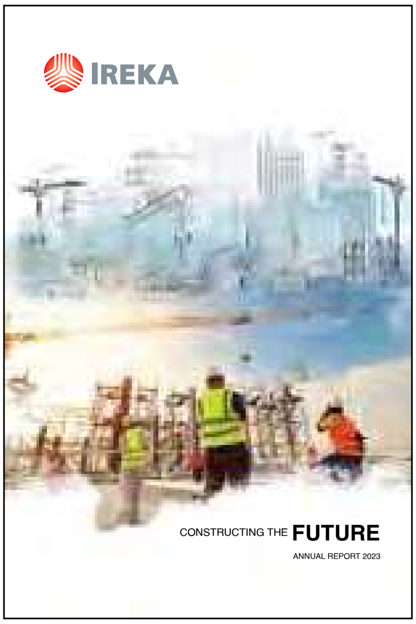
CONSTRUCTING THE **FUTURE**

ANNUAL REPORT 2023



IREKA
An Overview

Cover Rationale

CONSTRUCTING THE FUTURE

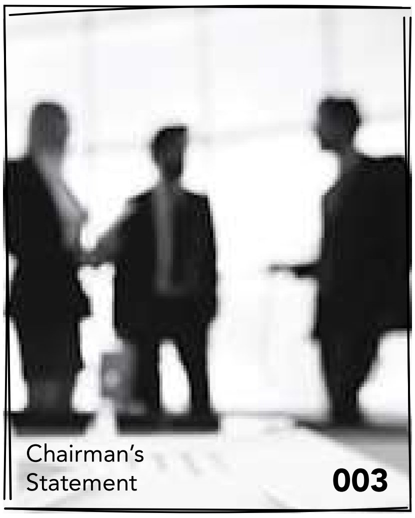
Ireka strategically anticipates and prepares for future challenges, with sustainability at the core of our mission. With over five decades of invaluable experience, we are dedicated to advancing quality in all our endeavours, contributing to a better and more sustainable world for all. Our unwavering commitment to quality assurance and sustainability strengthens our position, and our clear vision propels us to new heights, delivering increased value to our teams, shareholders, and clients, while ensuring a more environmentally responsible future.

About Us

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 Energy & Utilities.

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.



Inside This Report

ONLINE VERSION

The online version of Ireka Corporation Berhad Annual Report 2023 is available on our website. Go to https://ireka.com.my/ or scan the QR code with your smartphone.

47TH ANNUAL GENERAL MEETING

Date: Tuesday, 5 December 2023 **Time: 10.30 a.m.**

FULLY VIRTUAL from the online meeting platform at https://meeting.boardroomlimited.my provided by Boardroom Share Registrars Sdn Bhd.

CORPORATE INFORMATION

Board of Directors

1 YBhg Tan Sri Dato' Mohd Ismail bin Che Rus
Non-Independent Non-Executive Chairman

2 YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail
Group Managing Director

3 Chairil bin Mohd Tamil
Group Deputy Managing Director
(Redesignated on 3 January 2023)

4 Chow Sung Chek Simon
Executive Director

5 YBhg Dato' Azmi bin Abdullah
Senior Independent Non-Executive Director

6 YM Raja Azura binti Raja Mahayuddin
Independent Non-Executive Director

7 Shahruladeri bin Mohamad Adnan
Independent Non-Executive Director

8 Wan Ahmad Nazim bin Mohamed Noor
Executive Director
(Resigned on 29 May 2023)

Audit Committee

YM Raja Azura binti Raja Mahayuddin
Chairperson

YBhg Dato' Azmi bin Abdullah

Shahruladeri bin Mohamad Adnan

Nomination & Remuneration Committee

YBhg Dato' Azmi bin Abdullah
Chairman

Shahruladeri bin Mohamad Adnan

YM Raja Azura binti Raja Mahayuddin

Risk Management Committee

Shahruladeri bin Mohamad Adnan
Chairman

YBhg Dato' Azmi bin Abdullah

YM Raja Azura binti Raja Mahayuddin

Chairil bin Mohd Tamil

Company Secretary

Aliza binti Ahmad Termizi
(SSM PC No.: 201908000714)
(LS 0009656)

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

Hong Leong Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad

Message from Our Group Chairman

Dear Esteemed Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of Ireka Corporation Berhad ("ICB" or "the Group") for the year ended 30 June 2023 ("FY2023")

FY2023 was a year of transition. At the global front, the world economy is still resilient but growing at a slower pace on the back of tightening monetary policy and higher geopolitical risk. Within Malaysia, the nation is emerging from an unprecedented turmoil caused by COVID-19 pandemic and as the nation's political landscape stabilised and strengthened following the conclusion of both the general and state elections, there is an expectancy of improved governance and policies, leading to an economic growth.

The Group is currently navigating a transformative journey within the dynamic property development landscape. As we reflect on the past financial year, marked by both formidable challenges and remarkable resilience, I would like to underscore our unwavering commitment towards growth and innovation.

A Year of Profound Transformation and Resilience

I am delighted to inform that during FY2023, the Group has recorded maiden profit under the leadership of the new Board of Directors. The Group registered profit for the year of RM60.7 million, its first profitability after enduring losses for more than half a decade. More details of the financial performance of the Group are elaborated further in the Management Discussion & Analysis ("MD&A") section of this Annual Report.

Despite being a PN17 issuer, our commitment extends beyond exiting PN17 status to positively impact the diverse communities that we serve through responsible property development. Whilst our journey has been punctuated by challenges, we remain steadfast in our dedication in realising our goals.

A Year of Profound Transformation and Resilience (Cont'd)

In this ever-evolving environment, the Group faced a unique set of challenges within property development sector. Economic landscape remained unpredictable, and the persistent shadow of COVID-19 casts uncertainty. Yet, we met these challenges head-on, fortified by the belief that difficult times are opportunities for growth and transformation.

Strategic Initiative to Emerge Stronger

The challenges that we encountered particularly in our effort of exiting PN17 status served a catalyst for a sweeping transformation across our organisation. Though currently we are in the midst of obtaining the extension of time ("EOT") for the submission of our Regularisation Plan, continuous efforts are being made to fortify our financial health, ensuring long-term sustainability and position the Group as an enduring success story in property development industry. We have initiated a series of strategic programmes.

