the specific purpose of a corporate reorganization exercise whereby the ownership of the Jack-In Pile (M) Sdn. Bhd. business was transferred to a new Singapore holding company.

On 23 December 2016, the Company completed a reverse takeover exercise, where the Company acquired the entire issued and paid-up share capital of Jack-In Holdings Pte Ltd., and subsequently changed its name to Jack-In Group Limited.

The principal activity of the Company is that of investment holding company. Prior to the completion of the reverse takeover exercise, the principal activity of the Company's subsidiaries were in the provision of skilled contract labor and related value added services to the Oil and Gas industry, however following the completion of the reverse takeover exercise, the principal activity of the Company's subsidiaries has changed to the provision of piling contract services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and International Financial Reporting Standards ("IFRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
c) Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards

On 1 April 2017, the Group adopted all the new and revised IFRSs and IFRIC Interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised IFRSs does not result in changes to the Group's and the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorization of these financial statements, the following IFRSs that are relevant to the Group and the Group were issued but not effective:

- IFRS 9 *Financial Instruments*[1]
- IFRS 15 *Revenue from Contracts with Customers* (with clarifications issued)[1]
- IFRS 16 *Leases*[2]
- Improvements to IFRSs (December 2016)[1]

[1]Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

[2]Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15 is adopted.

Management is in the process of assessing the impact on the financial statements of the Group and of the Company in the period of the adoption of the above IFRSs.

<u>IFRS 9 *Financial Instruments*</u>

IFRS 9 was issued in December 2014 to replace IAS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities; (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 are now required to be subsequently measured at amortized cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognized in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortized cost. With regard to the measurement of financial liabilities designated as at FVTPL, IFRS 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards (Cont'd)

IFRS 15 *Revenue from Contracts with Customers*

In November 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to IFRS 15 were also issued in June 2016.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 16 *Leases*

IFRS 16 was issued in July 2016 and will supersede IAS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor IAS 17.

2.3 Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Group are presented in Malaysia Ringgit ("MYR"), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Foreign currency transactions and translation (Cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains, and losses are recognized in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognized in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies above.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Malaysia Ringgit ("MYR") using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognized, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognized in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- o Has power over the investee;
- o Is exposed, or has rights, to variable returns from its involvement with the investee; and
- o Has the ability to use its power to affect its returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (Cont'd)

The Group reassesses 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and 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. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment 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 IAS 39, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Group's separate financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognized in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the IFRS are recognized at their fair value at the acquisition date, except that:

- o Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- o Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in IFRS 2 *Share-based Payment* at the acquisition date; and
- o Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

2.7 Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group and subsidiaries operate by the end of the reporting period.

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Income tax (Cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

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 they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.9 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	2% or over the terms of lease
Plant, machinery and site equipment	12% to 20%
Office equipment, furniture, fittings and renovation	20%-50%
Motor vehicles	20%

Freehold land is not subject to depreciation.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Property, plant and equipment (Cont'd)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

2.10 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

2.11 Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognized on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

<u>Financial assets</u>

All financial assets are recognized and de-recognized on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (Cont'd)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of profit or loss and other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, bank balances and cash, and others [describe]) are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:
- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (Cont'd)

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserves. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.12 Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial liabilities and equity instruments (Cont'd)

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

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

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- o It has been incurred principally for the purpose of repurchasing in the near future; or
- o It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- o It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- o Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- o On initial recognition, the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- o It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line in the statement of profit or loss and other comprehensive income.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method, with interest expense recognized on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest method. Interest expense calculated using the effective interest method is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, subsequently at the higher of the amount of obligation under the contract recognized as a provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less cumulative amortization in accordance with IAS 18 Revenue.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial liabilities and equity instruments (Cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group and the Group has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.13 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

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

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

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as amounts due to construction contracts customers. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

2.14 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Leases (Cont'd)

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.18 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.19 Critical judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the 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, are discussed below.

Contract revenues, related costs and foreseeable losses and provisions

Revenue recognition and profit on uncompleted contracts is dependent on estimating the outcome of the on-going contracts, as well as completion to date. Based on the Group's experience and the nature of the contract activities undertaken, management makes estimates of the costs to complete, rectification and foreseeable costs at each reporting date. In addition, actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the reporting date, which would affect revenues and profits recognized in the current and future years.

The Group makes provisions for foreseeable losses in profit or loss for certain contracts when it is probable that total costs to complete will exceed the total contract revenue. This assessment process involves significant estimates and uncertainties over factors such as outcome of negotiations with various parties involved in the projects, increase in costs and delays. These uncertainties may result in estimates deferring from the future losses that the Group will incur and any changes to the provisions will affect profit or loss in the future years.

