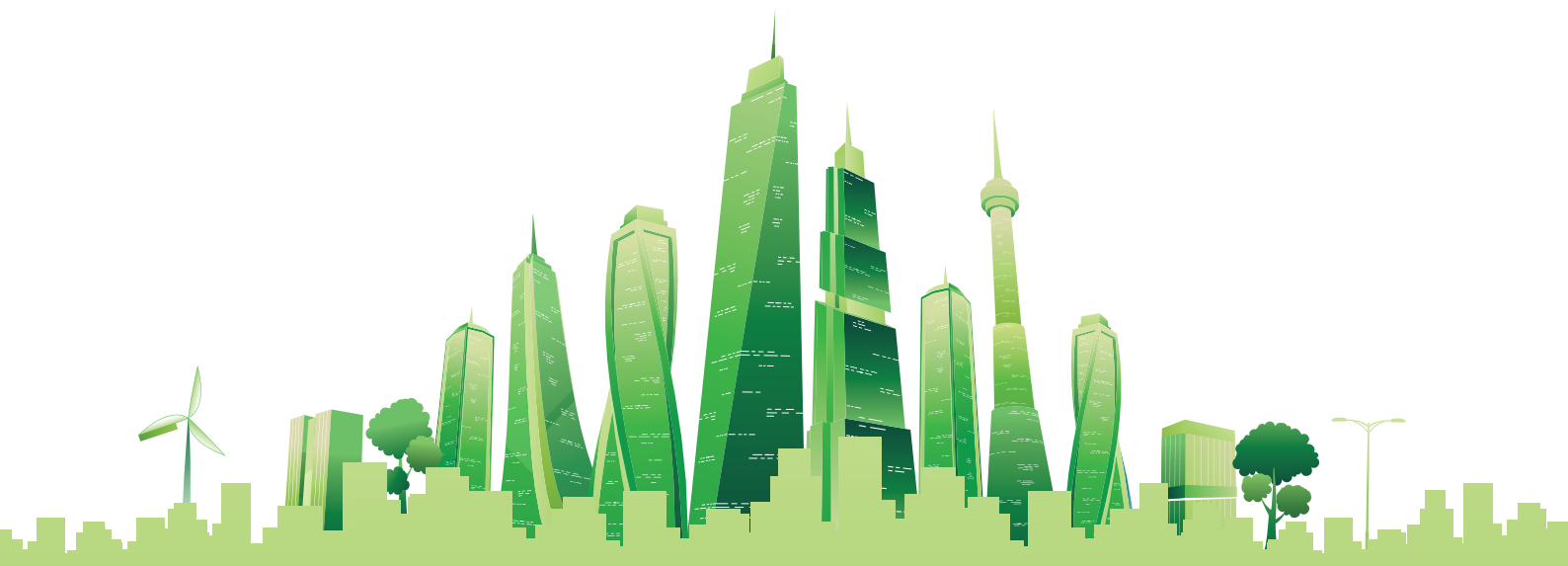




DEVELOPING A
SUSTAINABLE FUTURE



ANNUAL REPORT 2022



DEVELOPING A SUSTAINABLE FUTURE

Ireka has an impressive track record of reliable and trusted performance for over 50 years. This positions the Company to forge ahead to build a stronger and sustainable future. We are committed to delivering excellence in quality and creativity in all our products and services. Our vision is to continue striving towards a brighter future, create greater value, and grow together with our stakeholders.

...IN TRUSTED HANDS

VISION

To be a progressive and globally focused corporation which prides itself on proven track record in performance, reliability, excellence in quality and creativity in all products and services offered.

ABOUT IREKA

Founded in 1967, Ireka Corporation Berhad has rapidly evolved into a progressive and integrated entity. Ireka's success story lies in its different business portfolios which co-exist to form a corporation that is synergised with complementary capabilities and multi-industry expertise.

This provides a solid foundation for the Group to deliver fresh perspectives and innovative solutions, as well as creating value for all its stakeholders.

Today, Ireka Group is actively involved in four core businesses: Construction, Real Estate, Technologies and Urban Transportation.

Corporate Information

Board of Directors

**YBHG TAN SRI DATO'
MOHD ISMAIL BIN CHE RUS**

*Non Independent
Non Executive Chairman*

**YBHG DATUK MOHD HASNUL
ISMAR BIN MOHD ISMAIL**

Group Managing Director

CHOW SUNG CHEK SIMON

Executive Director

**WAN AHMAD NAZIM
BIN MOHAMED NOOR**

*Executive Director
(Appointed on 29 November 2021)*

CHAIRIL BIN MOHD TAMIL

*Executive Director
(Appointed on 29 November 2021)*

**YBHG DATO' AZMI
BIN ABDULLAH**

*Senior Independent
Non Executive Director*

**SHAHROLADERI
BIN MOHAMAD ADNAN**

Independent Non Executive Director

**YM RAJA AZURA
BINTI RAJA MAHAYUDDIN**

*Independent Non Executive Director
(Appointed on 4 January 2022)*

Audit Committee

YM Raja Azura binti Raja Mahayuddin
(Chairman)
Dato' Azmi bin Abdullah
Shahruladeri bin Mohamad Adnan

Nomination & Remuneration Committee

Dato' Azmi bin Abdullah
(Chairman)
Shahruladeri bin Mohamad Adnan
YM Raja Azura binti Raja Mahayuddin

Risk Management Committee

Shahruladeri bin Mohamad Adnan
(Chairman)
Dato' Azmi bin Abdullah
YM Raja Azura binti Raja Mahayuddin
Chairil bin Mohd Tamil

Company Secretary

Aliza binti Ahmad Termizi
(LS 0009656)
(SSM PC No.: 201908000714)
Mohd. Shah bin Hashim
(BC/M/148)
(SSM PC No.: 202008002801)

Country of Domicile & Incorporation

Malaysia

Registered Office/ Principal Place of Business

Level 18, Wisma Mont' Kiara
No. 1, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Tel : +603 - 6411 6388
Fax : +603 - 6411 6383
Email : enquiry@ireka.com.my
Website : www.ireka.com.my

Share Registrar

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7890 4700
Fax : +603 - 7890 4670

Stock Exchange Listing

Main Market
Bursa Malaysia Securities Berhad
Stock Name : IREKA
Stock Code : 8834

Auditors

Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Principal Bankers

AmBank (M) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad



Chairman's Statement



Dear Esteemed Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of Ireka Corporation Berhad ("Ireka" or "the Group") for the 15-month financial period ended 30 June 2022.

We are all very aware that 2021 was a continuation of the challenges faced in 2020 with Coronavirus Disease 2019 ("COVID-19") and the various Movement Control Orders ("MCOs") imposed by the Malaysian Government to control the spread of the pandemic. Impact on the industry was far-reaching and combined with the volatile economic environment – we were faced with significant challenges resulting from supply chain disruptions – from extended lead times, shortage of manpower to the increase in price of raw materials, which needed to be absorbed by the Group. Ensuring continuity of our business operations and activities were paramount and these challenges were carried over to 2022.

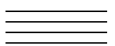
However, we also recognise the positives that has happened in the past year. On the health front, by early November 2021, 95 percent of Malaysian adults had been fully vaccinated and, by end of April 2022, 70 percent had received their third doses. For the domestic economy, the past two years have been difficult due to the various movement control restrictions but showing early signs of recovery. What was more important, Malaysia transitioned into the endemic phase of the pandemic and reopened its international borders on 1 April 2022 – expected to positively impact the economic conditions in the country.

THE YEAR IN FOCUS

Despite signs of economic recovery, it is difficult to ignore the negative impact of the last two years on the global and domestic economy, which continued to impact the performance of Ireka. In our 15-month financial period ending 30 June 2022, the Group recorded a revenue of RM122.5 million as compared to RM178.1 million (restated) for the 12-month year ended 31 March 2021, representing a drop of approximately 31.2 percent.

During the same period, Ireka recorded a pre-tax loss of RM165.5 million versus RM27.0 million recorded in 2021. More details of the financial performance of the Group are elaborated further in the Management Discussion & Analysis ("MD&A") section of this Annual Report.

Suffice to say, as Ireka began the second half of 2021, COVID-19 – and all its negative impacts, locally and internationally – continued to be a drag on our operations and activities. The construction industry overall, our core bread and butter operations, continued to be disrupted due to various iterations of the MCO and rising COVID-19 infection levels related to the workforce in the sector. The property development industry, another core operation for the Group, also saw disruptions, as the numerous MCOs and Conditional MCOs halted and restricted physical sales activities. The stagnation of the domestic economy also meant disposable income was earmarked for essentials rather than big-ticket items like homes and properties.



Chairman's Statement

Practice Note 17

In 2020 and 2021, the Securities Commission Malaysia (SC) and Bursa Malaysia introduced temporary relief measures to help Bursa-listed companies with cash flow difficulties during the COVID-19 pandemic. These measures included giving listed issuers more time to rectify their unsatisfactory financial conditions.

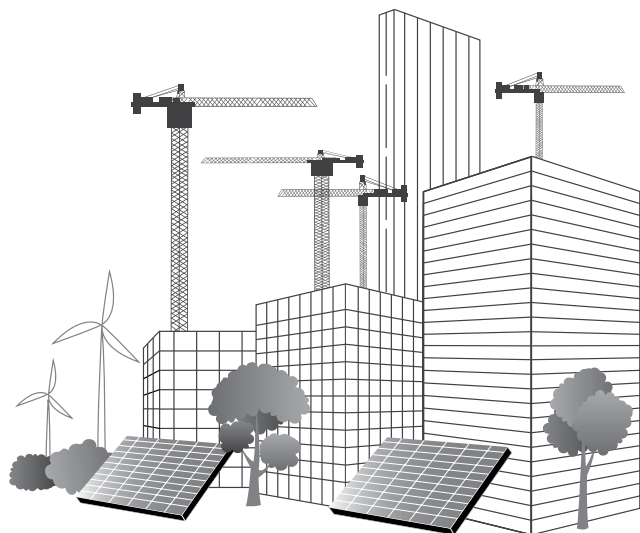
Following the announcement on 28 February 2022, Ireka was classified by Bursa Malaysia as falling under the Practice Note 17 - triggering the criteria pursuant to Paragraph 2.1(e) of Practice Note No. 17 ("PN17") of the Main Market Listing Requirements of Bursa Securities, after the relief period ended on 31 December 2021. Ireka is required to submit their Regularisation Plan to the relevant authorities within 12 months of the announcement i.e. 28 February 2023. The management is working closely with our financial advisors to execute our regularisation plan and future business plans.

With our skills and track record, we will be diversifying so we can mitigate the cyclical nature of the industry and address market saturation (competitive landscape in the Klang Valley).

APPLICATION FOR JUDICIAL MANAGEMENT

It is poignant to note that there were some very difficult decisions that needed to be made to showcase our efforts in closing the gap for the business. Our construction arm, Ireka Engineering & Construction Sdn Bhd ('IECSB'), had submitted its application for judicial management to restore and strengthen the financial position of IECSB and the Group as a whole. This application was also part of the new management's efforts to return the Group to profitability over the mid-term.

The application is both necessary and essential to address the debt position of IECSB, which impacts the Group's PN17 condition and overall ability to move forward. The move is crucial to help the Group rehabilitate and regularise its financial condition, generate cash flow, whilst restructuring the Group's debts.



TURNING THINGS AROUND

Since coming on board in July 2021, the new management has been working hard in executing our turnaround plans. Our turnaround plans are being rolled out in three (3) phases: to **stabilise**, **sustain** and **grow**. Initiatives under each phase are intended to rebuild and reposition the Group for future success.

Our first step – the stabilisation phase – was to build the bench strength of the senior management team - who have experience in turning around companies through fund management/private equity experience. Under this phase, we have been clearing off outstanding debts owed to our stakeholders, i.e., suppliers, etc., while also restructuring the business to sustain and improve our balance sheet and financial capital position.

The management has continued its efforts in restoring financial stability - debt restructuring, fresh capital injection - by undertaking strategic fund-raising/corporate exercises to raise RM94.5 million through private placements and concluding three tranches of redeemable convertible preference shares (RCPS) to allow Ireka to meet its short-term obligations as we continue to work towards a stronger cash flow position.

Under the sustain phase, we have been securing projects with state and federal governments in their initiatives to develop and provide affordable housing – part of our plan to diversify our products and services. It will also include leveraging on the company's existing industry experts to increase revenues and diversify revenue streams.

While our progress may be seen as slow to some parties, we are making steady improvements to the company and its financial position; growing the total order book from RM450 million to more than RM1.0 billion since coming on board. The Group is also continuously assessing all other fund-raising initiatives including project financing via public and private equities and debt markets to support Ireka's business expansion going forward.

Lastly, we have the growth phase. Under this pillar, we are looking at diversifying the company's business that are non-cyclical - so we can improve the balance sheets and also to sustain Ireka's main business areas in construction and property development. We will also continue to leverage on existing assets that showcase our expertise - Kuala Lumpur International Airport, Kuala Lumpur Middle-Ring Road II and North-South Expressway, The Westin Kuala Lumpur, The RuMa Hotel and Residences while developing fund raising structures to help raise capital and improve the company's pipeline – these are just some of the strategies we are looking at to ensure the sustainability of our business and preparing the Group for the future.

Chairman's Statement

THE FUTURE AHEAD

When Malaysia transitioned into the endemic phase on 1 April 2022, restrictions on business operating hours have been removed together with the aggressive roll-out of booster immunisation programmes, economic activities across various sectors have begun its gradual recovery.

Premised on this, the various successes Ireka were able to achieve during these trying times, the positives we can take from the overview and outlook of the construction and property sectors in Malaysia in the longer term, the Group remains cautiously optimistic of our future prospects. As our domestic economy gradually recovers, we are encouraged by the Government's continued commitment towards the Rakyat's welfare and the challenges of home ownership and accessibility to affordable homes and also in improving the infrastructure of the nation.

Foray into sustainability

I am excited that we are taking steps towards developing the Group's Sustainability framework and Net Zero Carbon plan to ensure that our plans and goals are in line with the Sustainable Development Goals (SDGs), while also establishing our baseline for global reporting standards moving forward – following GRI standards and advancing the nation's 2050 net zero carbon goals.

CHANGES AT THE BOARDROOM

On 4 January 2022, the Board welcomed the addition of YM Raja Azura binti Raja Mahayuddin, as Ireka's new Independent Non Executive Director. YM Raja Azura brings with her over 20 years of valuable experience in the field of human capital and audit, gained from the key roles she held at Malaysia Airlines, Khazanah Nasional Berhad and Arthur Andersen & Co.

The notable changes in the boardroom over the past year also saw the departure of the Lai family together with Datuk Lai Siew Wah and Datuk Lai Foot Kong, the pioneering individuals of Ireka, who left us with a lasting legacy for us to continue building on and to create new achievements and memories.

It is also apt that I take this opportunity to remember Datuk Lai Voon Hon, who passed away in May 2022 from cancer, who brought in a new era to Ireka, and further contributed to the rich and memorable legacy of the Ireka Group and enriched the Kuala Lumpur skyline with iconic buildings such as The Westin Kuala Lumpur, The RuMa Hotel and Residences, Aloft Kuala Lumpur Sentral, just to name a few landmark buildings which he created during his illustrious career.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank our shareholders, consultants, financiers, business associates, sub-contractors, suppliers for their continuing support during this very challenging period of the Group's corporate developments.

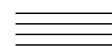
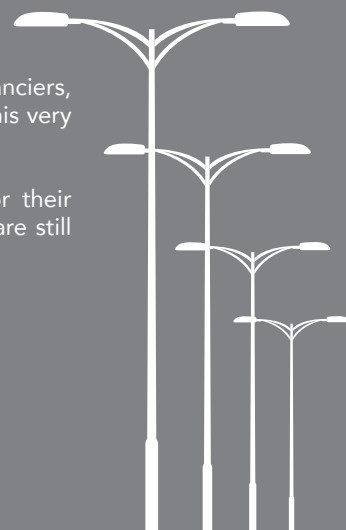
Last but not least, we would like to thank all our staff and the management for their dedication and commitment to their jobs despite the challenges and setbacks we are still facing currently.

Thank you.

TAN SRI DATO' MOHD ISMAIL BIN CHE RUS

Non-independent Non-executive Chairman

31 October 2022



Management Discussion & Analysis

Dear Valued Shareholders,

2022 is the year of transition as Ireka Corporation Berhad ("Ireka" or "the Group") embark upon internal restructuring and undertake a major overhaul to streamline our business offerings in order to put us in a better footing to face future challenges



Change of Financial Year End

Since I last reported to you in our 2021 Annual Report, the Group had made the decision to change its financial year end from 31 March to 30 June and thus resulting in this Annual Report for the 15-month period ended 30 June 2022. Our decision to change our financial year end is to coincide with the proposed timing of the transformation programme and change in the business strategy of the Group. Furthermore, by having a 30 June year end, we will be moving further away from the traditional financial year end of 31 December favoured by the vast majority of companies which resulted in external audit firms being supremely stretched in providing better quality services. Thus we are hopeful that our auditors would be able to allocate more time and resources for their work on our financial statements and it is always our aim that with this change in year end, the quality of our financial reporting will improve for the better over time.

GROUP PERFORMANCE REVIEW

The current 15-month financial period ended 30 June 2022 has proven to be our most challenging period that the Company has experienced in our 55-year history. Whilst the threat of the COVID-19 pandemic has somewhat subdued with Malaysia entered into the transition to endemic phase from 1 April 2022, multiple newly emerging challenges are creating more uncertainties to businesses not only in the country but throughout the world. Geopolitical conflict such as the on-going Russia-Ukraine conflict and global inflationary pressures leading to unprecedented hike in energy and food prices and tightening monetary policy resulting in higher interest rates, all culminating into weaker global economic growth prospects. Closer to home, the weakening of Malaysian Ringgit, higher interest rates, higher oil and building material costs, manpower shortage and the lingering after effects of COVID-19 pandemic coupled with an overall drop in the total value of construction projects awarded nationwide has certainly not helping our cause.

For the 15-month period ended 30 June 2022, the Group recorded a total revenue of RM122.5 million compared to RM178.1 million (restated) for the 12-month year ended 31 March 2021 previously. In gross terms, this represented a drop of 31.2% whilst in pro-rated terms, the revenue decline at a higher percentage of 45.0% compared to 2021. Of the RM122.5 million revenue recorded, the Group's Property Development Division led the way with RM81.9 million (2021: RM110.4 million) or 66.9% (2021: 62.0%) of total revenue. The Construction Division registered revenue of RM31.4 million (2021: RM64.3 million), accounted for approximately 25.6% (2021: 36.1%) of the Group's total revenue during the 15-month period.

Management Discussion & Analysis

The Group's profitability during the 15-month period was severely impacted by the re-imposition of Full Movement Control Order ("FMCO") from April to June 2021 and the widespread restriction in inter-state and inter-district travels until October 2021. Whilst the conditions have markedly improved since early 2022 due to the aggressive and successful roll-out of vaccination plan under the National COVID-19 Immunisation Programme, the continuous disruptions to our construction and property development activities have made it extremely challenging for us to maintain the operational momentum to achieve a consistent and stable progress on the ground. This has resulted in a slowdown in all our construction and development projects. In view of this, management have decided to undertake a major cleaning-up exercise on the financial position of all the existing and old, completed projects of Ireka Engineering & Construction Sdn Bhd ("IECSB"), a key subsidiary under the Group's Construction and Property Development Divisions. The effects of this extensive house-keeping efforts as elaborated below have significantly affected the Group's profitability and results. As a whole, the Group registered pre-tax losses for the period of RM165.5 million compared to pre-tax losses of RM27.0 million (restated) in 2021.

The Group's total assets decreased by RM189.4 million to RM295.3 million as at 30 June 2022, which is 39.1% lower than the previous financial year. Total liabilities of the Group dropped by 11.2% to RM402.7 million as at 30 June 2022 compared to RM453.6 million (restated) at 31 March 2021, translating to a negative net asset per share of RM0.47 (2021: Net asset per share of RM0.17). The shareholders' equity on a consolidated basis dropped from RM31.1 million (restated) at 31 March 2021 to negative RM107.4 million at 30 June 2022 due to losses recorded during the current financial period.

Practice Note 17 ("PN17")

Due to the on-going losses sustained by the Group since year 2017, the total equity of the Group has gradually declined to its current level. The Company's shareholders' equity on a consolidated basis as a percentage against its share capital has already breached the 50% threshold as at 31 March 2020 and as the auditors have highlighted a material uncertainty related to going concern in respect of the Company's audited financial statements for the financial year ended 31 March 2020, the Company had already triggered the prescribed criteria under Paragraph 2.1(e) of the PN17 back then. However, as announced on 27 August 2020, Ireka was not classified as a PN17 listed issuer due to the initial PN17 Relief Measures granted by Bursa Malaysia Securities Berhad ("Bursa") to all affected listed issuers for a period of 12 months from the date of triggering the criteria. In Ireka case, the relief period started from 27 August 2020 until 26 August 2021. This relief period was subsequently extended by Bursa for another six months until 26 February 2022 as a result of the implementation of the FMCO in view of steep increase in COVID-19 cases in Malaysia in June 2021.

As part of our efforts to address the potential PN17 issues, on 8 February 2022, the Company requested for an extension of time but our application was not approved by Bursa on 1 March 2022. The Company has therefore deemed to have triggered the prescribed criteria under Paragraph 2(e) of the PN17 and Ireka was considered as a PN17 Issuer effective from 28 February 2022. Pursuant to the PN17 requirements, the Company is required, amongst others, to submit a regularisation plan within 12 months of the effective date to either the Securities Commission Malaysia or Bursa as the case may be and to obtain the approval to implement such plan within the stipulated time frame. The Board of Directors ("the Board") have now appointed KAF Investment Bank Berhad as the principal adviser to assist the Company in the formulation of a regularisation plan, the details of which will be announced early next year.

Management Discussion & Analysis

Steps to improve the financial condition of the Group

As part of the overall objective to improve the financial condition of the Group, as well as repositioning it within the industry, during the financial period, the Company has undertaken and/or in the process of implementing the following strategic initiatives:

(A) Fund raising exercise:

- (i) Completed two private placement exercises which have successfully raised a total capital injection of RM26.9 million in the month of August and December 2021, respectively.
- (ii) Successful setting-up of a Redeemable Convertible Preference Shares ("RCPS") program to issue up to 112.68 million new RCPS at an issue price of RM1 per RCPS. The RCPS program which was approved by the shareholders at an Extraordinary General Meeting ("EGM") held on 3 February 2022, is to be issued over five equal tranches with a total issuance of RM22.5 million per tranche. Three tranches have been successfully issued raising a total RCPS proceeds of RM67.6 million in March to June 2022. A balance of two RCPS tranches of RM45.1 million has yet to be issued by the Company.

(B) Business development:

- (i) As previously reported, on 5 July 2021, Ireka received an offer from Ideal Land Holdings Sdn Bhd (a company owned by the previous controlling shareholders of Ireka) to purchase all of Ireka's equity in Ireka's 17 subsidiaries and associate companies involved in the non-construction businesses for RM40.0 million. We wish to inform that both parties are unable to come to an agreement regarding the various commercial terms to conclude the transaction and that the offer has lapsed on 31 August 2022. Both parties have decided to cease all negotiations with respect to the offer. Management believe that a higher value can be extracted from the assets of these affected subsidiaries and associate companies and we are now taking necessary steps to realise these values going forward.
- (ii) On 15 July 2021, IECSB had accepted a conditional letter of award from Wanland Metro Sdn Bhd for the construction of two blocks of 16-storey apartment totalling 316 units, 342 units of single-storey terrace houses, 252 units of double-storey terrace houses, 17 units of double-storey shophouses, one unit of food court, one unit of kindergarten, one unit of surau, one unit of multipurpose hall, and all infrastructure and ancillary works at Dendong, Mukim Tembila, Daerah Besut, Terengganu Darul Iman for a provisional contract sum of RM124.4 million.
- (iii) On 6 December 2021, Ireka Development (Terengganu) Sdn Bhd ("IDTSB"), a subsidiary of the Company accepted a conditional letter of award from Terengganu State Government for a provisional contract sum of RM468.0 million to develop the following:
 - (a) Proposed mixed development of a total of 1,712 units of houses, 34 units of shop lots and 2 units of shop offices and related works on 200 acres of Terengganu State Government's land in Bandar Baru Kertih Jaya, Mukim Kertih, Kemaman District, Terengganu; and
 - (b) Proposed hybrid development of 100 units of affordable houses and 6 units of shop lots and related works on 11.55 acres of Terengganu State Government's land in Kampung Semayor, Mukim Kemasik, Kemaman District, Terengganu.
- (iv) Further on 13 December 2021, IDTSB had accepted a conditional letter of award from Koperasi Permodalan Sahabat Terengganu Berhad for a provisional contract sum of RM58.3 million for the proposed mixed housing development on 9.751 hectares of land in Kampung Baru Kuala Abang, Mukim Kuala Abang, Dungun District, Terengganu.

The Group will continue to pursue contracts for its existing business and/or any new businesses as and when the opportunity arises to improve its financial condition.

Management Discussion & Analysis

(C) Corporate rescue effort on IECSB

In view of the factors mentioned earlier and as part of the overall plan to address the PN17 status of the Company, the Board decided to apply to the High Court of Malaya in Kuala Lumpur ("the High Court") on 29 July 2022 to place IECSB under Judicial Management ("JM") proceedings. JM is a form of corporate rescue mechanism that allows a company that is not able to pay its debts to apply to the court for a judicial manager to be appointed to manage the affairs of the company. The court-appointed judicial manager will propose a scheme of compromise or arrangement for approval by the creditors and effectively put all the existing litigation matters in abeyance during the period of the JM proceedings.

In order to accelerate the proceedings, IECSB has also requested for an Interim Judicial Manager ("IJM") to be appointed which has been duly approved by the High Court on 8 August 2022. The process in coming up with a proposed scheme, including the time-consuming affair of finalising a proof of debt exercise, is currently progressing well pending the hearing date to formalise the appointment of the Judicial Manager at the High Court on 3 November 2022. The Board is hopeful that the whole JM proceedings at IECSB can be completed by end of this year so that the Group will be able to make a fresh start and move forward with its PN17 regularisation plan submission to the authorities by early 2023.

The COVID-19 pandemic has greatly affected the performance of not only Ireka but the whole Malaysian economy. As the country entered the recovery phase, the Gross Domestic Product ("GDP") grew by 3.1% in 2021. The reopening of all economic sectors, strong domestic demand, and robust export performance, bolstered the recovery momentum, resulting in an exceptional first-half GDP growth rate of 6.9% in 2022. Furthermore, the transition towards endemicity and the reopening of the country's international borders on 1 April 2022 are among the factors that will keep the growth momentum and as a result, Malaysia's GDP forecast for this year has been revised upwards to 6.5% – 7%. However, in line with the World Bank and the IMF's downward revision of global growth due to factors mentioned above, Malaysia's GDP growth is projected to moderate between 4% and 5% in 2023. Given the more challenging economic and operating landscape, the Group will continue to carefully embark on our transformation journey albeit on a more cautious manner.

INFRASTRUCTURE DIVISION PERFORMANCE REVIEW

The Malaysian construction sector registered a negative growth of 5.2% in year 2021 as the industry took a full year hit of the COVID-19 impact. The sector is forecasted to record a marginal 2.3% growth in 2022, underpinned by growth in non-residential buildings and specialised construction activities subsectors but offset by lower construction activities in civil engineering and residential buildings subsectors. The total value of construction projects awarded for the year until September 2022 was RM86.8 billion, represented an 11% drop year-on-year as reported by the Construction Industry Development Board ("CIDB") statistics.

The total revenue derived from construction activities, inclusive of inter-segment revenue, from the Group's construction arm, IECSB dropped significantly by 69.6% from RM106.4 million (restated) last year to RM32.3 million. This was mainly due to multiple suspension of construction activities for an extended period due to the imposition of FMCO as mentioned earlier. The construction teams would normally take a few weeks to regain the lost momentum before works can proceed as planned. Furthermore, the full completion of an eight-storey hospital block and refurbishment of a hospital building for Pantai Hospital Ayer Keroh in March 2021 also contributed towards the large drop in the current period's revenue. The existing projects such as Regency Specialist Hospital in Johor Bahru, Asta Enterprise Park (Phase 2), KaMi Mont' Kiara and DWI @ Rimbun Kasia are at its various stage of completion.

As indicated earlier, the management has completed a major house-keeping exercise on the recoverability of assets and adequacy of liabilities of all old and completed projects at IECSB. As part of the exercise, the team has done a thorough review of the budgeted revenue and costs of all on-going projects and recognised in full provision for foreseeable losses (inclusive of potential liquidated ascertained damage ("LAD") costs) based on a realistic completion date of each project. All additional costs incurred and to be incurred by IECSB in connection with the delays, disruption and halting of construction works caused by COVID-19 pandemic and various forms of lockdowns have been taken into account as well. In the interest of full transparency, the following one-off exceptional costs have been recognised by IECSB as a result of the extensive cleaning-up efforts:

- (i) Future foreseeable losses on various on-going projects of RM27.8 million;
- (ii) Impairment losses on contract assets which represented balances no longer recoverable related to completed projects of RM4.9 million;
- (iii) Specific impairment losses on trade receivables of RM10.5 million;
- (iv) Provision for litigation costs of RM11.5 million; and
- (v) Prior year adjustments related to old and completed project costs such as subcontractor costs, LADs, rectification costs which previously capitalised in the balance sheet but no longer recoverable of RM38.7 million.

Management Discussion & Analysis

These one-off costs resulted in IECSB to record a huge pre-tax loss of RM143.2 million for the 15-month period ended 30 June 2022 and as explained earlier, led to the decision by the Board to place IECSB under a JM proceeding in an attempt to rescue the subsidiary so that it can continue as a rehabilitated going concern entity going forward.

The Group's total construction order book including all newly secured projects listed above stood at RM1,023.6 million as at 30 June 2022, of which RM202.3 million has been completed, leaving outstanding work worth RM821.3 million. The Group will continue its efforts to participate in new tender, submitting new project proposals, identify and secure new joint venture partners where applicable in order to strengthen our construction order book. The Division is actively seeking opportunities especially in the area of commercial and Government healthcare and hospital projects, civil engineering works from various Government infrastructure projects, and affordable housing.

Moving forward into 2023, the construction sector in Malaysia is forecast to expand by 4.7% next year following an anticipation of better performance in all subsectors. Civil engineering subsector is anticipated to rebound buoyed by implementation of new projects such as Mass Rapid Transit Line 3 ("MRT3") Circle Line and acceleration of on-going infrastructure projects which include Rapid Transit System (RTS) Link, East Coast Rail Link (ECRL) and Light Rail Transit Line 3 (LRT3). In the meantime, the Group will focus on improving efficiency in project delivery and exercise prudent cashflow management within a more challenging operating environment.

REAL ESTATE DIVISION PERFORMANCE REVIEW

The Malaysian property market appears to have seen a glimmer of light at the end of the tunnel. After a couple of years in the doldrums, market sentiment and activities have started to improve. The property market performance recorded a strong growth in the first half of 2022 compared to the same period last year. According to statistics issued by the National Property Information Centre ("NAPIC"), a total of 188,002 (H1 2021: 139,752) transactions worth RM84.4 billion (H1 2021: RM62.0 billion) were recorded, showing an increase of 34.5% in volume and 36.1% in value, compared to the same period last year. Furthermore, the residential property overhang improved from 36,863 units with a value of RM22.8 billion in the second half 2021 to 34,092 units with a value of RM21.7 billion in the first half 2022.

The Government's effort to stimulate soft property market which was badly affected by COVID-19 pandemic has started to show promising results. Originally set to end in June 2020, the successful Home Ownership Campaign ("HOC") initiative had since been extended several times up until 31 December 2021. Bank Negara Malaysia reported a surge in housing loan applications in November and December 2021 as buyers maximised the final two months of the campaign. The campaign ultimately contributed to RM47 billion in residential sales after discounts.

In the recent Malaysian Budget 2023, the Government continues to extend some of the key initiatives to entice demand for property market. The Rent-to-Own scheme has been extended until 31 December 2023, whilst the rate of stamp duty exemption on property transfer documents and loan agreements for homes valued from RM500,000 to RM1 million has been increased from 50% to 75%, to be effective until 31 December 2023. Full stamp duty exemption for homes valued at RM500,000 and below remained effective until 31 December 2025. Furthermore, Government is intensifying efforts to build affordable homes through the continuation of various housing schemes such 'Program Perumahan Rakyat', 'Program Rumah Mesra Rakyat', and 'Projek Perumahan Penjawat Awam Malaysia' ("PPAM") with an allocation of RM1.2 billion in 2023.

Ireka's Real Estate Division recorded revenue of RM81.9 million for the 15-month period ended 30 June 2022, represented a 25.8% drop in gross terms, against revenue of RM110.4 million registered for the 12-month year ended 31 March 2021. The development projects which contributed mainly to the revenue include KaMi Mont' Kiara and Asta Enterprise Park, accounting for 50.9% and 34.6% to the total real estate revenue, respectively. Both KaMi Mont' Kiara and Phase 2 of ASTA Enterprise Park are almost fully sold out with percentage of completion at approximately 81% and 40% as at 30 June 2022. Despite the prevailing pandemic and market conditions, out of a total of 382 units of apartments available for sale, DWI @ Rimbun Kasia project has successfully sold 170 (45%) (31 March 2021: 125 (33%)) units of apartment as at 30 June 2022.

Management Discussion & Analysis

The on-going development projects for the Group includes:

- KaMi Mont' Kiara, a low-density development located in Mont' Kiara comprises 168 units of serviced condominium with a total estimated Gross Development Value ("GDV") of RM216.4 million. The project is estimated to be fully completed and ready to be handed over by the second quarter of 2023.
- Asta Enterprise Park, a 31.5-acre freehold industrial development located at Bukit Angkat, Kajang, has an estimated GDV of RM231.3 million. The project consists of industrial lots, semi-detached and detached light industrial factories in a guarded development. Phase 1 of the development featuring 18 units of semi-detached factories is fully sold with vacant possession successfully delivered to the buyers in October 2020. Works for Phase 2 comprises 16 units of detached factories and two plots of industrial lots, which have also been fully sold, have reached a percentage of completion of approximately 40% as at 30 June 2022 and part of the Phase 2 is expected to be completed by third quarter 2023.
- The Rimbun Kasia project is an integrated development with green-living concept located in the town of Nilai, Negeri Sembilan, covering five phases of residential projects and one commercial project phase on a 30.56-acre piece of land. Ireka and Hankyu Hanshin Properties Corporation ("Hankyu Hanshin") are currently jointly developing the first two phases of Rimbun Kasia residential projects with an estimated GDV of RM284.5 million. DWI @ Rimbun Kasia, being the first phase of residential project, comprises 382 units of medium-rise courtyard apartments with built-up sizes of between 645 to 954 square feet, designed with a dual-key feature and is spread over two 9-storey East and West Wing blocks. Its percentage of completion as at 31 October 2022 stood at approximately 54%, slated for completion in second quarter of 2023. The next parcel of residential land, Temu@Rimbun Kasia, featuring 234 residential units of Town Villas and Garden Homes, with an estimated GDV of RM131.5 million is expected to be launched when the market conditions become more favourable.

The construction progress of the Group's on-going developments continued to be severely hampered by the FMCO and travelling restrictions affecting the supply chain efficiency and operational capacity especially during the large part of year 2021, as mentioned earlier. The overall workers' availability and shortage, spike in raw material costs and uncertainties surrounding the COVID-19 new variants' infectivity resulted in more delays on the delivery of vacant possession of completed units for KaMi Mont' Kiara and DWI @ Rimbun Kasia. Even though the Group has successfully obtained a total 167 days of approval for an extension of time by the Government, taking into account all the above factors, we have put in an appeal for a longer extension period pending decision from the authorities.

In terms of strategy for new project launching for forthcoming years, the Group has gone back to the drawing board before committing resources into new property development projects. As mentioned earlier, during the period, the Group has successfully secured a total of four new projects (Dendong in Besut, Kertih Jaya at Kemaman, Kampung Semayor, Kemaman and Kuala Abang, Dungun) at the state of Terengganu with a total GDV of approximately RM650.7 million. These projects are at various preliminary stages of planning and early phase of development. It is anticipated that all four new projects will start to positively contributing to the Group's bottom-line during the next couple of years. We are very confident that these projects which are situated at strategic locations and consist of large portion of affordable housing will be extremely popular amongst potential first-time house buyers at the East Coast states.

As Malaysia moves towards COVID-19 endemic phase, business activities and the level of trade and economy move towards normality and together with strong support in form of various initiatives and incentives from the Government especially towards house buyers, it is just a matter of time before the Real Estate Division will be able to come up with the right combination to maximise its potential.

TECHNOLOGIES DIVISION PERFORMANCE REVIEW

The Group's technologies arm, i-Tech Network Solutions Sdn Bhd ("ITNS") performed exceptionally well during the financial period despite the challenging market environment. ITNS met its sales targets and at the same time grew its revenue by 50.2% in gross terms, compared to the year before. This is primarily driven by the change in the business direction implemented in 2018, to move towards a recurring income business model focussing on the Cloud, data centre and managed services, thus addressing the current market needs. ITNS recorded a gross profit margin of 13.7% (2021: 27.1%) during the period under review.

The COVID-19 and subsequent lockdowns presented a unique opportunity for the technology industry. 'Work from home' and 'online meetings' have become a norm in the day-to-day working environment and this has accelerated the digital transformation of organisations across the country at an exponential rate. More companies have now adopted Cloud option for data and file storage, data backups and archiving, disaster recovery, software testing and development etc since year 2020 and this presented us with tremendous opportunities to grow our technologies business.

Management Discussion & Analysis

On the other hand, i-Tech ELV Solutions Sdn Bhd's ("ITELV") revenue increased by 85.5% on gross terms (or 48.4% increase on pro-rated terms), from RM1.06 million for 12-month year ended 31 March 2021 to RM2.0 million for 15-month period ended 30 June 2022 as the construction sector started to recover albeit slowly during the current period. As much of ITELV business is with the construction sector, the prospect of ITELV is very much linked to the future growth of the construction industry, expected to expand by 4.7% in 2023.

Digital economy is the way forward and Government has set aside significant budget allocation to accelerate the digitalisation phase in the country. The Technologies Division is undergoing a revamping exercise so that it will be in a perfect position to participate in government tenders and grow its clientele base. Whilst we have a strong base amongst the private sector companies, it is our wish to widen our customer base to include the public sector, government-linked companies as well as the cooperatives ecosystem in Malaysia. We aim to broaden our scope of services to include offering digital solutions to the larger market.

URBAN TRANSPORTATION PERFORMANCE REVIEW

Upon careful review of the market potential of participating in the Urban Transportation sector and taking into account the long gestation period of investing in such venture, the Board has decided to exit the business. This decision is in line with the Group's new strategy of refocusing its business in the core construction sector, away from cyclical, long-gestation and capital-intensive business of urban transportation.

On 30 November 2021, Ireka entered into a share sale agreement with Eccaz Sdn Bhd ("ESB") for the disposal of approximately 19.6% equity interest of the Company in Mobilus Sdn Bhd ("Mobilus"), a joint venture between the Company and Greenway Urban Traffic (Europe) Co. Ltd. ("GUTE"), to ESB for a total cash consideration of approximately RM1.2 million, reducing the equity interest of the Company in Mobilus from 51.0% to 31.4%. Subsequently, on 6 December 2021, the Company entered into another share purchase agreement with GUTE for the disposal of the remaining equity interest of the Company in Mobilus of approximately 31.4% to GUTE for a total cash consideration of approximately RM1.8 million. The above two disposals allowed the Group to realise immediate cash flow of RM3.0 million which had strengthened the working capital position of the Group. It is also expected that Mobilus will incur further losses in the short to medium term with no certainty that it would be profitable in the future. These disposals were completed in the month of December 2021.

PROSPECT

The recent decision by the Malaysian Government to dissolve the Parliament on 10 October 2022 and a call for an early general election on 19 November 2022 may bode well for the construction and property development industry as a whole if a more stable with stronger mandated government can be formed post-general election. Ireka will continue with its agenda to turnaround and transform the Group amidst a very challenging and uncertain market conditions in the near future. The management under the guidance of the Board will take the necessary steps to address the PN17 status and ensure that the going concern status of Ireka Group remains intact. We are cautiously optimistic that given the market uncertainties, based on the plans and strategic directions that the Group is currently embarking on as elaborated above, we will be able to complete the turnaround and steer the Group on track towards new heights.

APPRECIATION

2022 has proven to be a very challenging year for the Group. As we complete the new jigsaw puzzle of how our future would look like, I firmly believe that each piece of the puzzle is extremely important and critical to our future success. As such I would like to express the Group's gratitude to everyone in the Ireka family for their continued efforts, dedication, commitment and personal sacrifice for the betterment of the Group.

I would also like to thank all our bankers and financiers who have provided strong and continuous support that allows Ireka to ride out the worst of the storms. Finally, we express our sincerest appreciation to the shareholders, various Government agencies, clients, consultants, suppliers, subcontractors and business partners who have been pivotal to our cause and look forward to their continued support and confidence in the Ireka Group.

Thank you.

DATUK MOHD HASNUL ISMAR BIN TAN SRI DATO' MOHD ISMAIL
Group Managing Director

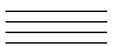
31 October 2022

Corporate Structure

as at 15 Sept 2022



IREKA



5-Year Financial Highlights

Group	12 MONTHS to 31.03.18	12 MONTHS to 31.03.19	12 MONTHS to 31.03.20 Restated	12 MONTHS to 31.03.21 Restated	15 MONTHS to 30.06.22
IN RM'000					
Revenue	268,767	200,134	157,054	178,149	122,515
Loss before taxation	(15,790)	(30,706)	(54,375)	(27,029)	(165,485)
Loss after taxation and minority interest	(15,991)	(30,524)	(58,574)	(26,038)	(167,165)
Issued share capital	180,049	181,288	181,288	181,288	207,729
Shareholders' funds /(capital deficiency)	147,421	148,628	36,944	31,124	(107,441)
Total assets	498,259	492,805	463,336	484,703	295,306
IN SEN					
Gross dividend per share	2.0	-	-	-	-
Net loss per share – Basic	(9.11) #	(15.26) #	(31.37)	(14.29)	(78.55) #
Net tangible assets per share	81.9	82.0	19.8	16.7	(47.2)
IN PERCENTAGE					
Return on shareholders' fund	(10.8)	(20.5)	(158.5)	(83.7)	(155.6)
Gearing	66	69	371	367	(104)
Gearing (net of cash)	49	47	296	272	(87)

Note:

- (i) # Net loss per share is calculated by dividing net loss for the period/year attributable to shareholders of the Company by the weighted average number of shares outstanding during the period/year

Profile of Directors

YBHG TAN SRI DATO' MOHD ISMAIL BIN CHE RUS

Non Independent
Non Executive Chairman
Aged 79, Male
Malaysian



Date of appointment: 19 August 2021

YBhg Tan Sri Dato' Mohd Ismail bin Che Rus attended Command and Staff Courses at the Royal Malaysia Police College, Kuala Kubu Bharu, Selangor and studied Management of Training at the Royal Institute of Public Administration, London, United Kingdom and Post Graduate Senior Management at Institute for Development Policy and Management, University of Manchester, United Kingdom and Management of Crisis and Negotiation at Louisiana State University, Baton Rouge, United States of America. He graduated from Malaysia Armed Forces Defence College and awarded a Diploma with Military symbol 'MPAT'.