A pivotal step involved is the prudent monetisation of non-core assets including surplus lands. Our land known as Serika Land located at Mukim Kajang, Selangor has been identified to be developed as a mixed development project. Several parcels of our land located at Nilai, Negeri Sembilan are targeted for disposal too. The Group will be completing the highly sought after KaMi Mont' Kiara project, Kuala Lumpur which will go a long way in restoring our reputation as a property developer with a proven track record. Additionally, the Group is exploring in disposing shareholdings in Aseana Properties Limited. These transactions are not just financial transactions but also an opportunity to unlock the dormant value within our property development portfolio.

Enhanced Financial Resilience Through Debt Restructuring

Another crucial facet of the Group's strategy involved the meticulous restructuring of our debt and astute management of the liabilities. A Creditor's Voluntary Winding-Up process has been undertaken at Ireka Engineering & Construction Sdn Bhd ("IECSB") and currently this is on-going, and will take up to two years to complete. The Group has also successfully disposed a loss-making subsidiary, Ireka i-Capital Sdn Bhd and all its subsidiaries. In terms of managing the existing current liabilities, office rental is considered to be one of the major overheads. The Group has discussed and agreed with the landlord to sub-lease the existing two floors to external tenants. Staff headcount has also been reduced from 380 as of July 2021 to 66 as of October 2023. These measures are instrumental in enhancing our financial resilience and endowing us with the adaptability to seize opportunities, even in the face of adversity.

Fundraising and Investors' Confidence

In order to secure necessary funding for our ambitious growth and operational needs, the Group continues its effort to identify suitable potential private placement investors who are willing to invest for a long term despite it is currently being a PN17 issuer. The Group has had numerous engagements and briefings with the potential investors, and the confidence and trust of our investors have validated our strategic direction and energised us to move forward. The Group is planning to undertake private placement and/or any other equity funding method to raise funds and enlarge its capital base in order to bring the Group's operational level and cash flow position out of PN17 status. This will fortify our business and invigorate further our pursuits.

Excellence in Project Execution – Cornerstone of Our Success

Throughout the challenges we faced, our unwavering commitment to excellence in executing property development projects remained unshaken. The Group has successfully appointed reputable third-party contractors for all existing projects. The new third-party contractors have already commenced work and the Group would be able to complete the projects accordingly. The timely completion of these projects reaffirmed our standing as a symbol of quality and reliability in the property development industry.

Embracing New Ventures and Innovation

As we forge ahead, the Group enthusiastically embrace new ventures that resonates perfectly with the Group's vision. The Group has accepted letters of award from State Governments to develop housing projects in Terengganu and Pulau Pinang. The Group also continues to explore various project opportunities with the Malaysian Government and relevant authorities. In terms of diversification, the Group intends to participate in the energy, specifically Liquefied Natural Gas ("LNG") industry. These endeavours embody not only new business horizons but also our commitment to innovation and adaptability in an ever-evolving marketplace.

Pledge to Sustainability

At Ireka, sustainability is not just a concept; it is a core commitment woven into our DNA. Our dedication to environmental and social responsibility remains unwavering. We view this not as corporate obligations, but as integral components of the positive impact we aspire to generate within the communities we serve.

It is also essential to acknowledge that none of our initiatives and thus achievements would have been feasible without dedication, support and passion of our employees, the trust and support of our shareholders and the collaborative spirit of our valued partners within the property development industry. Your undivided support propels our expansive vision forward.

Acknowledgement

On 29 May 2023, one of our Executive Directors, Encik Wan Ahmad Nazim bin Mohamed Noor has relinquished his directorship to focus and devote his time as the Group Chief Business Officer towards identifying new opportunities and potential partners to grow the business. His contributions as a Board member have been immeasurable and we extend our deepest gratitude for his dedicated service, and wish him continued success.

Charting a Radiant Future

Our journey through challenges has ignited our determination to succeed. As we continue to shape a brighter and more prosperous future for the Group, we do so with the understanding that adversity is not a barrier but a catalyst for greatness. We thank you, dear shareholders, for your trust and support, and we look forward to achieving even greater heights together. In the spirit of sustainability, let us remember that our actions today pave the way for a more vibrant and resilient tomorrow, not just for our Group but for the communities we serve and the world we inhabit.

Thank you

TAN SRI DATO' MOHD ISMAIL BIN CHE RUS

Non-independent Non-executive Chairman

31 October 2023

DRIVING PERFORMANCE

Dear Valued Shareholders,

"2023 can be regarded as the year of rehabilitation and rebuilding for Ireka Corporation Berhad ("ICB" or "the Group") as we started to put in place the necessary building blocks towards stabilising the financial and operational position of the Group and future growth plans."

GROUP PERFORMANCE REVIEW

The current financial year ended 30 June 2023 ("FY2023") is in effect a continuation of the previous financial period in terms of challenges that the Group continues to face. FY2023 saw us leave behind the most challenging phase of the COVID-19 pandemic and enter into a slow global economic recovery characterised by growing regional divergences. Divergent growth prospects across the world's regions pose a challenge to returning to pre-pandemic output trends. Despite signs of resilience earlier in 2023, the impact of policy tightening to reduce inflation is expected to cool economic activity going forward.

Within Malaysia, FY2023 was a year of recovery as the disruptive effects of the COVID-19 pandemic had begun to recede significantly. Restrictions to economic sectors and social activities were essentially removed and regular business activities have resumed to full or near full operational capacities, thus providing a much-needed lift to local economies. However, consistent with the global trends, the Malaysian economic growth is also expected to moderate at 4% in 2023, following an impressive rebound of 8.7% in 2022. Various external headwinds such as aggressive tightening of monetary policy leading to higher interest rates and weakening of most currencies against the US Dollar, including the Malaysian Ringgit and on-going geopolitical conflicts such as the Russian-Ukraine war and current Israel-Gaza war represent downside risks on our future growth prospects.

Due to the change in financial year end effected in the previous period, a direct comparison between current year results and as that reported for the 2022 Annual Report is not possible due to 2022 being a 15-month financial period. Instead, we have made use of 12-month comparable period numbers for 2022, and as a result, will not match the numbers as reported in the 2022's Annual Report.

GROUP PERFORMANCE REVIEW (Cont'd)

For the full financial year ended 30 June 2023, the Group recorded revenue of RM20.5 million as compared to RM101.7 million for a comparable period of 12 months for the financial period ended 30 June 2022. The current year's revenue included revenue of RM14.4 million from the discontinued operations of Ireka Engineering & Construction Sdn Bhd ("IECSB") and of Ireka iCapital Sdn Bhd ("ICAP"). The massive drop in revenue is caused by a one-off, non-recurring accounting adjustment as required by MFRS15: Revenue from Contracts with Customers. Following on the termination of a wholly-owned subsidiary, IECSB (which is currently under liquidation), as the main contractors of all our existing projects late 2022, we have managed to appoint a third-party rescue contractor to resume the construction works at respective development sites.