The provisions recognized represents management's best estimate of the expected future cost required. Significant estimates and assumptions are made in determining the provisions. Those estimates and assumptions deal with uncertainties such as changes to timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognized are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognized in the statement of financial position and statement of profit or loss by adjusting the provision.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Critical judgements and key sources of estimation uncertainty (Cont'd)

Impairment of trade and other receivables

In performing the impairment assessment of financial receivables, the Group considered the ageing of the receivables, credit-worthiness of its customers and historical write-off of receivables. Except for the impaired receivables, the Group believes that no impairment loss is necessary in respect of the remaining receivables due to the good track record of its customers.

The Company assessed the collectability of the outstanding balances, having considered the financial conditions of the subsidiaries and their ability to make the required repayments. Management believes that no impairment loss is necessary in respect of the remaining balances. If the financial conditions of the subsidiaries were to deteriorate, further impairment may be required.

Useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets on a regular basis in order to determine the amount of depreciation expenses to be recognized for each financial year. Changes in the expected level of use and anticipated technological changes could impact the economic useful lives and the residual values of the assets which could impact the depreciation charge and consequently affect the Group's results. The residual value is reviewed at each reporting date, with any change in estimate accounted for prospectively as a change in estimate.

Impairment assessment of plant and equipment

Impairment assessment of plant and equipment requires extensive applications of judgements and estimates by management.

Management judgement is required particularly in assessing: (i) whether there are any indications that the value of the related asset may not be recoverable; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows estimated based on its continued use in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections.

Impairment assessment on interests in subsidiaries

The carrying values of the Company's investments in subsidiaries are reviewed for impairment whenever there is any indication that the investment may be impaired. This requires significant judgement to evaluate, amongst other factors, the future profitability of the subsidiary, the financial health and near-term business outlook including factors such as industry performance and operational and financing cash flows. The recoverable amounts of the investments could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amounts.

3. LOSS BEFORE TAX

3.1 The following items have been included in arriving at loss before tax:

	Group	
	2018	**2017**
	MYR	**MYR**
Income:		
Foreign exchange gain	**-**	1,165,367
Gain on disposal of property, plant and equipment	**-**	21,999
Interest income	**215,195**	232,661
Rental income	**225,638**	340,920
Reversal of allowance for doubtful debts	**127,110**	50,000
Sundry income	**253,477**	-
Waiver of interest	**1,912,965**	-
Expenses:		
Audit fee	**279,069**	184,044
Bad debts	**64,125**	75,688
Depreciation	**6,989,999**	6,228,981
Employee benefits expense (Note 3.2)	**19,618,995**	17,317,446
Foreign exchange loss	**2,771,228**	-
Interest on bankers' acceptance	**694,533**	619,666
Interest on bank guarantee	**197,785**	141,105
Interest on bank overdraft	**17,896**	147,626
Interest on finance lease liabilities	**1,286,021**	1,012,483
Interest on hire purchase	**532,404**	757,447
Interest on revolving credit	**848,532**	-
Interest on term loan	**191,427**	131,380
Rental of land	**48,000**	16,000
Rental of office equipment	**12,093**	12,137
Rental of premises	**127,450**	110,915
Service fee	**1,343,809**	-
Share based payment arising from RTO (Note 11.2)	**-**	25,089,135

3.2 Employee benefits expense

	Group	
	2018	**2017**
	MYR	**MYR**
Directors' fee	**1,184,516**	764,828
Directors' pension contributions	**21,600**	24,000
Directors' salaries and bonus	**210,000**	214,645
Directors' other benefits	**853**	691
Pension contribution	**355,100**	739,955
Salaries, overtime, allowances and bonus	**8,621,729**	6,959,528
Wages	**9,192,292**	8,534,332
Other benefits	**32,905**	79,467
	19,618,995	17,317,446

Staff costs recognized under construction cost incurred to date is MYR14,853,954 (2017: MYR13,394,074).

4. TAXATION

	Group 2018 MYR	2017 MYR
Current tax	**1,347,456**	3,478,902
Deferred tax	**813,215**	504,088
	2,160,671	3,982,990

The total charge for the year can be reconciled to the loss before tax as follows:

	Group 2018 MYR	2017 MYR
Loss before tax	**(1,135,151)**	(15,563,645)
Tax at 24%	**(272,436)**	(3,735,275)
Tax effect of non-taxable income	**(25,259)**	(131)
Tax effect of non-deductible expenses	**1,866,676**	25,415,912
Under-provision in prior year	**630,515**	328,315
Deferred tax assets not recognized	**(38,825)**	(18,025,831)
Tax expense	**2,160,671**	3,982,990

Taxation of the Group relates solely to its operations in Malaysia. Neither the Company nor any other member company of the Group is subject to tax for the reporting period.