YBhg Tan Sri Dato' Mohd Ismail started his career with the Royal Malaysia Police as an Inspector in 1962 and was appointed to numerous command positions before appointment as Chief Police Officer for three states in Malaysia – Kelantan, Johor and the Metropolitan Police of Kuala Lumpur. Prior to his retirement, he held the rank of Commissioner of Police with the appointment as Director of Criminal Investigation Department, Bukit Aman, Kuala Lumpur.

He was previously a Senior Independent Non Executive Director of Ancom Berhad, Nylex (Malaysia) Berhad, Selangor Dredging Berhad, Esthetics International Group Berhad and an Independent Non Executive Director of New Britain Palm Oil Limited [NBPOL], Papua New Guinea.

He is the father of YBhg Datuk Mohd Hasnul Ismar Bin Mohd Ismail.

YBhg Tan Sri Dato' Mohd Ismail has no directorships in any public companies or listed issuers.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.

Profile of Directors

YBHG DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL

Group Managing
Director
Aged 52, Male
Malaysian



Date of appointment: 5 July 2021

YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail is the Co-Founder and Chairman of Shoraka Group of Companies, as well as the Partner of Shoraka Advisory Services, Dubai. He has over 25 years of experience in fund management, treasury and consultancy works within the ASEAN and MENA region. He has acted as advisor on many mergers, acquisitions and corporate finance mandates in a wide variety of industries. He started his professional career at the Investment and Treasury Department of the Central Bank of Malaysia. After leaving the Bank, he joined OUB-TA Asset Management Ltd, a Singapore-owned fund management company with fund size of more than US\$2 billion. In 2004, he was promoted to be the CEO of TA Investment Management, Malaysia. He left the company in 2006 to set up Shoraka Advisory Services, Dubai.

YBhg Datuk Mohd Hasnul Ismar holds a BSc. (Hons) in Economics and Accounting from University of Bristol, UK and was a holder of Fund Manager's Representative License issued by the Securities Commission of Malaysia as well as License Director under the UK Financial Conduct Authority.

He is the son of YBhg Tan Sri Dato' Mohd Ismail bin Che Rus.

YBhg Datuk Mohd Hasnul Ismar has no directorships in any public companies or listed issuers.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.

WAN AHMAD NAZIM BIN MOHAMED NOOR

Executive Director
Aged 53, Male
Malaysian



Date of appointment: 29 November 2021

Wan Ahmad Nazim bin Mohamed Noor joined Ireka as Group Chief Strategy Officer on 5 July 2021 where he is responsible for the various strategic business development and positioning of the Group within the industry. He is also in charge of all the networking and relationship with the Government and Regulators. Concurrent to this, Wan is also the Group Executive Director of Shoraka Group. He is in charge of all the Advisory Services in Malaysia and SEA region under the Group. He has more than 30 years of experience in the capital market industry, in particular the stockbroking industry. He was formerly the Vice President of MIDFSisma Securities Berhad, in charge of Dealing and Business Development.

Wan Ahmad Nazim has acted as lead on many business sourcing deals within the ASEAN region and has successfully built a reputation as a highly-respected deal maker within the region. Wan brings with him vast experience in fund raising and investment placement. Throughout his years in stockbroking industry, he had concluded more than 30 private placement deals.

He is also a board member of MIASA Malaysia, a Mental Health Advocacy and Peer Support group based in Petaling Jaya and the Director of Qaiser Darussalam, an Islamic Academy and enrichment centre since 2013.

Wan Ahmad Nazim has no directorships in any public companies or listed issuers neither has any family relationship with any Directors and/or Major Shareholders of the Company.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.

Profile of Directors

CHOW SUNG CHEK SIMON

Executive Director
Aged 53, Male
Malaysian



Date of appointment: 5 July 2021

Chow Sung Chek Simon joined Ireka Corporation Berhad as Chief Corporate Officer in July 2021. He was also appointed as Executive Director of Ireka Corporation Berhad on 5 July 2021. He graduated from Thunderbird School of Global Management, Arizona, USA with a Master of Business Administration, and from Flinders University, SA, Australia with a Bachelor of Commerce (Computer Science).

Simon Chow began his career as a stock broker 1993, and left to pursue his MBA after the Asian Financial Crisis in 1997. He then returned to Malaysia to lead a consultancy business which invested in domestic real estate from 2001 to 2006.

He commenced his foray into investments and asset management when he joined TA Investment Management Berhad as CEO from 2006 to 2008. Subsequently, he assumed the roles of CEO of CMS Trust Management Berhad (now known as Kenanga Investors Berhad) from 2008 to 2010, and Country Head/Executive Director of BNP Paribas Asset Management Sdn Bhd from 2010 to 2011. He then was Director at Amundi Malaysia Sdn Bhd from 2014 to 2018 before joining Bursa Malaysia Berhad as Executive Vice President, Securities Market in 2018. From 2019 to 2020, he was a member of the pioneering management team at BriohR, a HR technology start-up with offices in Kuala Lumpur, Singapore and Paris.

Simon Chow has no directorships in any public companies or listed issuers neither has any family relationship with any Directors and/or Major Shareholders of the Company.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.

CHAIRIL BIN MOHD TAMIL

Executive Director
Aged 52, Male
Malaysian



Date of appointment: 29 November 2021

Board Committee Membership:

- Member of Risk Management Committee

Chairil bin Mohd Tamil joined Ireka as Chief Financial Officer on 5 July 2021. He has more than 25 years of experience in Investment Banking, Corporate Finance, Capital Markets and International Business, a successful career in various investment banks, commercial banks and consulting firms such as Arab-Malaysian Merchant Bank Berhad (Oct 1993 - Aug 1996), Perwira Affin Merchant Bank Berhad (Sep 1996 - Sep 1999), Commerce International Merchant Bankers Berhad (Sep 1999 - Sep 2000), Bank Muamalat Malaysia Berhad (Sep 2000 - Jan 2007), Shoraka Advisers Sdn Bhd (Feb 2007 - June 2010), Prokhas Sdn Bhd (July 2010 - Mar 2011) and Export-Import Bank of Malaysia Berhad ("EXIM Bank") (June 2011 - May 2018).

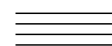
Chairil last served at EXIM Bank as Deputy President Business responsible for overseeing Banking Department, Credit Insurance Department and Product Development Department. During his tenure, EXIM Bank had received 3 awards from Project Finance International Magazine, The Banker and Euromoney for Asia Pacific Deal of the Year 2013 for an IPP Project in Indonesia. At EXIM Bank, he was a member of various management committees.

He had numerous speaking engagements locally and internationally. He was appointed by CIDB as one of the Panellist of Assessor for Malaysian Construction Industry Excellence Awards 2017 and 2018 (MCIEA) for International Achievement Award.

He holds a Bachelor of Science in the Joint School of Economics and Accounting from University of Bristol, United Kingdom.

Chairil has no directorships in any public companies or listed issuers neither has any family relationship with any Directors and/or Major Shareholders of the Company.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.



Profile of Directors

YBHG DATO' AZMI BIN ABDULLAH

Senior Independent
Non Executive Director
Aged 71, Male
Malaysian



Date of appointment:

26 June 2015 (Independent Non Executive Director)
27 February 2020 (Senior Independent Non Executive Director)

Board Committee Membership:

- Chairman of Nomination & Remuneration Committee
- Member of Audit Committee
- Member of Risk Management Committee

YBhg Dato' Azmi bin Abdullah graduated from Universiti Kebangsaan Malaysia (UKM) with a B.A. (Hons) Degree in Economics in 1974. He has extensive banking experience as he was formerly the First Managing Director/Chief Executive Officer of SME Bank and the Managing Director/Chief Executive Officer of Bumiputera-Commerce Bank Berhad, where he served for more than 26 years in various departments. He was also an Independent Non Executive Director of Bank Muamalat Malaysia Berhad from 2009 to 2018.

YBhg Dato' Azmi is currently a Director of Kumpulan Wang Amanah Pencen (KWAP) and a member of Board Risk Committee of Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM). He also sits on the board of several other private limited companies.

YBhg Dato' Azmi has no directorships in any public companies or listed issuers neither has any family relationship with any Directors and/or Major Shareholders of the Company.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.

SHAHRULADERI BIN MOHAMAD ADNAN

Independent
Non Executive Director
Aged 46, Male
Malaysian



Date of appointment: 5 July 2021

Board Committee Membership:

- Chairman of Risk Management Committee
- Member of Audit Committee
- Member of Nomination & Remuneration Committee

Shahruladeri bin Mohamad Adnan is currently the CEO and the Board Member of CIB Capital Limited, a Fund Manager regulated by the Labuan Financial Services Authority. He is also the Board Member to Credit Investment Bank Ltd. Shahruladeri was the Director of Business Development for the Labuan International Business and Financial Centre and the Director of Islamic Finance for the Dubai International Financial Centre Authority where he significantly involved in the financial centres' international business development focusing on international business establishments, Islamic finance, Capital Markets and Wealth Management activities.

Shahruladeri started his career with the Maybank Investment Bank (formerly known as Aseambankers Malaysia Berhad), with extensive work experience within the bank's Corporate Finance & Advisory department and Private Equity subsidiary.

He is an Associate of the Chartered Institute of Management Accountants (CIMA), UK and graduated from Kingston University, UK in Accounting and Finance.

Shahruladeri has no directorships in any public companies or listed issuers neither has any family relationship with any Directors and/or Major Shareholders of the Company.

He has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). He also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.

Profile of Directors

YM RAJA AZURA BINTI RAJA MAHAYUDDIN

Independent
Non Executive Director
Aged 49, Female
Malaysian



Date of appointment: 4 January 2022

Board Committee Membership:

- Chairman of Audit Committee
- Member of Nomination & Remuneration Committee
- Member of Risk Management Committee

YM Raja Azura binti Raja Mahayuddin was formerly the Chief Executive Officer of Yayasan Peneraju Pendidikan Bumiputera, a foundation established by the Government to strengthen the universal and sustainable development of Bumiputera capabilities in line with Malaysia's efforts towards high income countries through academic, professional and vocational certifications.

YM Raja Azura brings with her over 20 years of experience in the field of human capital, audit and nation building. She has previously served Malaysia Airlines as Chief Internal Auditor and Executive Vice President; Human Capital, Khazanah Nasional Berhad as Senior Vice President; Strategic Human Capital Management and Arthur Andersen & Co. as Assistant Manager of the Services Division. She was also the Board of Director of Malaysia Professional Accountancy Centre (MyPAC) and an Independent Non-Executive Director of Chemical Company of Malaysia Berhad.

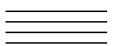
She is also a member of Institute of Corporate Directors Malaysia (ICDM), the Malaysian Institute of Accountant (MIA) and Institute of Internal Auditors (IIA).

She has received the Honoree of 2019 Influential Leader awarded by The Association to Advance Collegiate Schools of Business (AACSB International). She is also the recipient of the Inaugural Malaysia Women of Excellence Award for Quasi Government category and the Global HR Excellence Award 2011/12 conferred by World HRD Congress.

She is currently the Chairman of USIM Tjara Holdings Sdn Bhd, the Board of Director of YaPIEM Gold Sdn Bhd and the Co-Founder of AKRAB Resources.

YM Raja Azura has no directorships in any public companies or listed issuers neither has any family relationship with any Directors and/or Major Shareholders of the Company.

She has no conflict of interests with the Company or convictions for any offences within the past five (5) years (other than traffic offences). She also has not been convicted with any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year under review.



The Management Team



**DATUK MOHD
HASNUL ISMAR BIN
MOHD ISMAIL**
Group Managing Director

YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail is the Co-Founder and Chairman of Shoraka Group of Companies, and partner of Shoraka Advisory Services, Dubai. In July 2021, he joined Ireka Corporation Berhad as Group Managing Director. Datuk Mohd Hasnul has over 25 years of experience in fund management, treasury and consultancy works within the ASEAN and MENA region. He has acted as advisor on many mergers, acquisitions and corporate finance mandates in a wide variety of industries. Datuk Mohd Hasnul began his professional career at the Investment and Treasury Department of the Central Bank of Malaysia (Bank Negara Malaysia)

After leaving the Central Bank, Datuk Mohd Hasnul joined OUB-TA Asset Management Ltd, a Singapore-owned fund management company, and was promoted to the Chief Executive Officer, TA Investment Management, Malaysia ("TA") in 2004. Subsequently, Datuk Mohd Hasnul left TA in 2006 to set up Shoraka Advisory Services in Dubai, United Arab Emirates.



**CHAIRIL BIN MOHD
TAMIL**
Group Chief Financial Officer

Chairil bin Mohd Tamil holds the position as Ireka Corporation Berhad's (Ireka) Group Chief Financial Officer, with more than 25 years of experience in Investment Banking, Corporate Finance, Capital Markets and International Business.

Prior to Chairil joining Ireka, he served as the Deputy President Business, EXIM Bank. He was responsible for overseeing its Banking Department, Credit Insurance Department and Product Development Department. During his tenure with EXIM, he received three (3) awards from the Project Finance International Magazine, The Banker and Euromoney for Asia Pacific Deal of the Year 2013 for an IPP Project in Indonesia.

Chairil holds a Bachelor of Science degree in the Joint School of Economics and Accounting from University of Bristol, United Kingdom.



**WAN AHMAD NAZIM
BIN MOHAMED
NOOR**
Group Chief Business Officer

Wan Ahmad Nazim bin Mohamed Noor currently holds the position of Group Chief Business Officer, Ireka Corporation Berhad (Ireka), and also the Executive Chairman, Ireka Engineering and Construction Sdn Bhd. Wan Ahmad Nazim joined Ireka as Group Chief Strategy Officer on 5 July 2021 and was responsible for putting in place various strategic business development initiatives and the positioning of Ireka in the industry. All networking and relationship-building efforts with Government agencies and Regulators are under his purview.

He has over 30 years of experience in the Malaysian capital markets and is a highly respected deal maker in the ASEAN region. Wan Ahmad Nazim's vast experience in the capital market, specifically in activities relating to investments, placements and fund-raising, has been an advantage to Ireka.



**CHOW SUNG CHEK
SIMON**
Group Chief Operating
Officer

Chow Sung Chek Simon joined Ireka Corporation Berhad as Chief Corporate Officer in July 2021. As of 1 July 2022, Simon holds the position of Group Chief Operating Officer for the Company. He is also an Executive Director, Ireka Corporation Berhad (Ireka).

Simon Chow began his career as a stockbroker in 1993 and left to pursue his MBA after the Asian Financial Crisis in 1997. He returned to Malaysia to lead a consultancy business which invested in domestic real estate from 2001 to 2006. He commenced his foray into investments and asset management during his tenure as Chief Executive Officer at TA Investment Management Berhad from 2006-2008.

His subsequently roles were at CMS Trust Management Berhad (now known as Kenanga Investors Berhad), BNP Paribas Asset Management Sdn Bhd, Amundi Malaysia Sdn before joining Bursa Malaysia Berhad as Executive Vice President, Securities Market in 2018. Simon Chow took on a new role with BrioHR, as one of the pioneering management team in Kuala Lumpur in 2019, prior to joining Ireka.

The Management Team



**NOR SHAHMIR BIN
NOR SHAHID**
Group Chief Strategy and
Investment Officer

Nor Shahmir bin Nor Shahid has 23 years of experience in cross-border banking, financial advisory, international and regional project finance, corporate finance, Islamic debt capital market, syndications and investment banking where he held various senior management positions at many development banks, investment banks and commercial banks.

He began his career as an executive with Malaysian International Merchant Bankers Berhad where he was involved in various corporate exercises including reverse take-overs, initial public offerings and fund-raising exercises.

Prior to joining Ireka Corporation Berhad, Nor Shahmir was the Chief Operating Officer, Ipmuda Berhad where he oversaw the corporate and business operations, human resources, finance including the transformation and acceleration programmes of the Company. Nor Shahmir is currently an Independent Non Executive Director of Aurelius Technologies Berhad.

Nor Shahmir graduated from the International Islamic University Malaysia in July 1995 and obtained his Bachelor's in Accounting in August 1995. He has been a member of Malaysian Institute of Accountants and a Chartered Accountant since April 2018.



**AHMAD AZNAN BIN
MOHD NAWAWI**
Group Chief Risk &
Compliance Officer

Ahmad Aznan bin Mohd Nawawi joined Ireka Corporation Berhad in 2021. He has held numerous senior management positions at other corporations such as MMC Corporation Berhad, KFC Holdings (M) Bhd, QSR Brands Bhd and Bursa Malaysia Securities Bhd. Ahmad Aznan graduated with a Bachelor of Law from Universiti Teknologi MARA in 1985.



JOHAR BIN AMAT
Group Chief Digital Officer

Johar bin Amat brings with him more than 25 years of experience in the banking industry, specialising in Islamic Investment and Treasury. He began his career with Central Bank of Malaysia (Bank Negara Malaysia) (BNM) after graduating from the University of Manchester in the mid-90s. After a decade with BNM, Johar Amat left to join other financial institutions in Kuala Lumpur, Dubai, and Abu Dhabi, including the Central Bank of United Arab Emirates (UAE). He pioneered the introduction of the Central Bank's Islamic liquidity product enabling the management of the daily Dirham Islamic Liquidity Market.

Johar Amat has been deeply involved in analysing global economic developments and their implications to the financial markets and highly conversant in risk management with deep knowledge in all financial products.

Notes:

Save as disclosed, the Management Team have no other directorships in public companies or listed issuers and any family relationship with any Directors and/or Major Shareholders of the Company.

None of the Management Team disclosed have:-

1. any conflict of interests with the Company;
2. any convictions for offences within the past five years (other than traffic offences, if any); and
3. any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

Sustainability Statement

ABOUT THIS REPORT

We are incrementally improving our sustainability performance and reporting to address the gaps and ensure that our stakeholders are better informed. This year, we referenced local and international sustainability reporting frameworks to strengthen our reporting and benchmarked against best industry practices. Our Sustainability Statement, which can be found on pages 22 to 51, has been prepared with close reference to:

- Global Reporting Initiative ("GRI")
- Bursa Malaysia Sustainability Reporting Guide 2nd Edition
- United Nations Sustainable Development Goals ("UN SDGs")

The principles of creating long-term business growth have always been in the DNA of Ireka Corporation Berhad ("Ireka" or "The Company/Group") even before the term "sustainability" was widely used in the corporate world. Key focus areas such as resilient financial growth and delivering quality products and services have always been the priority of the organisation.

Today, Ireka aims to embrace the tenets of environmental, social and governance ("ESG") to create long-term positive impact for all its stakeholders, more so under the direction of its new Board of Directors and Management. We endeavour to uphold good corporate governance that demonstrates ethics and integrity in all our business conducts and aspire to be a socially responsible organisation that cares about the needs of its people and the local communities in which we operate. We commit to minimise the negative impacts of our activities on the natural surroundings of our business operations and reduce our carbon footprint. Our aim is to mitigate risks and identify opportunities in all that we do to respond to the issues that matter most to our stakeholders and the Company.

In the year under review, we undertook strategic measures to bolster our sustainability journey. This included holding our first materiality assessment to identify the sustainability issues that is important to us and our stakeholders, and drafting key policies to address triggering issues such as human rights and diversity. The policies are currently being developed and will be rolled out once approved by the Board. We also improve our sustainability reporting by disclosing for the first time our energy and water data, as well as our Scope 1 and 2 greenhouse gas ("GHG") data in accordance to the Global Reporting Initiative requirement. We have begun the process of establishing our sustainability roadmap such as putting in place our baseline, our action plan to roll out more ESG initiatives, and we target to improve our ESG performance for the years to come.

SUSTAINABILITY FRAMEWORK

Sustainability at Ireka is anchored on four key pillars, namely Economic, People, Environment and Community, which provide a strategic approach for the Group to deliver shared values and contribute to a sustainable future for all. The holistic framework guides us in planning and implementing our sustainability initiatives and programmes to drive sustainable business growth, protect our people and shape a high performance work culture, preserve natural resources and enrich the community. We are committed to conducting our business responsibly by minimising the negative impacts of our operations while building sustainable homes, hospitality and workspaces for our communities to thrive.



Economic

Reviewing our marketplace regularly to ensure that we remain relevant and competitive



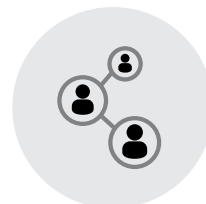
People

Keeping our employees safe and healthy while prioritising their well-being and talent development



Environment

Developing green and sustainable projects while minimising negative environmental impacts



Community

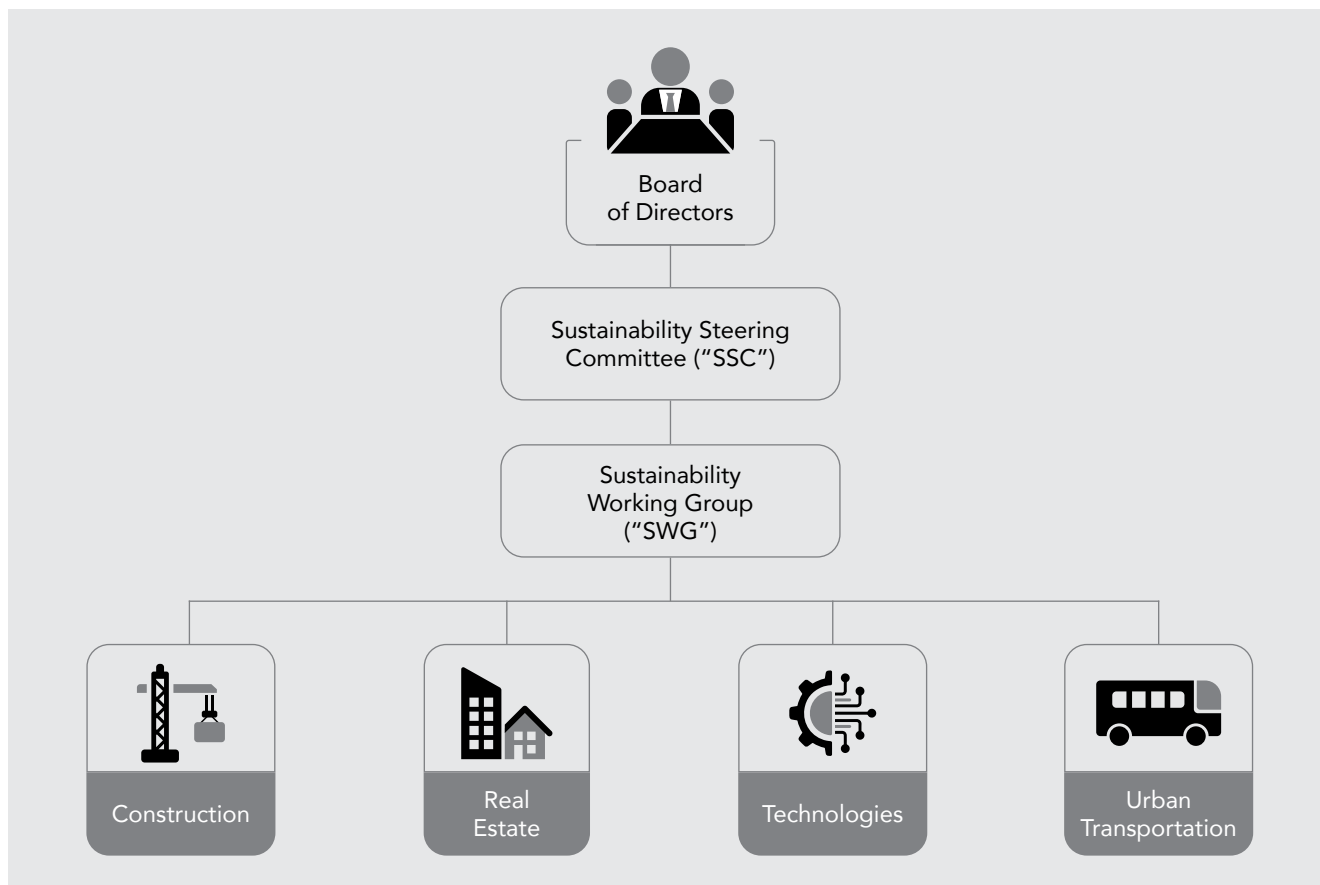
Investing in the community in which we operate to enrich and empower the most vulnerable in society

Sustainability Statement

OUR SUSTAINABILITY GOVERNANCE

To drive sustainability effectively, we adopt a tone-from-the-top approach in our sustainability governance, whereby the Board of Directors ("BODs") has oversight on the Group's sustainability agenda. The BODs, which holds ultimate responsibility in sustainability decision making, is supported by the Sustainability Steering Committee ("SSC"). Decisions made by the BODs is cascaded down to the working level in the various business units through the Sustainability Working Group ("SWG").

The SSC meets twice a year and reports to the BODs every six months on the Group's sustainability strategies and objectives, as well as sustainability progress. Comprising BOD members who are Sustainability Champions, the SSC develops the Group's sustainability strategies and objectives that are in line with the BOD's agenda. The SSC works closely with the Senior Management team and is supported by the SWG.



	Role	Responsibility	Frequency of Meeting
Board of Directors	Has oversight on the Group's sustainability governance	<ul style="list-style-type: none"> Oversees and leads the Group's sustainability agenda Manages, approves and reviews the Group's Sustainability Initiatives 	4 times a year
SSC	Drives the Group's sustainability strategy and approach	<ul style="list-style-type: none"> Develops the Group's sustainability and objectives to ensure that they are aligned with the Group's vision and mission, as well as the BOD's agenda Oversees the SWG on the Group's progress in its sustainability programme Ensures that sustainability disclosures meet Bursa Malaysia's Listing Requirements 	3 times a year
SWG	Implements and monitors sustainability initiatives	<ul style="list-style-type: none"> Supports SSC in the development and preparation of the Group's Sustainability Report Supports SSC in implementing the Group's sustainability strategies, policies and initiatives across the various business units 	4 times a year

Sustainability Statement

STAKEHOLDER ENGAGEMENT

Stakeholders are groups that will impact and be impacted by our business decisions, management, and operations. It is vital for us to engage with our stakeholders regularly to identify their needs and respond to their key concerns while building trust and relationships. Engaging with our stakeholders will also allow us to mitigate risks and identify opportunities for sustainable business growth. In the year under review, we reached out to our stakeholder groups via various platforms and channels of communications amid disruptions from the pandemic. We have also aligned our material matters with our stakeholders' key concerns and the Group's responses to provide a comprehensive overview of our stakeholder engagement.

STAKEHOLDER GROUP	ENGAGEMENT METHOD	FREQUENCY	KEY CONCERN	RESPONSE	MATERIAL MATTERS
EMPLOYEES					
We prioritise the health, safety, and well-being of our employees, who are our most precious asset and contribute to the sustainable growth of the business.	<ul style="list-style-type: none">Materiality assessment	Conducted for the first time in FYE2022	<ul style="list-style-type: none">Employee well-beingHealth and safety at the workplace	<ul style="list-style-type: none">Collaborated with Mental Illness Awareness and Support Association (MIASA) to raise awareness on mental health through organising talks	<ul style="list-style-type: none">Employee ManagementOccupational Health and SafetyDiversity and InclusionEconomic Performance
	<ul style="list-style-type: none">Internal communication (e.g email, newsletter, webinar)Online and face-to-face meetingsStaff surveys	Whenever necessary	<ul style="list-style-type: none">Human capital developmentEmployee EngagementJob security	<ul style="list-style-type: none">Organised health and safety trainingEnsured Occupational Health and Safety governance and procedures are in place at every worksiteEnsured compliance with the Department of Safety and Health (DOSH) and the necessary laws and regulatory rulesEnforced strict Standard Operating Procedures (SOPs) during the pandemic across all worksites as well as the Head OfficeOrganised training and development programmes to retain and develop talentHeld various staff gatherings during festive celebrationsEnsured sustainable business growth to keep employees in the workforce	
	<ul style="list-style-type: none">Townhall	Twice a year			
CUSTOMERS					
We are committed to delivering excellence and maintaining the highest standards and quality to ensure we build the best homes, hospitality and workspace for our customers	<ul style="list-style-type: none">Company websiteSocial mediaFeedback form	Whenever necessary	<ul style="list-style-type: none">Customer experienceProduct deliverySite visit safety during COVID-19 pandemicLoan approval to purchase propertiesData privacy	<ul style="list-style-type: none">Enhanced website with 3D virtual tour during the pandemicEnsured COVID-19 Standard Operating Procedures were in place during the pandemicProvided potential purchasers with credit checks and advisory on loan issues ie. Improving Debt Service Ratio and Credit ScoringEnsured customers’ personal data is safeguarded	<ul style="list-style-type: none">Product Quality and ResponsibilityInnovationCustomer Privacy

Sustainability Statement

STAKEHOLDER GROUP	ENGAGEMENT METHOD	FREQUENCY	KEY CONCERN	RESPONSE	MATERIAL MATTERS
INVESTORS, ANALYSTS AND FUND MANAGERS					
We regularly engage with our investors, analysts, and fund managers to keep them updated and to obtain feedback on our financial performance	<ul style="list-style-type: none"> Quarterly reports, annual reports, and financial analysis Media releases and interviews 	<p>Every quarter</p> <p>Whenever necessary</p>	<ul style="list-style-type: none"> Ireka Corp's financial and operational performance Strategy and risk management Economic, Environmental and Social risks and opportunities 	<ul style="list-style-type: none"> Strengthened Board and Management oversight on Group strategy and risk management Improved the Group's sustainability approach 	<ul style="list-style-type: none"> Economic Performance Business Ethics
LOCAL COMMUNITIES					
We strive to contribute to the local communities in which we operate through corporate social programmes and initiatives	<ul style="list-style-type: none"> Community development programmes (IREKA CARES) Media releases Social media 	Whenever necessary	<ul style="list-style-type: none"> Community investment Sustainable development and project impact 	<ul style="list-style-type: none"> Built a food court facility for the local community in Kajang, Selangor Sponsored events by the Kajang Municipal Council 	<ul style="list-style-type: none"> Community Engagement
REGULATORS AND LOCAL AUTHORITIES					
We regularly engage with regulators and local authorities to ensure compliance amid the evolving regulatory landscape	<ul style="list-style-type: none"> Face-to-face meetings (online and physical) Media releases Conferences and seminars Surveys 	Whenever necessary	<ul style="list-style-type: none"> Regulatory compliance Good corporate governance Support for Government policies related to affordable housing 	<ul style="list-style-type: none"> Ensured strong compliance capabilities Continuous engagement with regulators & local authorities Attend training to keep abreast of latest developments 	<ul style="list-style-type: none"> Business Ethics Product Quality and Responsibility Customer Privacy Occupational Health and Safety
MEDIA					
We acknowledge that the media plays a role in communicating in the Company's performance, strategy, and community initiatives	<ul style="list-style-type: none"> Media releases Media Conference Social media Interviews 	Whenever necessary	<ul style="list-style-type: none"> Ireka's financial and non-financial performance Ireka's growth strategy Contribution to the communities' development 	<ul style="list-style-type: none"> Ensure stakeholders are kept abreast of latest development; business direction & strategy and financial performance through media releases, conferences or interviews Engaged media during events hosted to announce project launches, financial performance, collaborations with business partners, etc. Continuously engage and communicate with media representatives to maintain and build business relationships 	<ul style="list-style-type: none"> Economic Performance Business Ethics Product Quality and Responsibility Innovation Community Engagement

Sustainability Statement

STAKEHOLDER GROUP	ENGAGEMENT METHOD	FREQUENCY	KEY CONCERN	RESPONSE	MATERIAL MATTERS
INDUSTRY					
We engage with our industry peers from time to time to ensure we remain relevant and maintain our competitive edge	<ul style="list-style-type: none"> • Conference • meetings (Virtual and face-to-face) 	Whenever necessary	<ul style="list-style-type: none"> • Sharing of industry knowledge • Strategic partnerships 	<ul style="list-style-type: none"> • Ensured Ireka is taking the right steps in staying relevant by understanding the changes in the industry, its processes relating to IR 4.0 	<ul style="list-style-type: none"> • Business Ethics • Product Quality and Responsibility • Innovation
SUPPLIERS					
We regularly engage with our suppliers, whose role is vital in ensuring our smooth daily operations for all our businesses	<ul style="list-style-type: none"> • meetings (Virtual and face-to-face) • Assessment of supplier performance 	<p>Whenever necessary</p> <p>Yearly</p>	<ul style="list-style-type: none"> • Fair and efficient procurement system • Timely payment • Data privacy 	<ul style="list-style-type: none"> • Ensured a fair, just and transparent procurement process • Ensured efficient issuance of payment to vendors • Safeguarded the personal data of all our vendors 	<ul style="list-style-type: none"> • Business Ethics • Economic Performance • Supply Chain Management • Customer Privacy

MATERIALITY ASSESSMENT

A materiality assessment is an integral process that allows us to identify and prioritise the sustainability issues that impact our business and stakeholders. Pertinent to our sustainability journey, the process enables us to identify opportunities and mitigate the risks of each material matter.

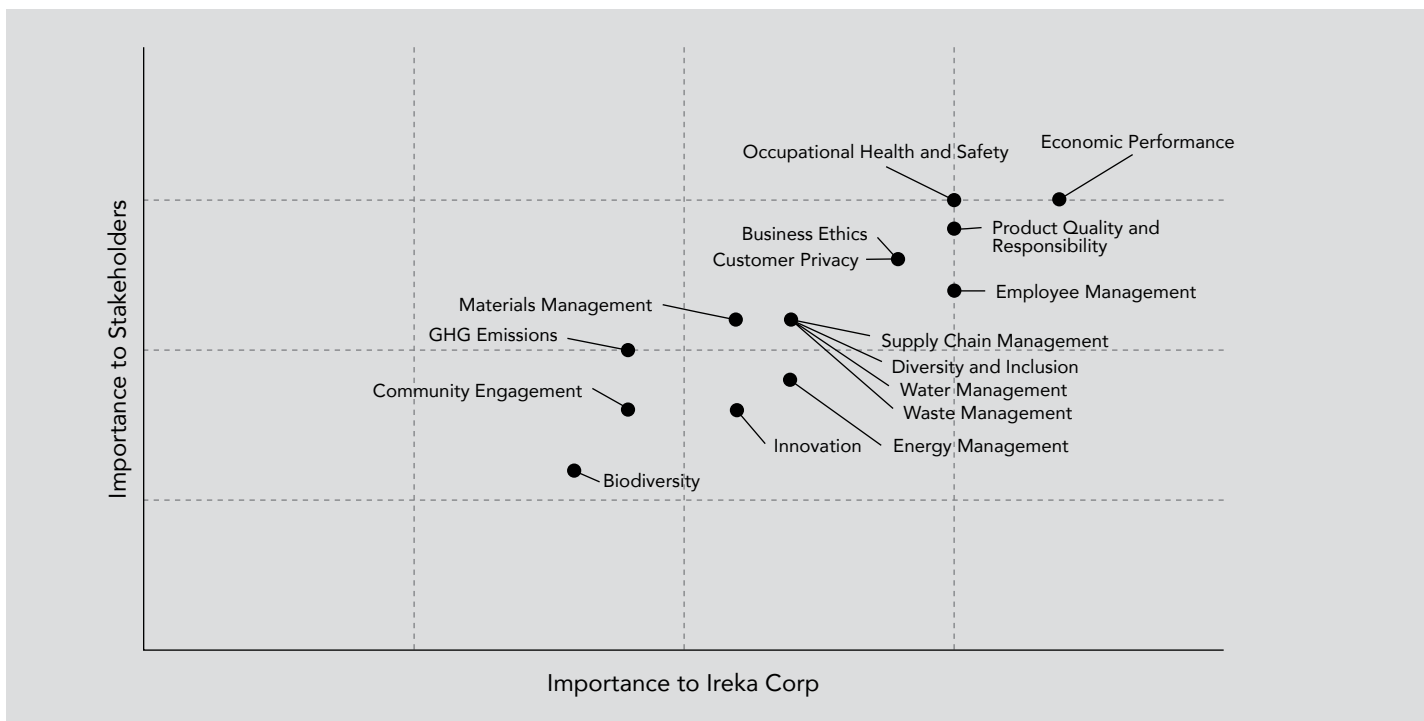
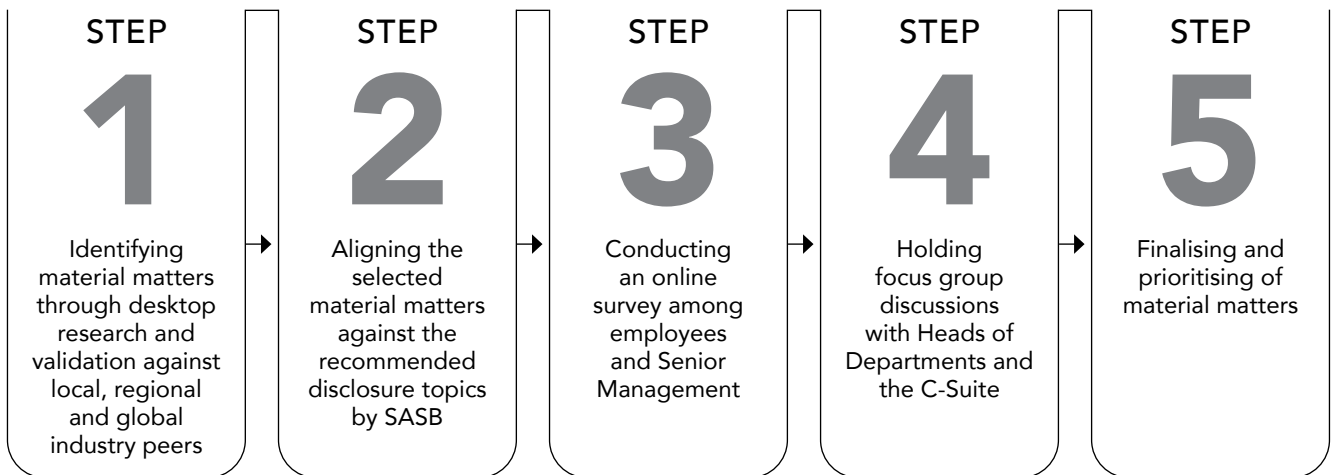
In FYE2022, we engaged an external consultant to conduct our first materiality assessment via an online survey for internal stakeholders that included employees and Senior Management. The assessment involved identifying material matters through desktop research and validation against local, regional and global industry peers. The selected material matters were then aligned against the recommended disclosure topics by the Sustainability Accounting Standards Board (SASB) before the commencement of the survey. SASB is a global sustainability framework that identifies the subset of environmental, social and governance issues most relevant to financial performance across 77 industries.

The online survey found that the selected 16 material issues from the desktop research are significant to the business and its stakeholders, whereby six of the material issues are rated as the most important matters. These material issues are Occupational Health and Safety, Economic Performance, Product Quality and Responsibility, Business Ethics, Customer Privacy and Employee Management.

Following the survey, two focus group discussions were held among department heads and the executive committee members to gather further insights on the significance of the material matters. The executive members concurred that the results of the online survey echoed the sentiment of the employees while the six prioritised material matters highlighted key issues such as financial security and job security, which the Company needs to focus on to ensure business stability.

While the survey found Occupational Health and Safety to be the most important issue to the business and to stakeholders, the executive committee members felt that Economic Performance should be ranked the highest to reflect the need to strengthen the Company's financial growth. However, it should be noted that despite the six prioritised material matters, the other sustainability issues that have been identified will not be overlooked, especially the ones related to environmental management and climate change, given the urgent need for climate action. We will strive to strike a balance between generating profit and minimising our environmental impacts in our pursuit to embed the principles of ESG across our business operations and contribute to sustainable development.

Sustainability Statement



List of Material Matters According to Economic, Environmental and Social



Economic Performance
Business Ethics
Product Quality and Responsibility
Customer Privacy
Innovation
Supply Chain Management



GHG Emissions
Energy Management
Materials Management
Water Management
Waste Management
Biodiversity









Employee Management
Occupational Health and Safety
Diversity and Inclusion
Community Engagement

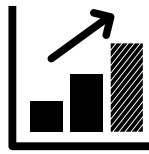
Sustainability Statement

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ('UN SDGs')

The United Nations Sustainable Development Goals are a set of 17 goals set and agreed by the member states of the United Nations to make the world a better place for everyone by 2030. The main goal is to ensure that no one is left behind. As a responsible corporate citizen, we endeavour to contribute to six selected UN SDGs that are aligned with our purpose of delivering excellence while creating positive economic, environmental, and social impacts. The selected SDGs are relevant to our business operations as well as stakeholders.

Prioritised SDG	Material Matter	Ireka Corp's Contribution for FYE2022
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Occupational Health and Safety 	<ul style="list-style-type: none"> Implemented COVID-19 Standard Operating Procedures in all our operations to keep our employees and workers safe Organised health talks on issues such as endometriosis and mental health to provide an avenue for employees with issues such as anxiety and stress Collaborated with the Mental Illness Awareness and Support Association (MIASA) to promote mental health among employees
 4 QUALITY EDUCATION	<ul style="list-style-type: none"> Employee Management 	<ul style="list-style-type: none"> Provided 383 total training hours for employees' training and development
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Economic Performance Occupational Health and Safety 	<ul style="list-style-type: none"> Recorded an operating value of RM122.5 million, of which RM48 million were invested in employee wages and benefits, while RM1.68 million went to tax payment Increased the number of new hires by 44% from 50 new hires in 2020 to 72 new hires in 2022 Organised 10 occupational health and safety training programmes Maintained 0 fatal occupational injuries
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> Community Engagement Supply Chain Management 	<ul style="list-style-type: none"> Built a food court facility for the local community near Asta Enterprise Park in Kajang, Selangor About 96% of procurement budget went to local suppliers and vendors
 11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> Product Quality and Responsibility 	<ul style="list-style-type: none"> Built sustainable homes by incorporating eco-friendly elements such as rainwater harvesting system and designs with natural lighting and ventilation Complied with ISO9001: 2015 Quality Management System for product quality assurance
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Waste Management 	<ul style="list-style-type: none"> Employed the concept of 4R – reduce, reuse, recycle and recover to prior to sending waste to landfill Engaged licenced contractors to dispose of scheduled waste according to regulatory rules

Sustainability Statement



Economic

ECONOMIC PERFORMANCE

Ensuring strong economic performance and resilient business growth is vital for Ireka Corp's long-term sustainable growth. Since our establishment in 1967, our business growth has contributed to the nation's economic development through various significant projects including infrastructure, property, and hotels.

Our economic performance is directly proportional to project progress and hence, we encourage forward planning to manage our risks, develop appropriate mitigation measures and create clear and reasonable goals. To this end, we are focused on having more new projects and projects that involve joint ventures with partners such as local authorities, landowners, developers who seek to diversify into new business segments such as digital and energy & utilities to open new revenue streams and generate value to shareholders. We also ensure good business ethics in all our business processes, accountability and transparency, strong working relationships among all the departments and talent retention through employee satisfaction and career progression. During the pandemic we introduced enhanced 3D virtual home buying experience and reached out to existing and potential customers via social media platforms.

Direct Economic Value Generated

The generation of financial value such as revenues and profits are essential to sustain business operations of any for-profit entity. Often, financial performance helps to drive sustainability strategies and action plans, which typically require some financial investments at the start of initiatives.

Financial performance also enables the creation of indirect economic value for stakeholders. This includes distribution of dividends to shareholders, payment of taxes to the government (which enables social and infrastructure development), repayments to finances and the development and support of community infrastructure and services. In the period under review, our operating value was RM122.5 million, of which RM48 million were invested in employee wages and benefits, while RM1.68 million went to tax payment.