Whilst the appointment meant that progress claims and billings started to be generated, there is a need to revise downwards the overall project budget for all our on-going development projects. Inevitably, the deterioration in the project budgeted profits resulted in a reversal of revenue and profit previously over-recognised at both KaMi Mont' Kiara and DWI@Rimbun Kasia projects, culminating to a revenue reversal of RM7.2 million in the final quarter of FY2023. However, these are one-off accounting adjustments and would not have any adverse impact on the projects' continuity. The appointment of a rescue contractor allowed the existing projects to resume which would enable the Group to recognise the balance of revenue to be derived from KaMi Mont' Kiara and DWI@ Rimbun Kasia projects, estimated at RM51.2 million and RM90.0 million, respectively, as the progress towards full completion intensified.

Notwithstanding the above, I am pleased to report that **the Group has successfully returned to the black for the first time since 2017, with a net profit for FY2023 of RM60.7 million** compared to a net loss of RM129.4 million for a comparable period of 12 months during the financial period ended 30 June 2022. There are three key factors which greatly influenced the Group's financial results for FY2023. Firstly, the withdrawal of the Interim Judicial Manager ("IJM") in January 2023 followed by the commencement of the liquidation process via a creditors' voluntary winding-up ("CVWU") method at IECSB on 27 March 2023 gave rise to a gain of deconsolidation of RM133.3 million at the Group level. Secondly, the disposal of a non-core loss making subsidiary, ICAP together with its four subsidiaries completed on 21 December 2022 resulted in a gain on disposal of RM13.7 million at the Group. Last but not least, a concerted effort by the Group in undertaking significant measures to reduce our cost base has substantially reduced our overall overheads and operating expenses during the year. A more detailed explanation on these key factors is elaborated below.

The Group's total assets decreased by RM108.4 million to RM187.0 million as at 30 June 2023, 36.7% lower than the previous financial period. Similarly, total liabilities of the Group dropped by 42.4% to RM231.9 million as at 30 June 2023, compared to RM402.7 million at 30 June 2022 mainly due to the impact of deconsolidation of IECSB. These translated into a smaller negative net asset per share of RM0.20 (2022: RM0.47). The shareholders' equity on a consolidated basis improved from negative RM107.4 million to negative RM44.9 million as at 30 June 2023 due to the profits generated during the current financial year.

Practice Note 17 ("PN17")

The Company remains a PN17 Issuer until today. As previously reported, the Company intended to submit a regularisation plan to either the Securities Commission Malaysia or Bursa Malaysia Securities Berhad ("Bursa Securities") as the case may be by 28 February 2023. On 27 February 2023, the Company submitted an application to Bursa Securities for an extension of time ("EOT") of six months (up to 31 August 2023) to finalise and submit the proposed regularisation plan of which was duly approved by Bursa Securities on 31 March 2023. ICB has taken numerous steps which are further explained below with the aim of regularising the PN17 status of the Company on a "self-regularisation" basis without the introduction of new businesses or new shareholders. The appointed Principal Adviser, KAF Investment Bank Berhad has assisted the Company to finalise the appointments of other advisers such as solicitors, independent market researcher, internal control reviewer and reporting accountants in order to prepare, finalise and submit the requisite application to Bursa Securities for the proposed regularisation plan. A Due Diligence Working Group ("DDWG") comprises representatives of the Company and all advisers has been set up and more than ten DDWG meetings have been held to-date, for the purpose of carrying out due diligence verification exercise on the submission documents pertaining to the proposed regularisation plan.

Having expended considerable efforts to-date as elaborated below, the Company require additional time to finalise and complete the legal due diligence exercise, and the various reports for inclusion in the regularisation plan such as pro-forma consolidated statements of financial positions of ICB, review of risk management and internal control system report and independent industry assessment report. Furthermore, additional time was required for the Company to identify and secure investors for the proposed private placement which forms an integral step of the overall proposed regularisation plan. During the period under review, the Group has invested a considerable amount of effort to address the issues surrounding its financial position. ICB has addressed its major liabilities via the CVWU of IECSB as mentioned earlier, which provides greater clarity on the potential losses arising from any possible impairment. In view of the above, on 30 August 2023, the Company submitted the second EOT application to Bursa Securities requesting for an additional six months (up to 29 February 2024) to finalise and submit the proposed regularisation plan.

GROUP PERFORMANCE REVIEW (Cont'd)

Steps to improve the financial condition of the Group

As part of the overall objective to improve and normalise the financial condition of the Group and as a prelude to address the PN17 status in form of "self-regularisation" method, the Company has undertaken and/or is in the process of implementing the following strategic initiatives:

(A) Monetisation of assets

The Company continues to explore avenues to dispose some of its assets to raise funds for working capital as well as reviewing the option to co-develop the existing assets with potential partners depending on the viability and the terms of the proposed development.

(i) Development of a mixed development project, Serika Kajang

As announced on 29 August 2023, Regal Variety Sdn Bhd ("RVSB"), a wholly-owned subsidiary of Ireka Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, signed a Joint Venture Agreement ("JVA") with Elay Project Sdn Bhd ("EPSB") (formerly known as Khalaz Inspired Sdn Bhd) to develop a proposed mixed development consisting of 22 and 23 storey towers of contemporary apartments comprises 661 service apartment units, 48 retail units and 114 office units on a piece of land known as Serika Land located in Kajang, Selangor. The project is expected to generate a gross development value ("GDV") of RM310.0 million with projected gross development costs ("GDC") of RM220.0 million giving rise to an estimated development profit of RM90.0 million. Under the terms of the JVA, RVSB will be entitled to 30% of the development profit with a minimum profit guarantee of RM20.0 million. EPSB will bear all construction costs of the project and undertakes to complete the project no later than six years from the date of the JVA. This joint venture will unlock and maximise the value of the Serika Land and allow expertise sharing and optimise efficiency and output towards the intended development.

(ii) Proposed sale of land at Meadowfield Sdn Bhd ("MSB")

MSB, a 55% subsidiary of the Company is currently developing a residential project in Nilai called DWI@Rimbun Kasia. MSB has another five parcels of land in that area and a third-party property agent has been appointed to find potential buyers for these parcels of land. The estimated market value of these land is approximately RM58.0 million. In the meantime, the Company is also exploring potential joint venture arrangement to co-develop any of the parcels of the remaining land with an objective of maximising returns from these assets.