5. INVESTMENT PROPERTY / ASSET HELD FOR SALE

5.1 Investment property

	Group 2018 MYR	2017 MYR
At fair value		
Beginning of the year	**2,500,000**	2,500,000
Reclassified to asset held for sale	**(2,500,000)**	-
Ending balance	**-**	2,500,000

5. INVESTMENT PROPERTY / ASSET HELD FOR SALE (CONT'D)

5.1 Investment property (Cont'd)

The following amounts are recognized in profit and loss: -

	Group	
	2018 **MYR**	**2017** **MYR**
Rental income	**171,170**	178,566
Direct operating expenses arising from investment property that generate rental income	**32,704**	62,570

Investment property are stated at fair value and is categorized under Level 2 of the fair value hierarchy, which has been determined by the directors based on sales comparison approach. Selling price of comparable properties in close proximities are adjusted for differences in key attributes so as property size, age, and condition of the property.

In 2017 and during the year, the investment property amounting to MYR2,500,000 (2017: MYR2,500,000) are pledged to secure borrowings for subsidiary.

5.2 Asset held for sale

	Group	
	2018 **MYR**	**2017** **MYR**
Reclassified from investment property	**2,500,000**	-

On 12 February 2018, the Group resolved to dispose the investment property and reclassified the investment property from non-current assets to current assets as an asset held for sale. The disposal was completed in September 2018 for a consideration of MYR2,480,000. At the end of the reporting period, management has not recognized an impairment loss of MYR20,000 representing fair value less costs to sell as it considers the amount to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

6 PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold land MYR	**Buildings MYR**	**Plant, machinery and site equipment MYR**	**Office equipment, furniture, fittings and renovation MYR**	**Motor vehicles MYR**	**Capital expenditure in progress MYR**	**Total MYR**
Costs							
At 1 April 2016	1,151,969	2,213,629	50,080,402	644,784	2,344,148	1,880,368	58,315,300
Addition	-	850,424	7,838,709	244,494	84,915	2,953,129	11,971,671
Disposal	-	-	-	-	(48,500)	-	(48,500)
At 31 March 2017	1,151,969	3,064,053	57,919,111	889,278	2,380,563	4,833,497	70,238,471
Addition	-	-	5,759,526	279,572	56,000	869,405	6,964,503
At 31 March 2018	**1,151,969**	**3,064,053**	**63,678,637**	**1,168,850**	**2,436,563**	**5,702,902**	**77,202,974**
Accumulated depreciation							
At 1 April 2016	-	240,939	24,264,535	524,282	1,531,877	-	26,561,633
Addition	-	44,273	5,819,159	103,897	261,652	-	6,228,981
Disposal	-	-	-	-	(48,499)	-	(48,499)
At 31 March 2017	-	285,212	30,083,694	628,179	1,745,030	-	32,742,115
Addition	-	62,698	6,483,454	202,841	241,006	-	6,989,999
At 31 March 2018	**-**	**347,910**	**36,567,148**	**831,020**	**1,986,036**	**-**	**39,732,114**
At 31 March 2018	**1,151,969**	**2,716,143**	**27,111,489**	**337,830**	**450,527**	**5,702,902**	**37,470,860**
At 31 March 2017	1,151,969	2,778,841	27,835,417	261,099	635,533	4,833,497	37,496,356

Capital expenditure in progress

The Group's capital expenditure in progress relates to expenditure for a commercial lot and machinery in the course of construction.

Assets held under finance leases

The carrying amount of property, plant and equipment held under finance leases at the end of the reporting period were:

	Group 2018 MYR	**2017 MYR**
Plant, machinery and site equipment	**16,639,492**	20,607,485
Motor vehicles	**240,309**	405,032

Leased assets are pledged as security for the related finance lease liabilities.