Economic Value Generated (RM)	Economic Value Distributed (RM)	
Operating Value: RM122,575,073 Other Income: RM6,366,746	Operating Costs	
	Cost of sales	RM176,010,016
	Administration cost	RM30,163,985
	Other expenses	RM80,153,689
	Financial cost	RM7,513,202
	Taxes	RM1,680,866

Note: The data collected above is for Ireka's group figures from 01.04.2021 to 30.06.2022

SUPPLY CHAIN MANAGEMENT

Due to our diversified portfolios, we rely on various suppliers and vendors to obtain materials, products, and services for the Group. We strive to give back to the local communities by sourcing for goods and services from local suppliers and vendors, whose businesses are within the areas which we operate.

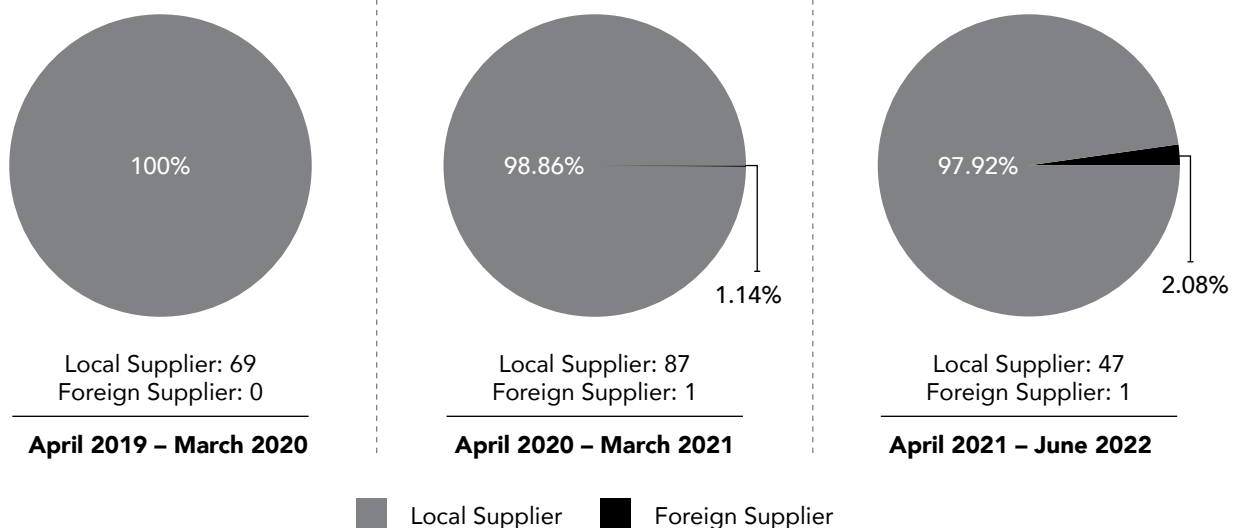
In addition, Ireka's size and market position provides the unique opportunity to generate employment opportunities and develop many Malaysian small and medium enterprises and industries, which are essential to the economic growth of the nation. Local procurement also enables knowledge and skills transfer, reduces environmental footprint, and shortens the delivery time of goods and services.

Sustainability Statement

We are aware that timely payment is crucial in retaining suppliers and vendors to allow smooth daily operations. As such, we generally complete the payment process for our suppliers and vendors within 60 days of receiving the goods and services, while materials and products sourced overseas are paid by cash. We ensure equal business opportunity to all potential suppliers by putting in place a fair sustainable procurement system that meets the ISO 9001:2015 standards. Our procurement process is illustrated in the following infographics:



Ireka's Suppliers from April 2019 to June 2022



PRODUCT RESPONSIBILITY AND QUALITY

We are committed to upholding product responsibility and quality of all our products and services, from the project tendering stage to the post-handover of a project. All our project developments comply with the necessary safety rules and regulations via the implementation of stringent quality control and quality assurance processes in all stages.

To further uphold highest standards of product quality, we have attained the ISO9001: 2015 Quality Management System for product quality assurance. The standard enables us to conduct quality assurance of our projects from end-to-end involving systematic quality standards identification, project performance evaluation and quality compliance monitoring. In addition, our Property Management & Maintenance Department conduct a comprehensive check with the project managers on every completed unit and ensure that all defects are rectified before the handing over process.

Providing Sustainable Homes

In our bid to contribute to sustainable development, we strive to build sustainable homes by incorporating eco-friendly elements into our products. This includes installing rainwater harvesting system and integrating designs with natural lighting and ventilation. For instance, our KaMi Mont' Kiara Japanese concept condominium is incorporated with rainwater harvesting system to supply water for gardening. Each unit also has low emissivity glazing to keep the unit cool, hence improving energy efficiency.

Sustainability Statement

INNOVATION

Innovation is key to remaining competitive in the real estate industry even more so during the COVID-19 pandemic. Amid disruptions from the pandemic, we adopted innovative technologies and pivoted to digital platforms by leveraging our corporate website and social media pages to enhance customer experience and promote our products. Among the measures included promoting on our facebook page and the launching of 3D virtual property tour on the corporate website to improve home buying experience. As of end of FYE 2021, the initiative has attracted 760 responses from potential home buyers and investors to have direct access to the information on our products.

BUSINESS ETHICS

Establishing good business ethics and governance is fundamental to drive the Company's sustainability as it reflects how we generate value responsibly for our stakeholders and potential investors. We continue to uphold the high standards of ethical conduct and practices within our operations to meet regulatory compliance and ensure our corporate integrity and reputation is protected. This includes adopting a zero-tolerance approach for fraud, bribery and corruption and meeting local and international standards to ensure the safety and quality of our products.

We are guided by a set of corporate policies that reflect our views and our approach on issues such as bribery, corruption, harassment, whistleblowing and political interests. In addition, we are in the midst of revising our risk management procedure, which will incorporate a more thorough and sound risk assessment across our operations.

We continuously strive to adhere to local laws, industry best practices and corporate governance practices that are in line with Bursa Malaysia, the Malaysian Code on Corporate Governance 2021 (MCCG 2021), Companies Act 2016 and the Constitution of Ireka Corp. We acknowledge that any non-compliance will result in business and operational risks, legal and financial risks as well as reputational risk.

For more information on Ireka Corp's corporate governance, please refer to the Corporate Governance Overview Statement section from pages 52 to 60 in this Report.

Whistleblowing Policy & Channel

Ireka has a Whistleblowing Policy that protects whistleblowers from all forms of reprisals including victimisation, harassment or disciplinary action. We have revised our Whistleblowing policy and reporting channels during FYE2022 to update the policy's applicability and reporting procedures, defining our commitment towards the protection of all whistleblowers and to maintain relevancy. In addition, reports can now be made via an online form on the Company's corporate website to request for an investigation of an alleged misconduct.

Any information submitted within or alongside the report will be assessed thoroughly by the Internal Audit Committee chair for further investigation. Reports made in good faith shall be addressed in a timely manner and precautions will be taken to protect sensitive information submitted, both online and offline. A whistleblower who chooses to disclose any improper conduct will be accorded with confidentiality of identity, to the extent reasonably practicable, as long as the disclosure is made in good faith. In the year under review, there were zero whistleblowing reports received.

Ethical Conduct & Corporate Integrity

The Company is governed by a Code of Conduct ("the Code") and Ethics that guides internal and external stakeholders on expected corporate norms and behaviours. The Code outlines what is deemed as normal or acceptable behaviours and engagements for the Board and employees, including potential conflict of interest scenarios. It also addresses other areas such as sexual harassment, racial discrimination, coercion, and more. All new employees are briefed on our corporate integrity and ethical conduct during their induction session while directors are always being reminded by the Chairman, on the conduct of their duties. There were zero cases of non-compliance or unethical conduct reported in the year under review.

For more information on the Directors' Code of Ethics, please refer to our corporate website at <https://ireka.com.my/corporate-governance/>.

Zero Tolerance for Corruption

We are guided by the Group's Anti-Bribery and Anti-Corruption Policy ("the ABAC Policy") and its Guidelines, in line with the Malaysian Anti-Corruption Commission Act 2018. The ABAC Policy and its Guidelines that was updated during the financial year under review was communicated to our internal and external stakeholders via our corporate website, email and in-house training sessions that were held virtually and physically. In FYE2022, 24% or 8 of our Directors/Senior Management and 34% or 15 of our Management received anti-corruption awareness and training, while 37% or 29 employees received in-house training on the matter. We aspire for all remaining employees to complete training on anti-corruption in the near future.

All our Board Members and employees have been briefed on the ABAC Policy and acknowledged the policy. The ABAC Policy is also extended to external stakeholders such as suppliers, vendors and business partners across the value chain. The Board of Directors reviews the ABAC Policy & Guidelines on a periodic basis to ensure compliance with the necessary regulatory rules and the current operating procedures. In the year under review, there were zero reported and confirmed cases of corruption, and zero staff dismissed or disciplined due to non-compliance with the Policy.

Sustainability Statement

CUSTOMER PRIVACY

Providing network solutions including disaster recovery solutions and private cloud services is one of our core businesses and we are highly committed to protecting and safeguarding every customer and stakeholder's personal data. We believe in upholding transparency and customers' right by keeping our customers informed when their data is being collected, used or processed. This is in line with the requirement by the Personal Data Protected Act (PDPA) 2010, which makes it mandatory for us to obtain customers' consent before collecting or processing their personal data. Apart from customers, the processing of the personal data of all our stakeholders including business partners, contractors, suppliers, vendors, shareholders and Directors is done in accordance with the PDPA. As a public listed company, we acknowledge that failure to adhere to the PDPA will not only expose the organisation to legal risk but also reputational risk.

To ensure efficient management of data protection, meetings are held every quarterly between related parties within the Group to update the record of the incoming and outgoing of customers' information. In view of the new direction envisioned by the new Management, we are looking to revise the Group's data privacy practices to adopt a more comprehensive approach that is in line with the relevant legislation. In the year under review, there were zero substantiated complaints concerning breaches of customer privacy and losses of customers data.



People

PEOPLE

Ireka Corporation Berhad's employees are its most precious asset, and it is vital that we look after those under our employment, who are the frontliners of our business. We strive to provide a safe and healthy work environment for our employees and contractors' workers, and we continuously invest in the training and development of our people to shape a workforce that is resilient and adaptable to change.

DIVERSITY AND INCLUSION

The Group believes its strength comes from its diverse workforce, which is made up of talents from various backgrounds, experiences and cultures – a true reflection of the diverse communities in which we operate in. Our diversity enables us to grow and strengthen our business, as the multi-diversity enables more innovative thinking, creativity, better decision making and problem-solving abilities. As such, it is vital for us to ensure that inclusion, equality and diversity is well accepted and implemented in all divisions as outlined in UN SDGs 5: Gender Equality and UN SDGs 8: Decent Work & Economic Growth.

We hire and promote based on merit and we do not discriminate against ethnicity, gender, age, religious background, disabilities and nationality. All employees or candidates for employment are judged purely on merit; their qualifications, experience, professional contributions, and results achieved. Going forward, we will have in place a Diversity & Inclusion Policy, which is currently being drafted. In the year under review, there were zero cases of discrimination reported.

We continue to support the employment of locals in which we operate and in FYE2022, we recorded 100% of local employment rate and 100% of local Senior Management.

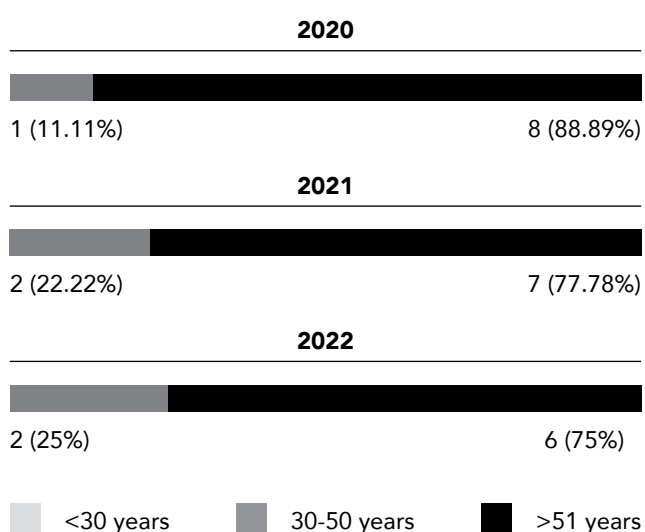
Diversity Performance Data

Percentage of Board Members by Gender (%)

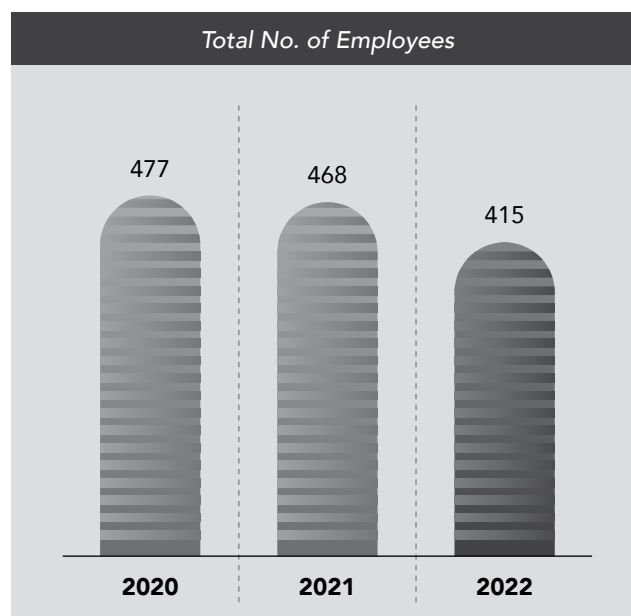
2020		2021		2022	
Male	Female	Male	Female	Male	Female
8 (88.89%)	1 (11.11%)	8 (88.89%)	1 (11.11%)	7 (87.50%)	1 (12.50%)

Sustainability Statement

Percentage of Board Members by Age Group (%)



Total No. of Employees



Employee Breakdown by Employment Contract Gender

All Ireka employees are on full-time employment contract.

2020			Total
Permanent	150	106	256
Temporary	197	24	221
	Male	Female	
2021			Total
Permanent	150	93	243
Temporary	202	23	225
	Male	Female	
2022			Total
Permanent	136	81	217
Temporary	179	19	198
	Male	Female	

Note:

1. Permanent contract refers to an employment contract with an employee for an indeterminate period.
2. Temporary contract refers to an employment contract that has a limited duration and is renewable upon approval from the Senior Management.

Sustainability Statement

Employee breakdown by gender, by age group and by employee category

2020	Gender		Ages			Ethnicity			
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Bumiputera	Chinese	Indian	Others
Senior Management	28	8	0	13	23	4	31	1	0
Management	33	17	0	33	17	5	44	1	0
Executive	30	41	21	40	10	32	33	4	2
Non-Executive	256	64	62	150	108	104	70	22	124
Total	347	130	83	236	158	145	178	28	126

2021	Gender		Ages			Ethnicity			
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Bumiputera	Chinese	Indian	Others
Senior Management	28	7	0	9	26	4	30	1	0
Management	36	15	1	35	15	7	43	1	0
Executive	31	37	17	41	10	29	33	4	2
Non-Executive	257	57	61	138	115	112	63	22	117
Total	352	116	79	223	166	152	169	28	119

2022	Gender		Ages			Ethnicity			
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Bumiputera	Chinese	Indian	Others
Senior Management	26	7	0	9	24	4	28	1	0
Management	30	14	0	30	14	7	36	1	0
Executive	32	34	17	39	10	27	34	3	2
Non-Executive	227	45	49	121	102	95	55	21	101
Total	315	100	66	199	150	133	153	26	103

New Hires

In the year under review, the Group's total new hires was 72 compared to 50 in FYE2021 due to the restructuring of the Group's management. Our employees are required to go through an induction programme to familiarise themselves with all aspects of the Group and to understand individual responsibilities as well as our corporate culture, values and policies. They also learn the procedures they need to adhere to, and our expectations on their ethical and professional conduct. Each new hire is given an Employee Handbook as soon as they are hired which details all the standards of professional behaviour expected from our employees.

By Age Group

Age Group/No. of New Hires	2020		2021		2022	
	No.	Rate	No.	Rate	No.	Rate
<30 years	26	0.34	21	0.42	24	0.50
30-50 years	34	0.44	22	0.44	23	0.48
>50 years	16	0.22	7	0.14	25	0.52

Sustainability Statement

By Gender

Gender/No. of New Hires	2020		2021		2022	
	No.	Rate	No.	Rate	No.	Rate
Male	57	0.75	44	0.88	51	0.71
Female	19	0.25	6	0.12	21	0.29

Turnover

By Age Group

Age Group/Turnover Rate	2020		2021		2022	
	No.	Rate	No.	Rate	No.	Rate
<30 years	22	0.25	40	0.35	49	0.22
30-50 years	40	0.45	48	0.42	90	0.41
>50 years	26	0.30	26	0.23	82	0.37

By Gender

Gender/Turnover Rate	2020		2021		2022	
	No.	Rate	No.	Rate	No.	Rate
Male	62	0.70	82	0.72	144	0.65
Female	26	0.30	32	0.28	77	0.35

Parental Leave for 2022

	Men	Women
No. of Employees Entitled to Parental Leave	3	100
No. of Employees Who Took Parental Leave	6	10
No. Employees Who Returned to Work After Parental Leave Ended	6	10
No. of Employees Who Returned to Work After Parental Leave Ended and Were Still Employed 12 Months After Their Return to Work	6	5
Return to Work Rate	100%	100%
Retention Rate	100%	50%

Sustainability Statement

EMPLOYEE MANAGEMENT

Engaging with our employees to build good relationships will boost productivity, increase teamwork and inculcate a sense of ownership and belonging at Ireka. It is vital for us to listen to our employees and strive to meet their needs to retain and attract the best talent, as well to strengthen the bond among co-workers and the Management. Fulfilling the needs of our employees and ensuring job satisfaction remains an important aspect in Ireka Corp to ensure long-term sustainable growth.

The Group organised periodic events such as festive dinners, potluck gatherings, and Townhall gatherings that were held on a quarterly basis in FYE2022. These initiatives were carried out to encourage our staff and management to get better acquainted outside of the normal work setting to further improve the interpersonal relationships between the staff and the management, while promoting a continuous learning culture. In addition, the Ireka Sport & Recreation Club was reactivated to engage in team building and improve camaraderie, while encouraging health and fitness at the same time. We also organised health talks on issues such as endometriosis and mental health to provide an avenue for staff with issues such as anxiety and stress.



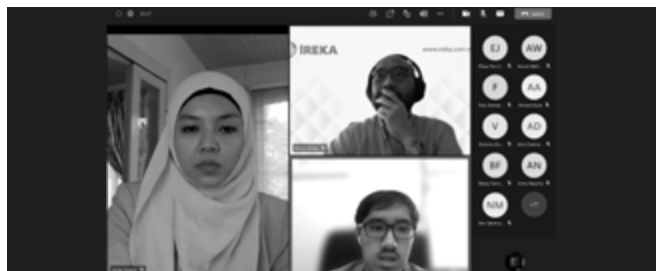
Group Managing Director addressing employees at the Townhall in January 2022



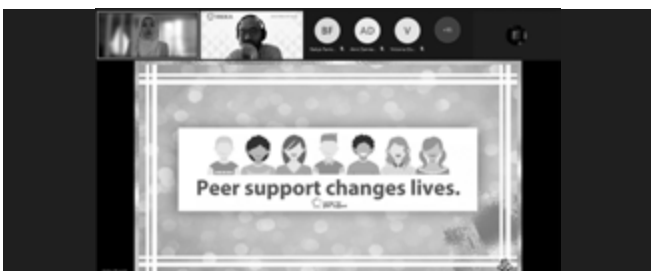
The Management team answering questions during the Q&A session during townhall



Ireka employees at the Raya Open House in May 2022



Ireka Cares Mental Health Awareness Programme with Mental Illness Awareness and Support Association (MIASA)



Screenshot from the kick off of Ireka Cares first mental health awareness programme



Screenshot of the virtual session on Endometriosis with MyEndosis President and Founder



Breathing life back to Ireka Sports & Recreation Club (ISRC) – started training again



ISRC training - A healthy workforce is a productive workforce with management joining in the fun

Sustainability Statement

Training & Education

Ireka Corporation Berhad recognises the need to provide training for its employees at all levels in the organisation to accelerate the professional development, performance and productivity of its workforce. Training is provided based on the individual employee's training plan which outlines gaps in skills or by equipping them with an entirely new skillset. This would largely improve their job performance and enable them to take on additional responsibilities towards driving their career advancement within the organisation.

Our training programmes are comprehensive and cover technical expertise, soft skills and leadership capabilities, which are conducted by internal and external trainers. Some of the programmes conducted in FYE2022 included sustainability impact and energy management.

Training Hours

By Gender

Training Hours/Gender	Male			Female		
	2020	2021	2022	2020	2021	2022
Total No. of Employees	10	16	30	3	4	13
Total No. of Training Hours	143	70	544	56	17	90
Average Training Hours Per Employee	14.3	4.38	18.13	18.7	4.25	6.92

By Employee Category


Employee Category	Total No. of Training Hours			Average Training Hours Per Employee		
	2020	2021	2022	2020	2021	2022
Non-Management	56	27	76	56	3.4	9.3
Management	141	28	355	12.8	3.5	8.5
Senior Management	2	15	113	2	5	7.1

Sustainability Statement

Employee Benefits

Our employees receive basic salaries that meet or exceed the stipulated national minimum wage as prescribed under the National Wages Consultative Council Act 2011 [Act 732], Minimum Wages (Amendment) Order 2022. Employees are also given promotions, salary increments, and bonuses based on performance and are rewarded for their time, hard work and dedication.

It was unfortunate that we were not able to conduct any employee performance reviews for the past two years due to disruptions by the COVID-19 pandemic and we hope to resume the annual employee performance reviews in FYE2023. All our full-time employees enjoy competitive benefits that aim to safeguard their health and wellness.

 Ireka's Benefits for Full-Time Employees	Outpatient Medical	Dental
	Group Hospitalization & Surgical Insurance	Compassionate Leave
	Group Personal Accident Insurance	Study & Exam Leave
	Parking Provided	Marriage Leave
	Paternity	Critical Prolonged Illness Leave
	Maternity	

HUMAN RIGHTS

We do not condone any form of forced labour, debt bondage, human trafficking, modern slavery, exploitation of workers or child labour as stated in the Children and Young Persons (Employment) Act 1966 and other relevant laws. All workers, especially those employed by third party contractors or sub-contractors, must ensure that their labour force is treated with dignity and that safe working conditions are provided. The operational working hours at Ireka Corporation Berhad are regulated under the employment contract with the employee, Employment Act 1955 and the Employment (Limitation of Overtime Work) Regulations 1980.

All of our workers have decent living quarters as provided for in the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446). In compliance with the Act 446, we also provide adequate access to healthcare and ensure workers are accorded all rights including the right to freedom of association, the right to religious freedom and collective bargaining. While we do not have union workers, we respect the right of suppliers and contractors' workers in freedom of association, as long as their participation in any association does not infringe Ireka Corp's Code of Conduct and Business Ethics. In the year under review, there were zero reported incidents of human rights violations. Going forward, we will establish a Human Right's Policy, which is currently being drafted.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees is of utmost importance to Ireka, as they spend most of their time at the workplace. As a responsible corporate organisation, we are committed to protecting our people and providing a conducive and safe work environment to deliver excellence and maintain a high-performance workforce.

As construction is our core business, our employees and workers are highly exposed to health and safety risk that are associated with various construction activities. To mitigate the risk, Ireka Corp has put in place robust Occupational Health and Safety ("OHS") policies and procedures to prevent fatalities at project sites, minimise non-compliances and improve awareness on good OHS practices. We also comply with all the relevant rules and regulations including the Occupational Safety and Health Act 1994 and Environmental Quality Act 1974.

We acknowledge that lack of OHS can lead to operational, reputational, legal and even financial risks. Workplace incidents could disrupt the construction activity of a project, and impact our delivery and workers' morale, as well as increase operational cost. Hence, it is imperative for us to ensure that the safest conditions possible for our employees and workers, so that they can go home safely. We aim to keep our people safe at all times and target to maintain zero fatalities. The term OHS is interchangeable with occupational safety and health (OSH) in this section.

Sustainability Statement

Occupational Health and Safety Management System (OHSMS)

We are guided by the Group's Health, Safety and Environment ("HSE") Management Standard to manage health and safety issues and minimise the risk of injury and illness across our operations. The HSE Management Standard, which covers 100% of our employees and contractors' workers, includes a Health and Safety manual that highlights the duties and responsibilities of project team members in managing safety and health, a safety and health monitoring plan and a fire prevention plan.

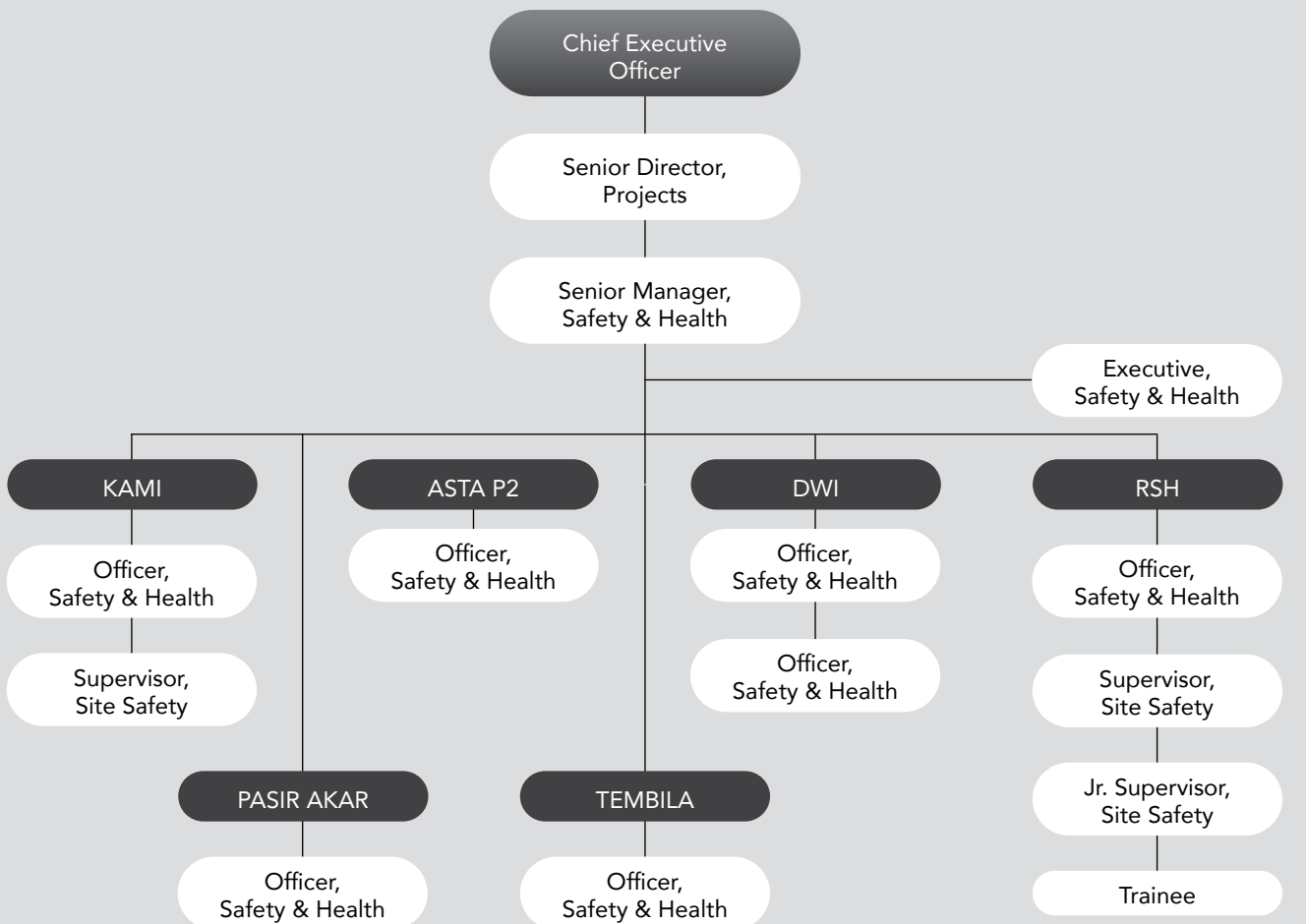
The manual ensures that we meet the requirements under the Occupational Safety and Health Act 1994 (Act 514) (OSHA 1994) and Building Operations and Works of Engineering Construction (Safety) Regulations 1986 (BOWEC1986).

The manual is applicable to all projects undertaken by Ireka Engineering & Construction Sdn Bhd (IECSB), which is responsible for developing the Safe Work Method Statement (SWMS). It covers safety procedures for various construction activities such as excavation, piling, foundation work, structure works, architecture, mechanical and electrical works. Prior to the commencement of a project, all employees and contractors are briefed on health and safety guidelines that comply with the Health and Safety manual.

Workers are expected to comply with all health and safety requirements, as stated in their contracts of employment. The Health and Safety manual will be reviewed from time to time for improvement to ensure excellent performance across our operations.

Occupational Health and Safety Governance

In the construction division, IECSB's OHS is under the direct purview of its CEO, who serves as the head of the Safety and Health Committee. The CEO represents the Board on OHS matters relating to the Company and its stakeholders. An overview of IECSB's Safety and Health Committee structure is provided below:



Sustainability Statement

IECSB's Safety and Health Committee reports to the Board and Senior Management twice a year on the data and information on loss time injuries (LTIs), fatalities, injuries, near misses, non-compliance issues, and other track safety and health KPIs. The Committee also updates the Board and Senior Management on the root causes of incidents and remedial / preventive action taken to reduce or eliminate future occurrences.

In addition, we ensure that a safety and health committee is established at each project site, in compliance with Section 30 of the OSHA 1994, which requires the establishment of such a committee if there are 40 or more persons employed at a workplace. The safety and health committee of each of our project is chaired by the Project Manager, who is supported by the Safety and Health Officer (Secretary). Based on Section 11 of the Safety and Health Committee Regulations 1996, the safety and health committee members are responsible for:

- Assisting the development of safety and health rules and safety systems at work
- Reviewing the effectiveness of safety and health programmes
- Analysing the trends of accident, near-miss accident, dangerous occurrence, occupational poisoning or occupational disease, and shall report to the employer of any unsafe or unhealthy condition or practices at the workplace, including recommendations for correction actions
- Reviewing safety and health policies and recommending any unnecessary revisions to the policies

During a meeting, workers are welcome to raise any OHS issue, which will be recorded by the Secretary for any necessary actions to be taken. The Secretary is also responsible for distributing the meeting's minutes two weeks after every meeting to the Committee members for record keeping and to Top Management for review. Apart from the construction division, all Heads of Departments across our operations are responsible for the safety and health of their staff in their respective departments.

Hazard Identification, Risk Assessment, and Incident Investigation

We strive to provide a safe and healthy workplace by conducting periodic risk assessments across our operations. This includes OHS risk and assessment for the Group, as well as for each project site.

At the work sites, hazards are identified, assessed and controlled through the Hazard Identification, Risk Assessment and Risk Control ("HIRARC"). This is done by identifying the work process, work sequence, observation and manufacturer's Standard Operating Procedures. In addition, an internal Site Safety Audit is conducted every two months at each project site and the audit report is reviewed by the management from time to time to ensure compliance and make any necessary improvements. In terms of audit compliance, the management has set as standard at 75% and above as an acceptable audit score from each site.

Further to that, a site safety supervisor (SSS) is assigned in each project site to communicate safety and health related matters to workers, such as:

- i) Instruction, information, supervision, training;
- ii) Information through weekly toolbox meeting regarding potential hazards; and
- iii) Briefing on unsafe work conditions.

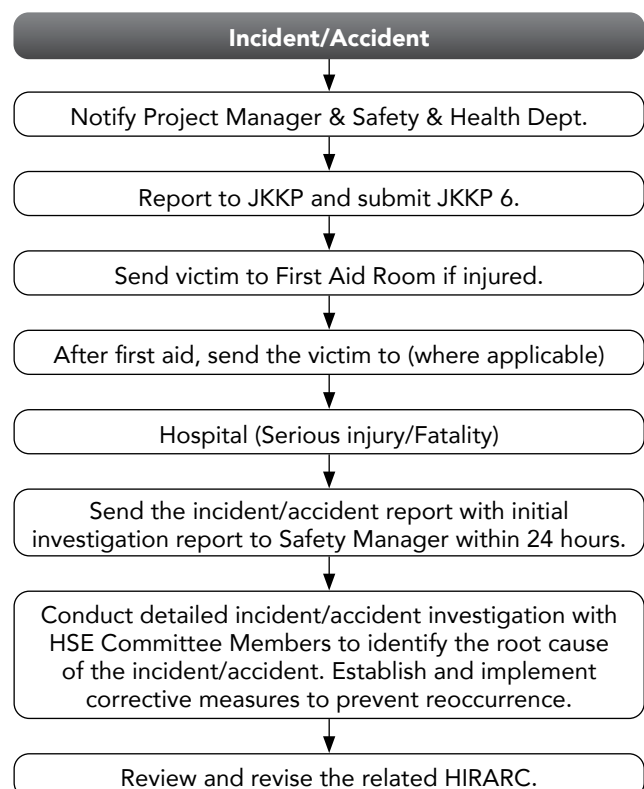
Additionally, safe work procedures are displayed clearly on notice boards and only competent workers are assigned to operate machineries.

Incident Investigation

Incidents or accidents at the workplace are investigated by the respective project's Safety and Health Committee, who are expected to fill up IECSB's Incident/Accident Report Form. The form consists of

- details of the victim,
- details and statements of witnesses,
- chronology of incident/accident (before, during, after),
- immediate and root causes of incident/accident,
- corrective and preventive actions to prevent reoccurrence,
- cause of incident/accident.

When an incident or an accident occurs, an employee or a worker should notify the Project Manager and the Safety and Health Department. The affected employee or worker will then be sent for first aid or brought to hospital, depending on the seriousness of the injury. The process of our incident report and investigation is illustrated in the following chart:



Sustainability Statement

Health and Safety Training

Occupational health and safety training has a key role in instilling a safety culture in our employees and workers. In the year under review, we could only conduct a limited number of health and safety training programmes due to disruptions from the pandemic. We aim to schedule monthly programmes for our workers, which will be conducted by Safety and Health Officers (SHO) to communicate the latest OSH developments and increase awareness on health and safety.

Currently, we conduct on the job training on the proper handling of machinery in a safe and secure manner. Weekly briefings are also held on safe operations of machinery or the safe methods of carrying out each workplace activity. Fire drills are conducted regularly while firefighting equipment are checked periodically in compliance with the Fire and Rescue Department's regulations.

During the reporting period, 10 health and safety training including fire prevention and first aid briefings /refresher courses were organised.

No.	Training Programme	Target Audience
1	Fire Evacuation Drill	All workers at each project site.
2	Safe Lifting Procedure	Workers involved in lifting activities.
3	Safe Erection of Scaffolding	Workers involved in scaffolding activities.
4	Safe Handling of Machineries at Construction Site	All workers at each project site.
5	Hazard Identification, Risk Assessment and Risk Control (HIRARC) Training for All Job Activities.	All workers at each project site.
6	Electric Cable Management	All workers at each project site.
7	Safe Handling of Mini Mixer	Workers involved in concreting activities.
8	Using A-Frame Ladder	Workers involved in working at height.
9	Proper Wearing of Full Body Harness	All workers at each project site.
10	Safe Handling of Mortar Pump	Workers involved in concreting activities.

Promotion of Worker Health

At Ireka, we go beyond providing a safe and healthy work environment for employees and workers by promoting the well-being of our workforce. We are aware of our legal and moral obligation to ensure our people remain healthy now more than ever, as we move towards the endemic phase.

To this end, the Company provides medical check-up once a year to confirm foreign workers' health status before permit renewal in compliance with FOMEMA, and schedules annual blood tests with the local health department.

We understand that the pandemic and various lockdown periods could cause mental stress to employees. Hence, we collaborated with the Mental Illness Awareness and Support Association (MIASA) in FYE2022 to organise talks and promote mental health awareness among employees. Going forward, we aim to expand mental health support to our employees such as providing remote therapy via a hotline.

Preventing and Mitigating Negative Health and Safety Impacts

We ensure that all the necessary Personal Protective Equipment (PPE) are provided to all workers due the nature of their work processes or activities. This includes ensuring that hazardous materials or chemicals are handled or used in accordance with its Material Safety Data Sheet. All employees and workers are covered by the OHSMS, in compliance with all the necessary health and safety standards.

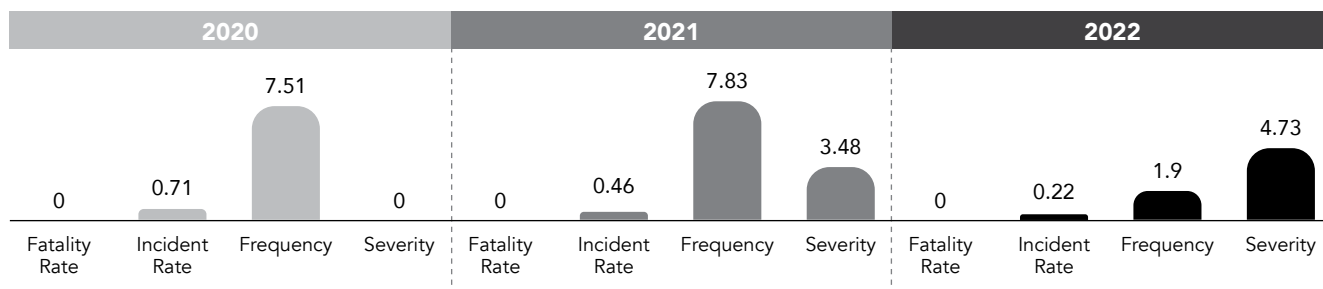
Sustainability Statement

Health and Safety Performance

We continuously monitor our health and safety performance to ensure a safe working environment for employees and contractors. We are pleased to report that we have maintained zero fatalities and high-consequence work-related injuries among employees and contractors from 2019 to 2022 due to stringent measures and OHS standards implemented across our operations and projects.

The frequency of the accidents decreased in 2021, indicating that Ireka's safety protocols and training initiatives are effective, but the severity of the incidents increased slightly from 2020 to 2021. To this end, we will employ strategic safety measures such as providing more comprehensive on job training, ensuring compliance to mandatory PPE relevant to the work process and adhering to Safe Work Method Statement. We will also ensure consistent supervision and clearer signage on safety procedures at work sites.

Work-related injuries, which were mostly cuts and bruises, minor first aid cases and arm amputation, as well as work-related ill health such as inhalation of chemical and exposure to loud noises dropped significantly in the last three years among employees and non-employees. This was mainly due to fewer manhours as a result of the various lockdown periods amid the pandemic. We will continue to improve our safety measures and increase health and safety awareness in the workplace.



Employees

Year	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0	0	0	0	0
Work-related injury <i>This refers to negative impacts on health arising from exposure to hazards at work. For example, a worker was injured while manoeuvring a tractor.</i>	3	5.32	2	3.48	0	0
High-consequence work-related injuries (exclude fatalities) <i>This refers to work-related injury that results in a fatality or an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.</i>	0	0	2	3.48	0	0
Recordable work-related injuries (include fatalities) <i>This refers to work-related injury or ill health that results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid or loss of consciousness.</i>	3	5.32	2	3.48	0	0
Number of hours worked	564,096		574,272		456,000	

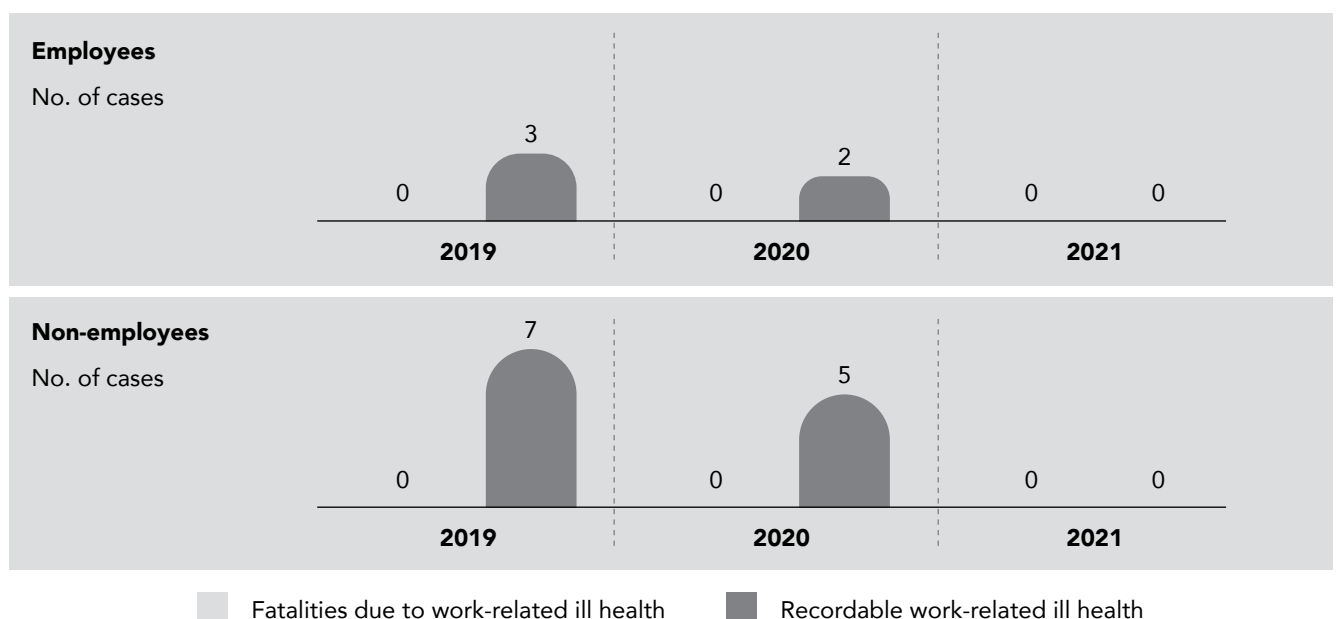
Sustainability Statement

APPENDIX 1

Employees (workers who are not employees but whose work and/or workplace is controlled by Ireka)

Year	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0	0	0	0	0
Work-related injury <i>This refers to negative impacts on health arising from exposure to hazards at work. For example, amputation of a limb, laceration, fracture, hernia, burns, loss of consciousness, and paralysis, among others.</i>	7	6.77	5	4.74	0	0
High-consequence work-related injuries (exclude fatalities) <i>This refers to work-related injury that results in a fatality or an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.</i>	0	0	0	0	0	0
Recordable work-related injuries (include fatalities) <i>This refers to work-related injury or ill health that results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid or loss of consciousness.</i>	7	6.77	5	4.74	1	1.66
Number of hours worked	1,033,408		1,055,076		601,666	

APPENDIX 2



Note: Our frequency and severity rates were calculated based on 1,000,000 hours worked as recommended by the GRI framework while fatality and incident rate were calculated based on 1,000 hours worked in compliance with DOSH.

Sustainability Statement



Environmental

ENVIRONMENTAL

Environmental management is crucial in our business operations as we strive to preserve natural resources for our future generations while contributing to sustainable development. We acknowledge our role as a responsible property developer to protect the environment through minimising the negative environmental impacts of our business activities and complying with the relevant regulatory laws and regulations.