(B) Debt restructuring / managing liabilities

(i) Liquidation of a loss-making subsidiary, IECSB

As previously reported, in order to regularise the Group's debts position (which substantially represented by creditors owed by IECSB), an IJM was appointed by the High Court Kuala Lumpur on 8 August 2022. The main objectives include, amongst others, to rehabilitate and regularise the financial condition of IECSB, and to restructure the debts/liabilities owed by IECSB to their creditors via a scheme of arrangement. However, it is unfortunate to note that the hearing dates to formalise the appointment of the Judicial Manager, and subsequently to allow some parties to intervene the Judicial Management process were postponed by the Kuala Lumpur High Court at least three times from 15 September 2022 to 3 November 2022 to 7 December 2022 and ultimately to 16 February 2023.

During this period of numerous postponements, the IJM completed their review on IECSB's affairs and reported their findings to the Kuala Lumpur High Court via an affidavit dated 2 December 2022. It was concluded that after taking into consideration factors such as the current financial conditions of IECSB, insufficiency of funds to continue projects, retrenchment of staff and inability of ICB to continue further financial support, IECSB is unable to pay its debts and the appointment of a judicial manager is unlikely to ensure survival of the company as a going concern and to obtain approval on scheme of compromise or arrangement with creditors and members. This led to the filing of the discontinuance of the IJM on 9 January 2023 which was acknowledged by the Kuala Lumpur High Court on 16 February 2023.

GROUP PERFORMANCE REVIEW (Cont'd)

Steps to improve the financial condition of the Group (Cont'd)

(B) Debt restructuring / managing liabilities (Cont'd)

(i) Liquidation of a loss-making subsidiary, IECSB (Cont'd)

Consequently, the Company took the necessary steps to initiate a CVWU process at IECSB and on 27 March 2023, the resolutions to wind-up IECSB via CVWU and the appointment of Haji Wan Idris bin Wan Ibrahim as the interim liquidator of IECSB were approved by the shareholders of IECSB. On 11 May 2023, IECSB's Creditors meeting was held virtually where Haji Wan Idris bin Wan Ibrahim was officially appointed as the Liquidator of IECSB by majority voting of the creditors. The appointment of the Liquidator at IECSB formalised a closure for the first step towards a total revamp of the Group's structure and business model. Going forward, the Group will be more selective in our participation in the construction sector, focussing on higher-value added roles, capitalising on our traditional strength and capabilities and exploring smart partnership with selective joint venture partners to enhance our future order book value. This exercise has also successfully freed up valuable management resources and time to focus on more critical areas of the business.

(ii) Disposal of a loss-making subsidiary, Ireka iCapital Sdn Bhd (ICAP)

On 21 December 2022, the Company successfully disposed a loss-making subsidiary, ICAP together with all of its subsidiaries namely i-Tech Network Solutions Sdn Bhd, i-Tech ELV Solutions Sdn Bhd, e-Auction Sdn Bhd and Ireka Venture Capital Limited. The completion of the disposal is another step towards revamping the overall Group's structure and business model.

(iii) Reduction in cost base

Staff costs is one of the major monthly overheads of the Group. Since July 2021, the Group has reduced its headcount from 380 to 66 as at the date of this report, marking an 83% reduction in headcount. This reduction was achieved through natural attrition, curtailing rehiring of staff apart from key and critical position, and winding up and disposal of unprofitable subsidiaries. The Company believes that it has achieved a balance in terms of headcount and will continue to manage the workforce according to the current and future business needs.

(C) Fund raising exercises

Fund raising is the most challenging and critical activity in view of the situation that the Company is currently facing. In order to bridge the operational funding gap, the Company entered into a favourable payment arrangement with its main contractor. This enables the existing projects to continue to progress whilst waiting for the incoming progress billings to be received by the development companies. This has also facilitated the Group in managing its cash flow constraint during the financial year.

In the meantime, the Company will continue its efforts to identify suitable potential private placement investors who are willing to invest for a long term in ICB despite it is currently being a PN17 Issuer. The senior management of ICB has had numerous engagement and briefing sessions with potential investors throughout the period under review. We are confident that the next private placement exercise can be finalised soon. In addition, ICB still have a balance of two final tranches of RM45.1 million of its Redeemable Convertible Preference Shares ("RCPS") targeted to be issued by end of next financial year.

(D) Existing and new projects in hand

(i) Successful appointment of a rescue contractor for existing projects

Following on the termination of IECSB as the main contractor of all ICB's existing development projects as described earlier, the Group has successfully appointed a third-party rescue contractor to resume the construction works at respective project sites. This is an important milestone to arrest the deteriorating conditions at the operational level which could significantly affect the Group's liabilities and cash flow position. The current status of each project is updated in the divisional performance review sections below.

GROUP PERFORMANCE REVIEW (Cont'd)

Steps to improve the financial condition of the Group (Cont'd)

(D) Existing and new projects in hand (Cont'd)

(ii) Activation of projects already secured

As previously reported, Ireka Development (Terengganu) Sdn Bhd ("IDTSB"), a subsidiary of the Company has secured three projects (Kertih Jaya at Kemaman, Kampung Semayor, Kemaman and Kuala Abang, Dungun) in the state of Terengganu with a total GDV of approximately RM527.0 million. Furthermore, on 3 November 2022, Ireka Properties Sdn Bhd (formerly known as Ireka Development Management Sdn Bhd), another wholly-owned subsidiary of the Company, secured a project to jointly develop a residential project on a piece of land located at Kuala Mengkuang, Seberang Perai, Pulau Pinang with Wakaf Pulau Pinang Sdn Bhd. The GDV of this project is estimated at RM67.8 million.

These projects are at various preliminary stages of planning and early phase of development. We are targeting to launch these projects in the next financial year and we are confident that they will start to positively contributing to the Group's bottom-line by then. Based on market review of surrounding developments and our proposed value proposition, we believe that these projects which are situated at strategic locations and consists of large portion of affordable housing will be extremely attractive amongst first-time house buyers at those localities.

CONSTRUCTION DIVISION PERFORMANCE REVIEW

Construction sector which is projected to grow by 6.3% in 2023 (2022: 5.0%) will continue to be a major catalyst and multiplier to the future economic growth of the country. Improvement in the operating conditions of the construction industry is underpinned by the lifting of the political overhang related to the recently held and concluded state elections, a higher level of development expenditure of at least RM90.0 billion a year from 2023 to 2025 under the 12th Malaysian Plan, ample labour supply and manageable building material prices. Therefore, contractors are generally able to ramp up the progress of existing jobs whilst putting in competitive tenders for upcoming ones.