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets pledged as security

Freehold land, buildings and capital expenditure in progress with carrying amount shown below are pledged as securities (Note 14):

	Group	
	2018	**2017**
	MYR	**MYR**
Freehold land	**1,151,969**	1,151,969
Buildings	**2,716,143**	2,778,841
Capital expenditure-in-progress	**4,669,060**	4,107,305

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2018	**2017**
	MYR	**MYR**
Beginning balance	**193,284,000**	1,485,371
Unquoted equity investments recognized upon RTO acquisition	**-**	193,284,000
Unquoted equity investments disposed upon RTO acquisition	**-**	(1,485,371)
Ending balance	**193,284,000**	193,284,000

Composition of the Group

The Group has the following significant investments in subsidiaries:

Name of entity	Principal activities	Country of incorporation	Effective equity held 2018	Effective equity held 2017
Jack-In Holdings Pte Ltd	Investment holding	Singapore	**100%**	100%
Jack-In Pile (M) Sdn Bhd	Provision of piling contract services	Malaysia	**100%**	100%
Jack-In Pile (Australia) Pty Ltd	Inactive	Australia	**100%**	100%

8. CONTRACT ASSETS AND LIABILITIES

	Group	
	2018	**2017**
	MYR	**MYR**
Aggregate costs incurred to date	**376,512,293**	122,554,081
Add: Attributable profit	**72,815,679**	35,914,661
	449,327,972	158,468,742
Less: Progress billing	**(401,236,606)**	(126,930,173)
	48,091,366	31,538,569
Analyzed as:		
Contract assets	**57,348,350**	47,702,589
Contract liabilities	**(9,256,984)**	(16,164,020)
	48,091,366	31,538,569

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	MYR	**MYR**	**MYR**	**MYR**
<u>Trade receivables</u>				
Third parties	**44,930,169**	48,382,171	**-**	-
Related parties	**35,557,909**	38,458,694	**-**	-
Retention sum	**26,722,056**	19,473,488	**-**	-
	107,210,134	106,314,353	**-**	-
<u>Other receivables</u>				
Third parties	**1,998,707**	639,921	**-**	-
Related parties	**2,133,967**	1,828,732	**1,051,458**	-
Deposits	**1,923,359**	1,831,863	**29,666**	33,913
GST claimable	**-**	78,569	**-**	-
Tax recoverable	**2,789,707**	62,500	**-**	-
	8,845,740	4,441,585	**1,081,124**	33,913
	116,055,874	110,755,938	**1,081,124**	33,913

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

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

	Group	
	2018 MYR	**2017 MYR**
Cost	**110,032,492**	109,860,860
Allowance for doubtful debts	**(2,822,358)**	(3,546,507)
Carrying amount	**107,210,134**	106,314,353
Allowance for doubtful debts		
Beginning balance	**3,546,507**	3,647,540
Addition	**8,631**	-
Reversal of allowance	**(127,110)**	(50,000)
Bad debts written off	**(605,670)**	(51,033)
Ending balance	**2,822,358**	3,546,507

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

The Group has trade receivables that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2018 MYR	**2017 MYR**
Past due 1 to 30 days	**4,614,665**	6,156,909
Past due 31 to 60 days	**1,922,367**	1,638,357
Past due 61 to 180 days	**7,585,712**	5,830,622
Past due 181 to 360 days	**5,073,680**	17,369,094
Past due more than 360 days	**50,645,757**	17,092,758
	69,842,181	48,087,740

These balances are not impaired as the management is of the view that these debts will be collected in due course. In assessing the recoverability and whether any allowance or impairment of these balances is required, management has considered, inter alia, merits of the debtors within the industry, past experiences with these debtors and industry norms of contract performance and collections.

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Related parties

Related parties' balances refer to balances with companies in which certain directors of the Group and key management personnel of a subsidiary company hold financial interest. These balances are unsecured, non-interest bearing and repayable on demand.

Retention sum

Retention sum relating to on-going and completed projects receivable. Retention sums are unsecured and non-interest bearing.

10. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2018 MYR	**2017 MYR**	**2018 MYR**	**2017 MYR**
Cash & bank balances	**3,119,359**	5,377,113	**462,829**	4,146,475
Fixed deposits	**27,727,281**	29,445,734	**18,088,086**	20,354,801
	30,846,640	34,822,847	**18,550,915**	24,501,276

Fixed deposits are made for varying periods of between one and twelve months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates.

The effective interest rates as at end of reporting date for the Group were ranging from 1.57% to 3.15% (2017: 1.35% to 4.31%) per annum.

Fixed deposits are pledged to licensed banks as securities for banking facilities granted to a subsidiary.