ENVIRONMENTAL COMPLIANCE

We are highly aware that any non-environmental compliance or poor environmental management will expose the Group to reputational, financial and legal risks. As such, we are developing an Environmental Management Plan (EMP), which will cover all our current construction project sites under Ireka Engineering & Construction Sdn Bhd. The EMP will be discussed during the planning and designing stage of each project.

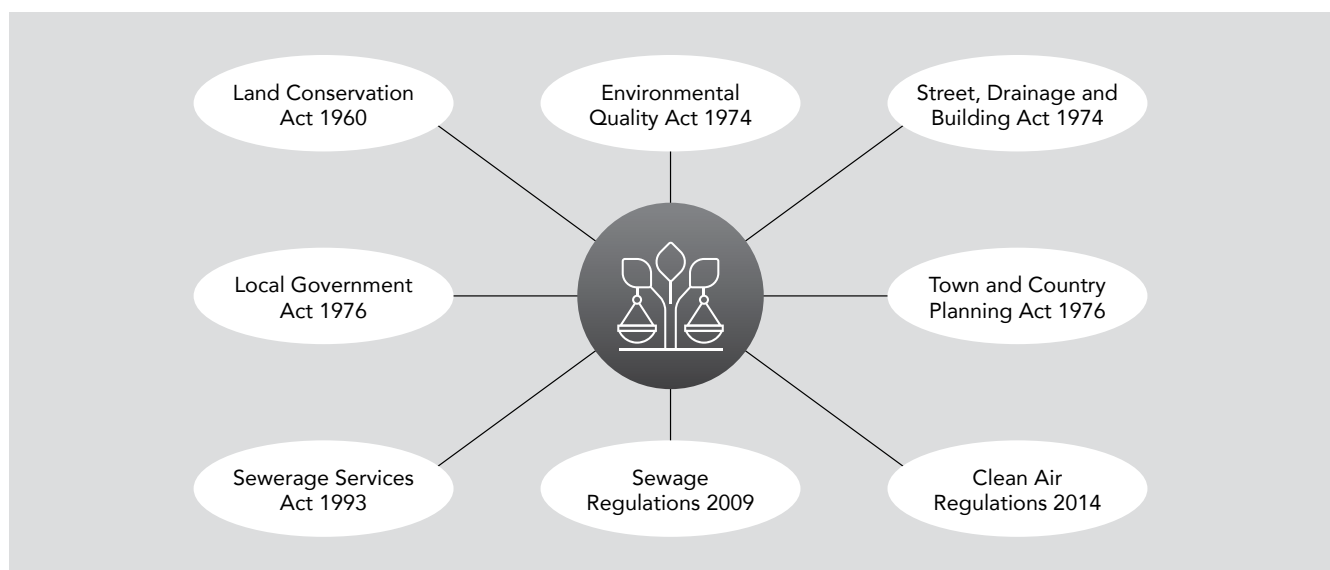
To ensure full compliance, we engage a third-party consultant to conduct monthly environmental monitoring compliance to adhere to the following limits set by the regulators:

- Total Suspended Solids value at **150mg/l**
- Total Suspended Particulate at **150µg/m³**
- Noise level at **65dBA** at project boundary

Additionally, our Safety and Health Manager carries out site compliance audit once every two months, and the audit report findings are submitted to the project manager of the site for actions to be taken on any non-compliance incidents found. Should there be a non-compliance incident, a non-compliance report would be issued to the project manager for immediate action, such as training and awareness.

Further to that, we employ good environmental practices at our project sites such as installing a proper temporary drainage system, maintaining a silt trap and a retention pond, as well as putting in place wash troughs to minimise dust exposure to the public.

We comply with the following environmental laws and regulations to protect our environment and ensure smooth daily operations. In the year under review, there were no notices or penalties issued by the Department of Environment due to non-environmental compliances.



Sustainability Statement

MATERIALS MANAGEMENT

Efficient materials management will enable us to optimise our materials by using and reusing materials more productively throughout their life cycles. Due to the nature of our business operations, we utilise both renewable material (aluminium formwork) and non-renewable material such as steel bar, timber and plywood. We keep track of our material consumption to monitor our environmental footprint and improve our environmental management.

Non-renewable material consumption

Non-renewable materials	FYE2020	FYE2021	FYE2022
Steel Bar (metric ton)	3,183.483	2,194.014	761.669
Timber (tonnes)	289.682	199.681	118.616
Plywood (m2)	46,450.80	47,698.21	20,558.34

Renewable material consumption

We use aluminium formwork, which can be reused for new projects if the standard panel is suitable for the new structure design. Meanwhile, non-standard panels are modified to suit the new structure while left-over materials are sold as scrap.

Total required aluminium formwork: 7,335.94 m²

Recycled aluminium formwork used:

FYE2020	4,745.67 m ²	64.66%
FYE2021	197.74 m ²	2.70%

Note: There was no data available for FYE2022 due to no new projects secured in the year under review.

ENERGY MANAGEMENT

Utilising energy efficiently will not only minimise our carbon footprint, but also helps to cut operational cost. We constantly strive to ensure efficient energy consumption by implementing good practices such as reminding employees to switch off the air-conditioning system before leaving their offices. Our energy consumption is primarily from purchased electricity and non-renewable sources, namely, diesel, for the use of generator sets and machinery at project sites. In FYE2022, our energy consumption was 22,523.87 Gigajoules. We will continue to monitor our energy consumption to minimise our environmental footprint and improve our energy efficiency going forward.

Total energy consumption for FYE2022: 22,523.87 Gigajoules

Fuel Consumption

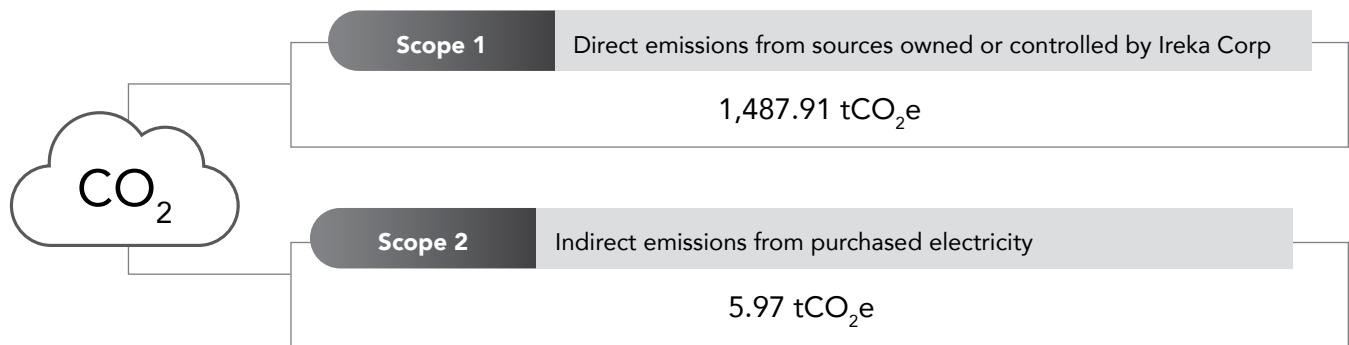
	Diesel (litres)	Energy (Gigajoules)
FYE2020	516,765	17,673.36
FYE2021	522,125	17,856.67
FYE2022	618,594	21,155.91

Electricity Consumption = 379.99 MWh (1,367.96 Gigajoules)

GHG Emissions

Climate change is one of the biggest global challenges and has potential major impacts on the property development sector. Extreme weather events such as floods, droughts and rising sea levels will disrupt project developments and even impact the value of a project. We acknowledge the need for us to focus on climate action and contribute to the global goal of lowering the world's temperature increase to below 2°C. As such, we are taking the first step by monitoring and disclosing the Scope 1 and 2 of our GHG emissions for the first time. Going forward, we hope to widen our disclosures and will look into Scope 3 GHG emissions to better track and lower our carbon footprint.

Sustainability Statement



WATER MANAGEMENT

Water is a finite natural resource that is irreplaceable if it is not well-managed. In our project sites, water is an important resource to our construction activity and to keep our sites clean. We are mindful of the importance of efficient water consumption and strive to minimise water withdrawal where possible. Our water is mostly from municipal water supply such as tap water and where available, we also withdraw water from nearby ponds for washing and cleaning. Prior to the commencement of each project, we will apply for municipal water supply if necessary. We also collect rainwater for general cleaning purposes, but we currently do not measure and track rainwater collection.

Water withdrawal

Municipal water (tap water): 20.29 Megalitres

WASTE MANAGEMENT

Managing our operational waste is crucial to not only protect our reputation but also our ecosystem. Lack of waste management at any of our project site will impact the environment, the local community, the public, as well as our operational cost. We acknowledge that construction activity inherently generates a lot of waste materials and hence, it is our duty to adopt a proper waste management system to minimise and manage our waste.

The most common type of waste generated at project sites include construction, domestic and scheduled waste. To ensure regulatory compliance, we engage third-party licensed contractors to dispose of our waste in approved landfills. Licensed contractors are also engaged to dispose of our stored scheduled waste, which is mostly engine oil generated during machinery maintenance.

We employ the practice of 4Rs – reduce, reuse, recycle and recover prior to sending any waste to landfills. For example, instead of plywood and timber, we use steel and aluminium moulds (formwork), which can be reused for other projects. We also reuse plastic packaging and concrete waste to construct lintel, stiffener and drainage cover, besides encouraging site workers to bring their own reusable food containers. Going forward, we aim to reduce our construction waste by 5% and are currently in the progress of collecting the data for construction waste and scheduled waste.

BIODIVERSITY

We are cognisant of the significance of the health of our ecological system and are committed to minimising adverse environmental impacts from our activities. As most of our projects are urban centric, our developments do not involve clearing of primary forests and operating by the coasts.



Community

COMMUNITY ENGAGEMENT

At Ireka, we are committed to building a society that continues to thrive by investing in and reaching out to the local community in which we operate. We are focused on making positive social impacts in four key areas: Health, Education, Environment and Community.

Our employees participate in selfless hours of community programmes through IREKA CARES, our CSR platform that serves as a mechanism to facilitate employee engagement and involvement with charitable partners. However, it was unfortunate that we could not carry out any community programmes in the last two years due to disruptions from the pandemic. Going forward, we will identify areas where we can contribute to deliver lasting positive impacts for society and the country.

In the year under review, we invested RM592,000 in a food court facility for the benefit of the local communities near the Asta development in Kajang, Selangor. The food court will be handed over to the Kajang Municipal Council upon completion. Further to that, we contributed cash donation for some community events organised by the council.

Sustainability Statement

GRI CONTENT INDEX

GRI Standards: Core Option

GRI Standard	Disclosure		Page Number	Omission
General Disclosures				
GRI 102: General Disclosures 2016				
Organisational Profile	102-1	Name of the organisation	Pg. 2	
	102-2	Activities, brands, products, and services	Pg. 6	
	102-3	Location of headquarters	Pg. 2	
	102-4	Location of operations	Pg. 6	
	102-5	Ownership and legal form	Pg. 93	
	102-6	Markets served	Refer to About Ireka and Ireka's corporate website at https://ireka.com.my/	
	102-7	Scale of the organisation	Pg. 33 Refer also to About Ireka, Management Discussion & Analysis and Notes to the Financial Statements	
	102-8	Information on employees and other workers	Pg. 33	
	102-9	Supply chain	Pg. 30	
	102-10	Significant changes to the organisation and its supply chain	Refer to Management Discussion & Analysis	
	102-11	Precautionary Principle or approach	Refer to Statement on Risk Management and Internal Control on pg. 62	
	102-12	External initiatives	Pg. 28	
	102-13	Membership of associations	-	Not disclosed due to insufficient information.
Strategy	102-14	Statement from senior decision-maker	Pg. 3	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	Refer to About Ireka	
Governance	102-18	Governance structure	Pg. 23 Refer also to Corporate Governance Overview Statement	
Stakeholder Engagement	102-40	List of stakeholder groups	Pg. 24	
	102-41	Collective bargaining agreements	Pg. 38	
	102-42	Identifying and selecting stakeholders	Pg. 24	
	102-43	Approach to stakeholder engagement	Pg. 24	
	102-44	Key topics and concerns raised	Pg. 24	

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Reporting Practice	102-45	Entities included in the consolidated financial statements	Refer to Notes to the Financial Statements	
	102-46	Defining report content and topic Boundaries	This Report covers the operations of Ireka Corporation Berhad	
	102-47	List of material topics	Pg. 27	
	102-48	Restatements of information	No restatements in the year under review.	
	102-49	Changes in reporting	The reporting period has been changed to align with the new financial year ending 30 June 2022.	
	102-50	Reporting period	1 April 2021 – 30 June 2022	
	102-51	Date of most recent report	31 July 2021	
	102-52	Reporting cycle	Annually	
	102-53	Contact point for questions regarding the report	sustainability@ireka.com.my	
	102-54	Claims of reporting in accordance with the GRI Standards	Pg. 22	
	102-55	GRI content index	Pg. 47	
	102-56	External assurance	-	This Report has not been externally assured. We aspire for our Report to be externally assured going forward.

Material Matter: Economic Performance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 29	
	103-2	The management approach and its components	Pg. 29	
	103-3	Evaluation of the management approach	Pg. 29	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pg. 29	

Material Matter: Supply Chain Management

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 29	
	103-2	The management approach and its components	Pg. 29	
	103-3	Evaluation of the management approach	Pg. 29	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Pg. 30	

Material Matter: Product Responsibility and Quality

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 30	
	103-2	The management approach and its components	Pg. 30	
	103-3	Evaluation of the management approach	Pg. 30	

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Material Matter: Innovation				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 31	
	103-2	The management approach and its components	Pg. 31	
	103-3	Evaluation of the management approach	Pg. 31	
Material Matter: Business Ethics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 31	
	103-2	The management approach and its components	Pg. 31	
	103-3	Evaluation of the management approach	Pg. 31	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Pg. 31	
	205-3	Confirmed incidents of corruption and actions taken	Pg. 31	
Material Matter: Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 32	
	103-2	The management approach and its components	Pg. 32	
	103-3	Evaluation of the management approach	Pg. 32	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg. 32	
Material Matter: Materials Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 45	
	103-2	The management approach and its components	Pg. 45	
	103-3	Evaluation of the management approach	Pg. 45	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Pg. 45	
Material Matter: Energy Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 45	
	103-2	The management approach and its components	Pg. 45	
	103-3	Evaluation of the management approach	Pg. 45	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Pg. 45	
Material Matter: GHG Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 45	
	103-2	The management approach and its components	Pg. 45	
	103-3	Evaluation of the management approach	Pg. 45	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Pg. 46	
	305-2	Energy indirect (Scope 2) GHG emissions	Pg. 46	

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Material Matter: Water Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 46	
	103-2	The management approach and its components	Pg. 46	
	103-3	Evaluation of the management approach	Pg. 46	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	Pg. 46	
Material Matter: Waste Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 46	
	103-2	The management approach and its components	Pg. 46	
	103-3	Evaluation of the management approach	Pg. 46	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Pg. 44	
Material Matter: Biodiversity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 46	
	103-2	The management approach and its components	Pg. 46	
	103-3	Evaluation of the management approach	Pg. 46	
Material Matter: Diversity and Inclusion				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 32	
	103-2	The management approach and its components	Pg. 32	
	103-3	Evaluation of the management approach	Pg. 32	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Pg. 34 & 35	
	401-3	Parental Leave	Pg. 35	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pg. 33 & 34	
Material Matter: Employee Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 36	
	103-2	The management approach and its components	Pg. 36	
	103-3	Evaluation of the management approach	Pg. 36	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 38	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Pg. 37	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Pg. 37	Part b – No transition assistance programmes were organised

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Material Matter: Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 38	
	103-2	The management approach and its components	Pg. 38	
	103-3	Evaluation of the management approach	Pg. 38	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety Management System	Pg. 39	
	403-2	Hazard identification, risk assessment, and incident investigation	Pg. 40	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pg. 39	
	403-5	Worker training on occupational health and safety	Pg. 41	
	403-6	Promotion of worker health	Pg. 41	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg. 41	
	403-8	Workers covered by an occupational health and safety management	Pg. 39	
	403-9	Work-related injuries	Pg. 42	
	403-10	Work-related ill health	Pg. 43	
Material Matter: Community Engagement				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Pg. 46	
	103-2	The management approach and its components	Pg. 46	
	103-3	Evaluation of the management approach	Pg. 46	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Pg. 46	

Corporate Governance Overview Statement

The Board of Directors ("Board") of Ireka Corporation Berhad ('Ireka' or 'the Company') is pleased to present this Corporate Governance Overview Statement ('Statement') to provide stakeholders with an overview of the extent of compliance with the three (3) Key Principles as set out in the Malaysian Code on Corporate Governance 2021 ('the Code') by the Company throughout the financial period ended 30 June 2022. This Statement also serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements ('Listing Requirements') of Bursa Malaysia Securities Berhad ('Bursa Malaysia'). The Corporate Governance Report is available on the website of Bursa Malaysia together with the Annual Report 2022 and is also posted on the Company's website at www.ireka.com.my.

The Board remains committed to ensuring that good corporate governance principles continue to be developed and implemented throughout the Group with the ultimate objective of enhancing shareholders' value, whilst taking into account the interests of other stakeholders as well as to generate long term sustainability and growth.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Group is led by an effective Board which plays an important role in protecting and enhancing the interests of its shareholders and stakeholders. The Board is responsible in determining the direction of Ireka Group, thereby ensuring the long term success of the Group and the delivery of sustainable value to its stakeholders. The Board provides leadership and advice on the corporate strategies, advocates good governance and ethical practices, and ensures the effective implementation of the corporate strategies. The principal responsibilities include the following:-

- reviewing and adopting strategic plans for the Group;
- overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- identifying principal risks and ensuring the implementation of appropriate internal control and mitigation measures;
- human capital affairs, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management;
- overseeing the relationship and communication with stakeholder for the Group; and
- reviewing the adequacy and integrity of the Group's internal control systems and management information systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Beyond the matters reserved for the Board's decision, the Board delegates the authority to implement the Group's strategies and managing the operations of the Group to the Group Managing Director and the Executive Directors who are supported by a capable Management team. The Board has oversight on matters delegated to the Management whereby updates are reported at least on a quarterly basis or as and when required. Non Executive Directors play key supporting roles, contributing knowledge and experience towards the formulation of policies and in the decision-making process. They provide relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that the corporate governance is applied.

Where appropriate, the Board delegates matters to the Board Committees, namely the Audit Committee ('AC'), Nomination & Remuneration Committee ('NRC') and Risk Management Committee ('RMC') to examine specific matters within their respective Terms Of Reference as approved by the Board. Although specific powers are delegated to the Board Committees, the Board keeps itself updated on the key issues and recommendations made by each Board Committee through the reports by the Chairmen of the Board Committees at Board meetings. The responsibility for decision-making lies with the Board.

Apart from formulating corporate strategies to enhance the shareholders' value, the Board puts its effort to drive and promote sustainable business practices covering economic, environmental and social aspects with a view to support the long term viability of the Group, the details of which are disclosed in the Sustainability Statement of this Annual Report.

The Board Charter which sets out the functions, roles, and responsibilities of the Board as well as the various internal processes and principles governing the Board has been adopted to guide the Board to discharge its roles and responsibilities effectively. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

The Board reviews the Board Charter periodically to keep it up to date with changes in regulations and best practices to ensure its effectiveness and relevance to the Board's objectives. The Board Charter was reviewed and revised on 29 June 2022, following amendments to Paragraph 15.01A of Bursa Malaysia Listing Requirement for the adoption of Director's Fit & Proper Policy in relation to the two-tier voting process for an Independent Director of the Company who exceeds a cumulative term of nine (9) years.

The Board Charter is available for reference at the Company's website at www.ireka.com.my.

Corporate Governance Overview Statement

The Chairman and the Managing Director

There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Chairman is responsible for looking after the best interest of all shareholders by instilling good corporate governance practices, leadership and effectiveness of the board, whilst the Group Managing Director has the responsibilities for the execution of the Group's strategies in line with the Board's direction, oversees the business operations and drives the Group's businesses and performance towards achieving the Group's vision and goals.

Company Secretary

The Board is supported by License Company Secretaries who are qualified to act under Section 235 and Section 241 (4) of the Companies Act 2016 ("the Act"). The Company Secretaries play an important role in ensuring that the governance matters, and Board procedures are adhered to and that applicable laws and regulations are complied with.

The Company Secretaries keep abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training, and the Board is regularly updated and advised on new statutory and regulatory requirements, and the implications on the Group and the Directors in relation to their duties and responsibilities.

Board Meetings and Supply of Information

An annual corporate meeting calendar is prepared in advance and circulated to all Board members before the beginning of every calendar year which provides the scheduled meeting dates for the Board, Board Committees and the Annual General Meeting ("AGM") to be organised by the Company to facilitate the planning of Directors' time. The Board is satisfied with the amount of time committed by the Directors in discharging their duties and roles as Directors of the Company. All the Directors of the Company complied with the Listing Requirements on the number of directorships held in the public listed companies, which are not more than five (5) directorships.

The Board meets at least five (5) times a year, with additional meetings being held as and when necessary. In the interval between Board meetings, Board decisions for urgent matters are obtained via circular resolutions, at which sufficient information is attached for an informed decision. During the financial period ended 30 June 2022, a total of thirteen (13) Board meetings were held and their respective attendance are as follows:

Existing Directors	No. of Meetings Attended
YBhg Tan Sri Dato' Mohd Ismail bin Che Rus	10/10
YBhg Dato' Azmi bin Abdullah	13/13
Shahruladeri bin Mohamad Adnan	12/12
YM Raja Azura binti Raja Mahayuddin (appointed on 4 January 2022)	4/4
YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail	12/12
Chow Sung Chek Simon	12/12
Wan Ahmad Nazim bin Mohamed Noor (appointed on 29 November 2021)	4/5
Chairil bin Mohd Tamil (appointed on 29 November 2021)	5/5
Directors departures during the financial period under review	
YBhg Datuk Lai Siew Wah (resigned on 5 July 2021)	2/2
YBhg Datuk Lai Voon Hon (resigned on 19 August 2021)	3/4
Lai Voon Huey, Monica (resigned on 15 November 2021)	7/8
Chan Chee Kian (resigned on 15 November 2021)	8/8

Corporate Governance Overview Statement

Existing Directors	No. of Meetings Attended
Tan Thiam Chai <i>(resigned on 15 November 2021)</i>	8/8
YBhg Datuk Lai Jaat Kong @ lai Foot Kong <i>(resigned on 5 July 2021)</i>	2/2
Hoe Kah Soon <i>(retired on 28 September 2021)</i>	6/7
Lau Mun Cheong <i>(resigned on 5 July 2021)</i>	2/2

All the Directors have complied with the minimum requirement of at least 50% on the attendance of Board meetings during the financial period as stipulated in the Listing Requirements of Bursa Malaysia.

All Board members are provided with agenda and Board papers containing relevant documents and information five (5) days in advance of the Board meetings to ensure the Board Members have reasonable time to review and consider the issues before participating in discussions and deliberations in Board meetings. The Board papers include minutes of the previous meetings, updates on financial, operational and corporate developments of the Group. The Board Members have the right and duty to make further enquiries where they consider necessary. Members of the management team are invited to provide insight and to furnish clarification on issues that may be raised by the Board. At the quarterly Board meetings, the Board reviews and discusses the business performance of the Group. All proceedings of the Board are recorded in the minutes and later confirmed by the Board. Where a potential conflict of interest may arise, it is mandatory practice for the Board Member concerned to declare his interest and abstain from the decision-making process.

The Board, whether as a full Board or in their individual capacity, has access to all information pertaining to the Group's business affairs and right to seek independent professional advice, if necessary, at the Group's expense, in furtherance their duties. Any request for independent professional advice from external consultants shall be raised for the consideration and consent of the Chairman. The Chairman shall authorise a Director or the Board to source for the advice of a suitable external consultant, based on the requirements of the Board.

In addition, all Directors have access to the advice and services of the Company Secretaries, who are responsible for ensuring that the Board meeting procedures, applicable rules and regulations are adhered to. The Directors may also seek advice from the Management on issues under their respective purview.

Code of Ethics and Conduct

The Board observes the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia ('Code of Ethics'). The Code of Ethics sets out the standard of conduct and ethical behaviors for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees which is encapsulated in the Group's Human Resource Policies. The Group communicates its Code of Conduct to all Directors and employees upon their appointment/employment and is deemed to be part of the Terms and Conditions of Service.

Anti-Bribery and Anti-Corruption Policy

The Board had on 30 May 2022 reviewed, approved and adopted the Anti-Bribery and Anti-Corruption Policy ('ABAC Policy'). The ABAC Policy serves to provide guidance on how to prevent, deal with and combat bribery and corrupt activities and issues that may arise in the course of business. The ABAC Policy is applicable to all employees, Directors and any person who performs services for and on behalf of the Group, which includes contractors, sub-contractors, consultants, suppliers, agents, intermediaries and representatives of the Group. The ABAC Policy is available on the Company's website.

Whistleblowing Policy

The Company had revised its Whistleblowing Policy on 30 May 2022, to facilitate employees and members of the public to disclose any improper conducts, wrongdoings, corruption, fraud and/or abuse in accordance with the procedures as provided under the said policy. The Whistleblowing Policy and the whistle blowing channel is available on the Company's website, for reference and ease of access towards reporting any improper misconduct of the Group.

Corporate Governance Overview Statement

II. Board Composition

As at 30 June 2022, the Board comprises eight (8) members which includes the Non Independent Non Executive Chairman, three (3) Independent Non Executive Directors ('INED') and four (4) Executive Directors.

The Board welcome, two (2) Executive Directors, En Wan Ahmad Nazim Bin Mohamed Noor and En Chairil Bin Mohd Tamil on 29 November 2021 and an Independent Non Executive Director, YM Raja Azura Binti Raja Mahayuddin on 4 January 2022.

An Independent Non Executive Director, Mr Hoe Kah Soon, opted not to seek re-election of his directorship, during the previous AGM held on 28 September 2021. The Board also departed with the following Directors, during the financial period, namely, YBhg Datuk Lai Siew Wah, YBhg Datuk Lai Jaat Kong @ Lai Foot Kong and Mr Lau Mun Cheong; on 5 July 2021, YBhg Datuk Lai Voon Hon; on 19 August 2021 and Ms Lai Voon Huey, Mr Chan Chee Kian and Mr Tan Thiam Chai, who vacated their office on 15 November 2021.

The current board composition complies with the Listing Requirements under para 15.09 (1) which requires at least 1/3 of the Board members to be Independent Directors. The Board is satisfied that the current number of independent Directors who had shown their spirit, intention and purpose to exercise independent judgment and act in the best interests of the Company.

The Board comprises members of calibre from a diverse blend of professional backgrounds ranging from business, management, economic, finance, accounting and trading experience. The Board views its current composition as encompassing right strength which is relevant and enable the Board to discharge its responsibilities in an effective and competent manner. The profiles of these Directors are provided on pages 15 to 19 of the Annual Report.

The Board is satisfied that there is no undue influence involved in all related party transactions. All related party transactions and the shareholders' mandate on the recurrent related party transactions were independently assessed by the AC to ensure compliance with the Listing Requirements of Bursa Malaysia. The Chairman encourages open discussion and free expression of opinions and suggestions at Board meetings. Every resolution tabled will be deliberated and all views from the Board are considered before a decision is made.

During the financial period under review, the Board and the NRC had assessed the independence of the Independent Directors and satisfied with the level of independence demonstrated by the Independent Board in which they could continue to bring objective and independent judgement in Board decision making.

The Board is aware of the importance of boardroom diversity to facilitate good decision-making as this enables different insights and perspectives to be harnessed. The Board is of the view that competency, skills, character, knowledge and experience is paramount important in selection of a director whilst the Listing Requirement set the minimum requirement of the nomination as Board. While the mandatory minimum set under the Listing Requirements to have at least one (1) woman on-board by June 2023, the Company continues undertaking measures to have boards comprising at least 30% women directors as recommended in the Code. The Board has appointed YM Raja Azura binti Raja Mahayuddin as Independent Non Executive Director on 4 January 2022 and when given the opportunity of meeting the suitable female candidates, the Board through its NRC will consider expanding on gender diversity.

In exercising objectivity in the selection process of Board of Directors, the NRC plans to have access to a wide selection of candidates such as referrals from Directors, business associates and management as well as utilising sources from industry, professional associates, independent search firms and registry of directors.

The Group has no immediate plan to implement a diversity policy for its workforce in terms of gender, ethnicity and age as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. However, the Group is committed in diversifying and applying equal employment opportunity approach in promoting diversity in the Group.

Corporate Governance Overview Statement

Tenure of Independent Directors

Independent Directors are tasked to ensure that there is a proper check and balance on the Board as they are able to provide unbiased and independent views during deliberations and decision-making of the Board, taking into account the interests of the Group and the minority shareholders.

The Board noted the recommendation of the Code under Practise 4.2 on the tenure of Independent Directors should not exceed a cumulative term limit of nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process. Alternatively, the Board may also retain the Director to serve the Board as a Non Independent Director.

During the financial period ended 30 June 2022, no Independent Director had served on the Board for more than nine (9) years from the date of his first appointment.

Appointments to the Board

All Board appointments are approved by the Board, upon recommendation of the NRC. The NRC is made up exclusively of Independent Directors as follows:-

1. YBhg Dato' Azmi bin Abdullah - Chairman
2. Shahruladeri bin Mohamad Adnan
3. YM Raja Azura binti Raja Mahayuddin (appointed on 4 January 2022)

The Chairman of the NRC is a Senior INED. The Terms Of Reference of the NRC are available on the Company's website.

The NRC is responsible for identifying, recommending and recruiting candidates for directorships and also to fill vacancies at Board Committees. For new appointments to the Board, the NRC shall meet with the candidates to assess their suitability before formally considering and recommending the shortlisted candidate for appointment to the Board. In assessing the suitability of the candidates, the NRC shall consider the candidates' character, experiences, competencies, integrity, time commitment and other qualities which the candidates would contribute to the overall desired composition of the Board. Based on the recommendation of the NRC, the Board will further evaluate and decide on the appointment of the recommended candidates.

In addition, an assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees, and also the contribution of each Director. The Board, through the NRC, reviews periodically the succession plans of the Board, its required mix of skills, experience and other qualities, including core competencies, which Non Executive Directors should bring to the Board, and make recommendations to the Board with regard to any changes. The assessment for the financial period ended 30 June 2022 indicated that there was a good balance in the composition of the Board and the members of the Board possessed the sufficient skills and experience in discharging their duties and responsibilities and the level of independence demonstrated by the INEDs was satisfactory with the ability to act in the best interest of the Company. All Directors retiring pursuant to the Company's Constitution and standing for election and re-election are assessed by the NRC before they are recommended for election and re-election by shareholders at the AGM. All assessments and evaluations carried out by the NRC in the discharge of all its functions are properly documented.

Election and Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year and one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3), shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. In addition, all Directors who are appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following AGM and shall be eligible for election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

The election and re-election of each Director will be voted on separately. The Directors who are seeking election and re-election at the forthcoming AGM are stated in the notice of the 46th AGM. The Board was satisfied with the performance of these Directors and recommended their proposed re-election to be tabled for shareholders' approval at the forthcoming AGM. To assist the shareholders in their decision, information on their personal profiles are provided on pages 15 to 19 of the Annual Report.

Corporate Governance Overview Statement

Directors' Training

The Board, apart from attending the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Malaysia, have also attended other training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with recent developments of the business environment, relevant changes in laws and regulations. The Directors are mindful that they should continue to update their skills and knowledge to sustain their active participation in Board deliberations and maximise their effectiveness during their tenure. In addition, the Company Secretary updated the Directors of the changes to the Listing Requirements and key corporate governance developments from time to time. YM Raja Azura binti Raja Mahayuddin, En Wan Ahmad Nazim bin Mohamed Noor and En Chairil bin Mohd Tamil who were appointed during the financial period under review, has attended the MAP within four (4) months from the date of appointment.

The training programmes and seminars attended by the Directors during the financial period ended 30 June 2022 are as follows:-

Directors	Title of Course
YBhg Tan Sri Dato' Mohd Ismail bin Che Rus	<ul style="list-style-type: none"> Cyber Security : What Directors Need to Know Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail	Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
Chow Sung Chek Simon	Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
Shahruladeri bin Mohamand Adnan	Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
YBhg Dato' Azmi bin Abdullah	Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
Wan Ahmad Nazim bin Mohamed Noor (appointed on 29 November 2021)	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
Chairil bin Mohd Tamil (appointed on 29 November 2021)	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act.
YM Raja Azura binti Raja Mahayuddin (appointed on 4 January 2022)	<ul style="list-style-type: none"> Directors Inhouse Training : MCGG 2021; What's New & Updates and a short preview of Section 17A of the MCGG Act. MIA International Accountants Conference 2022

III. Remuneration

The Board has deliberated and recommended a reasonable remuneration package for Directors for the consideration of the Shareholders at the next AGM, so as to ensure it is sufficient to attract, retain and motivate the Directors needed to manage the Group successfully. The Board have structured the Executive Directors', remuneration packages so as to link rewards to corporate and individual performance and to commensurate with their experience, skills and responsibilities arising from their respective executive/management positions in the Group. In the case of INED, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular INED concerned. They will be offered Directors' fee based on their responsibilities in Board committees. In addition, all Directors are indemnified under a Directors' and Officers' Liability Insurance against any liability incurred by them in the discharge of their duties.

The Directors play no part in deciding their remuneration. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors. The Directors' fees and benefits payable to the Directors are recommended by the Board and approved by the shareholders at the AGM pursuant to Section 230(1) of the Companies Act 2016.

Corporate Governance Overview Statement

The NRC reviewed the remuneration of the Executive Directors before recommending the same for the Board's approval. The Directors concerned were abstained from deliberation and voting on their own remuneration.

The remuneration of the Executive Directors commensurate with their experience, skills and education and is benchmark against industry standards. The Executive Directors, at which the details of the remuneration during the financial period ended 30 June 2022 is disclosed in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board aims to present a balanced, clear and meaningful assessment of the Group's position and prospect in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement, Management Discussion & Analysis, annual financial statements and quarterly announcement of results through Bursa LINK. The AC, among others assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial results and annual audited financial statements to ensure that they are drawn up in accordance with the applicable financial reporting standards and the requirements of the Companies Act 2016 prior to recommending them for approval by the Board and subsequent issuance to the shareholders.

The AC comprises three (3) INEDs. It is chaired by YM Raja Azura binti Raja Mahayuddin. All the AC members have sound knowledge on financial and accounting matters, experience and knowledge gained through extensive service on the Boards of other companies, have enabled them to discharge their duties and responsibilities efficiently. The AC Member have been attending continuous professional development programmes to enable them to keep abreast with relevant developments in accounting and auditing standards, practices and rules.

The NRC assessed the performance of the AC and the RMC together with its Members through an annual evaluation. Based on the outcome of the evaluation for the financial period under review, the Board were satisfied with the AC's and RMC's performance. Further information on the composition, attendance record and summary of activities of both the AC and RMC are presented in the Audit Committee Report and the Statement of Risk Management and Internal Control of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Company appoint Messrs Baker Tilly Montero Heng PLT ("the Auditor") on 25 May 2022 to replace Messrs Crowe Malaysia PLT who resigned on even date. The Company maintained transparent and professional relationship with the Auditors to enable them to independently report to shareholders in accordance with the statutory and professional requirement is established through the AC. The role of the AC Members in relation to the Auditors is stated in the Audit Committee Report of this Annual Report.

The AC assesses the performance, competency and professionalism demonstrated by the Auditors during the year. Prior to making a recommendation on the continuance of the incumbent Auditors, the AC had performed an annual assessment on the objectivity, qualifications, expertise, resources and effectiveness of the external auditors. Any provision of non-audit services by the external auditors or its affiliate companies will be reviewed to ascertain whether such provision of services would impair the auditor's independence or objectivity. The AC also obtained written confirmation from the Auditors that they are and have been, independent throughout the conduct of the audit engagement in accordance with the terms and the relevant professional and regulatory requirements.

Having considered all of the above criteria, the AC is satisfied with the performance of the Auditors and hence recommended to the Board for Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) to be re-appointed by shareholders as external auditors of the Company for the financial year ending 30 June 2023 at the forthcoming AGM.

II. Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for the Group's system of risk management and internal control, which includes the establishment of an appropriate control environment and framework, reviewing the integrity, effectiveness and adequacy of these systems to ensure that the Group's assets and the shareholders' interests are safeguarded.

Corporate Governance Overview Statement

The Company has in place an ongoing process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The Risk Management Committee ("RMC") established on 30 May 2022 has been delegated with the oversight responsibility of risk management. The Board, through its RMC, reviews the key risks identified to ensure proper management and mitigation of risks within its control.

The Group's Internal Audit function, which is outsourced to a professional service firm, is an integral part of the assurance mechanism in ensuring that the Group's system of internal control is adequate and effective. The Internal Audit function reports directly to the AC.

The Statement on Risk Management and Internal Control which provides an overview of the state of internal control within the Group is set out in the Company's Annual Report 2022.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board values communications with shareholders and investors. These include various announcements made during the financial period, the timely release of Annual Reports, circulars to shareholders, press releases, announcements of quarterly and annual financial results, which provide shareholders with an overview of the Group's business and financial performances. The Executive Directors together with the Management may also hold meetings and interviews with investors and journalists to present and update on the Group's strategy, performance, major developments and launches of property developments.

In addition, the Group has a website, www.ireka.com.my that shareholders and investors can access for up-to-date information. To maintain transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. enquiry@ireka.com.my to which stakeholders can direct their queries or concerns.

The Board has identified Dato' Azmi bin Abdullah as the Senior Independent Non Executive Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders.

II. Conduct of General Meetings

The Board recognises the AGM as a principal forum for dialogue and interaction with shareholders. The Notice of AGM are sent out at least 28 days prior to the date of the meeting to ensure the shareholders have sufficient time to consider the resolutions that will be discussed and decided at the AGM.

At the AGM, the Board presents an overview of the performance of businesses in the Group to keep the shareholders informed and updated on current developments of the Group. All shareholders are encouraged to participate in the question and answer sessions. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and affairs of the Company and the Group. All Directors will attend general meetings unless unforeseen circumstances preclude them from attending the meetings. All Directors of the Company attended the previous AGM held on 28 September 2021.

In view of the Covid-19 pandemic, the Company conducted its 45th AGM on 28 September 2021 and subsequently an Extraordinary General Meeting ("EGM") on 3 February 2022, via live streaming using the Remote Participation and Voting ("RPV"). Both meetings were broadcasted from the Company's registered office.

All the resolutions set out in the notice of general meeting shall be voted by poll. Votes of any shareholders who are absent from the general meeting are cast via the proxies. An independent scrutineer shall be appointed to verify the results of the poll. The outcome of all resolutions proposed at the general meeting is announced via Bursa LINK showing the number of votes cast for and against each resolution at the end of the meeting. The minutes of general meetings and the key matter discussed are also made available to shareholders and public for reference at www.ireka.com.my.

Corporate Governance Overview Statement

KEY FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, the Board will continue to improve the Company's corporate governance practices by taking steps to address the current departures from the practices stipulated in the Code and instill a risk and governance awareness culture and mindset throughout the Group in the best interests of all stakeholders. The Board has identified the following forward-looking action items that will help to achieve its corporate governance objectives:-

- To improve the gender diversity representation on the Board and leadership positions.
- To ensure a ready pipeline of talent with right competencies and leadership potential to ensure succession coverage and for future talent development.
- To remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in the Code and all other applicable laws, where applicable and appropriate.

This statement has been approved by the Board of Directors on 26 October 2022.

Additional Compliance Information

(Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable for the services rendered to the Company and/or the Group by its external auditors, Messrs Baker Tilly Monteiro Heng PLT or their affiliated companies for the financial period ended 30 June 2022 are as follows:

	Group (RM)	Company (RM)
Audit fees	423,000	120,000
Non-audit fees*	5,000	5,000

* The non-audit fees paid or payable for the services rendered to the Company and/or the Group by Messrs Baker Tilly Monteiro Heng PLT consist of review of the Statement on Risk Management and Internal Control.

2. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) which involved the interests of Directors and/or major shareholders as at 30 June 2022.

3. Utilisation of Proceeds from Corporate Proposal

During the financial period, the Company completed a series of private placement exercise undertaken by third party investors, details of which are disclosed in Note 41(c) to the financial statements on pages 217 to 218 of this Annual Report. Pursuant to these private placement exercises, a total of 41,075,700 placement shares have been issued, with total proceeds raised amounting to RM26,871,877. Apart from RM431,116 of the proceeds which have been used to pay for the expenses of the exercise, the balance of RM26,440,761 have been utilized for working capital purposes.

Statement on Risk Management and Internal Control

Pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements, the Board of Directors of Ireka Corporation Berhad ("the Group") is pleased to present the Statement on Risk Management and Internal Controls of the Group for the financial period ended 30 June 2022. This Statement has been prepared in accordance with the above requirements and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

Board Responsibility

The Board of Directors ("Board") recognises the importance of a sound system of internal control and risk management framework for good corporate governance. The Board acknowledges its responsibility in maintaining a sound and effective risk management control system to safeguard shareholders' interests and the Group's assets. This includes the establishment of an appropriate control environment and framework, reviewing the integrity, effectiveness and adequacy of these systems to manage the key risks identified.

The Board recognises that the systems are designed to manage risks that may impede the achievement of the Group's business objectives rather than to eliminate these risks. The system can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Group's risk management process and internal control systems do not apply to associates companies where the Group does not have full management control.

The Board is of the view that the system of risk management and internal controls are in place for the financial period under review and up to the date of issuance of this Statement, is appropriate to business operations and that risks taken are at a reasonable level within the operations of the Group. The Board has received assurance from the Group Managing Director and Group Chief Financial Officer, who is primarily responsible for the financial management of the Group that the Group's system of risk management and internal controls is operating adequately and effectively, in all material aspects.

Risk Management

The Board recognises that an effective risk management practice is essential for the Group in pursuit of its corporate objectives, in today's challenging business environment. The Chief Executive Officer ('CEO') of each division, and head of departments are delegated with the responsibilities for identification and management of risks in their day-to-day operations within defined parameters and standards. They are accountable for all risks and internal controls assumed under their respective areas of responsibility; and responsible for creating a risk-awareness culture to ensure risk management and internal control principles are embedded in operational processes, project evaluation and monitoring. The deliberation of risks and related mitigating responses are carried out at the divisional operation

meetings and duly recorded in the risk sheets for control and monitoring by the respective CEO.

The risk identification process involves reviewing and identifying the possible risk exposure arising from changes in both, the external business environment and internal operating conditions. The risk measurement guidelines comprised quantitative and qualitative measures of risk consequences based on the risk likelihood rating and risk impact rating. Risk Profile consists of principal business risks which are identified and documented in the Risks Register. The Risks Scoresheets includes the description of the risk, the consequences if the risk were to crystalize, the likelihood and impact of the risk to the Group. The Group Risk Management Reports were tabled to the Audit Committee 29 June 2021 and 30 May 2022 for review and further reporting to the Board. The Audit Committee also reviewed the revised risk management procedures during the Audit Committee meeting held on 30 May 2022.

To further strengthen the risk management process, the Group established the Risk Management Committee on 30 May 2022. The Committee comprises the following members:

1. En Shahruladeri Bin Mohamad Adnan
Chairman/Independent Non Executive Director
2. YBhg Dato' Azmi Bin Abdullah
Member/Senior Independent Non Executive Director
3. YM Raja Azura Binti Raja Mahayuddin
Member/Independent Non Executive Director
4. Chairil Bin Mohd Tamil
Member/Executive Director

The main objective of the Committee is to review, minimising or avoiding major risks. The Risk Management Committee is supported by the Risk Department and the external Internal Auditors which provides an independent assessment and evaluation of the effectiveness of the Group's risk management on a quarterly basis.