However, according to an analyst report, the total value of projects awarded to contractors for the year until September 2023 stood at RM84.4 billion, approximately 17% reduction year-on-year. The sluggish pace in the value of projects awarded is mainly attributable to the absence of large-scale projects government projects. Nevertheless, we believe that the pace will be accelerated following on various infrastructure upgrades and improvement announced by the YAB Prime Minister during the recent 2024 Budget Speech such as RM2.8 billion for federal roads and bridges maintenance, RM1.9 billion for upgrading of schools, RM2.5 billion to build 26 new schools, RM7.4 billion for Sarawak-Sabah Link Road Phase 2, completion of the tender process for Phase 1b of the Pan Borneo Sabah project with a total cost of RM15.7 billion due for completion in November 2023, RM4.7 billion for LRT3 project and the list continues.

The Group's construction arm is undergoing a total revamp and transformation following the liquidation of IECSB as mentioned earlier. Another wholly-owned subsidiary, Shoraka Construction Sdn Bhd ("SCSB") has been earmarked to be the Group's construction management vehicle going forward. The total external revenue generated by IECSB prior to the termination of its role as the main contractor by Regency Specialist Hospital Sdn Bhd on 21 December 2022 amounted to RM9.5 million (15-month ended 30 June 2022: RM31.4 million). The reduction was mainly due to slowdown in the construction progress at site as the financial situation of IECSB started to deteriorate further prior to the withdrawal of IJM and up to the commencement of the liquidation proceedings as indicated above.

Whilst the liquidation of IECSB is an unfortunate event for ICB and for all of its creditors, it is a closure needed by the Group in order to start afresh. Since July 2021, the Group injected almost RM90 million in its effort to resuscitate IECSB. However, based on our analysis and the review done by IJM, it became clear that the position of IECSB is untenable and as described earlier, there was no other viable alternatives for the Group other than going through the path that we have taken on. The positive net impact arising from the deconsolidation of IECSB following on the liquidation exercise of RM138.6 million is after the Group taking a full impairment loss on all investment and intercompany balances owing by IECSB. This exercise provides greater clarity on the potential losses arising from any possible impairment related to IECSB and stabilises the consolidated shareholders' equity which is a key component in devising the PN17 proposed regularisation plan. In other words, it creates a base and framework from which a capital reduction and fresh capitalisation exercise can be formulated.

Moving on, SCSB has been actively putting in various bids and proposals and participated in tenders in order to secure new development and construction project. SCSB would also act as the in-house construction arm to facilitate and play a part in selected development projects to be undertaken by the Group companies. On top of that, the Group continues to submit various unsolicited project proposals to the Government and relevant authorities. We believe that these proposals have their own merits, beneficial to the relevant stakeholders and users and represent viable solutions based on the public-private partnership concept.

REAL ESTATE DIVISION PERFORMANCE REVIEW

Malaysia's property market remained resilient and recorded strong growth with total property transaction value hitting RM179.07 billion in 2022, the highest-ever value recorded by the National Property Information Centre ("NAPIC") since 2001. Despite the challenging global financial and economic environment, the Malaysian property market managed to stay poised and posted a marginal softening in market activity in the first half of 2023 (H1 2023) compared to the same period last year (H1 2022). Based on the latest statistics issued by NAPIC, a total of 184,140 (H1 2022: 188,002) transactions worth RM85.37 billion, down by 2.1% in volume but increased slightly by 1.1% in value, compared to the same period last year. During the same period under review, the residential property overhang situation improved as the numbers reduced. A total of 26,286 overhang residential units worth RM18.30 billion was recorded, showing a decrease of 5.3% and 0.6% in volume and value, respectively against the second half 2022.

Various initiatives outlined under the revised national Budget 2023, re-tabled by the YAB Prime Minister on 24 February 2023, helped to spur property market activities to a certain extent. Full stamp duty exemption on agreements for the purchase of first residential home priced up to RM500,000 by Malaysian was maintained until 31 December 2025 whilst for such home priced between RM500,000 and RM1 million, the stamp duty remission for sales and purchase agreements was increased from 50% to 75% until 31 December 2023. A budget of more than RM1.7 billion was also allocated for the building of new homes in rural areas, for the construction of People's Housing Programme, affordable homes under *'Rumah Mesra Rakyat'* programme by Syarikat Perumahan Negara Berhad and 23,000 houses under *'Projek Perumahan Penjawat Awam Malaysia'*.

These key initiatives to further boost the property market demand were reinforced during the recent unveiling of the Malaysian Budget 2024. Overall, a further RM2.47 billion is allocated to implement housing projects for the rakyat in 2024. Furthermore, the Government will provide guarantees of up to RM10 billion for the Housing Credit Guarantee Scheme (HCGS) to benefit 40,000 borrowers.

Ireka's Real Estate Division recorded revenue of RM6.1 million for the FY2023, represented an 88% drop in gross terms, against revenue of RM50.4 million for the 15-month ended 30 June 2022. The massive drop is very much related to the termination of IECSB as the main contractor for all existing Group's development projects late 2022 followed by its subsequent liquidation. The Group took two to four months to identify and select a third-party rescue contractor to resume the temporarily-halted construction works at respective development projects' sites. The new contractor also took some time to regain the lost momentum. As described earlier, the revenue and profit from the development projects have also been affected by one-off accounting adjustments resulted from downward revisions of project budgets. Excluding these revenue reversal adjustments of RM7.2 million, revenue generated by the division would have been more than doubled at RM13.3 million.

The status of on-going development projects for the Group is summarised as follows:

- KaMi Mont' Kiara, a low-density development located in Mont' Kiara consists of 168 units of serviced condominium with a total estimated GDV of RM207.4 million. The project is now 86% completed with vacant possession expected to be delivered by end of this year. The project is almost fully sold out as at 30 June 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. ICB and Hankyu Hanshin Properties Corporation ("Hankyu Hanshin") are currently developing the first phase of the project called DWI @ Rimbun Kasia with an estimated GDV of RM150.5 million. It comprises 382 units of medium-rise courtyard apartments with built-up sizes of between 650 to 980 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 2023 now stands at approximately 55%, and is now slated for completion in second quarter of 2024 following the project budget revision and appointment of the rescue contractor to resume the project in April 2023. The project is showing good progress in terms of units sold. Out of 382 units, as at 30 June 2023, the project has successfully sold 253 or 66% (2022: 209 or 55%) units. Subsequent to year end, a further 23 units were sold resulting in the total units sold to increase to 276 or 72% of the total units as at 31 October 2023.