Cash and short-term deposits denominated in foreign currencies are as follows:

	Group		Company	
	2018 MYR	**2017 MYR**	**2018 MYR**	**2017 MYR**
Malaysian Ringgit	**12,086,876**	10,118,607	**-**	-
United States Dollars	**99,956**	114,509	**38,387**	43,975
Singapore Dollars	**404,456**	3,551,131	**324,681**	3,479,485
Australian Dollars	**18,255,352**	21,038,600	**18,187,847**	20,977,816
	30,846,640	34,822,847	**18,550,915**	24,501,276

11. SHARE CAPITAL

	Group	
	Number of shares	MYR
At 1 April 2016 (Note 11.1)	5,000,000	5,000,000
Deemed Consideration in reverse acquisition (Note 11.2)	63,000,000	68,766,083
Issuance of new shares (Note 11.3)	334,265,400	22,077,000
Share issuance expenses (Note 11.4)	-	(1,011,122)
At 31 March 2017	402,265,400	94,831,961
At 31 March 2018	**402,265,400**	**94,831,961**

	Company	
	Number of shares	MYR
At 1 April 2016	68,000,000	34,429,643
Issuance of new shares (Note 11.3)	334,265,400	216,917,234
Share issuance expenses (Note 11.4)	-	(1,011,122)
At 31 March 2017	402,265,400	250,335,755
At 31 March 2018	**402,265,400**	**250,335,755**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11.1 The opening balance as at 1 April 2016 reflects only Jack-In Pile (M) Sdn. Bhd.'s share capital.

11.2 Deemed Consideration in reverse acquisition represents the deemed acquisition cost allocated to the identifiable assets and liabilities of the legal parent based on their fair values as at 23 December 2016, the date of the reverse takeover as per below:

	MYR
Deemed consideration comprising 68,000,000 shares issued at fair value of AUD 0.20 as at acquisition date	**43,811,040**
Net assets of legal parent at acquisition date	**(18,721,905)**
Listing expense recognized as share-based payment (Note 3.1)	**25,089,135**

11.3 On 23 December 2016, the Company issued 300,000,000 new ordinary shares to Jack-In Holdings Pte Ltd's Vendor and 34,265,400 new ordinary shares arising from the public offer.

11.4 Share issuance expenses relates to incremental costs directly attributable to issuing new shares in line with IAS 32.

12. OTHER RESERVES

12.1 Revaluation reserve

Revaluation reserve represents revaluation surplus net of deferred tax of a commercial lot included in property, plant and equipment immediately prior to its transfer to investment property of a subsidiary.

12.2 Capital redemption reserve

The Companies Act 2016 in Malaysia, which came into operation on 31 January 2017, abolished the concept of authorized share capital and par value of share capital. Consequently, the amounts standing to the credit of the capital redemption reserve became part of the legal subsidiary company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its capital redemption reserve of MYR500,000 for the bonus issue pursuant to Section 618(4) of the Act. There was no impact on the number of ordinary shares in issue or the relative entitlement of any of the members of the legal subsidiary company as a result of this transition. As the acquisition of this legal subsidiary was accounted for under merger accounting, the transfer has been recognized in "Other reserves".

12.3 Translation reserve

The foreign currency translation reserve comprises:

(i) Foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and
(ii) the exchange differences on monetary items which form part of the Group's net investment in foreign operations.

12.4 Others

Non-distributable reserve relates to the difference between cost of merger and the value of the shares received under merger accounting following the corporate reorganization performed prior to the reverse takeover exercise.

13. DEFERRED TAX LIABILITIES

	Group	
	2018	**2017**
	MYR	**MYR**
Deferred tax on revaluation surplus	**87,946**	87,946
<u>Excess of capital allowances over depreciation</u>		
Beginning balance	**1,764,825**	1,260,737
Recognized in profit or loss	**813,215**	487,675
Under provision in prior year	**-**	16,413
Ending balance	**2,578,040**	1,764,825
	2,665,986	1,852,771

14. BORROWINGS

	Group 2018 MYR	2017 MYR
Non-current		
Later than one year but not later than five years		
Obligation under finance lease	**2,070,422**	5,875,785
Term loans	**2,011,423**	1,944,333
	4,081,845	7,820,118
Later than five years		
Term loans	**4,523,881**	2,526,613
	4,523,881	2,526,613
	8,605,726	10,346,731
Current		
Not later than one year		
Bank overdraft	**11,922**	2,833,923
Bankers' acceptance	**2,800,000**	5,013,000
Obligation under finance lease	**3,810,316**	5,588,531
Term loans	**862,109**	735,785
Trust receipts	**9,900,000**	9,437,429
Revolving credits	**20,000,000**	18,000,000
	37,384,347	41,608,668
	45,990,073	51,955,399

The borrowings other than obligation under finance lease are secured by:

(i) First party legal charge of freehold land, building, commercial lot in progress and investment property of subsidiary (Note 6);
(ii) An irrevocable standby letter of credit issued by a bank guaranteed by the Company;
(iii) Pledge of fixed deposits of the subsidiary company; and
(iv) Joint and several guarantee by the directors of the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