The Executive Directors and CEO of the respective divisions ensure all key risks affecting the business operation and achievement of their objectives are considered and incorporated into their business plan and strategy. The Board is of the view that it is an ongoing process for identifying, evaluating, monitoring and managing the key risks in their daily operational activities for the year under review and up to the date of issuance of this statement.

The Group has identified, evaluated and put in place measures to mitigate the principal risks faced by the business operations.

Statement on Risk Management and Internal Control

Key risk	Mitigation Strategy
Inadequate corruption due diligence practices	<ul style="list-style-type: none"> To implement a due diligence assessment on new vendors and subcontractors which the results or concerns shall be recorded. To obtain acknowledgement and communicate with new vendors and subcontractors on their acceptance/adherence to the Group's Anti-Bribery and Anti-Corruption Policy ("ABAC"). To include the requirement of due diligence assessment on the Client's employees, new vendors and subcontractors into the existing ABAC policy.
Lapses in the appointment of new sub-contractors	<ul style="list-style-type: none"> To ensure the appointment of new subcontractor is supported with the approved Bid Analysis & Award Recommendation ("BAAR"). To ensure BAAR is prepared and approved following the authority limit before contracts are awarded to sub-contractors. To adhere to the requirement of BAAR and Authority Limits as a pre-requisite to any appointments of sub-contractors.
Inadequate practices for the monitoring of steel prices	<ul style="list-style-type: none"> To implement cost-saving initiatives such as reducing material wastage, controlling inventory and sourcing for more suppliers. To monitor the market prices of basic or high-cost impact materials every month to detect and forecast the rate of price fluctuations and to coordinate with the Planning Department to review the materials procurement schedule to capitalise on the market trend.
Lapses in project cost monitoring	<ul style="list-style-type: none"> To standardise the project budgeting practices and ensure that all relevant components of project costs are included in project budget for monitoring. To identify root causes of significant cost overrun. The root causes of cost overrun and the corresponding mitigation measures shall be discussed/documentated in the Project Budget Report.
Lack of follow up on the renewal of sub-contractors' performance bond	<ul style="list-style-type: none"> The validity of the sub-contractors' performance bonds shall be discussed in the weekly site meeting and shall be minute for follow up. Any concerns or issues shall be highlighted to HQ.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function assists the Board and Audit Committee ("AC") by providing an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control systems. Further details of the Internal Audit Function are set out in the Audit Committee Report on pages 65 to 67 of this Annual Report.

Other Key Elements of Internal Control

The other key elements of the Group's internal control systems are described as follows:

- clearly defined delegation of responsibilities to committees of the Board and to Management of operating units;
- clearly documented internal procedures in respect of operational and financial processes as set out in the ISO 9001:2015 Quality Management System Documents and the Financial Processes Manual;

- regular and comprehensive information provided to the Board and AC covering financial performance and key business indicators.
- monitoring of results against budget, with major variances being followed up and management actions taken, where necessary during respective Key Performance Index project meetings, management meetings and Board meetings; and
- regular visits to operating units by Executive Directors, CEOs and Senior Management; compliance with the Group's rules and regulations and employee conduct as set out in the Group's Human Resource Policies.

Review of Statement

Pursuant to Paragraph 15.23 of the Listing Requirements, external auditors have reviewed this statement for inclusion in this Annual Report 2022 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

Statement on Risk Management and Internal Control

Conclusion

There have been no significant weaknesses noted during the year which have resulted in any material losses. The Group Managing Director and the Group Chief Financial Officer assure the Board that the Company's internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Company. The Board is of the view that the Group's system of risk management and internal controls is adequate and effective to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of risk management and internal controls practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board shall continue to take appropriate and necessary measures and implement the recommendations of the internal auditors to further enhance the existing system of risk management and internal controls.

This statement has been approved by the Board of Directors on 26 October 2022.

Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

During the Financial Period ended 30 June 2022, the Audit Committee ("AC") comprises the following members:

- 1) YM Raja Azura Binti Raja Mahayuddin
Chairman/Independent Non Executive Director (appointed on 4 January 2022)
- 2) YBhg Dato' Azmi bin Abdullah
Member/Senior Independent Non Executive Director
- 3) En Shahruladeri Bin Mohamad Adnan
Member/Independent Non Executive Director

The members of the AC consist solely of Independent Non Executive Directors. All members are financially literate and the Chairman of the AC, YM Raja Azura Binti Raja Mahayuddin, graduated with a Bachelor of Accounting (Hons)) from University Utara Malaysia and holds Masters in Business Administration from Heriot Watt University, Edinburgh. She is also a member of Malaysian Institute of Accountants, a Certified Internal Auditor and a holder of Certification in Control Self-Assessment conferred by The Institute of Internal Auditors.

ATTENDANCE OF MEETINGS

During the financial period under review, a total of ten (10) AC meetings were held and the details of the attendance of the members are as follows:

Name	No. of Meetings Attended
YM Raja Azura Binti Raja Mahayuddin	4/4 (appointed on 4 January 2022)
YBhg Dato' Azmi bin Abdullah	10/10
En Shahruladeri Bin Mohamad Adnan	8/8 (appointed on 5 July 2021)

The Executive Director, who is the officer primarily responsible for the accounting records and financial management of the Group, the Financial Controller, the Chief of Risk and Compliance Officer, representatives of the outsourced internal audit function and the external auditors were invited to attend the AC meetings, when required, to explain and provide the AC with clarification on the activities involving their area of responsibilities.

The AC Chairman would brief the Board on the proceedings of each AC meeting. Minutes of each AC meeting were tabled for confirmation at the following AC meeting.

TERMS OF REFERENCE

The Terms Of Reference of the AC was reviewed on 24 August 2021 and are available on the Company's website at www.ireka.com.my.

Audit Committee Report

SUMMARY OF ACTIVITIES

The following activities were carried out by the AC for the financial period ended 30 June 2022 in discharging its functions:

- 1) Reviewed the quarterly unaudited financial results and year-end financial statements of the Group before recommending for approval by the Board, focusing particularly on:
 - i) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters were addressed; and
 - ii) compliance with accounting standards and other legal requirements
- 2) Reviewed the external auditors' report on their audit plan, the scope of works and the audit procedures to be adopted in the annual audit;
- 3) Reviewed and discussed with the external auditors the key audit matters raised from the results of their annual audit, the management letter and the audit report;
- 4) Reviewed the annual audited financial statements of the Company and the Group, which have been prepared in compliance with the applicable Malaysian Financial Reporting Standards ("MFRS") and in accordance with the provision of the Companies Act 2016, together with the external auditors prior to submission to the Board for consideration and approval;
- 5) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to the inclusion in the Company's Annual Report;
- 6) Considered the renewal of the proposed general mandate for recurrent related party transactions of a revenue or trading nature and the draft circular to shareholders before recommending to the Board for approval;
- 7) Invited the Executive Director who is primarily responsible for the accounting records and financial management of the Group to all the AC meetings to facilitate direct communication and to provide clarification on issues relating to the financial results of the Group, significant financial reporting issues and judgments made on the accounting matters;
- 8) Reviewed and approved the risk-based audit plan of the internal auditors;
- 9) Reviewed and deliberated on internal audit reports tabled during the year, the audit recommendations made and Management's response to these recommendations. The AC briefed the Board on audit findings, sought clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements could be made;
- 10) Reviewed the results of follow-up audits conducted by the internal auditors on the Management's implementation of audit recommendations to ensure that corrective actions have been implemented in a timely manner;
- 11) Reviewed all related party transactions entered into by the Company and the Group to ensure that such transactions were undertaken at arm's length and on normal commercial terms prior to submission for the Board's approval;
- 12) Reviewed the actual values of recurrent related party transactions entered into by the Company and the Group against the approved estimated values mandated by shareholders on a quarterly basis;
- 13) Reviewed the key risks identified by the Chief Executive Officers of the Group's core businesses as contained in the Group Risk Management Reports before recommending the same for the Board's consideration; and
- 14) Reviewed, assessed and monitored the performance, competency and professionalism demonstrated by the external auditors. The AC was satisfied with the performance and noted the audit independence of the external auditors and accordingly, it was recommended to the Board for their re-appointment to be tabled for approval at the forthcoming Annual General Meeting.

Audit Committee Report

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group's internal audit function, which reports directly to the AC, is outsourced to Tricor Axcelasia Sdn Bhd. The main role of the internal audit function is to undertake regular reviews of the Group's systems of controls, procedures and operations so as to provide independent and objective assurance to the AC regarding the adequacy and effectiveness of internal control, risk management and governance systems. The Engagement Executive Director is Ms. Melissa Koay who has diverse professional experience in internal audit, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms. Melissa is also a Certified Internal Auditor.

The number of staff deployed for the internal audit reviews is ranging from 2 to 3 staff per visit including the Engagement Executive Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk based approach and were guided by the International Professional Practice Framework.

During the financial period ended 30 June 2022, the outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan approved by the AC. The entities and business processes reviewed were as follows:

Entity	Business Processes
Ireka Engineering & Construction Sdn Bhd	<ul style="list-style-type: none">• Procurement• Project Operation Risk Management
Ireka Development Management Sdn Bhd	<ul style="list-style-type: none">• Property Handover

The Internal Auditors also presented the follow-up status report on previously reported audit findings in respect of the following entities and business processes:

Entity	Business Processes
Ireka Engineering & Construction Sdn Bhd	<ul style="list-style-type: none">• Tender Management• Procurement
Ireka Development Management Sdn Bhd	<ul style="list-style-type: none">• Project closure• Sales and Marketing• Project Development & Planning

The results of the audit reviews were discussed with the Senior Management and subsequently, the audit findings including the recommendations for improvement were presented to the AC at scheduled meetings. In addition, the internal audit function carried out follow up reviews to ensure that corrective actions have been implemented in a timely manner by Management and the results of such reviews are also periodically reported to the AC. Although a number of internal control weaknesses were identified, none of the weaknesses have resulted in any material losses that would require separate disclosure in this annual report.

The total costs incurred for the outsourcing of the Internal Audit function for the financial period ended 30 June 2022 was RM 82,672.68.

This statement has been approved by the Board of Directors on 26 October 2022.

Statement of Directors' Responsibility

for Preparing the Financial Statements

(Pursuant to Paragraph 15.26(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Directors are responsible for the preparation of the financial statements of the Group in accordance with the Malaysian Financial Reporting Standards, the Companies Act 2016 ('Act') and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2022 and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- applied suitable and approved accounting policies consistently;
- made reasonable, prudent judgments and estimates;
- ensured strict adherence of all applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Group and of the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and are kept in accordance with the Act.

The Directors have overall responsibilities to take such steps as reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

(This Statement has been approved by the Board of Directors on 31 October 2022)

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Independent Auditors' Report

Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

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

CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company changed their financial year end from 31 March to 30 June and made up their financial statements for the 15 months period to 30 June 2022. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

RESULTS

	Group RM	Company RM
Loss for the financial period, net of tax	<u>(167,165,396)</u>	<u>(227,323,562)</u>
Attributable to:		
Owners of the Company	(166,479,503)	(227,323,562)
Non-controlling interests	<u>(685,893)</u>	<u>-</u>
	<u>(167,165,396)</u>	<u>(227,323,562)</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

RESERVES OR PROVISIONS

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

Directors' Report

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Directors' Report

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company had increased the total number of its share capital from 186,708,050 ordinary shares to 227,783,750 ordinary shares by way of:

- (i) Issuance of 9,500,000 new ordinary shares at an issue price of RM0.6357 per ordinary share;
- (ii) Issuance of 9,170,800 new ordinary shares at an issue price of RM0.5746 per ordinary share;
- (iii) Issuance of 20,000,000 new ordinary shares at an issue price of RM0.7000 per ordinary share; and
- (iv) Issuance of 2,404,900 new ordinary shares at an issue price of RM0.6500 per ordinary share.

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

During the financial period, the Company issued 67,608,000 units of redeemable convertible preference shares at a price of RM1.00 per unit. Further details are disclosed in Note 23(a) to the financial statements.

There were no issue of debentures during the financial period.

Directors' Report

DIRECTORS

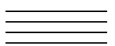
The directors in office during the financial period and during the period from the end of the financial period to the date of the report are:

Dato' Azmi Bin Abdullah	
Datuk Mohd Hasnul Ismar Bin Mohd Ismail *	(Appointed on 5 July 2021)
Simon Chow Sung Chek *	(Appointed on 5 July 2021)
Shahruladeri Bin Mohamad Adnan	(Appointed on 5 July 2021)
Tan Sri Dato' Mohd Ismail Bin Che Rus	(Appointed on 19 August 2021)
Chairil Bin Mohd Tamil *	(Appointed on 29 November 2021)
Wan Ahmad Nazim Bin Mohamed Noor *	(Appointed on 29 November 2021)
YM Raja Azura Binti Raja Mahayuddin	(Appointed on 4 January 2022)
Hoe Kah Soon	(Retired on 28 September 2021)
Datuk Lai Siew Wah *	(Resigned on 5 July 2021)
Datuk Lai Jaat Kong @ Lai Foot Kong	(Resigned on 5 July 2021)
Lau Mun Cheong	(Resigned on 5 July 2021)
Datuk Lai Voon Hon *	(Resigned on 19 August 2021))
Chan Chee Kian *	(Resigned on 15 November 2021)
Lai Voon Huey *	(Resigned on 15 November 2021)
Tan Thiam Chai	(Resigned on 15 November 2021)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of the report are:

Chan Huan Khim	
Mitsuhiro Nakazawa	
Dato' Mohd Hairiezan Bin Rasli	(Appointed on 1 September 2021)
Okamoto Keiji	(Appointed on 1 June 2022)
Shahrul Arizan Bin Mohd Adnan	(Appointed on 3 October 2022)
Ng Yau Siong	(Resigned on 31 December 2021)
Masaya Okano	(Resigned on 1 June 2022)
Leonard Yee Yuke, Dien	(Resigned on 6 October 2022)



Directors' Report

DIRECTORS' INTERESTS

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

Interests in the Company

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 30.6.2022
Direct interest:				
Datuk Mohd Hasnul Ismar Bin Mohd Ismail	5,269,700	-	(5,269,700)	-
Wan Ahmad Nazim bin Mohamed Noor	700,000	-	(700,000)	-
Indirect interests:				
Datuk Mohd Hasnul Ismar Bin Mohd Ismail [#]	1,226,150	14,066,750	(15,244,850)	48,050
Wan Ahmad Nazim bin Mohamed Noor [#]	3,286,100	10,564,800	(13,802,850)	48,050

Shares held through company in which the directors have financial interests.

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares of the Company and its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' Report

DIRECTORS' BENEFITS (continued)

The directors' benefits of the Group and of the Company are as follows:

	Group RM	Company RM
Directors of the Company		
Executive directors		
- Remuneration and other emoluments	3,072,946	2,585,539
- Estimated money value of benefits-in-kind	<u>32,800</u>	<u>32,800</u>
	3,105,746	2,618,339
Non-executive directors		
- Fees	<u>134,286</u>	<u>134,286</u>
	<u>3,240,032</u>	<u>2,752,625</u>
Directors of subsidiaries		
- Remuneration and other emoluments	<u>614,055</u>	<u>-</u>

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM12,730 respectively.

Directors' Report

SUBSIDIARIES

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

Other than those subsidiaries with modified opinions in their auditors' reports as disclosed in Note 8 to the financial statements, the available auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Details of significant events during the financial period and subsequent to the end of the financial period are disclosed in Note 41 to the financial statements.

AUDITORS

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

The auditors' remuneration of the Group and of the Company during the financial period are RM428,000 and RM125,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

Directors' Report

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

.....
DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL
Director

.....
WAN AHMAD NAZIM BIN MOHAMED NOOR
Director

Date: 31 October 2022

Statements of Financial Position

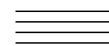
as at 30 June 2022

	Note	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
ASSETS							
Non-current assets							
Property, plant and equipment	5	14,143,288	21,792,494	25,011,554	1,894,879	2,154,787	2,326,087
Right-of-use assets	6	8,188,233	10,506,328	2,538,340	5,395,597	3,818,467	1,219,840
Investment properties	7	12,055,000	13,508,368	17,039,532	-	-	-
Investment in subsidiaries	8	-	-	-	36,886,848	104,786,840	104,786,840
Investment in associates	9	-	72,685,674	82,331,320	300,000	158,544,392	158,544,392
Investment in a joint venture	10	-	7,143,919	7,543,074	-	7,650,000	7,650,000
Finance lease receivables	11	-	-	-	2,156,000	5,653,438	-
Other investments	12	36,382,182	33,500	33,500	36,382,182	33,500	33,500
Deferred tax assets	13	55,126	55,126	180,413	-	-	-
Inventories	14	25,544,633	14,343,472	14,133,544	-	-	-
Total non-current assets		96,368,462	140,068,881	148,811,277	83,015,506	282,641,424	274,560,659
Current assets							
Inventories	14	81,507,853	110,392,385	143,302,671	-	-	-
Trade and other receivables	15	55,136,700	143,361,724	111,618,777	60,266,835	62,253,737	59,672,663
Contract costs	16	1,376,159	2,208,490	2,818,701	-	-	-
Contract assets	17	40,874,072	58,084,491	29,182,497	-	-	-
Finance lease receivables	11	-	-	-	539,235	921,628	1,003,537
Short-term fund	18	-	4,862,906	2,037,886	-	-	-
Deposits, cash and bank balances	19	18,499,444	24,530,191	25,564,689	10,344,315	4,224,588	6,694,107
Tax assets		1,543,497	1,193,967	-	-	-	-
Total current assets		198,937,725	344,634,154	314,525,221	71,150,385	67,399,953	67,370,307
TOTAL ASSETS		295,306,187	484,703,035	463,336,498	154,165,891	350,041,377	341,930,966

Statements of Financial Position

as at 30 June 2022

	Note	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	20	207,729,154	181,288,393	181,288,393	207,729,154	181,288,393	181,288,393
Foreign exchange reserve	21	(1,874,128)	(1,919,527)	(1,870,107)	-	-	-
(Accumulated losses)/Retained earnings		(343,209,721)	(178,843,646)	(160,329,227)	(155,927,226)	69,739,700	73,487,399
Non-controlling interests		(137,354,695)	525,220	19,089,059	51,801,928	251,028,093	254,775,792
		29,913,301	30,599,192	17,855,339	-	-	-
(CAPITAL DEFICIENCY)/ TOTAL EQUITY		(107,441,394)	31,124,412	36,944,398	51,801,928	251,028,093	254,775,792
Non-current liabilities							
Lease liabilities	22	6,684,380	8,987,353	708,287	6,589,871	8,835,042	524,562
Loans and borrowings	23	67,608,000	-	35,783,246	67,608,000	-	-
Retirement benefits obligation	24	3,696,206	5,820,308	8,090,834	526,194	2,214,779	3,070,048
Deferred tax liabilities	13	313,100	480,960	3,580,960	-	-	610,000
Total non-current liabilities		78,301,686	15,288,621	48,163,327	74,724,065	11,049,821	4,204,610



Statements of Financial Position

as at 30 June 2022

	Note	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Current liabilities							
Lease liabilities	22	1,833,912	1,637,534	2,876,894	1,729,752	1,552,118	1,680,702
Loans and borrowings	23	35,909,858	103,535,082	97,682,308	-	1,931,285	2,007,504
Retirement benefits obligation	24	557,400	230,986	520,670	201,782	-	81,770
Trade and other payables	25	232,331,354	315,985,043	241,606,776	25,708,364	84,480,060	79,180,588
Contract liabilities	17	2,543,314	4,296,171	23,990,382	-	-	-
Provisions	26	49,145,959	9,869,926	9,869,926	-	-	-
Tax liabilities		2,124,098	2,735,260	1,681,817	-	-	-
Total current liabilities		324,445,895	438,290,002	378,228,773	27,639,898	87,963,463	82,950,564
TOTAL LIABILITIES		402,747,581	453,578,623	426,392,100	102,363,963	99,013,284	87,155,174
CAPITAL DEFICIENCY NET OF TOTAL LIABILITIES/TOTAL EQUITY AND LIABILITIES		295,306,187	484,703,035	463,336,498	154,165,891	350,041,377	341,930,966

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

Statements of Comprehensive Income

for the financial period ended 30 June 2022

		Group		Company	
		1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)
	Note	RM	RM (Restated)	RM	RM (Restated)
Revenue	27	122,515,073	178,149,168	11,377,073	9,738,755
Cost of sales	28	(176,010,016)	(145,975,268)	-	-
Gross (loss)/ profit		(53,494,943)	32,173,900	11,377,073	9,738,755
Other income	29	6,366,746	3,751,645	669,949	520,104
Selling and administrative expenses		(30,163,985)	(24,398,419)	(14,835,046)	(13,714,984)
Net impairment losses on financial assets and contract assets		(11,104,653)	(13,579,866)	(26,745,806)	-
Other operating expenses		(69,049,036)	(6,079,957)	(195,891,308)	(1,002,236)
		(110,317,674)	(44,058,242)	(237,472,160)	(14,717,220)
Operating loss		(157,445,871)	(8,132,697)	(225,425,138)	(4,458,361)
Finance costs	30	(7,573,202)	(8,851,625)	(1,898,424)	(1,114,076)
Share of results of associates, net of tax		-	(9,645,646)	-	-
Share of results of a joint venture, net of tax		(465,457)	(399,155)	-	-
Loss before tax	31	(165,484,530)	(27,029,123)	(227,323,562)	(5,572,437)
Tax (expense)/ credit	33	(1,680,866)	990,858	-	610,000
Loss for the financial period/year		(167,165,396)	(26,038,265)	(227,323,562)	(4,962,437)

Statements of Comprehensive Income

for the financial period ended 30 June 2022

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Other comprehensive income, net of tax				
<i>Items that may not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit plans	2,113,428	3,021,694	1,656,636	1,214,738
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	45,399	(49,420)	-	-
Total comprehensive loss for the financial period/year	<u>(165,006,569)</u>	<u>(23,065,991)</u>	<u>(225,666,926)</u>	<u>(3,747,699)</u>

Statements of Comprehensive Income

for the financial period ended 30 June 2022

		Group		Company	
		1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Note					
(Loss)/Profit attributable to:					
Owners of the Company		(166,479,503)	(26,683,589)	(227,323,562)	(4,962,437)
Non-controlling interests		<u>(685,893)</u>	<u>645,324</u>	<u>-</u>	<u>-</u>
		<u><u>(167,165,396)</u></u>	<u><u>(26,038,265)</u></u>	<u><u>(227,323,562)</u></u>	<u><u>(4,962,437)</u></u>
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(164,320,676)	(23,711,315)	(225,666,926)	(3,747,699)
Non-controlling interests		<u>(685,893)</u>	<u>645,324</u>	<u>-</u>	<u>-</u>
		<u><u>(165,006,569)</u></u>	<u><u>(23,065,991)</u></u>	<u><u>(225,666,926)</u></u>	<u><u>(3,747,699)</u></u>
Basic and diluted loss per share (sen)					
34		<u><u>(78.55)</u></u>	<u><u>(14.29)</u></u>		

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

for the financial period ended 30 June 2022

Statements of Changes in Equity

for the financial period ended 30 June 2022

Group	Note	Attributable to owners of the Company				
		Share capital RM	Foreign exchange reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM
						Total equity/ (Capital deficiency) RM
Restated balance at 1 April 2021		181,288,393	(1,919,527)	(178,843,646)	525,220	30,599,192
Total comprehensive loss for the financial period						
Loss for the financial period		-	-	(166,479,503)	(166,479,503)	(167,165,396)
Other comprehensive income		-	45,399	2,113,428	2,158,827	2,158,827
Total comprehensive loss		-	45,399	(164,366,075)	(164,320,676)	(165,006,569)
Transactions with owners						
Issue of ordinary shares	20	26,871,877	-	-	26,871,877	-
Transaction costs of share issue	20	(431,116)	-	-	(431,116)	-
Non-controlling interest arising from investment in a subsidiary	8(a)	-	-	-	-	2
Total transactions with owners		26,440,761	-	-	26,440,761	2
At 30 June 2022		207,729,154	(1,874,128)	(343,209,721)	(137,354,695)	29,913,301

Statements of Changes in Equity

for the financial period ended 30 June 2022

← Attributable to owners of the Company →				
		Share capital	Retained earnings/ (Accumulated loss)	Total equity
	Note	RM	RM	RM
Company				
At 1 April 2020				
- As previously reported		181,288,393	76,984,764	258,273,157
- Effect of retrospective adjustments	38(d)	-	(3,497,365)	(3,497,365)
Restated balance at 1 April 2020		181,288,393	73,487,399	254,775,792
Total comprehensive loss for the financial year				
Loss for the financial year		-	(4,962,437)	(4,962,437)
Other comprehensive income		-	1,214,738	1,214,738
Total comprehensive loss		-	(3,747,699)	(3,747,699)
Restated balance at 31 March 2021		181,288,393	69,739,700	251,028,093
Total comprehensive loss for the financial period				
Loss for the financial period		-	(227,323,562)	(227,323,562)
Other comprehensive income		-	1,656,636	1,656,636
Total comprehensive loss		-	(225,666,926)	(225,666,926)
Transactions with owners				
Issue of ordinary shares	20	26,871,877	-	26,871,877
Transaction costs of share issue	20	(431,116)	-	(431,116)
Total transactions with owners		26,440,761	-	26,440,761
At 30 June 2022		207,729,154	(155,927,226)	51,801,928

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

Statements of Cash Flows

for the financial period ended 30 June 2022

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Cash flows from operating activities				
Loss before tax	(165,484,530)	(27,029,123)	(227,323,562)	(5,572,437)
Adjustments for:				
Bad debts written off	6,111,099	-	-	-
COVID-19-related rent concessions income	(106,173)	-	(64,884)	-
Deposits written off	8,472	-	-	-
Depreciation of:				
- property, plant and equipment	2,561,754	2,633,954	158,338	202,791
- right-of-use assets	2,299,734	1,959,602	1,056,089	796,940
Dividend income	(19)	(20)	(19)	(20)
Fair value loss/(gain) on:				
- investment properties	1,453,368	(1,668,838)	-	-
- other investments	24,604,198	-	24,604,198	-
GST receivable written off	2,703,773	-	-	-
Impairment losses on:				
- amounts owing by subsidiaries	-	-	26,745,806	-
- contract assets	4,932,562	35,408	-	-
- investment in an associate	-	-	105,003	-
- investment in subsidiaries	-	-	68,000,000	-
- other receivables	-	10,055,734	-	-
- trade receivables	10,478,837	3,488,724	-	-
Interest expense	7,573,202	8,851,625	1,898,424	1,114,076
Interest income	(290,322)	(442,740)	(577,548)	(306,856)
Loss on derecognition of an associate	11,732,794	-	97,186,509	-
Loss on lease modification	-	-	131,172	-
Loss/(Gain) on disposal of:				
- a joint venture	3,678,462	-	4,650,000	-
- investment properties	-	1,719,135	-	-
- property, plant and equipment	(1,483,900)	241,274	(14,435)	(43,923)
Loss/(Gain) on unrealised foreign exchange	23,823	22	(360)	(606)
Operating loss before changes in working capital, carried forward	<u>(89,202,866)</u>	<u>(155,243)</u>	<u>(3,445,269)</u>	<u>(3,810,035)</u>

Statements of Cash Flows

for the financial period ended 30 June 2022

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Cash flows from operating activities (continued)				
Operating loss before changes in working capital, brought forward	(89,202,866)	(155,243)	(3,445,269)	(3,810,035)
Property, plant and equipment written off	4,427,925	784,980	-	-
Provision for:				
- legal claims	11,505,438	-	-	-
- onerous contracts	27,770,595	-	-	-
- retirement benefits obligation	546,726	982,154	169,833	359,469
Reversal of impairment losses on:				
- contract assets	(35,408)	-	-	-
- other receivables	(782,614)	-	-	-
- trade receivables	(3,488,724)	-	-	-
Share of results of associates	-	9,645,646	-	-
Share of results of a joint venture	465,457	399,155	-	-
Operating (loss)/profit before changes in working capital	(48,793,471)	11,656,692	(3,275,436)	(3,450,566)
<u>Changes in working capital:</u>				
Contract assets and liabilities	10,560,408	(48,631,613)	-	-
Contract costs	832,331	610,211	-	-
Inventories	17,683,371	32,700,358	-	-
Trade and other receivables	72,608,559	(46,583,391)	(463,236)	1,252,604
Trade and other payables	(88,884,714)	62,199,141	639,392	2,340,387
Net cash (used in)/ generated from operations	(35,993,516)	11,951,398	(3,099,280)	142,425
Payment of retirement benefits obligation	(230,986)	(520,670)	-	(81,770)
Tax paid	(2,809,418)	(2,124,379)	-	-
Net cash (used in)/ from operating activities	(39,033,920)	9,306,349	(3,099,280)	60,655

Statements of Cash Flows

for the financial period ended 30 June 2022

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Cash flows from investing activities				
Investment in subsidiaries	-	-	(100,008)	-
Dividend received	19	20	19	20
Interest received	290,322	442,740	577,548	306,856
Proceeds from disposal of property, plant and equipment	2,482,374	717,181	151,495	52,899
Proceeds from disposal of right-of-use assets	149,259	-	149,259	-
Proceeds from disposal of investment properties	-	3,480,867	-	-
Proceeds from disposal of a joint venture	3,000,000	-	3,000,000	-
Purchase of property, plant and equipment	(338,947)	(1,158,329)	(35,490)	(40,467)
Repayments from/ (Advances to) associates	587,349	(1,607,349)	560,349	(1,579,612)
Advances to subsidiaries	-	-	(24,115,761)	(835,948)
Repayments from/ (Advances to) a joint venture	68,216	(68,216)	52,422	(52,422)
(Advances to)/Repayments from related parties	(48,727)	2,971,529	132,214	(146,094)
Withdrawal/(Placement) of short-term fund	4,862,906	(2,825,020)	-	-
Change in pledged deposits	6,076,449	(238,496)	351,840	(57,930)
Net cash from/(used in) investing activities	17,129,220	1,714,927	(19,276,113)	(2,352,698)

Statements of Cash Flows

for the financial period ended 30 June 2022

	Note	Group		Company	
		1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Cash flows from financing activities					
Advances from directors		6,888	1,924,379	-	1,751,122
Drawdown of term loans		2,150,455	14,121,081	-	-
Interest paid		(7,573,202)	(8,851,625)	(1,898,424)	(1,114,076)
Proceeds from issuance of ordinary shares		26,440,761	-	26,440,761	-
Proceeds from issuance of redeemable convertible preference shares		67,608,000	-	67,608,000	-
Payments of lease liabilities		(2,131,320)	(2,887,884)	(1,961,364)	(2,004,803)
Repayments of term loans		(38,751,475)	(33,224,650)	-	-
Repayments of banker acceptance		(18,582,000)	(4,466,000)	-	-
Repayments of revolving credits		(8,808,011)	(17,762)	(1,000,000)	(15,347)
Advances from an associate		6,232,889	9,523,753	-	-
(Repayments to)/Advances from subsidiaries		-	-	(59,411,088)	3,029,766
(Repayments to)/Advances from related parties		(1,008,752)	730,994	-	(1,821,802)
Subscription of shares in a subsidiary by the non-controlling interest		2	17,246,005	-	-
Net cash from/(used in) financing activities	(b)	25,584,235	(5,901,709)	29,777,885	(175,140)
Net increase/(decrease) in cash and cash equivalents		3,679,535	5,119,567	7,402,492	(2,467,183)
Cash and cash equivalents at the beginning of the financial period/year		4,126,971	(943,176)	(569,750)	1,896,827
Effect of exchange rates change on cash and cash equivalents		360	(49,420)	360	606
Cash and cash equivalents at the end of the financial period/year	19	7,806,866	4,126,971	6,833,102	(569,750)

Statements of Cash Flows

for the financial period ended 30 June 2022

(a) Total cash outflows for leases as a lessee:

	Note	Group		Company	
		1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)
		RM	RM	RM	RM
Included in net cash (used in)/from operating activities:					
Payment relating to short-term leases	31	179	62,608	-	-
Payment relating to leases of low-value assets	31	9,303	-	-	-
Included in net cash from/(used in) financing activities:					
Interest paid in relation to lease liabilities	30	575,792	221,562	474,078	115,897
Payment of lease liabilities		2,131,320	2,887,884	1,961,364	2,004,803
Total cash outflows for leases		<u>2,716,594</u>	<u>3,172,054</u>	<u>2,435,442</u>	<u>2,120,700</u>

Statements of Cash Flows

for the financial period ended 30 June 2022

(b) Reconciliation of liabilities arising from financing activities:

	1 April 2021 RM	Cash flows RM	Non-cash Acquisition RM	Others RM	30 June 2022 RM
Group					
Amounts owing to associates	9,523,753	6,232,889	-	-	15,756,642
Amounts owing to directors	9,511,505	6,888	-	(9,511,505)	6,888
Amounts owing to related parties	2,552,796	(1,008,752)	-	-	1,544,044
Banker acceptance	18,582,000	(18,582,000)	-	-	-
Term loans	52,092,156	(36,601,020)	-	-	15,491,136
Lease liabilities	10,624,887	(2,131,320)	130,898	(106,173)	8,518,292
Redeemable convertible preference shares	-	67,608,000	-	-	67,608,000
Revolving credits	23,098,011	(8,808,011)	-	-	14,290,000
	125,985,108	6,716,674	130,898	(9,617,678)	123,215,002
Company					
Amounts owing to directors	9,338,248	-	-	(9,338,248)	-
Amounts owing to subsidiaries	65,189,892	(59,411,088)	-	-	5,778,804
Lease liabilities	10,387,160	(1,961,364)	-	(106,173)	8,319,623
Redeemable convertible preference shares	-	67,608,000	-	-	67,608,000
Revolving credits	1,000,000	(1,000,000)	-	-	-
	85,915,300	5,235,548	-	(9,444,421)	81,706,427

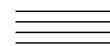
Statements of Cash Flows

for the financial period ended 30 June 2022

(b) Reconciliation of liabilities arising from financing activities: (continued)

	1 April 2020 RM	Cash flows RM	Non-cash Acquisition RM	31 March 2021 RM
Group				
Amounts owing to associates	-	9,523,753	-	9,523,753
Amounts owing to directors	7,587,126	1,924,379	-	9,511,505
Amounts owing to related parties	1,821,802	730,994	-	2,552,796
Banker acceptance	23,048,000	(4,466,000)	-	18,582,000
Term loans	71,195,725	(19,103,569)	-	52,092,156
Lease liabilities	3,585,181	(2,887,884)	9,927,590	10,624,887
Revolving credits	23,115,773	(17,762)	-	23,098,011
	130,353,607	(14,296,089)	9,927,590	125,985,108
Company				
Amounts owing to directors	7,587,126	1,751,122	-	9,338,248
Amounts owing to related parties	1,821,802	(1,821,802)	-	-
Amounts owing to subsidiaries	62,160,126	3,029,766	-	65,189,892
Lease liabilities	2,205,264	(2,004,803)	10,186,699	10,387,160
Revolving credits	1,015,347	(15,347)	-	1,000,000
	74,789,665	938,936	10,186,699	85,915,300

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



Notes to the Financial Statements

1. CORPORATE INFORMATION

Ireka Corporation Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company is located at Level 18, Wisma Mont’ Kiara, No.1, Jalan Kiara, Mont’ Kiara 50480, Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 October 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial period:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

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

Notes to the Financial Statements

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2022 [^]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] The Annual Improvements to MFRS Standards 2018-2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

Notes to the Financial Statements

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.6 Fundamental accounting principle

The financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and discharge their liabilities in the normal course of business.

- (a) During the financial period ended 30 June 2022, the Group and the Company incurred net loss of RM167,165,396 and RM227,323,562 respectively and as of that date, the Group's current liabilities exceeded their current assets by RM125,508,170 and the Group recorded a capital deficiency of RM107,441,394. In addition to that, the Group and the Company incurred net cash outflow in operating activities of RM39,033,920 and RM3,099,280 respectively.
- (b) On 1 March 2022, the Board of Directors of the Company announced that the Company has triggered the prescribed criteria under Paragraph 2.1(e) of the PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and that the Company is a PN17 Issuer effective from 28 February 2022.

The Company is required to submit a regularisation plan to the Securities Commission Malaysia within 12 months from the date of the First Announcement. The Company is looking into formulating a plan to regularise its financial condition and the announcement on the same will be made in due course.

Notes to the Financial Statements

2. BASIS OF PREPARATION (continued)

2.6 Fundamental accounting principle (continued)

- (c) On 29 July 2022, the Board of Directors of the Company announced that its subsidiary, Ireka Engineering & Construction Sdn. Bhd. ("IECSB") have filed their Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management ("JM OS").

The Board of Directors of the Company is of the view that this application is necessary and essential to address the debt position of the subsidiary, IECSB, which impacts the Group's PN17 condition and overall ability to move forward.

On 4 August 2022, IECSB also filed a Notice of Application to seek the appointment of an Interim Judicial Manager or an officer of the court with a suitable title for the purposes of conducting a proof of debt exercise pending the full and final disposal of the JM OS ("IJM Application").

On 8 August 2022, the Board of Directors of the Company announced that IECSB's IJM Application dated 4 August 2022 has been granted by the Kuala Lumpur High Court.

On 15 September 2022, the Board of Directors of the Company announced that the High Court of Kuala Lumpur has made an order to allow PWC Corporation Sdn. Bhd., OCK M&E Sdn. Bhd. and Chan Wai Electrical Engineering Sdn. Bhd. to intervene into the JM OS. The JM OS has been rescheduled for hearing on 3 November 2022.

- (d) During the financial period, the Company has issued a total of 41,075,700 ordinary shares via private placement exercise and raised RM26,871,877 as disclosed in Note 20.

The Company has, on 3 February 2022, obtained shareholders' approval through Extraordinary General Meeting on the proposal of the issuance of up to 112,680,000 units of 2% cumulative redeemable convertible preference shares ("RCPS") at an issue price of RM1.00 per RCPS. During the financial period, the Company has issued 67,608,000 RCPS and raised RM67,608,000. A further 45,072,000 RCPS is targeted to be issued in near future to raise a further RM45,072,000.

The Group has also accepted several conditional letter of award for a number of proposed development projects as disclosed in Note 41(f).

The Group is also exploring the divestment of land and buildings as well as a substantial block of investment in Aseana Properties Limited ("ASPL"), a company listed on London Stock Exchange. On 26 October 2022, the Group has disposed two units of freehold buildings for a total consideration of RM11,000,000. The Group is also currently looking at monetising other assets of the Group.

Notes to the Financial Statements

2. BASIS OF PREPARATION (continued)

2.6 Fundamental accounting principle (continued)

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

The Board of Directors is of the opinion that the preparation of the financial statements of the Group and the Company on a going concern basis remains appropriate given the following measures:

- (i) implementation of proposed debt restructuring exercise of a subsidiary, IECSB, to reduce the debt position;
- (ii) implementation of proposed regularisation plan to address the Group's PN17 condition;
- (iii) continuous financial support from the banks and creditors; and
- (iv) continuous effort in securing profitable projects.

If these events are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period/years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates and joint venture used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

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

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

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

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

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Joint arrangements

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

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Joint arrangements (continued)

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a “joint operation” when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as “joint venture” when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

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

(e) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, associates and joint venture are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions and operations (continued)

(b) Translation of foreign operations (continued)

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments:

▪ **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows:
(continued)

(i) Financial assets (continued)

Debt instruments (continued)

▪ Fair value through profit or loss (“FVPL”)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

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

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive the cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(d) Derecognition (continued)

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore are not depreciated.

All other property, plant and equipment are depreciated on a reducing balance to write off the depreciable amount of the assets over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery	10%-20%
Motor vehicles	20%
Furniture, fittings and office equipment	10%-25%
Renovation	10%-25%
Data centre	6.7%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of investment properties in Note 6 and lease liabilities in Note 22.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

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

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(c) Lessor accounting (continued)

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sub-lease as an operating lease.

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

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

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

Cost includes purchase price and directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefit are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- construction materials: purchase costs on a weighted average cost basis.
- finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

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

Property under development

Cost includes:

- freehold land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customers.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, lease receivables, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the debtor is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Preference shares

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial period/year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

The Group and the Company operate an unfunded post-employment benefit plan to employees as provided in the employment agreements between the companies in the Group and the Company and their employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Employee benefits (continued)

(c) Defined benefit plans (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation.

The Group and the Company recognise the following costs in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

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

(a) Legal claims

For lawsuit provisions, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

(b) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the lower of the present value of the expected cost of terminating the contract and the present value of the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Sale of Goods

Revenue from sale of goods are recognised at a point in time when the control of the products has been transferred, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(b) Rendering of Services

Revenue from providing services is recognised at a point in time when the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

Revenue from commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred at a point in time as the Group's performance does not create an asset with an alternative use to the Group but the Group does not have an enforceable right to payment for performance completed to date. Revenue is recognised at a point in time when the properties have been completed and delivered to the customers.

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(c) Property development (continued)

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

(d) Construction contracts

The Group constructs commercial and industrial properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the commercial and industrial properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(e) Management fees

Management fees are recognised when services are rendered.

(f) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(g) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(h) Dividend income

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

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are 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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its 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 capitalisation.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial period/year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise 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 each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Where investment properties are carried at fair value in accordance with the accounting policy as disclosed in Note 3.7, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

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

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group Managing Director who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Fair value measurements

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

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Fair value measurements (continued)

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

3.21 Contingencies

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

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.22 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

Notes to the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Contract costs (continued)

(a) Recognition and measurement (continued)

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

- (a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- (b) the costs generate or enhance resources of the Group and of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

(c) Impairment

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Property development revenue and expenses (Notes 14, 16, 17, 27 and 28)

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Construction revenue and expenses (Notes 17, 27 and 28)

The Group recognised construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(c) Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the trade receivables and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's trade receivables and contract assets are disclosed in Note 35(b)(i).

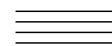
(d) Contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, arbitration or government regulation. Judgement is required to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.