The Asta Enterprise Park, a 31.5-acre freehold industrial development located at Bukit Angkat, Kajang, with an estimated GDV of RM252.3 million is owned by IECSB which is now under liquidation. 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 25% as at 30 June 2023 and now is expected to be completed by third quarter 2024.

Based on recent discussions with the Liquidator of IECSB and end purchasers of Phase 2, it has been agreed in-principle that IECSB will continue to be the owner of the project and a third-party rescue contractor has been appointed to complete the project. SCSB will provide project management services to ensure some form of continuity is available so that the target completion date by third quarter next year can be achieved.

The immediate target for the Division is to ensure successful completion of all the above projects within the revised budget and timeline and to strive towards 100% sales of all the remaining unsold units. The Division is also focussing its efforts to start churning through its sizeable balance order book with a target to launch the secured four new projects in Terengganu and Pulau Pinang by early next year. Efforts to secure new projects are also on-going with several proposals are at advanced stage of negotiation. We are hopeful that the Division will be able to ride through these most trying of periods and emerge stronger post-PN17 period.

TECHNOLOGIES DIVISION PERFORMANCE REVIEW

In the previous Annual Report, it was stated that we aimed to broaden our scope of services for the Technologies Division to include offering digital solutions to the larger market. Whilst the opportunities under this Division remain abundant, upon careful review of the market conditions and our companies' strength and weaknesses vis-à-vis competition, the management under the guidance of the Board of Directors have decided to dispose the five companies under this Division. This decision is arrived after taking into account several factors such as the lack of synergy between the areas served by our technology companies with our core business of construction and property development and the high risk of technological obsolescence within the industry. More importantly, all the five companies within this Division are either loss-making or inactive and still require continuous capital injection from the holding company. In view of the above, the decision was taken to sell the five companies under this Division, namely Ireka iCapital Sdn Bhd together with its four subsidiaries for a cash consideration of RM1. The transaction was completed on 21 December 2022, resulted in a net gain on disposal of RM12.3 million recognised at the Group level.

ENERGY & UTILITIES DIVISION PERFORMANCE REVIEW

In order to achieve long term sustainability, it has always been the Group's intention to diversify our business into other growing and profitable market segment. Under the banner of sustainability, there is currently a major movement worldwide in navigating the complex shift from traditional fossil fuels to a thriving green economy. The Government recently launched the National Energy Transition Roadmap ("NETR"), outlining Malaysia's effort towards achieving a sustainable and inclusive energy system. It is estimated that by 2050, low-carbon sources will account for more than 90% of energy and fossil fuels will account for less than 10%. Energy sector will be a very eventful industry and the Group is looking forward to be part of the eco-system that will reshape the Malaysian future energy landscape.

NETR highlights that natural gas will be a vital transitional fuel in ensuring energy security whilst affordability remains intact. Responsible transition scenario highlighted that the government will be phasing out coal as an energy source by 2050, which is complemented by the increase in dependency on natural gas. With that in mind, on 28 August 2023, the Company has entered into a JVA with E&H Energy Sdn Bhd to supply liquefied natural gas ("LNG") to potential buyers and users across Malaysia. This partnership is timely considering the current push towards liberalisation of the domestic energy market and we believe that the smart partnership model will allow the Group to create a long-term win-win strategy with our selected joint venture partner.

PROSPECTS

In 2023, the global economy is anticipated to experience a slower rate of growth, with a projected expansion of 3.0% (2022: 3.5%) worldwide, whilst Malaysia's growth is estimated to be slightly higher at 4.0%. For 2024, the Government expects the economy to grow between 4% and 5% which is in line with the projection by the World Bank and International Monetary Fund. Global inflation is forecast to decline steadily due to tighter monetary policy aided by lower international commodity prices. In efforts to stem the depreciation of Ringgit Malaysia and to curb inflation, Bank Negara Malaysia had revised the overnight policy rate ("OPR") five times from March 2022 at 1.75% to-date at 3.0%. Consequently, this has led to higher loan interest rates and borrowing costs as banks increased their base lending rates accordingly.

The Group has put in place various measures to withstand the adversities that we are currently facing. Together with our Principal Adviser and other advisers, we will finalise a comprehensive and reliable regularisation plan to address our PN17 situation by early next year. We will stabilise the operational and financial situation of the Group with support from our customers, financiers and contractors. We will complete all the projects in hand on-time and within budget and start launching the new projects that we have already secured. There are now proposals and projects in the pipeline which we intend to secure and start rolling out, preferably sooner rather than later. We remain cautiously optimistic due to the market uncertainties at home and abroad. We are learning and continue to learn from all the trials and tribulations that we are currently going through and Insya-Allah, we will be able to complete the turnaround and steer the Group towards new heights in a year or two.

APPRECIATION

On behalf of the management, I would like to extend our deepest gratitude to all our bankers and financiers who have provided strong and continuous support to the Group during this difficult and challenging period. We would also like to express our heartfelt appreciation to the shareholders, customers, various Government agencies, consultants, contractors, suppliers and subcontractors and business partners and associates who have been part of our journey during this tumultuous period. Last but not least, I would like to express the Group's sincerest appreciation to my fellow management team and all employees for their continued efforts, dedication, commitment and personal sacrifices for the betterment of the Group.

Thank you.

DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL

Group Managing Director

31 October 2023

IREKA

100%

- **Ireka Properties Sdn Bhd** (Formerly known as Ireka Development Management Sdn Bhd)
- **United Time Development Sdn Bhd**
- **i-Residence Sdn Bhd**
- **Ireka Commercial Sdn Bhd**
- **Ireka Property Services Sdn Bhd**
- **Shoraka Power Sdn Bhd**
- **Ireka Energy (M) Sdn Bhd**
- **Shoraka Construction Sdn Bhd**
- **Shoraka Digital Solutions Sdn Bhd**
- **Ireka Engineering and Construction Vietnam Company Limited**
- **i-Tech Network Solutions (Vietnam) Company Limited**
- **Ireka Sdn Bhd**
  - 100% Regal Variety Sdn Bhd
  - 100% Regalmont (Sabah) Sdn Bhd
  - 100% Ireka Hospitality Sdn Bhd
  - 71.43% Ireka Engineering & Construction Sdn Bhd* (in Liquidation)

* Ireka holds a direct equity interest of 28.57%

55%

- **Meadowfield Sdn Bhd**

51%

- **KaMi Management Services Sdn Bhd**

80%

- **Ireka Development (Terengganu) Sdn Bhd**
- **Ireka Development (Langkawi) Sdn Bhd**

30%

- **Urban DNA Sdn Bhd**
- **The RuMa Hotel KL Sdn Bhd**

* Ireka holds an equity interest of 23.07% in Aseana Property Limited, which in turn holds 70% equity interest in the above two companies.