14. BORROWINGS (CONT'D)

Obligation under finance lease

	Group	
	Minimum payments MYR	**Present value of payments MYR**
31 March 2018		
Not later than one year	**4,023,567**	**3,810,316**
Later than one year but not later than five years	**2,204,419**	**2,070,422**
Total minimum lease payment	**6,227,986**	**5,880,738**
Less: future finance charges	**(347,248)**	**-**
Present value of minimum lease payments	**5,880,738**	**5,880,738**

	Group	
	Minimum payments MYR	**Present value of payments MYR**
31 March 2017		
Not later than one year	6,115,934	5,588,531
Later than one year but not later than five years	6,228,033	5,875,785
Total minimum lease payment	12,343,967	11,464,316
Less: future finance charges	(879,651)	-
Present value of minimum lease payments	11,464,316	11,464,316

These obligations are secured by a charge over the leased assets as disclosed in Note 6.

	Group	
	2018 %	**2017 %**
Effective interest rate:		
Bank overdraft	**7.65 to 7.90**	7.65 to 7.90
Bankers' acceptance	**4.34 to 5.35**	4.34 to 5.18
Obligation under finance lease	**2.37 to 3.50**	2.32 to 4.20
Term loans	**4.42 to 6.65**	4.42 to 6.11
Trust receipts	**4.46**	4.46
Revolving credits	**5.30 to 5.35**	5.30 to 5.35

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 MYR	2017 MYR	2018 MYR	2017 MYR
Trade payables				
Third parties	**76,340,919**	62,885,464	**-**	-
Related parties	**20,279,609**	20,763,833	**-**	-
Retention sum	**11,201,724**	-	**-**	-
	107,822,252	83,649,297	**-**	-
Other payables				
Third parties	**7,164,303**	4,188,058	**1,236,735**	-
Accruals	**6,856,495**	1,579,786	**285,060**	236,844
Deposits received	**300,000**	74,500	**-**	-
Related parties	**-**	4,634,257	**2,118,365**	-
Subsidiaries	**-**	-	**-**	1,716,396
Directors	**644,238**	1,611,964	**133,066**	1,491,964
	14,965,036	12,088,565	**3,773,226**	3,445,204
	122,787,288	95,737,862	**3,773,226**	3,445,204

Trade payables
These amounts are non-interest bearing. Trade payables are normally settled on 30 to 150 days' terms.

Related parties
Related parties' balances refer to balances with companies where directors and key management personnel of a subsidiary company has financial interest. These balances are unsecured, non-interest bearing and repayable on demand.

16. CASH AND CASH EQUIVALENTS

	Group	
	2018 MYR	2017 MYR
Cash and bank balances	**3,119,359**	5,377,113
Fixed deposits with maturity less than 90 days	**-**	9,090,934
Bank overdraft (Note 14)	**(11,922)**	(2,833,923)
	3,107,437	11,634,124

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

17. RELATED PARTY TRANSACTIONS

17.1 Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2018	**2017**
	MYR	**MYR**
Transactions with companies which the directors of the company have substantial financial interest		
Progress billing to	**8,744,563**	49,705,237
Progress billing from	**(2,628,510)**	(45,161,188)
Purchase of property, plant and equipment	**-**	(3,975,300)
Rental income	**-**	162,354
Professional fee	**-**	(95,535)
Consultancy fee	**-**	(20,000)

17.2 Compensation of key management personnel

Key management personnel are those persons including executive directors having authority and responsibility for planning, directing and controlling the activities of the operations of the Group. The remuneration of directors and other members of key management personnel during the financial year are as follows:

	Group	
	2018	**2017**
	MYR	**MYR**
Salaries and other short-term employee benefits		
Directors	**1,416,969**	799,336
Other key management personnel	**1,249,997**	1,038,245
	2,666,966	1,837,581

18. LOSS PER ORDINARY SHARE

The basic and diluted loss per share are calculated by dividing the net loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2018	**2017**
	MYR	**MYR**
Net loss attributable to equity holders of the Group	**(3,295,822)**	(19,546,635)
Weighted average number of ordinary shares for purpose of calculating basic and diluted loss per share	**402,265,400**	112,751,437
Basic loss per share	**(0.0082)**	(0.1734)
Diluted loss per share	**(0.0082)**	(0.1734)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

19. CAPITAL COMMITMENTS

Capital expenditure contracted for as at the end of the reporting period but not recognized in the financial statements are as follows:

	Group	
	2018 MYR	**2017 MYR**
Purchase of commercial office lot and residential units	**481,250**	2,037,274
Purchase of machinery	**-**	100,000
	481,250	2,137,274

20. SEGMENTAL REPORTING

The Chairman and Managing Director monitors the Group's operating results regularly for the purpose of making decisions about resource allocation and performance assessment. Consolidated results are also reviewed regularly by the Chairman and Managing Director.