Notes to the Financial Statements

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Renovation RM	Data centre RM	Total RM
Group								
30.6.2022								
Cost								
At 1 April 2021	453,493	9,405,936	34,592,098	3,671,229	7,118,203	-	8,511,620	63,752,579
Additions	-	-	-	-	166,717	172,230	-	338,947
Disposals	-	-	(7,645,580)	(2,863,924)	(190,325)	-	(74,387)	(10,774,216)
Written off	-	-	(194,415)	(4,865)	(533,669)	-	(8,437,233)	(9,170,182)
At 30 June 2022	453,493	9,405,936	26,752,103	802,440	6,560,926	172,230	-	44,147,128
Accumulated depreciation								
At 1 April 2021	-	1,942,484	27,598,106	3,343,477	5,284,832	-	3,791,186	41,960,085
Depreciation charge for the financial period	-	178,779	1,635,169	59,276	304,586	5,741	378,203	2,561,754
Disposals	-	-	(6,879,421)	(2,706,403)	(142,156)	-	(47,762)	(9,775,742)
Written off	-	-	(91,038)	(4,129)	(525,463)	-	(4,121,627)	(4,742,257)
At 30 June 2022	-	2,121,263	22,262,816	692,221	4,921,799	5,741	-	30,003,840
Carrying amount								
At 30 June 2022	453,493	7,284,673	4,489,287	110,219	1,639,127	166,489	-	14,143,288



Notes to the Financial Statements

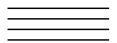
5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Renovation RM	Data centre RM	Total RM
Group								
31.3.2021								
Cost								
At 1 April 2020	453,493	10,252,936	39,482,827	3,843,200	7,015,744	237,586	8,593,737	69,879,523
Additions	-	-	1,055,870	-	102,459	-	-	1,158,329
Disposals	-	-	(5,946,599)	(171,971)	-	-	(82,117)	(6,200,687)
Written off	-	(847,000)	-	-	-	(237,586)	-	(1,084,586)
At 31 March 2021	453,493	9,405,936	34,592,098	3,671,229	7,118,203	-	8,511,620	63,752,579
Accumulated depreciation								
At 1 April 2020	-	1,954,091	30,905,226	3,422,418	4,970,328	124,044	3,491,862	44,867,969
Depreciation charge for the financial year	-	163,955	1,737,806	83,576	314,504	-	334,113	2,633,954
Disposals	-	-	(5,044,926)	(162,517)	-	-	(34,789)	(5,242,232)
Written off	-	(175,562)	-	-	-	(124,044)	-	(299,606)
At 31 March 2021	-	1,942,484	27,598,106	3,343,477	5,284,832	-	3,791,186	41,960,085
Carrying amount								
At 31 March 2021	453,493	7,463,452	6,993,992	327,752	1,833,371	-	4,720,434	21,792,494

Notes to the Financial Statements

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RM	Buildings RM	Motor Vehicles RM	Furniture, fittings and office equipment RM	Total RM
Company					
30.6.2022					
Cost					
At 1 April 2021	453,493	498,800	2,397,546	3,549,746	6,899,585
Additions	-	-	-	35,490	35,490
Disposals	-	-	(2,393,117)	(27,267)	(2,420,384)
At 30 June 2022	453,493	498,800	4,429	3,557,969	4,514,691
Accumulated depreciation					
At 1 April 2021	-	17,790	2,251,298	2,475,710	4,744,798
Depreciation charge for the financial period	-	473	17,150	140,715	158,338
Disposals	-	-	(2,264,423)	(18,901)	(2,283,324)
At 30 June 2022	-	18,263	4,025	2,597,524	2,619,812
Carrying amount					
At 30 June 2022	453,493	480,537	404	960,445	1,894,879



Notes to the Financial Statements

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RM	Buildings RM	Motor Vehicles RM	Furniture, fittings and office equipment RM	Total RM
Company					
31.3.2021					
Cost					
At 1 April 2020	453,493	498,800	2,565,187	3,509,279	7,026,759
Additions	-	-	-	40,467	40,467
Disposals	-	-	(167,641)	-	(167,641)
At 31 March 2021	453,493	498,800	2,397,546	3,549,746	6,899,585
Accumulated depreciation					
At 1 April 2020	-	17,319	2,371,816	2,311,537	4,700,672
Depreciation charge for the financial year	-	471	38,147	164,173	202,791
Disposals	-	-	(158,665)	-	(158,665)
At 31 March 2021	-	17,790	2,251,298	2,475,710	4,744,798
Carrying amount					
At 31 March 2021	453,493	481,010	146,248	1,074,036	2,154,787

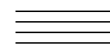
During the financial period/year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM338,947 (31.3.2021: RM1,158,329) and RM35,490 (31.3.2021: RM40,467) respectively which are satisfied by the cash payments.

Notes to the Financial Statements

6. RIGHT-OF-USE-ASSETS

	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Cost						
At beginning of the financial period/year	11,506,546	5,118,474	9,488,038	4,426,276	2,216,404	2,216,404
Additions	130,898	9,927,590	15,069	-	3,395,567	-
Derecognition*	-	(3,539,518)	-	-	(1,185,695)	-
Disposal	(342,966)	-	-	(342,966)	-	-
Lease modification	-	-	-	3,395,566	-	-
Transfer to property, plant and equipment	-	-	(4,384,633)	-	-	-
At end of the financial period/year	11,294,478	11,506,546	5,118,474	7,478,876	4,426,276	2,216,404
Accumulated depreciation						
At beginning of the financial period/year	1,000,218	2,580,134	2,889,551	607,809	996,564	148,860
Depreciation charge for the financial period/year	2,299,734	1,959,602	2,361,347	1,056,089	796,940	847,704
Derecognition*	-	(3,539,518)	-	-	(1,185,695)	-
Disposal	(193,707)	-	-	(193,707)	-	-
Lease modification	-	-	-	613,088	-	-
Transfer to property, plant and equipment	-	-	(2,670,764)	-	-	-
At end of the financial period/year	3,106,245	1,000,218	2,580,134	2,083,279	607,809	996,564
Carrying amount						
At end of the financial period/year	8,188,233	10,506,328	2,538,340	5,395,597	3,818,467	1,219,840

* Derecognition of the right-of-use assets in previous financial year was a result of termination of certain leases.



Notes to the Financial Statements

6. RIGHT-OF-USE-ASSETS (continued)

The Group and the Company lease several assets including office premises and motor vehicles.

Information about leases for which the Group and the Company are lessees is presented below:

	Office premises RM	Motor vehicles RM	Total RM
Group			
Carrying amount			
At 1 April 2020	1,642,003	896,337	2,538,340
Additions	9,919,290	8,300	9,927,590
Depreciation	(1,779,505)	(180,097)	(1,959,602)
At 31 March 2021	9,781,788	724,540	10,506,328
Additions	130,898	-	130,898
Depreciation	(2,146,814)	(152,920)	(2,299,734)
Disposal	-	(149,259)	(149,259)
At 30 June 2022	<u>7,765,872</u>	<u>422,361</u>	<u>8,188,233</u>
Company			
Carrying amount			
At 1 April 2020	514,361	705,479	1,219,840
Additions	3,395,567	-	3,395,567
Depreciation	(655,844)	(141,096)	(796,940)
At 31 March 2021	3,254,084	564,383	3,818,467
Depreciation	(943,212)	(112,877)	(1,056,089)
Disposal	-	(149,259)	(149,259)
Lease modification	2,782,478	-	2,782,478
At 30 June 2022	<u>5,093,350</u>	<u>302,247</u>	<u>5,395,597</u>

The Group and the Company have lease office premises for their office space and operation site. The leases for office space and operation site generally have lease term between 3 to 6 years.

The Group and the Company also lease motor vehicles under hire purchase arrangements. The leases for motor vehicles generally have lease term between 2 to 7 years.

Notes to the Financial Statements

7. INVESTMENT PROPERTIES

	Group	
	30.6.2022	31.3.2021
	RM	RM
At fair value		
At beginning of the financial period/year	13,508,368	17,039,530
Disposals	-	(5,200,000)
Net (loss)/gain arising from fair value adjustment	<u>(1,453,368)</u>	<u>1,668,838</u>
At end of the financial period/year	<u>12,055,000</u>	<u>13,508,368</u>

As at the reporting date, titles to the investment properties with carrying amount of RM12,055,000 (31.3.2021: RM12,055,000) have yet to be registered under the subsidiaries' name.

Investment properties of a subsidiary with a carrying fair value of RM11,000,000 (31.3.2021: RM12,520,000) has been pledged as security to secure term loans granted to the Group as disclosed in Note 23.

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

	Group	
	30.6.2022	31.3.2021
	RM	RM
Rental income	312,000	252,996
Direct operating expenses:		
- income generating investment properties	(182,845)	(156,344)
- non-income generating investment properties	<u>(4,342)</u>	<u>(3,869)</u>

Fair value information

Fair values of investment properties are categorised as follows:

	Level 2
	RM
30.6.2022	
Freehold buildings	<u>12,055,000</u>
31.3.2021	
Freehold buildings	<u>13,508,368</u>

The fair value of investment properties is determined by an external independent property valuer, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd., with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of investment properties of the Group are categorised as Level 2. There are no Level 1 and Level 2 investment properties or transfer between the levels during the financial period ended 30 June 2022 and financial year ended 31 March 2021.

Notes to the Financial Statements

7. INVESTMENT PROPERTIES (continued)

Level 2 fair value

Level 2 fair values of investment properties have been derived using sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2022	31.3.2021
	RM	RM
Unquoted shares, at cost		
At beginning of the financial period/year	106,766,504	106,766,504
Additions	<u>100,008</u>	<u>-</u>
At end of the financial period/year	106,866,512	106,766,504
Accumulated impairment losses		
At beginning of the financial period/year	(1,979,664)	(1,979,664)
Impairment loss during the financial period	<u>(68,000,000)</u>	<u>-</u>
At end of the financial period/year	<u>(69,979,664)</u>	<u>(1,979,664)</u>
	<u><u>36,886,848</u></u>	<u><u>104,786,840</u></u>

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		30.6.2022	31.3.2021	
		%	%	
Ireka Sdn. Bhd.	Malaysia	100	100	Investment holding
Ireka iCapital Sdn. Bhd. ^	Malaysia	100	100	Investment holding
Ireka Development Management Sdn. Bhd. ^	Malaysia	100	100	Property development management, provision of other related professional services and consultancy

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		30.6.2022 %	31.3.2021 %	
Ireka Property Services Sdn. Bhd.	Malaysia	100	100	Property services
Ireka Commercial Sdn. Bhd.	Malaysia	100	100	Property investment and renting of property
Kami Management Services Sdn. Bhd. ^	Malaysia	51	51	Dormant
i-Residence Sdn. Bhd. ^	Malaysia	100	100	Property investment and renting of property
Ireka Engineering and Construction Vietnam Company Limited * +	Vietnam	100	100	Civil, structural and building construction
Meadowfield Sdn. Bhd.	Malaysia	55	55	Property development
i-Tech Network Solutions (Vietnam) Company Limited * +	Vietnam	100	100	Import and distribution of computer hardware, computer programming, consultancy and computer system management
United Time Development Sdn. Bhd.	Malaysia	100	100	Property development

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		30.6.2022 %	31.3.2021 %	
Ireka Development (Terengganu) Sdn. Bhd.	Malaysia	80	-	Construction, engineering and real estate development
Shoraka Power Sdn. Bhd. * +	Malaysia	100	-	Dormant
Subsidiaries of Ireka Sdn. Bhd.				
Ireka Engineering & Construction Sdn. Bhd. ^	Malaysia	100	100	Earthworks, civil, structural and building construction and renting of construction plant and machinery
Regalmont (Sabah) Sdn. Bhd. ^	Malaysia	100	100	Property development
Regal Variety Sdn. Bhd. ^	Malaysia	100	100	Property development
Ireka Hospitality Sdn. Bhd. ^	Malaysia	100	100	Property management, provision of other related professional services and consultancy

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		30.6.2022 %	31.3.2021 %	
Subsidiary of Ireka iCapital Sdn. Bhd.				
e-Auction Sdn. Bhd. [^]	Malaysia	96	96	Dormant
Ireka Venture Capital Limited ^{# +}	British Virgin Islands	100	100	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies
Shoraka Construction Sdn. Bhd. (formerly known as Asiaegolf Tours Sdn. Bhd. [^]	Malaysia	100	100	Dormant
i-Tech Network Solutions Sdn. Bhd. [^]	Malaysia	100	100	System integration, software solutions and trading in computer hardware
iTech ELV Solutions Sdn. Bhd. [^]	Malaysia	100	100	Provide, supply and install high voltage power system and low voltage power system, and structured cabling system and extra low voltage system

* Consolidated using unaudited management financial statements, auditors' report is not available.

Not required to be audited under the laws of the country of incorporation.

[^] The auditors' report on the financial statements of these subsidiaries contain modification.

⁺ Not audited by Baker Tilly Monteiro Heng PLT.

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Incorporation of new subsidiaries

- (i) On 6 September 2021, the Company had incorporated a subsidiary, namely Ireka Development (Terengganu) Sdn. Bhd. with an issued and paid-up share capital of 10 ordinary shares of RM1 each. The Company had subscribed for 8 ordinary shares, representing 80% of total paid up capital, for a total consideration of RM8.
- (ii) On 19 January 2022, the Company had incorporated a wholly-owned subsidiary, namely Shoraka Power Sdn. Bhd. with an issued and paid-up share capital of 100,000 ordinary shares of RM1 each.

(b) Changes in ownership interests in a subsidiary

In previous financial year, Meadowfield Sdn. Bhd. has increased its issued and paid-up share capital for a cash consideration of RM17,246,005 to the non-controlling interests. Consequently, the Group's equity interest in Meadowfield Sdn. Bhd. has decreased from 63.80% to 55%.

(c) Recognition of the impairment losses

During the financial period, an impairment loss of RM68,000,000 was recognised in profit or loss under other operating expenses, in view of the carrying amount of the investment is more than the recoverable amount.

(d) Non-controlling interests in subsidiaries

The financial information of the Company's subsidiaries that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Effective equity interest	
	30.6.2022	31.3.2021
	%	%
Meadowfield Sdn. Bhd.	45	45
KaMi Management Services Sdn. Bhd.	49	49
Ireka Development (Terengganu) Sdn. Bhd.	20	-

Carrying amount of non-controlling interests:

Name of company	30.6.2022	31.3.2021
	RM	RM
Meadowfield Sdn. Bhd.	30,055,483	30,603,606
KaMi Management Services Sdn. Bhd.	(7,899)	(4,414)
Ireka Development (Terengganu) Sdn. Bhd.	(134,283)	-
	<u>29,913,301</u>	<u>30,599,192</u>

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) Non-controlling interests in subsidiaries (continued)

The financial information of the Company's subsidiaries that have non-controlling interests are as follows: (continued)

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

Name of company	30.6.2022 RM	31.3.2021 RM
Meadowfield Sdn. Bhd.	(548,123)	647,039
KaMi Management Services Sdn. Bhd.	(3,485)	(1,715)
Ireka Development (Terengganu) Sdn. Bhd.	(134,285)	-
	<u>(685,893)</u>	<u>645,324</u>

(e) Summarised financial information of material non-controlling interests

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

	Meadowfield Sdn. Bhd.	
	30.6.2022 RM	31.3.2021 RM
<u>Summarised statement of financial position</u>		
Non-current assets	59,065	60,855
Current assets	77,090,469	84,302,854
Current liabilities	<u>(10,359,572)</u>	<u>(16,355,697)</u>
Net assets	<u>66,789,962</u>	<u>68,008,012</u>
<u>Summarised statement of comprehensive income</u>		
Revenue	11,905,818	4,811,715
(Loss)/Profit for the financial period/year	(1,218,050)	1,437,865
Total comprehensive (loss)/income	<u>(1,218,050)</u>	<u>1,437,865</u>
<u>Summarised cash flow information</u>		
Cash flows used in operating activities	(1,360,713)	(10,402,130)
Cash flows from/(used in) investing activities	4,854,995	(2,872,753)
Cash flows (used in)/from financing activities	<u>(3,242,559)</u>	<u>11,060,943</u>
Net increase/(decrease) in cash and cash equivalents	<u>251,723</u>	<u>(2,213,940)</u>
Dividends paid to non-controlling interests	<u>-</u>	<u>-</u>

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
Quoted shares, at cost				
At beginning of the financial period/year	158,139,389	158,139,389	158,139,389	158,139,389
Derecognition of an associate	(158,139,389)	-	(158,139,389)	-
At end of the financial period/year	-	158,139,389	-	158,139,389
Unquoted shares, at cost				
At beginning/end of the financial period/year	405,003	405,003	405,003	405,003
Less: Accumulated impairment losses				
At beginning of the financial period/year	-	-	-	-
Additions	-	-	(105,003)	-
At end of the financial period/year	-	-	(105,003)	-
Share of post-acquisition loss				
At beginning of the financial period/year	(85,858,718)	(76,213,072)	-	-
Share of results	-	(9,645,646)	-	-
Derecognition of an associate	85,453,715	-	-	-
At end of the financial period/year	(405,003)	(85,858,718)	-	-
	-	72,685,674	300,000	158,544,392
Market value				
Quoted shares outside Malaysia	-	60,813,533	-	60,813,533

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES (continued)

Details of associates are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		30.6.2022 %	31.3.2021 %	
Aseana Properties Limited ("ASPL") *	Jersey, Channel Islands	-	23.07	Development of upscale residential and hospitality projects, sale of development land and operation of hotel, mall and hospital in Malaysia and Vietnam
Urban DNA Sdn. Bhd. ("URBAN") *	Malaysia	30	30	Property development
The RuMa Hotel KL Sdn. Bhd. ("RUMA") *	Malaysia	30	30	Investment holding

* The financial year end of these associates do not coincide with the financial year end of the Group. The results have been equity accounted based on unaudited management financial statements for the financial period ended 30 June 2022.

(a) Derecognition of ASPL

During the financial period, the Group has assessed and determined that it has no significant influence over this entity, even though it holds more than 20% of the equity shares of ASPL. The Group has no representative on the ASPL Board and do not participate in all significant financial and operating decisions. Subsequently, the Group derecognised the investment in an associate and classified as other investment.

Summary of the effects of derecognition of ASPL:

	Group RM	Company RM
Recognised:		
Other investments, representing the fair value of the quoted equity securities outside Malaysia	60,952,880	60,952,880
Derecognised:		
Carrying amount of the interest in the associate	(72,685,674)	(158,139,389)
Loss on derecognition of an associate	(11,732,794)	(97,186,509)

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATES (continued)

(b) Fair value information

As at 31 March 2021, the fair value of ASPL, which is listed on the London Stock Exchange, was RM60,813,533 based on the quoted market price available on the stock exchange, which was categorised within Level 1 fair value hierarchy.

10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
Unquoted shares, at cost				
At beginning of the financial period/year	7,650,000	7,650,000	7,650,000	7,650,000
Disposal	(7,650,000)	-	(7,650,000)	-
At end of the financial period/year	-	7,650,000	-	7,650,000
Share of post-acquisition loss				
At beginning of the financial period/year	(506,081)	(106,926)	-	-
Share of results	(465,457)	(399,155)	-	-
Disposal	971,538	-	-	-
At end of the financial period/year	-	(506,081)	-	-
	-	7,143,919	-	7,650,000

Notes to the Financial Statements

10. INVESTMENT IN A JOINT VENTURE (continued)

Details of a joint venture are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		30.6.2022 %	31.3.2021 %	
Mobilus Sdn. Bhd. *	Malaysia	-	51	Sale of industrial, commercial vehicles and wholesale of other activities incidental to land transportation, rail, urban traffic solution, tourism and infrastructure

* The financial year end of this joint venture does not coincide with the financial year end of the Group. In the previous financial year, the results have been equity accounted based on unaudited management financial statements.

(a) Disposal of Mobilus Sdn. Bhd.

- (i) On 30 November 2021, the Board of Directors of the Company announced that the Company had entered into a Share Sale Agreement with Eccaz Sdn. Bhd. ("ESB") to dispose of 2,945,250 ordinary shares in Mobilus Sdn. Bhd. ("Mobilus"), representing approximately 19.6% of its equity interest in Mobilus to ESB for a total cash consideration of RM1,155,000.

Upon completion of the disposal, the Company's equity interest in Mobilus will reduce from the current 51.0% to approximately 31.4%.

- (ii) On 6 December 2021, the Board of Directors of the Company announced that the Company had entered into a Share Purchase Agreement with Greenway Urban Traffic (Europe) Co. Ltd ("GUTE") to dispose of 4,704,750 ordinary shares in Mobilus Sdn. Bhd. ("Mobilus"), representing approximately 31.4% of its remaining equity interest in Mobilus to GUTE for a total cash consideration of RM1,845,000.

Upon completion of the disposal, the Company's equity interest in Mobilus will cease to have any shares in Mobilus.

The disposal has been duly completed during the financial period.

Notes to the Financial Statements

10. INVESTMENT IN A JOINT VENTURE (continued)

(a) Disposal of Mobilus Sdn. Bhd. (continued)

(iii) Summary of the effects of disposal of Mobilus Sdn. Bhd.:

	Group RM	Company RM
Recognised:		
Cash consideration received, representing the fair value of the consideration received	3,000,000	3,000,000
Derecognised:		
Carrying amount of the interest in a joint venture	<u>(6,678,462)</u>	<u>(7,650,000)</u>
Loss on disposal	<u><u>(3,678,462)</u></u>	<u><u>(4,650,000)</u></u>

(b) Summarised financial information of material joint venture

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

	Mobilus Sdn. Bhd. 31.3.2021 RM
Assets and liabilities:	
Non-current assets	71,441
Current assets	24,046,624
Non-current liabilities	(33,895)
Current liabilities	<u>(17,426,483)</u>
Net assets	<u><u>6,657,687</u></u>
Results:	
Revenue	-
Loss for the financial year	(778,464)
Total comprehensive loss for the financial year	<u><u>(778,464)</u></u>
Group's share of results:	
Loss for the financial year	<u><u>(399,155)</u></u>

Notes to the Financial Statements

11. LEASE RECEIVABLES

	Company	
	30.6.2022	31.3.2021
	RM	RM
		(Restated)
Non-current		
Finance lease receivables	2,156,000	5,653,438
Current:		
Finance lease receivables	539,235	921,628
	<u>2,695,235</u>	<u>6,575,066</u>

	Company	
	30.6.2022	31.3.2021
	RM	RM
		(Restated)
At beginning of the financial period/year	6,575,066	1,003,537
Additions	-	6,791,132
COVID-19-related rent concessions expense	(41,289)	-
Interest income	254,808	75,699
Lease payments received	(1,179,700)	(1,295,302)
Lease modification	(2,913,650)	-
At end of the financial period/year	<u>2,695,235</u>	<u>6,575,066</u>

Gross investment under lease receivables together with the present value of minimum lease payment receivables are as follows:

	Company	
	30.6.2022	31.3.2021
	RM	RM
		(Restated)
Gross investment:		
Not later than one year	637,038	1,167,903
Later than one year and not later than 5 years	<u>2,314,571</u>	<u>6,221,738</u>
Minimum lease payments receivable	2,951,609	7,389,641
Less: Amount representing unearned interest income	<u>(256,374)</u>	<u>(814,575)</u>
Present value of minimum lease payments receivable	<u>2,695,235</u>	<u>6,575,066</u>

Notes to the Financial Statements

11. LEASE RECEIVABLES (continued)

Gross investment under lease receivables together with the present value of minimum lease payment receivables are as follows: (continued)

	Company	
	30.6.2022	31.3.2021
	RM	RM
		(Restated)
Present value of minimum lease payments receivable:		
Not later than one year	539,235	921,628
Later than one year and not later than 5 years	<u>2,156,000</u>	<u>5,653,438</u>
	2,695,235	6,575,066
Less: Amount due within 12 months	<u>(539,235)</u>	<u>(921,628)</u>
	<u><u>2,156,000</u></u>	<u><u>5,653,438</u></u>

12. OTHER INVESTMENTS

	Group and Company	
	30.6.2022	31.3.2021
	RM	RM
Financial assets at fair value through profit or loss		
At fair value:		
Quoted equity securities outside Malaysia	36,348,682	-
Investment in club memberships	<u>33,500</u>	<u>33,500</u>
	<u><u>36,382,182</u></u>	<u><u>33,500</u></u>

As at 30 June 2022, the fair value of quoted equity which is listed on the London Stock Exchange, was based on the quoted market price available on the stock exchange, which was categorised within Level 1 fair value hierarchy.

Notes to the Financial Statements

13. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
At beginning of the financial period/year	(425,834)	(3,400,547)	-	(610,000)
Recognised in profit or loss (Note 33)	167,860	2,974,713	-	610,000
At end of the financial period/year	<u>(257,974)</u>	<u>(425,834)</u>	<u>-</u>	<u>-</u>

	Group	
	30.6.2022	31.3.2021
	RM	RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	55,126	55,126
Deferred tax liabilities	<u>(313,100)</u>	<u>(480,960)</u>
	<u>(257,974)</u>	<u>(425,834)</u>

This is in respect of estimated deferred tax assets/(liabilities) arising from temporary differences as follows:

	Group	
	30.6.2022	31.3.2021
	RM	RM
Deferred tax assets		
Other deductible temporary differences	<u>55,126</u>	<u>55,126</u>
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and their tax bases	-	(12,000)
Differences between the carrying amount of investment properties and their tax bases	<u>(313,100)</u>	<u>(468,960)</u>
	<u>(313,100)</u>	<u>(480,960)</u>
	<u>(257,974)</u>	<u>(425,834)</u>

Notes to the Financial Statements

13. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Unrecognised deferred tax assets

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

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
Unused tax losses	162,643,790	120,767,795	37,945,306	35,127,699
Unabsorbed capital allowances	11,322,253	3,685,020	1,383,398	1,153,735
Property development	9,187,461	28,834	-	-
Right-of-use assets	104,247	-	-	-
Provisions	70,570,874	16,326,208	-	-
	<u>253,828,625</u>	<u>140,807,857</u>	<u>39,328,704</u>	<u>36,281,434</u>
Potential deferred tax assets not recognised at 24% (31.3.2021: 24%)	<u>60,918,870</u>	<u>33,793,886</u>	<u>9,438,889</u>	<u>8,707,544</u>

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group and the Company up to the following financial years:

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
2028	27,816,332	27,816,332	-	-
2029	40,358,563	40,358,563	30,660,983	30,660,983
2030	11,350,520	11,350,520	2,762,699	2,762,699
2031	41,242,380	41,242,380	1,704,017	1,704,017
2032	41,875,995	-	2,817,607	-
	<u>162,643,790</u>	<u>120,767,795</u>	<u>37,945,306</u>	<u>35,127,699</u>

Notes to the Financial Statements

14. INVENTORIES

	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Non-current:			
Property held for development			
- Freehold land	7,086,540	7,086,231	7,086,013
- Development costs	18,458,093	7,257,241	7,047,531
	25,544,633	14,343,472	14,133,544
Current:			
Property under development			
- Freehold land	19,092,028	30,657,332	37,550,827
- Development costs	55,039,426	65,093,147	70,218,765
Completed properties	2,722,186	9,151,741	29,423,259
Construction materials	4,169,151	5,076,998	5,977,283
Others	485,062	413,167	132,537
	81,507,853	110,392,385	143,302,671
	107,052,486	124,735,857	157,436,215

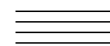
- (a) The cost of inventories of the Group recognised as an expense in the cost of sales during the financial period/year is RM146,280,480 (31.3.2021: RM141,597,514).
- (b) Freehold land included in the properties held for development and properties under development of RM7,086,540 (31.3.2021: RM7,086,231) and RM16,667,901 (31.3.2021: RM22,050,974) respectively are pledged as security for certain banking facilities granted to the Group as disclosed in Note 23.
- (c) Included in inventories are borrowing costs capitalised in the property development costs during the financial period/year as follows:

	Group 30.6.2022 RM	31.3.2021 RM
Borrowing costs capitalised	1,054,678	848,540

Notes to the Financial Statements

15. TRADE AND OTHER RECEIVABLES (continued)

	Note	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Non-trade							
Amounts owing by subsidiaries	(b)	-	-	-	86,130,179	62,014,418	61,178,470
Amount owing by a joint venture	(c)	-	68,216	-	-	52,422	-
Amounts owing by related parties	(c)	48,727	4,207,331	7,178,860	13,880	146,094	-
Amounts owing by associates	(c)	3,719,158	4,306,507	2,699,158	3,719,158	4,279,507	2,699,895
Other receivables	(d)	18,487,307	60,712,215	10,145,824	1,427,787	27,301	-
Advances to suppliers		83,000	-	-	-	-	-
GST refundable		75,794	2,093,164	825,856	2,962	2,960	2,960
Deposits		3,123,179	3,285,796	3,765,657	757,939	771,079	730,164
Prepayments		1,394,100	1,305,872	1,309,470	761,445	760,665	861,883
		26,931,265	75,979,101	25,924,825	92,813,350	68,054,446	65,473,372
Less: Impairment losses for							
- amounts owing by subsidiaries	(b)	-	-	-	(32,546,515)	(5,800,709)	(5,800,709)
- other receivables	(d)	(9,273,120)	(10,055,734)	-	-	-	-
		(9,273,120)	(10,055,734)	-	(32,546,515)	(5,800,709)	(5,800,709)
		17,658,145	65,923,367	25,924,825	60,266,835	62,253,737	59,672,663
Total trade and other receivables		55,136,700	143,361,724	111,618,777	60,266,835	62,253,737	59,672,663



Notes to the Financial Statements

15. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Included in the Group's trade receivables is an amount of RM10,668,912 (31.3.2021: RM21,037,824) which is currently under an arbitration process.

The Group's normal trade credit terms ranges from 30 to 90 days (31.3.2021: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The reconciliation of movement in the accumulated impairment losses of trade receivables is as follows:

	Group	
	30.6.2022	31.3.2021
	RM	RM
At beginning of the financial period/year	3,488,724	-
Charge for the financial period/year		
- individually assessed	10,478,837	3,488,724
Reversal of impairment losses	<u>(3,488,724)</u>	<u>-</u>
At end of the financial period/year	<u>10,478,837</u>	<u>3,488,724</u>

The above trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The trade receivables amounted to RM6,111,099 has been written off during the financial period relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 35(b)(i).

(b) Amounts owing by subsidiaries

The amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and receivable upon demand in cash except for an amount of RM3,236,425 (31.3.2021: RM3,236,425) bear interest at a rate of 5.5% (31.3.2021: 5.5%) per annum.

Notes to the Financial Statements

15. TRADE AND OTHER RECEIVABLES (continued)

(b) Amounts owing by subsidiaries (continued)

The reconciliation of movement in the accumulated impairment losses of amounts owing by subsidiaries is as follows:

	Company	
	30.6.2022	31.3.2021
	RM	RM
At beginning of the financial period/year	5,800,709	5,800,709
Charge for the financial period/year		
- individually assessed	26,745,806	-
At end of the financial period/year	<u>32,546,515</u>	<u>5,800,709</u>

The above impairment losses that are individually determined at the reporting date relate to subsidiaries that have difficulty in repaying the advances.

(c) Amounts owing by a joint venture, related parties and associates

The amounts owing by a joint venture, related parties and associates are non-trade in nature, unsecured, interest-free and receivable upon demand in cash.

(d) Other receivables

The reconciliation of movement in the accumulated impairment losses of other receivables is as follows:

	Group	
	30.6.2022	31.3.2021
	RM	RM
At beginning of the financial period/year	10,055,734	-
Charge for the financial period/year		
- individually assessed	-	10,055,734
Reversal of impairment losses	(782,614)	-
At end of the financial period/year	<u>9,273,120</u>	<u>10,055,734</u>

(e) The deposits and GST receivable amounted to RM8,472 and RM2,703,773 have been written off during the financial period relate to amounts that are uncollectible.

Notes to the Financial Statements

16. CONTRACT COSTS

	Group	
	30.6.2022	31.3.2021
	RM	RM
		(Restated)
Current:		
Costs to obtain contracts	<u>1,376,159</u>	<u>2,208,490</u>

Costs to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial period, the amortisation of contract costs of the Group recognised were RM3,642,040 (31.3.2021: RM4,377,754).

17. CONTRACT ASSETS/(LIABILITIES)

	30.6.2022	Group	1.4.2020
	RM	31.3.2021	RM
		RM	RM
		(Restated)	(Restated)
Contract assets relating to property development contracts	40,579,568	29,848,566	13,454,633
Contract assets relating to construction service contracts	<u>294,504</u>	<u>28,235,925</u>	<u>15,727,864</u>
Total contract assets	<u>40,874,072</u>	<u>58,084,491</u>	<u>29,182,497</u>
Contract liabilities relating to property development contracts	(605,257)	(4,200,633)	-
Contract liabilities relating to construction service contracts	<u>(1,938,057)</u>	<u>(95,538)</u>	<u>(23,990,382)</u>
Total contract liabilities	<u>(2,543,314)</u>	<u>(4,296,171)</u>	<u>(23,990,382)</u>

Notes to the Financial Statements

17. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances

	30.6.2022		31.3.2021	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial period/year	-	3,258,227	-	23,990,382
Increase due to consideration received from customers, but revenue not recognised	-	(5,465,741)	-	(3,258,227)
Transfer from contract liabilities recognised at the beginning of the period to payables	-	432,687	-	-

Notes to the Financial Statements

17. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances (continued)

	30.6.2022		31.3.2021	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Increase due to revenue recognised for unbilled goods or services transferred to customers	50,988,084	-	55,289,539	-
Transfer from contract assets recognised at the beginning of the period to receivables	(59,773,665)	-	(27,390,081)	-
Net impairment losses of contract assets	<u>(4,897,154)</u>	<u>-</u>	<u>(35,408)</u>	<u>-</u>

(b) Impairment

The movement in the impairment of contract assets is as follows:

	Group	
	30.6.2022 RM	31.3.2021 RM
At beginning of the financial period/year	35,408	-
Charge for the financial period/year		
- individually assessed	4,932,562	35,408
Reversal of impairment losses	<u>(35,408)</u>	<u>-</u>
At end of the financial period/year	<u>4,932,562</u>	<u>35,408</u>

Notes to the Financial Statements

18. SHORT-TERM FUND

	Group	
	30.6.2022	31.3.2021
	RM	RM
Current:		
Financial assets at fair value through profit or loss ("FVPL")		
- Quoted money market fund	-	4,862,906

Short-term fund was a fund invested in money market which is managed by investment bank and it is redeemable at any point in time.

It is an integral part of the Group's capital management as disclosed in Note 40.

19. DEPOSITS, CASH AND BANK BALANCES

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
Cash and bank balances	13,935,588	13,889,886	6,833,102	361,535
Deposits placed with licensed banks (Note (a))	4,563,856	10,640,305	3,511,213	3,863,053
Deposits, cash and bank balances as reported in the statements of financial position	18,499,444	24,530,191	10,344,315	4,224,588
Less: Pledged deposits	(4,563,856)	(10,640,305)	(3,511,213)	(3,863,053)
Less: Bank overdrafts (Note 23)	(6,128,722)	(9,762,915)	-	(931,285)
Cash and cash equivalents as reported in the statements of cash flows	7,806,866	4,126,971	6,833,102	(569,750)

(a) Included in the deposits placed with licensed banks of the Group and the Company, RM4,563,856 (31.3.2021: RM10,640,305) and RM3,511,213 (31.3.2021: RM3,863,053) are pledged to the licensed banks to secure credit facilities granted to the Company and subsidiaries as disclosed in Note 23.

Notes to the Financial Statements

19. DEPOSITS, CASH AND BANK BALANCES (continued)

- (b) Deposits placed with licensed banks of the Group and the Company earn interest at rates ranging from 1.55% to 1.65% (31.3.2021: 1.55% to 1.65%) per annum and at a rate of 1.65% (31.3.2021: 1.65%) per annum respectively. The maturity is less than 3 months.
- (c) Included in cash and bank balances of the Group are amount of RM613,763 (31.3.2021: RM4,516,097) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

20. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	Unit	Unit	RM	RM
Issued and fully paid up (no par value):				
At beginning of the financial period/year	186,708,050	186,708,050	181,288,393	181,288,393
Issued during the financial period/year	41,075,700	-	26,871,877	-
Transaction costs of share issue	-	-	(431,116)	-
At end of the financial period/year	<u>227,783,750</u>	<u>186,708,050</u>	<u>207,729,154</u>	<u>181,288,393</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial period, the Company:

- (i) issued 9,500,000 new ordinary shares at an issue price of RM0.6357 per ordinary share;
- (ii) issued 9,170,800 new ordinary shares at an issue price of RM0.5746 per ordinary share;
- (iii) issued 20,000,000 new ordinary shares at an issue price of RM0.7000 per ordinary share; and
- (iv) issued 2,404,900 new ordinary shares at an issue price of RM0.6500 per ordinary share.

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

21. FOREIGN EXCHANGE RESERVE

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes to the Financial Statements

22. LEASE LIABILITIES

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
		(Restated)		(Restated)
Non-current:				
Lease liabilities	6,684,380	8,987,353	6,589,871	8,835,042
Current:				
Lease liabilities	1,833,912	1,637,534	1,729,752	1,552,118
	<u>8,518,292</u>	<u>10,624,887</u>	<u>8,319,623</u>	<u>10,387,160</u>

Motor vehicles of the Group and of the Company as disclosed in Note 6 are pledged for leases. The interest rates implicit in the lease liabilities ranging from 1.88% to 10% (31.3.2021: 1.88% to 10%).

The incremental borrowing rate applied to other lease liabilities ranging from 3.97% to 3.99% (31.3.2021: 3.99%).

Future minimum lease payments together with the present value of net minimum lease payments are as follow:

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
		(Restated)		(Restated)
Minimum lease payments:				
Not later than one year	2,140,644	2,031,336	2,030,610	1,939,271
Later than one year and not later than 5 years	<u>7,169,998</u>	<u>9,810,930</u>	<u>7,071,034</u>	<u>9,705,508</u>
	9,310,642	11,842,266	9,101,644	11,644,779
Less: Future finance charges	<u>(792,350)</u>	<u>(1,217,379)</u>	<u>(782,021)</u>	<u>(1,257,619)</u>
Present value of minimum lease payments	<u>8,518,292</u>	<u>10,624,887</u>	<u>8,319,623</u>	<u>10,387,160</u>
Present value of minimum lease payments:				
Not later than one year	1,833,912	1,637,534	1,729,752	1,552,118
Later than one year and not later than 5 years	<u>6,684,380</u>	<u>8,987,353</u>	<u>6,589,871</u>	<u>8,835,042</u>
	8,518,292	10,624,887	8,319,623	10,387,160
Less: Amount due within 12 months	<u>(1,833,912)</u>	<u>(1,637,534)</u>	<u>(1,729,752)</u>	<u>(1,552,118)</u>
Amount due after 12 months	<u>6,684,380</u>	<u>8,987,353</u>	<u>6,589,871</u>	<u>8,835,042</u>

Notes to the Financial Statements

23. LOANS AND BORROWINGS

		Group		Company	
	Note	30.6.2022 RM	31.3.2021 RM	30.6.2022 RM	31.3.2021 RM
Non-current:					
Secured:					
Redeemable convertible preference shares	(a)	67,608,000	-	67,608,000	-
Current:					
Secured:					
Banker acceptance	(b)	-	18,582,000	-	-
Bank overdrafts	(b)	6,128,722	9,762,915	-	931,285
Revolving credits	(b)	14,290,000	23,098,011	-	1,000,000
Term loans	(c)	15,491,136	52,092,156	-	-
		35,909,858	103,535,082	-	1,931,285
		103,517,858	103,535,082	67,608,000	1,931,285
Total loans and borrowings:					
Redeemable convertible preference shares	(a)	67,608,000	-	67,608,000	-
Banker acceptance	(b)	-	18,582,000	-	-
Bank overdrafts	(b)	6,128,722	9,762,915	-	931,285
Revolving credits	(b)	14,290,000	23,098,011	-	1,000,000
Term loans	(c)	15,491,136	52,092,156	-	-
		103,517,858	103,535,082	67,608,000	1,931,285

(a) Redeemable convertible preference shares ("RCPS")

On 3 February 2022, the Company obtained shareholders' approval through Extraordinary General Meeting on the proposal of the issuance of up to 112,680,000 units of RCPS at an issue price of RM1.00 per RCPS.

The salient terms of the RCPS are as follows:

Tenure : Up to 36 months commencing from and inclusive of the Issue Date of the 1st sub-tranche of Tranche 1 up to the Maturity Date.

Notes to the Financial Statements

23. LOANS AND BORROWINGS (continued)

(a) Redeemable convertible preference shares ("RCPS") (continued)

Maturity date	: The business day immediately before the 3 rd anniversary of the date of Issue Date of 1 st sub-tranche of Tranche 1
Dividend	: The RCPS shall carry the right to receive out of profits of the Company a cumulative preferential dividend at the rate of 2% per annum calculated based on the aggregate subscription price of the RCPS at the Issue Price
Conversion right	: RCPS may be converted into the duly authorised, validly issued, fully paid and unencumbered Conversion Share(s) based on the Conversion Price, at any time during the Conversion Period.

The Conversion Rights confer the holder of RCPS the right to convert the RCPS into Conversion Share(s) which will be subject to adjustments from time to time at the determination of our Board in consultation with the approved advisers and certified by the auditors of the Company, in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution.

Any fractions of a share will be disregarded and not be issued on conversion, the shares shall be issued to the nearest whole share and no adjustment or cash payment will be made in respect thereof.

Conversion price	: 88% of the average daily Closing Price on any 3 consecutive business days during the 10 business days immediately preceding the relevant conversion date of the RCPS, subject to the Minimum Conversion Price and subject to the adjustments in the manner provided in the Subscription Agreement.
Conversion upon maturity	: Any remaining outstanding RCPS must be converted into Conversion Shares on the Maturity Date unless the Company exercises its rights in respect of the Non-Event of Default Redemption prior to the Maturity Date, together with payment by the Company of all accumulated and unpaid dividend accrued on the converted RCPS.
Conversion cap	: The extent of conversion of RCPS by the Subscriber shall be capped such that its resultant ordinary shareholding in the Company shall not exceed 20% of the enlarged number of issued ordinary shares of the Company at any point in time following any exercises of Conversion Rights.

Notes to the Financial Statements

23. LOANS AND BORROWINGS (continued)

(a) Redeemable convertible preference shares ("RCPS") (continued)

Non-event of Default redemption : Subject to and in accordance with Section 72 of the Act, the Company may at any time before the Maturity Date redeem all or any part of the RCPS which have been issued and remain outstanding at the Non-Default Redemption Amount.

Any remaining RCPS which are not converted due to a breach of the Conversion Cap by the Company on the Maturity Date shall be redeemed by the Company at the Non-Default Redemption Amount.

Non-default Redemption amount : 115% of the aggregate subscription price of the RCPS together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed.

Redemption period : Subject to the Companies Act 2016, the RCPS (at any number) can be redeemed at the option of the issuer. On the Maturity Date, any remaining outstanding RCPS must be converted into new Ireka Shares unless redeemed by Company.

(b) Banker acceptance, bank overdraft and revolving credits

The trade facilities of the Group and of the Company are secured by:

- (i) a fixed charge over certain of the Group's fixed deposits with licensed banks as disclosed in Note 19(a);
- (ii) a legal assignment over rights and interest to the contract proceeds;
- (iii) a first legal charge over cash deposits; and/or
- (iv) a corporate guarantee by the Company.

(c) Term loans

The term loans of the Group are secured by:

- (i) first legal charge over the respective freehold land and buildings of certain subsidiaries as disclosed in Notes 7 and 14; and
- (ii) a corporate guarantee of the Company.

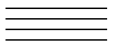
(d) The interest rates of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	%	%	%	%
Redeemable convertible preference shares	2.00	-	2.00	-
Banker acceptance	-	2.82 - 3.89	-	-
Bank overdrafts	6.65 - 7.76	6.40 - 7.60	-	7.60
Revolving credits	4.28 - 5.67	3.96 - 6.89	-	5.38
Term loans	8.75 - 12.00	4.25 - 12.00	-	-

Notes to the Financial Statements

24. RETIREMENT BENEFITS OBLIGATION

	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Non-current:						
Retirement benefits obligation	3,696,206	5,820,308	8,090,834	526,194	2,214,779	3,070,048
Current:						
Retirement benefits obligation	557,400	230,986	520,670	201,782	-	81,770
	<u>4,253,606</u>	<u>6,051,294</u>	<u>8,611,504</u>	<u>727,976</u>	<u>2,214,779</u>	<u>3,151,818</u>
	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
At beginning of the financial period/year	6,051,294	8,611,504	-	2,214,779	3,151,818	-
Change in methodology	-	-	8,611,504	-	-	3,151,818
Current service costs and interest expense (Note 32)	546,726	982,154	-	169,833	359,469	-
Remeasurement of actuarial gain from financial assumption	(2,113,428)	(3,021,694)	-	(1,656,636)	(1,214,738)	-
Benefits paid	<u>(230,986)</u>	<u>(520,670)</u>	<u>-</u>	<u>-</u>	<u>(81,770)</u>	<u>-</u>
At end of the financial period/year	<u>4,253,606</u>	<u>6,051,294</u>	<u>8,611,504</u>	<u>727,976</u>	<u>2,214,779</u>	<u>3,151,818</u>



24. RETIREMENT BENEFITS OBLIGATION (continued)

The significant actuarial assumptions applied in the measurement of defined benefits pension plan are as follows:

Assumptions on future mortality are determined based on the published past statistics and actual experience in each jurisdiction. The measurements assume an average life expectancy ranging from 14 years to 18 years for an employee retiring at age 60.