5-YEAR FINANCIAL HIGHLIGHTS

GROUP	12 MONTHS to 31.03.19	12 MONTHS to 31.03.20	12 MONTHS to 31.03.21	15 MONTHS to 30.06.22	12 MONTHS to 30.06.23
IN RM'000					
Revenue	200,134	157,054	178,149	122,515	**20,494**
(Loss)/Profit before taxation	(30,706)	(54,375)	(27,029)	(165,485)	**59,192**
(Loss)/Profit attributable to owners of the Company	(28,489)	(58,574)	(26,684)	(166,480)	**67,241**
Issued share capital	181,288	181,288	181,288	207,729	**207,729**
Shareholders' funds	148,628	36,944	31,124	(107,441)	**(44,914)**
Total assets	492,805	463,336	484,703	295,306	**186,953**
IN SEN					
Net (loss)/earnings per share – Basic#	(15.26)	(31.37)	(14.29)	(78.55)	**31.73**
Net tangible assets/(liabilities) per share	79.60	19.79	16.67	(47.17)	**(19.72)**
IN PERCENTAGE					
Return on shareholders' fund	(20)	(157)	(84)	(156)	**(135)**
Gearing	63	371	367	(104)	**(184)**
Gearing (net of cash)	44	296	272	(87)	**(169)**

Note:

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

1

YBhg Tan Sri Dato' Mohd Ismail bin Che Rus

Non-Independent Non-Executive Chairman

Age	Gender	Nationality
80	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 Rogue, 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

2

YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail

Group Managing Director

Age	Gender	Nationality
53	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. YBhg Datuk Mohd Hasnul Ismar started his professional career at the Investment and Treasury Department of the Central Bank of Malaysia. After leaving the Bank, YBhg Datuk Mohd Hasnul Ismar 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. YBhg Datuk Hasnul Ismar 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.

3

Chow Sung Chek Simon

Executive Director

Age	Gender	Nationality
54	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).

Chow Sung Chek Simon 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.

Chow Sung Chek Simon 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.

4

Chairil bin Mohd Tamil

Group Deputy Managing Director

Board Committee Membership:
Member of Risk Management Committee

Age **53** | Gender **Male** | Nationality **Malaysian**

Date of appointment:
29 November 2021
Executive Director
3 January 2023
Group Deputy Managing Director

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.

5

YBhg Dato' Azmi bin Abdullah

Senior Independent Non-Executive Director

Board Committee Membership:
Chairman of Nomination & Remuneration Committee
Member of Audit Committee
Member of Risk Management Committee

Age **72** | Gender **Male** | Nationality **Malaysian**

Date of appointment:
26 June 2015
Independent Non-Executive Director
27 February 2020
Senior Independent Non-Executive Director

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). 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.

PROFILE OF DIRECTORS

6

Shahruladeri bin Mohamad Adnan

Age	Gender	Nationality
47	**Male**	**Malaysian**

Date of appointment: 5 July 2021

Independent Non-Executive Director

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.

7

YM Raja Azura binti Raja Mahayuddin

Age	Gender	Nationality
50	**Female**	**Malaysian**

Date of appointment: 4 January 2022

Independent Non-Executive Director

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 25 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 Chairman of USIM Tijarah Holdings Sdn Bhd, Board of Director of Malaysia Professional Accountancy Centre (MyPAC), an Independent Non-Executive Director of Chemical Company of Malaysia Berhad and the Board of Director of YaPIEM Gold Sdn Bhd.

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 Chartered Global Management Accountant (CGMA), a member of Institute of Corporate Directors Malaysia (ICDM), the Malaysian Institute of Accountant (MIA) and Institute of Internal Auditors (IIA).

She is currently the Co-Founder of AKRAB Resources and a Member of the Energy Commission.

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

YBhg 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. YBhg Datuk Mohd Hasnul Ismar 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. YBhg Datuk Mohd Hasnul Ismar began his professional career at the Investment and Treasury Department of the Central Bank of Malaysia (Bank Negara Malaysia).

After leaving the Central Bank of Malaysia, YBhg Datuk Mohd Hasnul Ismar 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, YBhg Datuk Mohd Hasnul Ismar left TA in 2006 to set up Shoraka Advisory Services in Dubai, United Arab Emirates.

Chairil bin Mohd Tamil

Group Deputy Managing Director (Redesignated on 3 January 2023)

Chairil bin Mohd Tamil joined Ireka Corporation Berhad's (Ireka) as Group Chief Financial Officer in July 2021. As of 3 January 2023, he holds the position as Group Deputy Managing Director, 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 Bank, 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.

Chow Sung Chek Simon

Group Chief Operating Officer

Chow Sung Chek Simon joined Ireka Corporation Berhad (Ireka) as Group Chief Corporate Officer in July 2021. As of 1 July 2022, Simon Chow holds the position of Group Chief Operating Officer for the Company. He is also an Executive Director of 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. Simon Chow foray into investments and asset management began during his tenure as Chief Executive Officer at TA Investment Management Berhad from 2006-2008.

His subsequent roles were at CMS Trust Management Berhad (now known as Kenanga Investors Berhad), BNP Paribas Asset Management Sdn Bhd, Amundi Malaysia Sdn Bhd 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

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). He 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.

Iskandar Sham bin Abd Rasap

Group Chief Financial Officer (Appointed on 3 January 2023)

Iskandar Sham bin Abd Rasap, a 53 year old Malaysian, brings more than 27 years of extensive experience in the area of financial management, auditing, financial accounting and reporting, corporate planning and taxation. He has held various senior management positions in both private and public listed companies.

He established a strong accounting and finance foundation during his early career stints at two international accounting firms, Arthur Andersen and PricewaterhouseCoopers. After a decade in public practice, he joined Media Prima Berhad as the Group General Manager, Finance in 2006 before being appointed as the Chief Financial Officer (CFO) of one of the largest container terminals in the world, Pelabuhan Tanjung Pelepas Sdn Bhd in 2008, a position he held for a period of eight years. He then joined UNITAR Capital Sdn Bhd as the CFO/Chief Operating Officer from 2016 to 2019. He was then appointed as the CFO of another listed engineering and construction group, Ahmad Zaki Resources Berhad from 2020 to 2021, prior to joining Ireka Corporation Berhad initially as a Financial Consultant before being appointed to his current role.