No information by operating segments is presented as the principal operation of the Group relates entirely to one sole business segment; i.e. the provision of piling contract services. Neither does the Group have any vertical integrated operations in rendering its piling contract services.

Geographical information
The operating results by geographical location of the Group for the reporting period are as follows: -

	Group			
	Malaysia MYR	**Singapore MYR**	**Australia MYR**	**Total MYR**
31 March 2018				
Contract revenue	**235,508,074**	**-**	**-**	**235,508,074**
Gross profit	**21,406,942**	**-**	**-**	**21,406,942**
Other income	**2,734,385**	**267,487**	**-**	**3,001,872**
Administrative expenses	**(15,754,082)**	**(3,249,695)**	**(31,523)**	**(19,035,300)**
Other expenses	**-**	**(2,740,067)**	**-**	**(2,740,067)**
Finance costs	**(3,699,860)**	**(68,738)**	**-**	**(3,768,598)**
Profit / (loss) before tax	**4,687,385**	**(5,791,013)**	**(31,523)**	**(1,135,151)**
Taxation	**(2,160,671)**	**-**	**-**	**(2,160,671)**
Profit / (loss) after tax	**2,526,714**	**(5,791,013)**	**(31,523)**	**(3,295,822)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Cont'd)

20. SEGMENTAL REPORTING (CONT'D)

	Group			
	Malaysia MYR	Singapore MYR	Australia MYR	Total MYR
31 March 2017				
Contract revenue	244,243,853	-	-	244,243,853
Gross profit	30,374,302	-	-	30,374,302
Other income	736,713	1,257,779	-	1,994,492
Administrative expenses	(8,615,361)	(1,649,370)	(6,512)	(10,271,243)
Other expenses	(2,809,707)	-	-	(2,809,707)
Finance costs	(5,819,160)	-	-	(5,819,160)
Reverse Take-Over transaction costs (taken to profit or loss)	-	(3,943,194)	-	(3,943,194)
Reverse acquisition listing expense	-	(25,089,135)	-	(25,089,135)
Profit / (loss) before tax	13,866,787	(29,423,920)	(6,512)	(15,563,645)
Taxation	(3,982,990)	-	-	(3,982,990)
Profit / (loss) after tax	9,883,797	(29,423,920)	(6,512)	(19,546,635)

21. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The management review and agree policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

21.1. Foreign currency risk

Foreign currency risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group does not have any formal policy for hedging against currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company and its subsidiaries, primarily United States Dollar (USD), Singapore Dollar (SGD) and Australian Dollar (AUD).

21. FINANCIAL RISK MANAGEMENT (CONT'D)

21.1. Foreign currency risk (Cont'd)

The Group's currency exposures at the reporting date were as follows:

	Group			
	USD MYR	**SGD MYR**	**AUD MYR**	**Total MYR**
At 31 March 2018				
Cash and short-term deposits	**99,956**	**404,456**	**18,255,352**	**18,759,764**
At 31 March 2017				
Cash and short-term deposits	114,509	3,551,131	21,038,600	24,704,240

A 10% strengthening of the functional currency against the following currencies at the reporting date would have increased losses by the amounts shown below. The analysis assumes that all other variables remain constant.

	Group	
	2018 MYR	**2017 MYR**
United States Dollars	**(9,996)**	(11,451)
Singapore Dollars	**(40,446)**	(355,113)
Australian Dollars	**(1,825,535)**	(2,103,860)
	(1,875,977)	(2,470,424)

A 10% weakening of the functional currencies against the above currencies at the reporting date would have had the equal but opposite effect on the profit, on the basis that all other variables remain constant.

21. FINANCIAL RISK MANAGEMENT (CONT'D)

21.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their floating rate borrowings.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	Group	
	2018	**2017**
	MYR	**MYR**
Floating rate instruments		
Bank overdraft	**11,922**	2,833,923
Bankers' acceptance	**2,800,000**	5,013,000
Term loans	**7,397,413**	5,206,731
Trust receipts	**9,900,000**	9,437,429
Revolving credits	**20,000,000**	18,000,000
Net exposure	**40,109,335**	40,491,083

An increase of 25 basis point would have increased losses before taxation by MYR100,273 (2017: MYR101,228) and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

	Company	
	2018	**2017**
	MYR	**MYR**
Fixed rate instruments		
Fixed deposits with maturity less than 90 days	**-**	9,090,934
Obligation under finance lease	**(5,880,738)**	(11,464,316)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

21. FINANCIAL RISK MANAGEMENT (CONT'D)

21.3 Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The management is satisfied that funds are available to finance the operations of the Group.