Notes to the Financial Statements

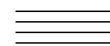
24. RETIREMENT BENEFITS OBLIGATION (continued)

Sensitivity analysis

The sensitivity of the defined benefits obligation to the significant actuarial assumptions at the end of the reporting period are shown below:

		Group				Company			
		Effect on defined benefits obligation		Effect on defined benefits obligation		Effect on defined benefits obligation		Effect on defined benefits obligation	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
		RM	RM	RM	RM	RM	RM	RM	RM
Reasonably possible change in assumption									
30.6.2022									
Discount rate	1%	(138,126)	151,075	(23,924)	26,543				
Salary growth rate	1%	149,377	(139,220)	26,243	(24,112)				
31.3.2021									
Discount rate	1%	(250,494)	274,365	(79,937)	87,367				
Salary growth rate	1%	268,963	(250,507)	85,649	(79,941)				
1.4.2020									
Discount rate	1%	(356,475)	390,445	(113,757)	124,331				
Salary growth rate	1%	382,757	(356,494)	121,885	(113,763)				

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefits obligation as a result of reasonable changes in significant actuarial assumptions occurring at the end of reporting period.



Notes to the Financial Statements

25. TRADE AND OTHER PAYABLES

	Note	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)	30.6.2022 RM	Company 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Current:							
Trade							
Third parties		90,040,032	154,286,506	103,221,860	-	-	-
Related parties		-	14,091,683	12,124,484	-	-	-
Associates		4,386,220	4,814,220	-	-	-	-
Retention sums		35,292,675	44,668,136	45,335,735	-	-	-
	(a), (d)	129,718,927	217,860,545	160,682,079	-	-	-
Non-trade							
Other payables							
Accruals	(d)	51,658,075	46,876,788	7,481,878	19,239,109	9,910,473	6,374,538
Advances received		17,518,761	4,593,810	43,305,004	689,901	40,897	1,236,996
		8,439,755	8,004,020	-	-	-	-
Amounts owing to subsidiaries	(b)	-	-	-	5,778,804	65,189,892	62,160,126
Amounts owing to related parties	(c)	1,544,044	2,552,796	1,821,802	-	-	1,821,802
Amounts owing to associates	(c)	15,756,642	9,523,753	-	-	-	-
Amounts owing to directors	(c)	6,888	9,511,505	7,587,126	-	9,338,248	7,587,126
Deposits		7,610,304	16,994,044	20,707,887	550	550	-
Sales and service tax payable		77,958	67,782	21,000	-	-	-
		102,612,427	98,124,498	80,924,697	25,708,364	84,480,060	79,180,588
Total trade and other payables		232,331,354	315,985,043	241,606,776	25,708,364	84,480,060	79,180,588

Notes to the Financial Statements

25. TRADE AND OTHER PAYABLES (continued)

- (a) Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 to 90 days (31.3.2021: 30 to 90 days). The retention sum is payable upon the expiry of the defect liability period.
- (b) The amounts owing to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand except for an amount of RM4,912,085 (31.3.2021: RM4,703,408) bear interest at a rate of 12% (31.3.2021: 12%) per annum.
- (c) The amounts owing to related parties, associates and directors are non-trade in nature, unsecured, interest-free and repayable on demand.
- (d) Included in the financial statements of the Group are trade payables and other payables of a subsidiary, Ireka Engineering and Construction Sdn. Bhd., amounting to RM104,230,522 and RM24,315,564 respectively. On 8 August 2022, an Interim Judicial Manager has been appointed for the subsidiary as disclosed in Note 41(g).

For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 35(b)(ii).

26. PROVISIONS

	Note	30.6.2022 RM	Group 31.3.2021 RM (Restated)	1.4.2020 RM (Restated)
Legal claims	(a)	11,505,438	-	-
Onerous contracts	(b)	37,640,521	9,869,926	9,869,926
		<u>49,145,959</u>	<u>9,869,926</u>	<u>9,869,926</u>

Movements in each class of provisions are as follows:

	Group Legal claims RM	Onerous contracts RM
At beginning of the financial period/year	-	9,869,926
Recognised in profit or loss	11,505,438	27,770,595
At end of the financial period/year	<u>11,505,438</u>	<u>37,640,521</u>

Notes to the Financial Statements

26. PROVISIONS (continued)

(a) Legal claims

The provisions relate to litigation claims brought against the Group by its suppliers and sub-contractors of the construction operating segment. In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts as provided in the financial statements.

(b) Onerous contracts

During the ordinary course of business, the Group entered into contracts with customers to construct commercial and industrial properties and also develop and sell residential and commercial properties. The costs of construction materials and costs to complete are higher than the prices fixed when initially entering into the contracts. As such, a provision is recognised for the expected costs required to fulfil the requirements in excess of the contract revenue.

27. REVENUE

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM
Revenue from contracts customers				
At a point in time:				
Trading and services	6,028,605	4,005,649	-	-
Property development	7,491,689	32,092,109	-	-
	<u>13,520,294</u>	<u>36,097,758</u>	<u>-</u>	<u>-</u>
Over time:				
Constructions	33,880,727	61,077,530	-	-
Property development	74,387,738	80,327,617	-	-
	<u>108,268,465</u>	<u>141,405,147</u>	<u>-</u>	<u>-</u>
Revenue from other sources:				
Over time:				
Management fees	375,000	329,707	11,377,073	9,738,755
Rental income	351,314	316,556	-	-
	<u>726,314</u>	<u>646,263</u>	<u>11,377,073</u>	<u>9,738,755</u>
	<u><u>122,515,073</u></u>	<u><u>178,149,168</u></u>	<u><u>11,377,073</u></u>	<u><u>9,738,755</u></u>

Notes to the Financial Statements

28. COST OF SALES

	Group	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Cost of construction services	87,806,774	70,029,791
Cost of properties under development	75,182,781	49,571,498
Cost of completed units sold	6,228,421	22,741,947
Cost of inventories sold	1,964,071	3,270,210
Cost of services rendered	4,827,969	361,822
	<u>176,010,016</u>	<u>145,975,268</u>

29. OTHER INCOME

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
COVID-19-related rent				
concession income	106,173	-	64,884	-
Deposit forfeited	1,234,020	14,570	-	-
Dividend income	19	20	19	20
Fair value gain on investment properties	-	1,668,838	-	-
Gain on disposal of property, plant and equipment	1,483,900	324,980	14,435	43,923
Interest income:				
- amounts owing by subsidiaries	-	-	230,859	173,227
- deposits, cash and bank balances	259,251	317,720	91,881	57,930
- finance lease receivables	-	-	254,808	75,699
- short-term fund	31,071	125,020	-	-
Unrealised gain on foreign exchange differences	362	630	360	606
Rental income	61,496	30,651	-	5,767
Others	3,190,454	1,269,216	12,703	162,932
	<u>6,366,746</u>	<u>3,751,645</u>	<u>669,949</u>	<u>520,104</u>

Notes to the Financial Statements

30. FINANCE COSTS

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)
	RM	RM (Restated)	RM	RM (Restated)
Interest expense on:				
- amounts owing to subsidiaries	-	-	980,777	792,171
- bank overdrafts	656,415	672,258	10,771	41,662
- banker acceptance	392,753	828,309	-	-
- lease liabilities	575,792	221,562	474,078	115,897
- Redeemable convertible preference shares	271,667	-	271,667	-
- revolving credits	1,298,354	1,167,353	39,782	44,452
- term loans	2,557,690	3,929,813	-	-
- others	1,820,531	2,032,330	121,349	119,894
	<u>7,573,202</u>	<u>8,851,625</u>	<u>1,898,424</u>	<u>1,114,076</u>

31. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax:

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.4.2020 to 31.3.2021 (12 months)
	RM	RM (Restated)	RM	RM (Restated)
Auditors' remuneration:				
- auditors of the Company				
- statutory audit				
- current year	423,000	366,500	120,000	105,000
- under provision in the previous financial year	50,000	2,964	50,000	-
- non statutory audit				
- current year	5,000	5,000	5,000	5,000
- under provision in the previous financial year	-	5,000	-	-
- component auditors of the Group	6,130	10,169	-	-
Bad debts written off	6,111,099	-	-	-
Deposits written off	8,472	-	-	-
Depreciation of:				
- property, plant and equipment	2,561,754	2,633,954	158,338	202,791
- right-of-use assets	<u>2,299,734</u>	<u>1,959,602</u>	<u>1,056,089</u>	<u>796,940</u>

Notes to the Financial Statements

31. LOSS BEFORE TAX (continued)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax: (continued)

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Employee benefits expense (Note 32)	48,020,635	35,620,534	9,236,634	9,386,791
Expenses relating to low value assets	9,303	-	-	-
Expenses relating to short-term leases	179	62,608	-	-
Fair value loss/(gain) on:				
- investment properties	1,453,368	(1,668,838)	-	-
- other investments	24,604,198	-	24,604,198	-
GST receivable written off	2,703,773	-	-	-
Impairment losses on:				
- amounts owing by subsidiaries	-	-	26,745,806	-
- contract assets	4,932,562	35,408	-	-
- investment in an associate	-	-	105,003	-
- investment in subsidiaries	-	-	68,000,000	-
- other receivables	-	10,055,734	-	-
- trade receivables	10,478,837	3,488,724	-	-
Loss on derecognition of an associate	11,732,794	-	97,186,509	-
Loss on lease modification	-	-	131,172	-
Loss on realised foreign exchange	22,106	37,520	-	2,505
Loss/(Gain) on unrealised foreign exchange	23,823	22	(360)	(606)
Loss/(Gain) on disposal of:				
- a joint venture	3,678,462	-	4,650,000	-
- investment properties	-	1,719,135	-	-
- property, plant and equipment	(1,483,900)	241,274	(14,435)	(43,923)
Property, plant and equipment written off	4,427,925	784,980	-	-
Provision for:				
- legal claims	11,505,438	-	-	-
- onerous contracts	27,770,595	-	-	-
Reversal of impairment losses on:				
- contract assets	(35,408)	-	-	-
- other receivables	(782,614)	-	-	-
- trade receivables	(3,488,724)	-	-	-

Notes to the Financial Statements

32. EMPLOYEE BENEFITS EXPENSE

	Note	Group		Company	
		1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Wages, salaries and emoluments		43,383,534	31,683,711	8,196,356	8,325,867
Defined contribution plan		4,090,375	2,954,669	870,445	701,455
Retirement benefits obligation	24	546,726	982,154	169,833	359,469
		<u>48,020,635</u>	<u>35,620,534</u>	<u>9,236,634</u>	<u>9,386,791</u>

Included in employee benefits expense are:

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM
Directors of the Company				
Executive directors:				
Fees	-	210,000	-	210,000
Salaries and other emoluments	2,774,399	2,636,996	2,337,550	2,252,796
Defined contribution plan	298,547	263,868	247,989	190,866
Benefits-in-kind	32,800	119,200	32,800	94,600
	<u>3,105,746</u>	<u>3,230,064</u>	<u>2,618,339</u>	<u>2,748,262</u>
Non-executive directors:				
Fees	134,286	186,000	134,286	186,000
Benefits-in-kind	-	2,013	-	2,013
	<u>134,286</u>	<u>188,013</u>	<u>134,286</u>	<u>188,013</u>
Directors of subsidiaries				
Executive director:				
Fees	-	6,000	-	-
Salaries and other emoluments	548,503	421,785	-	-
Defined contribution plan	65,552	50,619	-	-
Benefits-in-kind	-	24,600	-	-
	<u>614,055</u>	<u>503,004</u>	<u>-</u>	<u>-</u>
	<u>3,854,087</u>	<u>3,921,081</u>	<u>2,752,625</u>	<u>2,936,275</u>

Notes to the Financial Statements

33. TAX EXPENSE/(CREDIT)

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	1,921,973	1,854,548	-	-
- Adjustment in respect of prior years	(73,247)	129,307	-	-
	<u>1,848,726</u>	<u>1,983,855</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 13):				
- Origination/ (Reversal) of temporary differences	(152,000)	110,000	-	-
- Adjustment in respect of prior years	(15,860)	(3,084,713)	-	(610,000)
	<u>(167,860)</u>	<u>(2,974,713)</u>	<u>-</u>	<u>(610,000)</u>
Tax expense/ (credit) recognised in profit or loss	<u>1,680,866</u>	<u>(990,858)</u>	<u>-</u>	<u>(610,000)</u>

Domestic income tax is calculated at the Malaysia statutory income tax rate of 24% (31.3.2021: 24%) of the estimated assessable (loss)/profit for the financial period/year.

Notes to the Financial Statements

33. TAX EXPENSE/(CREDIT) (continued)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM (Restated)
Loss before tax	<u>(165,484,530)</u>	<u>(27,029,123)</u>	<u>(227,323,562)</u>	<u>(5,572,437)</u>
Tax at Malaysian statutory income tax rate of 24%	(39,716,287)	(6,486,990)	(54,557,655)	(1,337,385)
Share of results of a joint venture	111,710	95,797	-	-
Share of results of associates	-	2,314,955	-	-
Non-taxable income	(640,329)	(139,534)	(591,413)	-
Non-deductible expenses	14,889,895	7,379,049	54,417,723	1,337,385
Deferred tax assets not recognised during the financial period/year	27,124,984	-	731,345	-
Utilisation of deferred tax assets not recognised	-	(1,308,729)	-	-
Real property gain tax	-	110,000	-	-
Adjustments in respect of prior years:				
- current income tax	(73,247)	129,307	-	-
- deferred tax	<u>(15,860)</u>	<u>(3,084,713)</u>	<u>-</u>	<u>(610,000)</u>
Tax expense/ (credit)	<u>1,680,866</u>	<u>(990,858)</u>	<u>-</u>	<u>(610,000)</u>

Notes to the Financial Statements

34. LOSS PER SHARE

- (a) Basic loss per share are based on loss for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year, calculated as follows:

	Group	
	30.6.2022	31.3.2021
	RM	RM
Loss attributable to owners of the Company	<u>(166,479,503)</u>	<u>(26,683,589)</u>
Weighted average number of ordinary shares for basic loss per share	<u>211,943,803</u>	<u>186,708,050</u>
Basic loss per ordinary share (sen)	<u>(78.55)</u>	<u>(14.29)</u>

- (b) The diluted loss per share of the Group for the financial period ended 30 June 2022 and financial year ended 31 March 2021 are same as the basic loss per share of the Group as there is anti-dilutive effect on loss per share.

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM	FVPL RM
30.6.2022			
Financial assets			
Group			
Other investments	36,382,182	-	36,382,182
Trade and other receivables, net of advances to suppliers, GST refundable and prepayments	53,583,806	53,583,806	-
Deposits, cash and bank balances	<u>18,499,444</u>	<u>18,499,444</u>	<u>-</u>
	<u>108,465,432</u>	<u>72,083,250</u>	<u>36,382,182</u>
Company			
Other investments	36,382,182	-	36,382,182
Trade and other receivables, net of GST refundable and prepayments	59,502,428	59,502,428	-
Deposits, cash and bank balances	<u>10,344,315</u>	<u>10,344,315</u>	<u>-</u>
	<u>106,228,925</u>	<u>69,846,743</u>	<u>36,382,182</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM	Amortised cost RM	FVPL RM
30.6.2022			
Financial liabilities			
Group			
Loans and borrowings	103,517,858	103,517,858	-
Trade and other payables, net of advances received, sales and service tax payable	223,813,641	223,813,641	-
	<u>327,331,499</u>	<u>327,331,499</u>	<u>-</u>
Company			
Loans and borrowings	67,608,000	67,608,000	-
Trade and other payables	25,708,364	25,708,364	-
	<u>93,316,364</u>	<u>93,316,364</u>	<u>-</u>
31.3.2021 (Restated)			
Financial assets			
Group			
Other investments	33,500	-	33,500
Short-term fund	4,862,906	-	4,862,906
Trade and other receivables, net of GST refundable and prepayments	139,962,688	139,962,688	-
Deposits, cash and bank balances	24,530,191	24,530,191	-
	<u>169,389,285</u>	<u>164,492,879</u>	<u>4,896,406</u>
Company			
Other investments	33,500	-	33,500
Trade and other receivables, net of GST refundable and prepayments	61,490,112	61,490,112	-
Deposits, cash and bank balances	4,224,588	4,224,588	-
	<u>65,748,200</u>	<u>65,714,700</u>	<u>33,500</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM	Amortised cost RM	FVPL RM
31.3.2021 (Restated)			
Financial liabilities			
Group			
Loans and borrowings	103,535,082	103,535,082	-
Trade and other payables, net of advances received, sales and service tax payable	307,913,241	307,913,241	-
	<u>411,448,323</u>	<u>411,448,323</u>	<u>-</u>
Company			
Loans and borrowings	1,931,285	1,931,285	-
Trade and other payables	84,480,060	84,480,060	-
	<u>86,411,345</u>	<u>86,411,345</u>	<u>-</u>

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group Managing Director and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to the Group's and the Company's financial risk management policies.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are follows:

	Group	
	30.6.2022	31.3.2021
	RM	RM
		(Restated)
Trade receivables		
Property development	1,523,785	12,071,907
Construction services	34,543,658	64,178,227
Trading and services	1,383,291	1,187,005
Others	27,821	1,218
	<u>37,478,555</u>	<u>77,438,357</u>
Contract assets		
Property development	40,579,568	29,848,566
Construction services	294,504	28,235,925
	<u>40,874,072</u>	<u>58,084,491</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Gross carrying amount at default RM
30.6.2022	
Group	
Contract assets	40,874,072
Current	11,801,585
1 to 30 days past due	659,856
31 to 60 days past due	606,018
61 to 90 days past due	677,609
91 to 120 days past due	1,148,169
121 to 150 days past due	103,994
More than 150 days past due	22,481,324
Trade receivables	37,478,555
Impaired individually	10,478,837
	<u>88,831,464</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

	Gross carrying amount at default RM
31.3.2021 (Restated)	
Group	
Contract assets	58,084,491
Current	17,285,409
1 to 30 days past due	6,986,234
31 to 60 days past due	994,994
61 to 90 days past due	1,222,081
91 to 120 days past due	1,145,864
121 to 150 days past due	5,900,502
More than 150 days past due	43,903,273
Trade receivables	77,438,357
Impaired individually	3,488,724
	<u>139,011,572</u>

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. The following indicators are incorporated, amongst others:

- internal credit rating
- external credit rating (as far as available)

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. The following indicators are incorporated, amongst others: (continued)

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than credit term in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.11(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Finance lease receivables

The credit risk associated with finance lease receivables is mitigated by way of obtaining security over the leased equipment. At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

As at the end of reporting date, the Company considers the finance lease receivables as low credit and any loss allowance would be negligible.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantees contract

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM56,854,676 (31.3.2021: RM123,281,842).

Currently, the Company considers the financial guarantees to be of low credit risk as the guarantee are provided as credit enhancement to the subsidiaries' secured borrowings.

As at the reporting date, there have no losses arising from the financial guarantees and undertakings provided by the Company. The fair value of the financial guarantee has not been recognised since the fair value on initial recognition is not material.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meets their liabilities when they fall due.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity Risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM	← Contractual undiscounted cash flows →		Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	
Group				
30.6.2022				
Financial liabilities:				
Trade and other payables	232,331,354	232,331,354	-	232,331,354
Lease liabilities	8,518,292	2,140,644	7,169,998	9,310,642
Redeemable convertible preference shares	67,608,000	1,352,160	70,312,320	71,664,480
Bank overdrafts	6,128,722	6,128,722	-	6,128,722
Revolving credits	14,290,000	14,290,000	-	14,290,000
Term loans	15,491,136	17,160,808	-	17,160,808
	<u>344,367,504</u>	<u>273,403,688</u>	<u>77,482,318</u>	<u>350,886,006</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity Risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

	Carrying amount RM	← Contractual undiscounted cash flows →		Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	
Group				
31.3.2021				
Financial liabilities:				
Trade and other payables	315,985,043	315,985,043	-	315,985,043
Lease liabilities	10,624,887	2,031,336	9,810,930	11,842,266
Banker acceptance	18,582,000	18,582,000	-	18,582,000
Bank overdrafts	9,762,915	9,762,915	-	9,762,915
Revolving credits	23,098,011	23,098,011	-	23,098,011
Term loans	52,092,156	53,660,598	-	53,660,598
	<u>430,145,012</u>	<u>423,119,903</u>	<u>9,810,930</u>	<u>432,930,833</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity Risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

	Carrying amount RM	← Contractual undiscounted cash flows →		Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	
Company 30.6.2022				
Financial liabilities:				
Trade and other payables	25,708,364	26,368,364	-	26,368,364
Lease liabilities	8,319,623	2,030,610	7,071,034	9,101,644
Redeemable convertible preference shares	67,608,000	1,352,160	70,312,320	71,664,480
Financial guarantee contracts	-	56,854,676	-	56,854,676
	<u>101,635,987</u>	<u>86,605,810</u>	<u>77,383,354</u>	<u>163,989,164</u>
31.3.2021				
Financial liabilities:				
Trade and other payables	84,480,060	85,308,737	-	85,308,737
Lease liabilities	10,387,160	1,939,271	9,705,508	11,644,779
Bank overdrafts	931,285	931,285	-	931,285
Revolving credits	1,000,000	1,000,000	-	1,000,000
Financial guarantee contracts	-	123,281,842	-	123,281,842
	<u>96,798,505</u>	<u>212,461,135</u>	<u>9,705,508</u>	<u>222,166,643</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales and purchases that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Sensitivity analysis for foreign currency risk

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the loss for the financial period/year and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and loss for the financial period/year.

	Change in basis points	Effect on loss for the financial period/year RM	Effect on equity RM
Group			
30.6.2022	+ 100	176,978	176,978
	- 100	(176,978)	(176,978)
31.3.2021	+ 100	695,545	695,545
	- 100	<u>(695,545)</u>	<u>(695,545)</u>
Company			
31.3.2021	+ 100	14,678	14,678
	- 100	<u>(14,678)</u>	<u>(14,678)</u>

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

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

There have been no transfers between Level 1 and Level 2 during the financial period (31.3.2021: no transfer in either directions).

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Group	Carrying amount RM	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.6.2022									
Financial assets									
Other investments	36,382,182	36,348,682	-	33,500	36,382,182	-	-	-	-
Financial liabilities									
Redeemable convertible preference shares	67,608,000	-	-	-	-	-	-	71,664,480	71,664,480
Term loans	15,491,136	-	-	-	-	-	-	17,160,808	17,160,808
31.3.2021									
Financial assets									
Other investments	33,500	-	-	33,500	33,500	-	-	-	-
Short-term fund	4,862,906	-	4,862,906	-	4,862,906	-	-	-	-
Financial liabilities									
Term loans	52,092,156	-	-	-	-	-	-	53,660,598	53,660,598

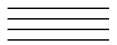
Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (continued)

	Carrying amount RM	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company									
30.6.2022									
Financial assets									
Other investments	36,382,182	36,348,682	-	33,500	36,382,182	-	-	-	-
Financial liabilities									
Redeemable convertible preference shares	67,608,000	-	-	-	-	-	-	71,664,480	71,664,480
31.3.2021									
Financial assets									
Other investments	33,500	-	-	33,500	33,500	-	-	-	-



Notes to the Financial Statements

36. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Associates;
- (iii) Joint venture;
- (iv) Entities in which directors have substantive financial interest;
- (v) Close members of the family of a directors; and
- (vi) Key management personnel of the Group's and of the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM
Associates				
Liquidated ascertained damages charged	-	13,391,160	-	-
Management fee charged	-	724,850	-	-
Joint venture				
Management fees	(100,000)	(150,000)	(100,000)	(150,000)
Subsidiaries				
Interest expense	-	-	980,777	792,171
Interest income	-	-	(230,859)	(173,227)
Management fees	-	-	(11,277,073)	(9,588,755)

Information on the outstanding balances with related parties at the end of the reporting period are disclosed in Notes 15 and 25.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 35(b)(i).

Notes to the Financial Statements

36. RELATED PARTIES (continued)

(c) Compensation of key management personnel

	Group		Company	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM
Short-term employee benefits	3,784,312	3,460,781	2,798,960	2,648,796
Defined contribution benefits	403,263	314,487	287,153	190,866
Benefits-in-kind	32,800	145,813	32,800	96,613
	<u>4,220,375</u>	<u>3,921,081</u>	<u>3,118,913</u>	<u>2,936,275</u>

37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services. The operating segment reporting are organised and managed separately according to the nature of the services provided, with each segment representing a business unit that serves different markets.

The Group Managing Director (the chief operating decision maker) reviews internal management report regularly on a quarterly basis.

The 5 main reportable operating segments are as follows:-

Segments	Products and services
Construction	General contractors in the construction industry
Property development	Development of commercial and residential properties
Trading and services	Trading of construction materials and computer software
Property investment	Rental of investment properties
Investment holding	Investment holding and provision of management services

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

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment pricing is determined based on negotiated terms.

Notes to the Financial Statements

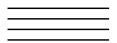
37. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.4.2021 to 30.6.2022 (15 months)							
Revenue							
External sales	31,366,243	81,879,427	8,294,244	100,000	351,314	523,845	122,515,073
Inter-segment sales	918,233	-	4,991,694	11,277,073	277,806	(17,464,806)	-
Total revenue	<u>32,284,476</u>	<u>81,879,427</u>	<u>13,285,938</u>	<u>11,377,073</u>	<u>629,120</u>	<u>(16,940,961)</u>	<u>122,515,073</u>
Results							
Segment results	(137,882,178)	(3,157,214)	(15,153,328)	(275,535,794)	(1,773,974)	275,591,160	(157,911,328)
Finance costs	(5,326,149)	(1,379,731)	(107,328)	(1,898,424)	(230,859)	1,369,289	(7,573,202)
Loss before tax	(143,208,327)	(4,536,945)	(15,260,656)	(277,434,218)	(2,004,833)	276,960,449	(165,484,530)
Tax (expense)/credit	(34,532)	(1,712,296)	12,000	-	53,962	-	(1,680,866)
Loss for the financial period	<u>(143,242,859)</u>	<u>(6,249,241)</u>	<u>(15,248,656)</u>	<u>(277,434,218)</u>	<u>(1,950,871)</u>	<u>276,960,449</u>	<u>(167,165,396)</u>

Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
30.6.2022							
Assets							
Segment assets	110,372,173	152,189,259	20,964,439	155,380,747	18,797,746	(163,996,800)	293,707,564
Deferred tax assets	-	55,126	-	-	-	-	55,126
Tax assets	-	1,284,842	249,540	-	9,115	-	1,543,497
Total assets	110,372,173	153,529,227	21,213,979	155,380,747	18,806,861	(163,996,800)	295,306,187
Liabilities							
Segment liabilities	307,771,643	77,612,712	72,187,864	110,634,918	19,584,083	(187,480,837)	400,310,383
Deferred tax liabilities	-	-	-	-	313,100	-	313,100
Tax liabilities	170,946	1,938,696	-	-	14,456	-	2,124,098
Total liabilities	307,942,589	79,551,408	72,187,864	110,634,918	19,911,639	(187,480,837)	402,747,581



Notes to the Financial Statements

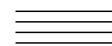
37. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.4.2021 to 30.6.2022 (15 months)							
Other segment items							
Bad debts written off	6,111,099	-	-	-	-	-	6,111,099
Capital expenditure:							
- property, plant and equipment	20,369	219,721	63,367	35,490	-	-	338,947
- right-of-use assets	-	130,898	-	-	-	-	130,898
Deposits written off	-	-	7,792	-	680	-	8,472
Depreciation of:							
- property, plant and equipment	1,790,134	11,937	475,080	158,338	178,306	(52,041)	2,561,754
- right-of-use assets	762,027	13,635	496,284	1,056,089	-	(28,301)	2,299,734
Fair value loss on:							
- investment properties	-	-	-	-	1,520,000	(66,632)	1,453,368
- other investments	-	-	-	24,604,198	-	-	24,604,198
GST receivable written off	2,454,952	-	248,821	-	-	-	2,703,773
Impairment losses on:							
- amounts owing by subsidiaries	-	-	-	26,745,806	-	(26,745,806)	-
- contract assets	4,932,562	-	-	-	-	-	4,932,562
- investment in an associate	-	-	-	105,003	-	(105,003)	-
- investment in subsidiaries	-	-	-	118,000,000	-	(118,000,000)	-
- trade receivables	10,368,912	-	-	-	109,925	-	10,478,837

Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.4.2021 to 30.6.2022 (15 months)							
Other segment items							
(continued)							
Interest expense	5,326,149	1,379,731	107,328	1,898,424	230,859	(1,369,289)	7,573,202
Interest income	(161,577)	(1,017,404)	(187)	(577,548)	(50)	1,466,444	(290,322)
Loss on derecognition of an associate	-	-	-	97,186,509	-	(85,453,715)	11,732,794
Loss/(Gain) on disposal of: - a joint venture	-	-	-	4,650,000	-	(971,538)	3,678,462
- property, plant and equipment	(1,469,465)	-	-	(14,435)	-	-	(1,483,900)
Property, plant and equipment written off	104,113	-	4,542,079	-	-	(218,267)	4,427,925
Provision for: - legal claims	11,505,438	-	-	-	-	-	11,505,438
- onerous contracts	39,776,884	-	-	-	-	(12,006,289)	27,770,595
Reversal of impairment losses on: - contract assets	(35,408)	-	-	-	-	-	(35,408)
- other receivables	(782,614)	-	-	-	-	-	(782,614)
- trade receivables	(3,488,724)	-	-	-	-	-	(3,488,724)
Share of results of a joint venture	-	-	-	-	-	465,457	465,457



Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

1.4.2020 to 31.3.2021

(12 months)

Revenue

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
External sales	64,312,024	110,370,492	5,222,229	150,000	282,636	(2,188,213)	178,149,168
Inter-segment sales	42,127,068	-	5,080,159	9,588,755	221,280	(57,017,262)	-
Total revenue	106,439,092	110,370,492	10,302,388	9,738,755	503,916	(59,205,475)	178,149,168

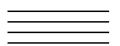
Results

Segment results	8,120,993	3,937,090	(15,807,333)	(4,769,143)	1,023,109	(10,682,214)	(18,177,498)
Finance costs	(6,196,880)	(2,105,111)	(144,259)	(1,114,076)	(344,439)	1,053,140	(8,851,625)
Profit/(Loss) before tax	1,924,113	1,831,979	(15,951,592)	(5,883,219)	678,670	(9,629,074)	(27,029,123)
Tax credit/(expense)	2,600,000	(2,100,724)	(17)	610,000	(118,401)	-	990,858
Profit/(Loss) for the financial year	4,524,113	(268,745)	(15,951,609)	(5,273,219)	560,269	(9,629,074)	(26,038,265)

Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
31.3.2021							
Assets							
Segment assets	308,232,943	157,827,857	25,830,007	401,289,324	20,793,359	(430,519,548)	483,453,942
Deferred tax assets	-	55,126	-	-	-	-	55,126
Tax assets	-	1,122,074	65,171	-	6,722	-	1,193,967
Total assets	308,232,943	159,005,057	25,895,178	401,289,324	20,800,081	(430,519,548)	484,703,035
Liabilities							
Segment liabilities	362,412,154	76,222,111	61,714,608	107,223,251	19,296,166	(176,505,887)	450,362,403
Deferred tax liabilities	-	-	12,000	-	468,960	-	480,960
Tax liabilities	170,946	2,555,896	21	-	8,397	-	2,735,260
Total liabilities	362,583,100	78,778,007	61,726,629	107,223,251	19,773,523	(176,505,887)	453,578,623



Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

1.4.2020 to 31.3.2021 (12 months)

Other segment items

Capital expenditure:

- property, plant and equipment

- right-of-use assets

Depreciation of:

- property, plant and equipment

- right-of-use assets

Fair value gain on investment properties

Impairment losses on:

- contract assets

- other receivables

- trade receivables

Interest expense

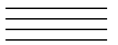
Interest income

Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1,100,644	-	17,218	40,467	-	-	1,158,329
3,341,679	-	3,475,722	3,395,566	-	(285,377)	9,927,590
1,893,715	1,910	414,017	202,791	149,781	(28,260)	2,633,954
648,517	-	656,287	796,940	-	(142,142)	1,959,602
-	-	-	-	1,108,008	560,830	1,668,838
35,408	-	-	-	-	-	35,408
728,614	-	9,327,120	-	-	-	10,055,734
3,488,724	-	-	-	-	-	3,488,724
6,196,880	2,105,111	144,259	1,114,076	344,439	(1,053,140)	8,851,625
(236,150)	(940,534)	(141)	(306,856)	(156)	1,041,097	(442,740)

Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.4.2020 to 31.3.2021 (12 months)							
Other segment items (continued)							
Loss/(Gain) on disposal of:							
- investment properties	1,719,135	-	-	-	-	-	1,719,135
- property, plant and equipment	285,197	-	-	(43,923)	-	-	241,274
Property, plant and equipment written off	671,437	-	-	-	-	113,543	784,980
Share of results of a joint venture	-	-	-	-	-	399,155	399,155
Share of results of associates	-	-	-	-	-	9,645,646	9,645,646



Notes to the Financial Statements

37. SEGMENT INFORMATION (continued)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue		Non-current asset	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM	30.6.2022 RM	31.3.2021 RM
Group				
Malaysia	122,515,073	178,017,829	96,368,462	140,068,881
Vietnam	-	131,339	-	-
	<u>122,515,073</u>	<u>178,149,168</u>	<u>96,368,462</u>	<u>140,068,881</u>

	Group	
	1.4.2021 to 30.6.2022 (15 months) RM	1.4.2020 to 31.3.2021 (12 months) RM
<u>Recognised at a point in time</u>		
Malaysia	13,520,294	35,966,419
Vietnam	-	131,339
	<u>13,520,294</u>	<u>36,097,758</u>
<u>Recognised over time</u>		
Malaysia	<u>108,994,779</u>	<u>142,051,410</u>
	<u>122,515,073</u>	<u>178,149,168</u>

Information about major customers

Revenue from one (31.3.2021: one) major customer in the construction segment represents RM29,961,222 (31.3.2021: RM38,917,239) or 24% (31.3.2021: 22%) of the Group's revenue.

Notes to the Financial Statements

38. COMPARATIVE FIGURES

(a) Change of financial year end

During the financial period, the Group and the Company changed their financial year end from 31 March to 30 June and made up their financial statements for the 15 months period to 30 June 2022. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

(b) Retrospective adjustments

During the financial period, the Group and the Company made retrospective adjustments to reflect the followings:

- (i) Adjustment on property development revenue and expenses;
- (ii) Adjustment on construction costs for completed projects;
- (iii) Recognition of onerous contracts;
- (iv) Recognition of employee benefits expense;
- (v) Recognition of income from an associate; and
- (vi) Adjustment on right-of-use assets, lease liabilities and lease receivables.

(c) Reclassification

These figures have been reclassified to conform with the current financial period's presentation.

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

(d) The effect of prior year adjustments and reclassification are as follows:

	As previously reported RM	Note (b)	Effects of prior year adjustments Note (b) RM	Reclassi- fication Note (c) RM	As restated/ reclassified RM
Group					
Statements of financial position (extract) 31.3.2021					
Non-current assets					
Right-of-use assets	10,812,410	(vi)	(306,082)	-	10,506,328
Current assets					
Inventories	94,066,886	(i)	5,880,649	10,444,850	110,392,385
Trade and other receivables	141,027,029	(v)	2,762,193	(427,498)	143,361,724
Contract costs	14,083,271	(i)	(1,429,931)	(10,444,850)	2,208,490
Contract assets	68,800,691	(i)	(12,122,093)	1,405,893	58,084,491
Equity					
Accumulated losses	(119,788,706)	(i) to (vi)	(59,054,940)	-	(178,843,646)
Non-controlling interests	31,090,851	(i)	(491,659)	-	30,599,192
Non-current liabilities					
Lease liabilities	8,987,363	(vi)	(10)	-	8,987,353
Retirement benefits obligation	-	(iv)	5,820,308	-	5,820,308
Current liabilities					
Lease liabilities	1,847,123	(vi)	(209,589)	-	1,637,534
Retirement benefits obligation	-	(iv)	230,986	-	230,986
Trade and other payables	280,610,067	(ii), (iv)	38,597,214	(3,222,238)	315,985,043
Contract liabilities	73,038	(i)	22,500	4,200,633	4,296,171
Provisions	-	(iii)	9,869,926	-	9,869,926

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

(d) The effect of prior year adjustments and reclassification are as follows: (continued)

Group	As previously reported RM	Note (b)	Effects of prior year adjustments Note (b) RM	Reclassi- fication Note (c) RM	As restated/ reclassified RM
Statements of profit or loss and other comprehensive income (extract) 31.3.2021					
Revenue	178,034,462	(i)	127,064	(12,358)	178,149,168
Cost of sales	(144,795,002)	(i), (ii)	(1,154,042)	(26,224)	(145,975,268)
Other income	3,749,305	(vi)	2,340	-	3,751,645
Selling and administrative expenses	(24,504,676)	(i), (iv)	106,257	-	(24,398,419)
Other operating expenses	(6,063,984)	(vi)	(54,555)	38,582	(6,079,957)
Finance costs	(8,870,379)	(vi)	18,754	-	(8,851,625)
Other comprehensive income	<u>(49,420)</u>	(iv)	<u>3,021,694</u>	<u>-</u>	<u>2,972,274</u>
Statements of cash flows (extract) 31.3.2021			As previously reported RM	Note (c) RM	As reclassified RM
Net cash from operating activities			20,260,627	(10,954,278)	9,306,349
Net cash from investing activities			2,188,038	(473,111)	1,714,927
Net cash used in financing activities			(14,504,078)	8,602,369	(5,901,709)
Cash and cash equivalents at the beginning of the financial year			1,094,710	(2,037,886)	(943,176)
Cash and cash equivalents at the end of the financial year			<u>8,989,877</u>	<u>(4,862,906)</u>	<u>4,126,971</u>

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

(d) The effect of prior year adjustments and reclassification are as follows: (continued)

	As previously reported RM	Note (b)	Effects of prior year adjustments Note (b) RM	Reclassi- fication Note (c) RM	As restated/ reclassified RM
Group					
Statements of financial position (extract) 1.4.2020					
Current assets					
Inventories	156,946,559	(i)	12,940,437	(26,584,325)	143,302,671
Trade and other receivables	108,919,619	(v)	2,699,158	-	111,618,777
Contract costs	20,507,944	(i)	(3,237,085)	(14,452,158)	2,818,701
Contract assets	<u>41,573,750</u>	(i)	<u>(19,292,689)</u>	<u>6,901,436</u>	<u>29,182,497</u>
Equity					
Accumulated losses	(100,093,080)	(i) to (v)	(60,236,147)	-	(160,329,227)
Non-controlling interests	<u>19,233,315</u>	(i)	<u>(1,377,976)</u>	<u>-</u>	<u>17,855,339</u>
Non-current liabilities					
Retirement benefits obligation	<u>-</u>	(iv)	<u>8,090,834</u>	<u>-</u>	<u>8,090,834</u>
Current liabilities					
Retirement benefits obligation	-	(iv)	520,670	-	520,670
Trade and other payables	205,364,262	(ii), (iv)	36,242,514	-	241,606,776
Contract liabilities	58,125,429		-	(34,135,047)	23,990,382
Provisions	<u>-</u>	(iii)	<u>9,869,926</u>	<u>-</u>	<u>9,869,926</u>

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

(d) The effect of prior year adjustments and reclassification are as follows: (continued)

	As previously reported RM	Note (b)	Effects of prior year adjustments Note (b) RM	As restated RM
Company Statements of financial position (extract) 31.3.2021				
Non-current assets				
Right-of-use assets	4,168,890	(vi)	(350,423)	3,818,467
Finance lease receivables	<u>5,546,062</u>	(vi)	<u>107,376</u>	<u>5,653,438</u>
Current assets				
Trade and other receivables	<u>59,554,579</u>	(v)	<u>2,699,158</u>	<u>62,253,737</u>
Equity				
Retained earnings	<u>72,333,474</u>	(iv) to (vi)	<u>(2,593,774)</u>	<u>69,739,700</u>
Non-current liabilities				
Lease liabilities	8,835,052	(vi)	(10)	8,835,042
Retirement benefits obligation	<u>-</u>	(iv)	<u>2,214,779</u>	<u>2,214,779</u>
Current liabilities				
Lease liabilities	1,761,707	(vi)	(209,589)	1,552,118
Trade and other payables	<u>81,435,355</u>	(iv)	<u>3,044,705</u>	<u>84,480,060</u>

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

(d) The effect of prior year adjustments and reclassification are as follows: (continued)

	As previously reported RM	Note (b)	Effects of prior year adjustments Note (b) RM	As restated RM
Company				
Statements of profit or loss and other comprehensive income (extract) 31.3.2021				
Other income	517,764	(vi)	2,340	520,104
Selling and administrative expenses	(13,437,285)	(iv)	(277,699)	(13,714,984)
Other operating expenses	(947,694)	(vi)	(54,542)	(1,002,236)
Finance costs	(1,132,830)	(vi)	18,754	(1,114,076)
Other comprehensive income	<u>-</u>	(iv)	<u>1,214,738</u>	<u>1,214,738</u>
Statements of financial position (extract) 1.4.2020				
Current assets				
Trade and other receivables	<u>56,973,505</u>	(v)	<u>2,699,158</u>	<u>59,672,663</u>
Equity				
Retained earnings	<u>76,984,764</u>	(iv), (v)	<u>(3,497,365)</u>	<u>73,487,399</u>
Non-current liabilities				
Retirement benefits obligation	<u>-</u>	(iv)	<u>3,070,048</u>	<u>3,070,048</u>
Current liabilities				
Retirement benefits obligation	-	(iv)	81,770	81,770
Trade and other payables	<u>76,135,883</u>	(iv)	<u>3,044,705</u>	<u>79,180,588</u>

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

(d) The effect of prior year adjustments and reclassification are as follows: (continued)

Company	As previously reported RM	Reclassification Note (c) RM	As reclassified RM
Statements of cash flows (extract)			
31.3.2021			
Net cash from operating activities	635,252	(574,597)	60,655
Net cash from/(used in) investing activities	12,452	(2,365,150)	(2,352,698)
Net cash used in financing activities	<u>(3,114,887)</u>	<u>2,939,747</u>	<u>(175,140)</u>

(e) The financial statements of the Group and of the Company for the financial year ended 31 March 2021 were audited by Messrs Crowe Malaysia PLT whose report dated 25 August 2021 expressed the following qualified opinion with the inclusion of material uncertainty related to going concern paragraph on those financial statements as disclosed below:

“Basis for Qualified Opinion

1. Investment in associates (Note 6 to the financial statements)

As disclosed in Note 6 - Investment in Associates to the financial statements, the Group's investment in Aseana Properties Limited (“ASPL”) and its subsidiaries (“ASPL Group”), accounted for by the equity method, is carried at RM72,685,673 on the consolidated statement of financial position as at 31 March 2021. The Group's share of ASPL Group's loss after taxation of RM9,645,646 is included in the Group's consolidated statement of profit or loss and other comprehensive income for the financial year then ended. Messrs Crowe Malaysia PLT were unable to obtain sufficient appropriate audit evidence on the carrying amount of the Group's investment in ASPL Group as at 31 March 2021 and the Group's share of ASPL Group's profit after taxation for the financial year because Messrs Crowe Malaysia PLT were not able to obtain access to the financial information, management, and the auditors of ASPL Group within the audit time period. Consequently, Messrs Crowe Malaysia PLT were unable to determine whether any adjustments to these amounts were necessary.