The maximum amount the Group could be forced to settle in relation to financial guarantees under the arrangement given to certain vendors by the Company for the purpose of securing the procurement of goods by a subsidiary is MYR7.8 million (2017: MYR1.8 million) if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is highly likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee arrangement which is dependent on the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit loss.

The table below summarizes the maturity profile of the Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Group			
	Within 12 months MYR	**2 to 5 years MYR**	**More than 5 years MYR**	**Total MYR**
At 31 March 2018				
Borrowings	**37,384,347**	**4,081,845**	**4,523,881**	**45,990,073**
Trade and other payables	**122,787,288**	**-**	**-**	**122,787,288**
Financial guarantee contracts	**7,800,000**	**-**	**-**	**7,800,000**
	167,971,635	**4,081,845**	**4,523,881**	**176,577,361**
At 31 March 2017				
Borrowings	41,608,668	7,820,118	2,526,613	51,955,399
Trade and other payables	95,737,862	-	-	95,737,862
Financial guarantee contracts	1,800,000	-	-	1,800,000
	139,146,530	7,820,118	2,526,613	149,493,261

	Company			
	Within 12 months MYR	**2 to 5 years MYR**	**More than 5 years MYR**	**Total MYR**
At 31 March 2018				
Trade and other payables	**3,773,226**	**-**	**-**	**3,773,226**
At 31 March 2017				
Trade and other payables	3,445,204	-	-	3,445,204

21. FINANCIAL RISK MANAGEMENT (CONT'D)

21.4 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables and loan to the holding company. For other financial assets (including investment securities and cash), the Group minimizes credit risk by dealing with good credit rating counterparties where possible.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Group has trade receivables amounting to MYR69,842,181 (2017: MYR48,087,740) that are past due, of which MYR50,645,757 (2017: MYR17,092,758) has been past due over 6 months. These balances are not impaired as the management is of the view that these debts will be collected in due course. In assessing the recoverability and whether any allowance or impairment of these balances is required, management has considered, inter alia, merits of the debtors within the industry, past experiences with these debtors and industry norms of contract performance and collections.

Exposure to credit risk

The Group has significant concentration of credit risks in the form of outstanding balance due from 1 (2017: 1) receivables representing 40% (2017: 33%) of total receivables.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to certain vendors by the Company for the purpose of securing the procurement of goods by a subsidiary. The maximum exposure in this respect is the maximum amount the Group will have to pay if the guarantee is called on.

22. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortized cost were as follows:

	Group		Company	
	2018 MYR	**2017 MYR**	**2018 MYR**	**2017 MYR**
Financial assets - Loans and receivables				
Trade and other receivables	**116,055,874**	110,755,938	**1,081,124**	33,913
Cash and short term deposits	**30,846,640**	34,822,847	**18,550,915**	24,501,276
	146,902,514	145,578,785	**19,632,039**	24,535,189
Financial liabilities at amortized costs				
Trade and other payables	**122,787,288**	95,737,862	**3,773,226**	3,445,204
Borrowings	**45,990,073**	51,955,399	**-**	-
	168,777,361	147,693,261	**3,773,226**	3,445,204

23. CAPITAL MANAGEMENT

The Group's and the Company's primary objectives when managing capital are:

- To safeguard the Group's and the Company's ability to continue as a going concern;
- To support the Group's and the Company's stability and growth;
- To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently does not adopt any formal dividend policy.

The Group and the Company monitor capital on the basis of its equity ratio, which is calculated as being equity as a percentage of total assets. The Group's and the Company's equity ratios are as follows:

	Group		Company	
	2018 MYR	2017 MYR	2018 MYR	2017 MYR
Total equity	**65,557,203**	68,839,864	**209,149,486**	214,772,370
Total assets	**246,257,534**	234,549,916	**212,922,712**	218,217,574
Equity ratio	**27%**	29%	**98%**	98%

There were no changes in the Group's and the Company's approach to capital management during the financial year ended 31 March 2018.

The Group and the Company are not subject to externally imposed capital requirements.

24. DIVIDEND

The directors do not recommend any dividend in respect of the current financial year ended 31 March 2018.

25. EVENT AFTER THE REPORTING PERIOD

On 24 April 2018, the Company gave a financial guarantee amounting to S$10,000,000 (approximately MYR30,452,000) to a certain vendor for the purpose of securing the procurement of goods by a subsidiary.

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