Notes to the Financial Statements

38. COMPARATIVE FIGURES (continued)

- (e) The financial statements of the Group and of the Company for the financial year ended 31 March 2021 were audited by Messrs Crowe Malaysia PLT whose report dated 25 August 2021 expressed the following qualified opinion with the inclusion of material uncertainty related to going concern paragraph on those financial statements as disclosed below: (continued)

2. Trade and other receivables and trade and other payables

As a result of the movement restrictions imposed throughout Malaysia due to Covid-19 pandemic, the management was unable to provide the documentary evidence required for certain trade and other receivables and trade and other payables of a subsidiary as they were not able to operate during that period. As such, Messrs Crowe Malaysia PLT were unable to obtain sufficient appropriate audit evidence in the following balances relating to the financial statements of a subsidiary as at 31 March 2021:-

- i. The amount disclosed in Note 16 to the financial statements on trade receivables amounting to RM62,201,573;*
- ii. The amount disclosed in Note 17 to the financial statements on other receivables amounting to RM48,496,474;*
- iii. The amount disclosed in Note 32 to the financial statements on trade payables amounting to RM148,518,448; and*
- iv. The amount disclosed in Note 33 to the financial statements on other payables amounting to RM9,375,034.*

Consequently, Messrs Crowe Malaysia PLT were unable to determine whether any adjustments might have been found necessary to these balances.

Material Uncertainty Related to Going Concern

Messrs Crowe Malaysia PLT draw attention to Note 3.3 - Basis of Preparation to the financial statements, which indicates that the Group incurred a net loss of RM25,084,083 during the financial year ended 31 March 2021 and, as of that date, the Group's current liabilities exceeded its current assets by RM40,235,629. These events or conditions, along with other matters as disclosed in Note 3.3 - Basis of Preparation to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

Notes to the Financial Statements

39. MATERIAL LITIGATIONS

(a) Arbitration between PWC Corporation Sdn. Bhd. ("PWC") (as claimant) and IECSB (as respondent)

On 22 January 2020, PWC filed the claimant's points of claim against IECSB in relation to a dispute arising from the sub-contract dated 5 January 2011 where PWC was appointed by IECSB for sub-contract works for a proposed office and hotel development on part of Lot-Lot 203 (New Lot No. 364), Seksyen 72 (Lot G), Mukim Kuala Lumpur, Wilayah Persekutuan.

PWC claims the sum of RM2,168,247, being the works done for the said project, interests and costs.

On the other hand, IECSB had on 15 May 2020 filed its defence with set-off and counter claim to dispute PWC's claims and in turn, set-off and counter claimed for amongst others:

- (a) the sum of RM 231,027, being the back charges imposed by IECSB;
- (b) the sum of RM3,224,474, being the loss and damage suffered by IECSB under Sandakan Sub-Contract entered into by the same parties; and
- (c) the sum of RM17,190, being the overpaid amount suffered by IECSB under the KL Sentral Package 3 Sub-Contract entered into by the same parties.

The arbitration proceedings are fixed for continued hearing on 23 February 2022 and 24 February 2022, 18 July 2022, 19 July 2022, 20 July 2022 and 21 July 2022, 9 August 2022, 10 August 2022, 11 August 2022, 16 August 2022, 17 August 2022 and 18 August 2022 and 7 September 2022, 8 September 2022 and 12 September 2022.

On 15 July 2022, the arbitrator has vacated July hearing date pending parties' negotiation of the global settlement. However, other hearing dates are maintained.

On 2 August 2022, the arbitrator and the claimant were informed on IECSB's judicial management application.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022 JM OS and the High Court of Kuala Lumpur has made an order to allow the PWC to intervene into the JM OS on 15 September 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

Notes to the Financial Statements

39. MATERIAL LITIGATIONS (continued)

(b) Adjudication between HB Glass & Aluminium Sdn. Bhd. (“HB”) (as claimant) and IECSB (as respondent)

On 31 May 2021, HB has initiated arbitration proceeding against IECSB arises from the dispute in relation to the Imperia Project, where both parties have entered into 6 contracts where HB was appointed by IECSB as sub-contractor for performance of various works for the Imperia Project (“NSC Contract & 5 DSC Contracts”).

Pursuant to the statement of claim filed by HB on 31 May 2021, HB has claimed for, amongst others, an order for IECSB to pay HB the sum of RM5,979,535, being the total balance due under the NSC Contract & 5 DSC Contracts, an order for the respondent to refund the claimant of all goods and services tax paid thus far, and damages.

On 19 July 2021, IECSB filed its points of defence and counterclaim to dispute HB’s claim and in turn, counter-claimed amongst others, for losses and damages amounting to RM38,010,000 in the form of liquidated damages imposed on IECSB as a result or arising from HB’s delay and/or RM3,211,414, being the apportioned liquidated damages imposed.

On 29 November 2021, both parties have completed the exchange and inspection of documents. The arbitration hearing is fixed on 9 August 2022 and 12 August 2022.

On 21 July 2022, IECSB has applied for the hearing to be vacated to one month later but was rejected by the court.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

Notes to the Financial Statements

39. MATERIAL LITIGATIONS (continued)

(c) Arbitration between Chan Wai Electrical Engineering Sdn. Bhd. (“Chan Wai”) (as claimant) and IECSB (as Respondent)

28 September 2021, Chan Wai filed a statement of claim against IECSB in the High Court at Kuala Lumpur and claimed for, amongst others, the outstanding sum of RM1,299,562, being the outstanding sum owed by IECSB in respect of a project where Chan Wai was appointed by IECSB as a sub-contractor.

Chan Wai was appointed by IECSB for sub-contract works for the project known as “Project Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh – Kajang, Package V7: construction and completion of viaduct guideway and other associated works from Bandar Tun Hussein Onn to Taman Mesra” vide a Letter of Award dated 22 October 2012.

On 27 October 2021, Chan Wai has filed a notice of withdrawal to withdraw the legal suit filed at the High Court.

Subsequently, Chan Wai has served a notice of arbitration on 1 December 2021 to IECSB where it has claimed for, amongst others, the outstanding sum of RM1,299,562, being the final account sum allegedly owed by IECSB for the said project.

On 14 January 2022, IECSB served a Response to Notice of Arbitration dated 14 January 2022 to Chan Wai’s solicitors.

On 9 February 2022, the Institution of Engineers, Malaysia has appointed Ir. Chong Thaw Sing as sole arbitrator to determine the dispute between the parties.

On 7 July 2022, Chan Wai’s solicitors requested for the arbitration to be converted to a documents only arbitration.

On 13 July 2022, IECSB has objected to Chan Wai’s request vide letter dated 13 July 2022.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022 JM OS and the High Court of Kuala Lumpur has made an order to allow the Chan Wai to intervene into the JM OS on 15 September 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

Notes to the Financial Statements

39. MATERIAL LITIGATIONS (continued)

(d) **Kuala Lumpur High Court Civil Suit No: WA-22NCvC-281-05/2022 - Between G. Trade Sdn. Bhd. ("G. Trade") (as plaintiff) and IECSB (as Defendant)**

On 25 May 2022, G. Trade has filed a writ and statement of claim against IECSB for the outstanding sum in relation to the purchase of steel bars by IECSB.

The plaintiff claims:

- (a) RM1,290,473 balance outstanding sum; and
- (b) RM214,206 interest for overdue sum.

Case management was fixed on 12 July 2022.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

(e) **Kuala Lumpur High Court Civil Suit No: WA-22C-48-06/2022 - Between OCK M&E Sdn. Bhd. ("OCKME") (as Plaintiff) and IECSB (as Defendant)**

On 24 June 2022, OCKME has filed a writ and statement of claim against IECSB for the outstanding sum owed by IECSB in respect of a project where OCKME was appointed by IECSB as a sub-contractor.

OCKME was appointed by IECSB for sub-contract works for the project known as "Supply, Delivery, Installation, Testing & Commissioning of Electrical and Extra Low Voltage Services for Fasa 2A – Pantai Hospital Ayer Keroh, Melaka" vide a Letter of Award dated 15 May 2018.

The plaintiff claims:

- (a) RM1,846,808 outstanding sum;
- (b) RM216,149 certified sum for PC No. 33;
- (c) Interest on RM216,149 at the rate of 5% per annum from 5 July 2022 until the date of full settlement; and
- (d) Costs

Case management was fixed on 14 July 2022.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022 JM OS and the High Court of Kuala Lumpur has made an order to allow the OCKME to intervene into the JM OS on 15 September 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

Notes to the Financial Statements

39. MATERIAL LITIGATIONS (continued)

(f) **Kuala Lumpur High Court Civil Suit No.: WA-24C (ARB)-25-07/2022 - Between PWC (as plaintiff) and IECSB (as defendant)**

On 4 July 2022, PWC has filed a writ and statement of claim against IECSB on the ground that the outstanding sum and expense damages arising from the letter of acceptance executed between both parties on 6 July 2010 where PWC was appointed by IECSB as sub-contractor for a proposed commercial building development on part of Lot T.L. 077579394 (LA 20-01070435), Sandakan Harbour Square, Daerah Sandakan, Bandar Sandakan, Sabah.

The plaintiff claims:

- (e) RM729,092 balance Contract Sum;
- (f) RM350,000 legal fees; and
- (g) RM227,780 cost of award.

On 20 July 2022, PWC filed Memorandum of Appearance.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022 JM OS and the High Court of Kuala Lumpur has made an order to allow the PWC to intervene into the JM OS on 15 September 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

(g) **Kuala Lumpur High Court Civil Suit No.: WA-22NCvC-421-08/2022 - Between Amatir Resources Sdn. Bhd. ("Amatir") (as plaintiff) and IECSB (as defendant)**

On 5 August 2022, Amatir has filed a writ and statement of claim against IECSB to claim for, amongst others, the sum of RM7,448,890 being the settlement sum in relation to the breach of settlement agreement dated 23 December 2019 by IECSB.

IECSB agreed to pay Amatir in cash via 8 instalments monthly starting from 30 November 2019 to 30 June 2020 pursuant to the settlement agreement entered.

As disclosed in Note 41(g), IECSB has filed its Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management on 29 July 2022.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial period ended 30 June 2022 as adequate provision had been made in the financial statements.

Notes to the Financial Statements

40. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that they will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial years. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as loans and borrowings plus payables less short-term fund and deposits, cash and bank balances.

The Group and the Company are also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The debt-to-equity ratio of the Group and the Company as at the end of the reporting period is as follows:

	Group		Company	
	30.6.2022	31.3.2021	30.6.2022	31.3.2021
	RM	RM	RM	RM
Loans and borrowings	103,517,858	103,535,082	67,608,000	1,931,285
Lease liabilities	8,518,292	10,624,887	8,319,623	10,387,160
Trade and other payables	<u>232,331,354</u>	<u>315,985,043</u>	<u>25,708,364</u>	<u>84,480,060</u>
	344,367,504	430,145,012	101,635,987	96,798,505
Less: Short-term fund	-	(4,862,906)	-	-
Less: Deposits, cash and bank balances	<u>(18,499,444)</u>	<u>(24,530,191)</u>	<u>(10,344,315)</u>	<u>(4,224,588)</u>
Net debts	<u>325,868,060</u>	<u>400,751,915</u>	<u>91,291,672</u>	<u>92,573,917</u>
(Capital deficiency)/ Total equity	<u>(107,441,394)</u>	<u>31,124,412</u>	<u>51,801,928</u>	<u>251,028,093</u>
Debt-to-equity ratio	<u>*</u>	<u>12.88</u>	<u>1.76</u>	<u>0.37</u>

* Not meaningful as the Group is in capital deficiency position.

Notes to the Financial Statements

41. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

(a) Practice Note 17 (“PN17”) Issuer

On 1 March 2022, the Board of Directors of the Company announced that the Company has triggered the prescribed criteria under Paragraph 2.1(e) of the PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and that the Company is a PN17 Issuer effective from 28 February 2022.

The Company is required to submit a regularisation plan to the Securities Commission Malaysia within 12 months from the date of the First Announcement. The Company is looking into formulating a plan to regularise its financial condition and the announcement on the same will be made in due course.

(b) Non-binding Offer to Purchase Equity Interests in Certain Subsidiaries and Associates of the Company

On 5 July 2021, the Board of Directors of the Company announced that the Company had received a letter for the non-binding offer dated 5 July 2021 from the former substantial shareholder of the Company, Ideal Land Holdings Sdn. Bhd. (“ILHSB”) to purchase all of the Group’s equity interest in subsidiaries and associates involved in property development, property management, urban transportation and information technology business for an indicative offer price of RM40 million (“Offer”).

On 1 September 2022, the Board of Directors of the Company announced that the Offer from ILHSB is considered lapsed and both parties are unable to come to an agreement with regard to the various commercial terms to conclude the transaction. The Company and ILHSB have now decided to cease all negotiation with respect to the Offer.

(c) Private placement

- (i) On 22 July 2021, the Board of Directors of the Company announced that the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company to third party investor(s).

On 27 July 2021, the Board of Directors of the Company announced that Bursa Securities had, vide its letter dated 27 July 2021, approved the listing and quotation up to 18,670,800 placement shares to be issued pursuant to the private placement.

On 28 July 2021, the first tranche of the private placement was fixed at RM0.6357 per placement share and the exercise was completed following the listing and quotation of 9,500,000 placement shares on 5 August 2021.

Subsequently, on 19 August 2021, the second tranche of the private placement was fixed at RM0.5746 per placement share. This exercise has been completed following the listing and quotation of 9,170,800 placement shares on 30 August 2021.

Notes to the Financial Statements

41. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD (continued)

(c) Private placement (continued)

- (ii) On 6 October 2021, the Board of Directors of the Company announced that the Company proposed to undertake a private placement of up to 22,404,900 new ordinary shares of the Company to third party investor(s).

On 12 October 2021, the Board of Directors of the Company announced that Bursa Securities had, vide its letter dated 12 October 2021, approved the listing and quotation up to 22,404,900 placement shares to be issued pursuant to the private placement.

Further, the Board of Directors of the Company has fixed the first tranche of the private placement was at RM0.7000 per placement share and the exercise was completed following the listing and quotation of 20,000,000 placement shares on 20 October 2021.

Subsequently, on 29 November 2021, the second tranche of the private placement was fixed at RM0.6500 per placement share. This exercise has been completed following the listing and quotation of 2,404,900 placement shares on 7 December 2021.

(d) Redeemable Convertible Preference Shares

On 29 November 2021, the Board of Directors of the Company announced that the Company entered into a conditional subscription agreement with Fairfax Ventures Ltd for the proposed issuance of up to 112,680,000 new 2% cumulative redeemable convertible preference shares ("RCPS") in the Company at an issue price of RM1 per RCPS.

On 17 December 2021, the application for the listing of and quotation for the Conversion Shares on the Main Market has been submitted to Bursa Securities.

On 30 December 2021, the Board of Directors of the Company announced that the Bursa Securities has, vide its letter dated 29 December 2021, resolved to approve the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities, subject to the following conditions:

- (i) The maximum Conversion Shares to be issued pursuant to the Proposed RCPS Issuance must be in full compliance with Paragraph 6.50 of the Listing Requirements at all times;
- (ii) The Company and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed RCPS Issuance;
- (iii) The Company or Mercury Securities to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders of the Company at the EGM approving the Proposed RCPS Issuance prior to its implementation;
- (iv) The Company and Mercury Securities to inform Bursa Securities upon the completion of the Proposed RCPS Issuance;
- (v) The Company and Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval prior to the implementation of the Proposed RCPS Issuance; and

Notes to the Financial Statements

41. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD (continued)

(d) Redeemable Convertible Preference Shares (continued)

On 30 December 2021, the Board of Directors of the Company announced that the Bursa Securities has, vide its letter dated 29 December 2021, resolved to approve the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities, subject to the following conditions: (continued)

- (vi) The Company to furnish Bursa Securities on a quarterly basis a summary of the total number of new Shares listed pursuant to the conversion of the RCPS as at the end of each quarter together with a detailed computation of the listing fees payable.

The Company has now successfully raised three out of five tranches of RCPS as follows:

- (i) First tranche of 22,536,000 new RCPS at RM1.00 each were issued on 2 March 2022;
- (ii) Second tranche of 22,536,000 new RCPS at RM1.00 each were issued on 26 March 2022; and
- (iii) Third tranche of 22,536,000 new RCPS at RM1.00 each were issued on 29 June 2022.

(e) Disposal of shares in Mobilus Sdn. Bhd.

- (i) On 30 November 2021, the Board of Directors of the Company announced that the Company had entered into a Share Sale Agreement with Eccaz Sdn. Bhd. ("ESB") to dispose of 2,945,250 ordinary shares in Mobilus Sdn. Bhd. ("Mobilus"), representing approximately 19.6% of its equity interest in Mobilus to ESB for a total cash consideration of RM1,155,000.

Upon completion of the disposal, the Company's equity interest in Mobilus will reduce from the current 51% to approximately 31.4%.

- (ii) On 6 December 2021, the Board of Directors of the Company announced that the Company had entered into a Share Purchase Agreement with Greenway Urban Traffic (Europe) Co. Ltd ("GUTE") to dispose of 4,704,750 ordinary shares in Mobilus Sdn. Bhd. ("Mobilus"), representing approximately 31.4% of its remaining equity interest in Mobilus to GUTE for a total cash consideration of RM1,845,000.

The disposal has been duly completed during the financial period.

Notes to the Financial Statements

41. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD (continued)

(f) Proposed development projects

- (i) On 15 July 2021, IECSB had accepted a conditional letter of award from Wanland Metro Sdn Bhd for the construction of 2 blocks of 16-storey apartment totalling 316 units, 342 units of single-storey terrace houses, 252 units of double-storey terrace houses, 17 units of double-storey shophouses, 1 unit of food court, 1 unit of kindergarten, 1 unit of surau, 1 unit of multipurpose hall, and all infrastructure and ancillary works at Dendong, Mukim Tembila, Daerah Besut, Terengganu Darul Iman for a provisional contract sum of RM124.39 million.
- (ii) On 6 December 2021, Ireka Development (Terengganu) Sdn. Bhd. ("IDTSB"), a subsidiary of the Company accepted a conditional letter of award from Terengganu State Government for a provisional contract sum of RM468.0 million to develop the following:
 - Proposed mixed development of a total of 1,712 units of houses, 34 units of shop lots and 2 units of shop offices and related works on 200 acres of Terengganu State Government's land in Bandar Baru Kertih Jaya, Mukim Kertih, Kemaman District, Terengganu; and
 - Proposed hybrid development of 100 units of affordable houses and 6 units of shop lots and related works on 11.55 acres of Terengganu State Government's land in Kampung Semayor, Mukim Kemasik, Kemaman District, Terengganu.
- (iii) Further on 13 December 2021, IDTSB had accepted a conditional letter of award from Koperasi Permodalan Sahabat Terengganu Berhad for a provisional contract sum of RM58.3 million for the proposed mixed housing development on 9.751 hectares of land in Kampung Baru Kuala Abang, Mukim Kuala Abang, Dungun District, Terengganu.

(g) Judicial Management and Interim Judicial Manager of a subsidiary

On 29 July 2022, the Board of Directors of the Company announced that its subsidiary, IECSB have filed their Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management JM OS.

On 4 August 2022, IECSB also filed a Notice of Application to seek the appointment of an Interim Judicial Manager or an officer of the court with a suitable title for the purposes of conducting a proof of debt exercise pending the full and final disposal of the JM OS ("IJM Application").

The JM OS and IJM Application shall collectively referred to as "JM Proceedings".

On 4 August 2022, the Board of Directors of the Company announced that IECSB's JM OS dated 29 July 2022 has been fixed for hearing on 15 September 2022.

Notes to the Financial Statements

41. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD (continued)

(g) Judicial Management and Interim Judicial Manager of a subsidiary (continued)

On 5 August 2022, the Board of Directors of the Company announced that IECSB's IJM Application dated 4 August 2022 has been fixed for hearing on 8 August 2022.

On 8 August 2022, the Board of Directors of the Company announced that IECSB's IJM Application dated 4 August 2022 has been granted by the Kuala Lumpur High Court.

On 15 September 2022, the Board of Directors of the Company announced that the High Court of Kuala Lumpur has made an order to allow PWC Corporation Sdn. Bhd., OCK M&E Sdn. Bhd. and Chan Wai Electrical Engineering Sdn. Bhd. to intervene into the JM OS. The JM OS has been rescheduled for hearing on 3 November 2022.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, **DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL** and **WAN AHMAD NAZIM BIN MOHAMED NOOR**, being two of the directors of Ireka Corporation Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and cash flows for the financial period from 1 April 2021 to 30 June 2022.

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

.....
DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL
Director

.....
WAN AHMAD NAZIM BIN MOHAMED NOOR
Director

Date: 31 October 2022

Statutory Declaration

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

I, **CHAIRIL BIN MOHD TAMIL**, being the director primarily responsible for the financial management of Ireka Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
CHAIRIL BIN MOHD TAMIL

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 31 October 2022.

Before me,
Chia Swee Yik (No. PJS: W861)
Commissioner for Oaths

Independent Auditors' Report

to the Members of Ireka Corporation Berhad (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Ireka Corporation Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 April 2021 to 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 221.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. As disclosed in Note 2.6 to the financial statements, the financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and discharge their liabilities in the normal course of business.
 - (a) During the financial period ended 30 June 2022, the Group and the Company incurred net loss of RM167,165,396 and RM227,323,562 respectively and as of that date, the Group's current liabilities exceeded their current assets by RM125,508,170 and the Group recorded a capital deficiency of RM107,441,394. In addition to that, the Group and the Company incurred net cash used in operating activities of RM39,033,920 and RM3,099,280 respectively.

Independent Auditors' Report

to the Members of Ireka Corporation Berhad (Incorporated in Malaysia)

Basis for Disclaimer of Opinion (continued)

1. (continued)

- (b) On 1 March 2022, the Board of Directors of the Company announced that the Company has triggered the prescribed criteria under Paragraph 2.1(e) of the PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and that the Company is a PN17 Issuer effective from 28 February 2022.

The Company is required to submit a regularisation plan to the Securities Commission Malaysia within 12 months from the date of the First Announcement. The Company is looking into formulating a plan to regularise its financial condition and the announcement on the same will be made in due course.

- (c) On 29 July 2022, the Board of Directors of the Company announced that its subsidiary, Ireka Engineering & Construction Sdn. Bhd. ("IECSB") have filed their Originating Summons pursuant to Section 405 of the Companies Act, 2016 in the High Court of Malaya at Kuala Lumpur to be placed under Judicial Management ("JM OS").

The Board of Directors of the Company is of the view that this application is necessary and essential to address the debt position of the subsidiary, IECSB, which impacts the Group's PN17 condition and overall ability to move forward.

On 4 August 2022, IECSB also filed a Notice of Application to seek the appointment of an Interim Judicial Manager or an officer of the court with a suitable title for the purposes of conducting a proof of debt exercise pending the full and final disposal of the JM OS ("IJM Application").

On 8 August 2022, the Board of Directors of the Company announced that IECSB's IJM Application dated 4 August 2022 has been granted by the Kuala Lumpur High Court.

On 15 September 2022, the Board of Directors of the Company announced that the High Court of Kuala Lumpur has made an order to allow PWC Corporation Sdn. Bhd., OCK M&E Sdn. Bhd. and Chan Wai Electrical Engineering Sdn. Bhd. to intervene into the JM OS. The JM OS has been rescheduled for hearing on 3 November 2022.

Independent Auditors' Report

to the Members of Ireka Corporation Berhad (Incorporated in Malaysia)

Basis for Disclaimer of Opinion (continued)

1. (continued)

- (d) During the financial period, the Company has issued a total of 41,075,700 ordinary shares via private placement exercise and raised RM26,871,877 as disclosed in Note 20 to the financial statements.

The Company has, on 3 February 2022, obtained shareholders' approval through Extraordinary General Meeting on the proposal of the issuance of up to 112,680,000 units of 2% cumulative redeemable convertible preference shares ("RCPS") at an issue price of RM1.00 per RCPS. During the financial period, the Company has issued 67,608,000 RCPS were issued and raised RM67,608,000. A further 45,072,000 RCPS is targeted to be issued in near future to raise a further RM45,072,000.

The Group has also accepted several conditional letter of award for a number of proposed development projects as disclosed in Note 41(f).

The Group is also exploring the divestment of land and buildings as well as a substantial block of investment in Aseana Properties Limited ("ASPL"), a company listed on London Stock Exchange. On 26 October 2022, the Group has disposed two units of freehold buildings for a total consideration of RM11,000,000. The Group is also currently looking at monetising other assets of the Group.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

The Board of Directors of the Company is of the opinion that the preparation of the financial statements of the Group and the Company on a going concern basis remains appropriate given the following measures:

- (i) implementation of proposed debt restructuring exercise of a subsidiary, IECSB, to reduce the debt position;
- (ii) implementation of proposed regularisation plan to address the Group's PN17 condition;
- (iii) continuous financial support from the banks and creditors; and
- (iv) continuous effort in securing profitable projects.

Independent Auditors' Report

to the Members of Ireka Corporation Berhad (Incorporated in Malaysia)

Basis for Disclaimer of Opinion (continued)

1. (continued)

If these events are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

We were unable to obtain sufficient appropriate audit evidence to determine whether the use of the going concern basis in the preparation of the financial statements of the Group and of the Company was appropriate.

2. As disclosed in Note 25(d) to the financial statements, included in the financial statements of the Group are trade and other payables of a subsidiary, Ireka Engineering and Construction Sdn. Bhd., amounting to RM104,230,522 and RM24,315,564 respectively. On 8 August 2022, an Interim Judicial Manager has been appointed for the subsidiary.

As part of our audit, we performed confirmation request for a number of selected trade and other payables balances. However, we were unable to obtain confirmation replies from all the trade and other payables which we selected. We were also unable to perform alternative audit procedures that we deemed necessary to obtain sufficient and appropriate audit evidence on the above. We could not determine the effect of adjustment, if any, on the financial statements of the Group.

3. The auditors' report on the financial statements for the previous financial year ended 31 March 2021 was qualified on the carrying amount of investment in associates carried at RM72,685,674, trade receivables amounting to RM62,201,573, other receivables amounting to RM48,496,474, trade payables amounting to RM148,518,448 and other payables amounting to RM9,375,034 as disclosed in Note 38(e) to the financial statements.

Since the opening amount of investment in associates, trade receivables, other receivables, trade payables and other payables affect the determination of the results of operations, we are unable to determine whether any adjustment to the results of the operations and retained earnings might be necessary for the previous financial year ended 31 March 2021.

Our opinion on the current financial period's financial statements is also modified because of the possible effects of these matters on the comparability of the corresponding figures.

Independent Auditors' Report

to the Members of Ireka Corporation Berhad (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Independent Auditors' Report

to the Members of Ireka Corporation Berhad (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion:

- (i) the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.
- (ii) the accounting and other records for the matters as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.
- (ii) we have not obtained all the information and explanations that we required.

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 March 2021 were audited by another firm of chartered accountants whose report dated 25 August 2021 expressed a qualified opinion with the inclusion of material uncertainty related to going concern paragraph on those financial statements as disclosed in Note 38(e) to the financial statements.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2024 J
Chartered Accountant

Kuala Lumpur

Date: 31 October 2022

Analysis of Shareholdings

as at 14 October 2022

Total number of issued shares : 227,783,750 Ordinary Shares
Voting rights : 1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholdings
Less Than 100	72	3.29	1,440	0.00
100 - 1,000	645	29.47	558,067	0.24
1,001 - 10,000	1,085	49.56	4,649,661	2.04
10,001 - 100,000	320	14.62	9,584,104	4.21
100,001 - 11,389,186 *	62	2.83	47,164,178	20.71
11,389,187 And Above **	3	0.14	165,730,200	72.76
Directors' Shareholdings	2	0.09	96,100	0.04
Total	2,189	100.00	227,783,750	100.00

NOTE: * - LESS THAN 5% OF ISSUED HOLDINGS
** - 5% AND ABOVE OF ISSUED HOLDINGS

DIRECTORS' SHAREHOLDINGS

Board of Directors	Direct Interest		Indirect Interest		Total %
	No. of shares	%	No. of shares	%	
YBhg Tan Sri Dato' Mohd Ismail bin Che Rus (Chairman)	-	-	-	-	-
YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail (*)	-	-	48,050	0.02	0.02
Chow Sung Chek Simon	-	-	-	-	-
Wan Ahmad Nazim bin Mohamed Noor (*)	-	-	48,050	0.02	0.02
Chairil bin Mohd Tamil	-	-	-	-	-
YBhg Dato' Azmi bin Abdullah	-	-	-	-	-
Shahruladeri bin Mohd Adnan	-	-	-	-	-
YM Raja Azura Binti Raja Mahayuddin	-	-	-	-	-
Total	0	0.00	96,100	0.04	0.04

(*) Interest held through *Shoraka Capgroup Sdn Bhd*

SUBSTANTIAL SHAREHOLDERS' HOLDINGS

Names of Substantial Shareholders	No. of Holdings	%
Koperasi Permodalan Felda Malaysia 2 Berhad	60,922,400	26.75
Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Kenanga Investors Bhd	55,929,700	24.55
Maybank Nominees (Tempatan) Sdn Bhd Exempt An For Kenanga Investors Bhd (Client's Account)	48,878,100	21.46
Total	165,730,200	72.76

Analysis of Shareholdings

as at 14 October 2022

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Holdings	%
1	Koperasi Permodalan Felda Malaysia 2 Berhad	60,922,400	26.75
2	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Kenanga Investors Bhd	55,929,700	24.55
3	Maybank Nominees (Tempatan) Sdn Bhd Exempt An for Kenanga Investors Bhd (Clients' Account)	48,878,100	21.46
4	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kuan Teck	6,441,800	2.83
5	Chang Lik Sean	5,349,700	2.35
6	Universal Trustee (Malaysia) Berhad TA Islamic Fund	2,800,000	1.23
7	MV Technology Sdn Bhd	2,564,400	1.13
8	Agensi Pekerjaan Kembara Mesra Sdn Bhd	2,400,000	1.05
9	MV Consolidated Sdn Bhd	2,225,100	0.98
10	Maybank Nominees (Asing) Sdn Bhd Exempt An for Kenanga Investors Bhd (Clients'account) (426791)	2,121,900	0.93
11	Teoh Hooi Lee	1,600,000	0.70
12	Sapiah@Safiah binti Hussin	1,500,000	0.66
13	Abdullah bin Yusof	1,325,000	0.58
14	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for TA Dana Optimix	1,300,000	0.57
15	Kwok Yoke How	1,166,600	0.51
16	Maybank Nominees (Tempatan) Sdn Bhd Johar bin Amat	1,000,000	0.44
17	TASEC Nominees (Tempatan) Sdn Bhd Exempt An for TA Investment Management Berhad (Clients)	1,000,000	0.44
18	Muhammad Syukri bin Sula Iman	930,000	0.41
19	CIMB Group Nominees (Tempatan) Son Bhd CIMB Commerce Trustee Berhad for TA Small Cap Fund	900,000	0.40
20	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khor Joo Guan	850,000	0.37
21	Tan Hwa Ling@Tan Siew Leng	834,800	0.37
22	Low Lay Mooi	595,000	0.26
23	Kwok Yoke How	576,003	0.25
24	Aria Putera bin Ismail	499,900	0.22
25	Alliance Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Soon Mui Yen @ Soon Nyuk Hen (8037621)	489,000	0.21
26	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Soo Har @ Chan Kay Chong	448,025	0.20
27	Nur Shazwanee binti Basri	408,300	0.18
28	Chua Hanxi (Cai Hanxi)	400,000	0.18
29	Chen Tse Peng	390,000	0.17
30	Teh Sitt Meng	367,650	0.16

List of Material Properties

as at 30 June 2022

No.	Location	Tenure	Approximate Land Area/ Built-up Area (sq. ft.)	Description	Age (years)	Net Book Value (RM)	Year of Acquisition
1	Lot PT 4048, Lot PT 4050 to PT 4053 Bandar Nilai Utama Putra Nilai Daerah Seremban	Freehold	999,424	Residential land for development	N/A	16,667,901	2011
2	Lot PT 17741, Mukim Batu Kuala Lumpur, Level 30 & 31 1 Mont' Kiara, Mont' Kiara Kuala Lumpur	Freehold	18,406	Office suites for investment	11	11,000,000	2007
3	Lot PT 17741, Mukim Batu Kuala Lumpur, Sectors 3, 5-7, 11-12 i-ZEN@Kiara II Mont' Kiara Kuala Lumpur	Freehold	16,221	Office space for own/ external use	14	7,595,881	2007
4	Lot 8850, Mukim of Kajang Daerah Ulu Langat Selangor Darul Ehsan	Freehold	220,790	Agricultural land for future development	N/A	7,086,540	2011
5	GRN 280415, Lot 3911 Mukim Sungai Gumut Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	44,476	Homesteads for investment	N/A	439,570	1995
6	GRN 280622, Lot 4019 Mukim Sungai Gumut Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	46,368	Homesteads for investment	N/A	278,208	2002
7	Lot PT 2396 Mukim Kuala Kalumpang Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	7,185	Bungalow lot for investment	N/A	179,625	2002
8	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong Johor Darul Takzim	Freehold	824	Walk-up flat for investment	34	22,704	1987

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 46th Annual General Meeting of Ireka Corporation Berhad (the 'Company') will be conducted fully virtual from the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd on Thursday, 8 December 2022 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

- 1 To receive the Audited Financial Statements of the Company and of the Group for the Financial Period ended 30 June 2022 together with the reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*
- 2 To approve the payment of Directors' fee and benefits of RM172,616 for the Financial Period Ended 30 June 2022. **Ordinary Resolution 1**
(Please refer to Explanatory Note 2)
- 3 To approve the payment of Directors' fee and benefits of RM285,100 for the period commencing 1 July 2022 until the conclusion of next Annual General Meeting ("AGM"). **Ordinary Resolution 2**
(Please refer to Explanatory Note 2)
- 4 To re-elect the following Directors who retire in accordance with Clause 102 of the Company's Constitution and, being eligible, offer themselves for re-election.
 - a. YBhg Dato Mohd Azmi bin Abdullah
 - b. YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail
 - c. Chow Sung Chek Simon**Ordinary Resolution 3**
Ordinary Resolution 4
Ordinary Resolution 5
(Please refer to Explanatory Note 3)
- 5 To elect the following Directors who retire in accordance with Clause 101 of the Company's Constitution and, being eligible, offer themselves for election:-
 - a. Wan Ahmad Nazim bin Mohamed Noor
 - b. Chairil bin Mohd Tamil
 - c. YM Raja Azura binti Raja Mahayuddin**Ordinary Resolution 6**
Ordinary Resolution 7
Ordinary Resolution 8
- 6 To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next AGM of the Company at a remuneration to be fixed by the Directors. **Ordinary Resolution 9**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:

- 7 **Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 10**
(Please refer to Explanatory Note 4)

'THAT subject to the Companies Act 2016, Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company's Constitution and approvals of any other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of new shares issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being ("20% General Mandate") and **THAT** such approval of the 20% General Mandate shall continue to be in force until 31 December 2022.

THAT with effect from 1 January 2023, the general mandate shall be reinstated from a twenty percent (20%) limit to a ten percent (10%) limit provided that the aggregate number of such new shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("10% General Mandate").

Notice of Annual General Meeting

THAT such approval of the 10% General Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the 20% General Mandate and 10% General Mandate.'

- 8 To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By order of the Board

ALIZA BINTI AHMAD TERMIZI (SSM PC No.: 201908000714) (LS 0009656)

MOHD SHAH BIN HASHIM (SSM PC No.: 202008002801) (BC/M/148)

Company Secretaries

Kuala Lumpur
31 October 2022

EXPLANATORY NOTES

1 Item 1 of the Agenda - Audited Financial Statements for the Financial Period Ended 30 June 2022

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require an approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2 Ordinary Resolution 1 & 2 - Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting.

The Board agrees that the fees recommended by the Remuneration Committee are just and equitable whilst the Directors' benefits comprise of meeting allowance of RM500 per meeting for each of the Board Members is reasonable after considering the amount of time spent including the number of meetings held.

Particulars	For the Financial Period Ended 30 June 2022	From 1 July 2022 until the conclusion of the Annual General Meeting (18 months period)
Fees	RM172,616	RM231,600
Board/Board Committee	-	RM53,500

Payment of the fees and benefits of the Directors, if passed, will be made by the Company as and when incurred particularly after the Directors have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

Notice of Annual General Meeting

3 Ordinary Resolution 3, 4, 5, - Re-election of Director

Clause 102 of the Company's Constitution states that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. Clause 103 of the Company's Constitution provides that an election of Directors shall take place each year. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

YBhg Dato Azmi bin Abdullah, YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail and Chow Sung Chek Simon are retiring pursuant to Clause 102 of the Company's Constitution, and being eligible, has offered themselves for re-election at this AGM.

The Board was satisfied with the performance of the abovementioned Directors upon the assessment conducted by the Nomination & Remuneration Committee and hence, recommended their proposed re-election to be tabled for shareholders' approval at this AGM. To assist the shareholders in their decision, information on their personal profiles are provided on pages 16 to 18 of the Annual Report.

4 Ordinary Resolution 10 - Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Pursuant to the letter dated 16 April 2020 issued by Bursa Malaysia Securities Berhad, listed issuers are allowed to seek a higher limit of general mandate to issue shares of not more than 20% of the total number of issued shares (excluding treasury shares) ("20% General Mandate") to facilitate capital raising in a timely and cost effective manner. Initially, the listed issuers may only utilise the 20% General Mandate until 31 December 2021. However, pursuant to the Directive issued on 23 December 2021, the listed issuers are given extended time until 31 December 2022.

With effect from 1 January 2023, the 20% General Mandate will be reinstated to a 10% limit ("10% General Mandate") pursuant to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities. The authority for the 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Having considered the current economic climate and future financial needs of the Group to ensure the long-term sustainability and interest of the Company and its shareholders, the Board would like to seek approval for this general mandate from its shareholders at the AGM. This Resolution, if passed, will empower the Directors to issue and allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company and/or allot shares under an agreement or option or offer, at any time at such price, upon such terms and conditions, for such purposes and to such person(s) as they consider would be in the interest of the Company.

The Board is of the view that the general mandate would be in the best interest of the Company and its shareholders as it would allow the Company to raise funds efficiently and expeditiously to meet its funding requirements, should the Company be required to do so. It will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding current and future investment(s), project(s), acquisition(s) and/or working capital. The general mandate is sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of shares.

IMPORTANT NOTICE

Guided by the Securities Commission Malaysia's Revised Guidance Note and FAQ on Conduct of General Meetings for Listed Issuers and its subsequent amendments, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia. Please follow the procedures as stipulated in the Administrative Guide for the Meeting in order to register, participate and vote virtually.

Notice of Annual General Meeting

NOTES ON PROXY

- 1 A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. When a member appoints two (2) proxies to attend the meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- 2 Where a member is an exempt authorised nominee ('EAN') which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- 3 Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 4 The instrument appointing proxy(ies) shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. To be valid, the instrument appointing proxy(ies) and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.
- 5 The instrument appointing proxy(ies) or the power of attorney or other authority (if any), must be deposited at the Share Registrar's Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or at any adjournment thereof. Alternatively, the Proxy Form can be deposited electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 6 Only members whose names appear in the Record of Depositors on **30 November 2022** shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- 7 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of Annual General Meeting will be put to vote by way of poll.

Personal Data Privacy:

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

Statement Accompanying the Notice of Annual General Meeting

as at 14 October 2022

1. Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

The following Directors shall hold office until the conclusion of the 46th Annual General Meeting of the Company and, being eligible, offers themselves to stand for election at the 46th Annual General Meeting in accordance with Clause 101 of the Company's Constitution:-

- a. Wan Ahmad Nazim bin Mohamed Noor (appointed on 29 November 2021)
- b. Chairil bin Mohd Tamil (appointed on 29 November 2021)
- c. YM Raja Azura binti Raja Mahayuddin (appointed on 4 January 2022)

Their personal profiles are disclosed under the Directors' Profile of this Annual Report and their shareholdings in the Company and its subsidiaries are set out in the Analysis of Shareholdings of this Annual Report.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note 4 of the Notice of 46th Annual General Meeting.

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Proxy Form



IREKA

IREKA CORPORATION BERHAD

Registration No. 197501004146 (25882-A)

(Incorporated in Malaysia)

No. of Shares Held	CDS Account No.

I/We, _____ NRIC/Passport/Company No. _____

of _____

being a member of Ireka Corporation Berhad, hereby appoint the following person(s) as my/our proxy:

Proxy 1	Full name		NRIC/Passport No.		No. of shares to be represented	Percentage
	Address					%
	Email address		Contact No.			
Proxy 2	Full name		NRIC/Passport No.		No. of shares to be represented	Percentage
	Address					%
	Email address		Contact No.			

or failing him/her, the Chairman of the Meeting, as my/our proxy, to attend and vote for me/us and on my/our behalf at the 46th Annual General Meeting ("AGM") of the Company to be conducted fully virtual from the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd on **Thursday, 8 December 2022 at 10.30 a.m.** and at any adjournment thereof, on the following resolutions as set out in the Notice of the 46th AGM:

Resolutions		For	Against
Ordinary Resolution 1	To approve the payment of Directors' fee and benefits for the Financial Period Ended 30 June 2022.		
Ordinary Resolution 2	To approve the payment of Directors' fee and benefits for the period commencing 1 July 2022 until the conclusion of next Annual General Meeting.		
Ordinary Resolution 3	To re-elect YBhg Dato Azmi Bin Abdullah as a Director of the Company		
Ordinary Resolution 4	To elect YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail as a Director of the Company		
Ordinary Resolution 5	To elect Chow Sung Chek Simon as a Director of the Company		
Ordinary Resolution 6	To elect Wan Ahmad Nazim Bin Mohamed Noor as a Director of the Company		
Ordinary Resolution 7	To elect Chairil Bin Mohd Tamil as a Director of the Company		
Ordinary Resolution 8	To elect YM Raja Azura binti Raja Mahayuddin as a Director of the Company		
Ordinary Resolution 9	To re-appoint Messrs Baker Tilly Heng Monteiro PLT as Auditors of the Company		
Ordinary Resolution 10	To propose the renewal of authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an 'X' in the appropriate spaces how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolutions, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

Signature/Common Seal of Member

Dated this _____ day of _____ 2022

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Notes:

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- 3 Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 October 2022.

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STAMP

IREKA CORPORATION BERHAD

Registration No. 197501004146 (25882-A)

c/o BOARDROOM SHARE REGISTRAR
11TH FLOOR, MENARA SYMPHONY,
NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13,
46200 PETALING JAYA, SELANGOR DARUL EHSAN.

ATTN: MS ROZALIN/MS AMALINA

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IREKA CORPORATION BERHAD

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