Iskandar Sham holds a Bachelor of Science degree in Accounting and Financial Analysis from University of Warwick and Master of Science in Professional Accountancy from University of London. He is also a member of Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA), Chartered Institute of Management Accountants (CIMA) and is a Fellow of the Association of Chartered Certified Accountants (ACCA).

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.

Notes:
Save as disclosed, the Management Team has 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 has:-
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

Navigating its Practice Note 17 ("PN17") status, Ireka Corporation Berhad ("Ireka" or "the Group") acknowledges the current financial challenges as a critical juncture for emphasising sustainability in its revival strategy. This strengthens our focus on environmental, social and governance ("ESG") responsibilities, integrating them into our path to recovery and long-term stakeholders' value.

Our sustainability statement confronts our challenges and outlines a future defined by responsible growth and deepened community ties. Sustainability is central to our business model, and by recalibrating our strategies, we address financial issues and lay the groundwork for responsive and sustainable growth.

The following sections outline our sustainability efforts, marking our commitment to a recovery that embeds conscientious, sustainable practices at our core. Ireka aims to re-emerge more resilient, with a redefined, long-term commitment to sustainable success.

REPORTING STANDARDS

Our Statement follows these guidelines:

- Global Reporting Initiatives (GRI) standards;
- Bursa Malaysia's Sustainability Reporting Guide Third Edition as directed by Bursa Malaysia;
- United Nations Sustainability Development Goals ("UN SDGs"); and
- Ireka's Sustainability Framework.

SCOPE AND BOUNDARY OF REPORT

This Sustainability Statement is for the financial year ended 30 June 2023 ("FY2023"), focusing on the four key pillars that drive our strategic approach: Economic, People, Environment and Community. It specifically delves into critical initiatives and domains that we have identified as fundamental to our business and stakeholders.

SUSTAINABILITY FRAMEWORK

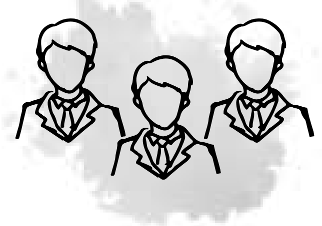
Ireka's commitment to sustainability remains unshaken amid the challenges of our PN17 status, grounded in four key pillars: Economic, People, Environment and Community.

While our immediate focus will be on the recovery of the Group, these tenets will ensure we continue to generate sustainable value in the long-term. This strategic approach is critical in steering us back to stability, ensuring workforce excellence, environmental conservation, and community enrichment, even as we navigate our fiscal hurdles.

By responsibly minimising operational impacts and focusing on sustainable development, we are laying a robust framework for our communities to prosper, signalling our resilience and long-term vision beyond immediate financial challenges.

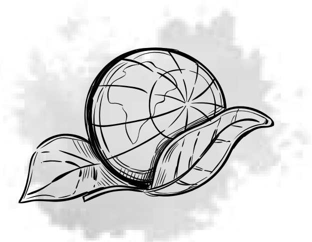
Economic

Reviewing our market place regularly to ensure that we remain relevant and competitive.



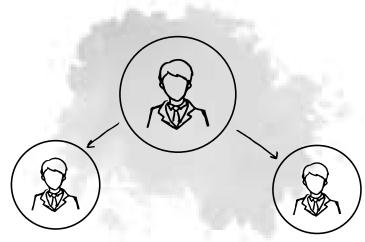
People

Our employees are the cornerstone of our development. We prioritise the safety, wellbeing and talent development of our employees.



Environment

Developing green and sustainable projects while minimising negative environmental impacts.

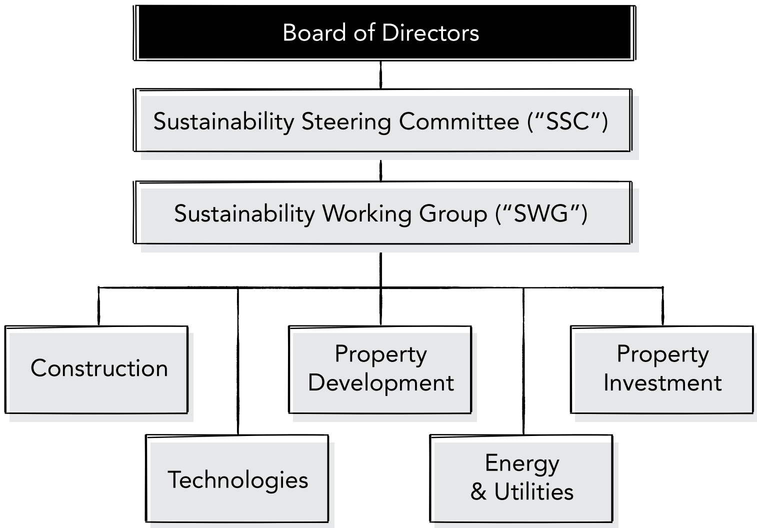


Community

Empower the community where we operate through various initiatives and investments.

SUSTAINABILITY GOVERNANCE

Ireka adopts a top-down approach in sustainability governance, with our Board of Directors ("BODs") overseeing the agenda. They are backed by the Sustainability Steering Committee ("SSC"), ensuring alignment with high-level decisions. The BODs' resolutions are implemented across business units by the Sustainability Working Group ("SWG"). The SSC, consisting of dedicated BOD members, collaborates with Senior Management and the SWG to craft and pursue sustainability goals, reflecting the BOD's strategic vision.



STAKEHOLDERS' ENGAGEMENTS

Ireka emphasises continuous dialogue with its stakeholders to develop a sustainability framework that fosters economic and societal growth. Stakeholders affecting or affected by Ireka's decisions span from employees and investors to communities and regulatory bodies.

Recognising our broader impact, we commit to positive contributions, leveraging insights and feedback to strengthen our strategies and social responsibility. We have established a dynamic stakeholder engagement process for active listening, thoughtful response, and ongoing adaptation, ensuring a diverse range of perspectives inform our sustainability efforts.

These engagements are integral to our sustainability agenda, aligning Ireka's goals with those of our stakeholders. This helps us marry immediate recovery needs with long-term sustainability and community prosperity.

Stakeholder	Engagement Channel	Area of interests	Forum of responses
Investors and shareholders	• Annual General Meeting • Annual Report • Quarterly interim report • Bursa announcement • Corporate website • Briefings/updates for analysts/fund managers • Media engagements	• Business growth strategy • Group's financial performance • Sustainable financial returns • Sustainable dividend policy • Corporate governance • Regulatory compliance	• Quarterly reporting and regular audits • Financial performance and results
Customers	• Corporate website • Actively engaging and build relationships • Participation in industry networking events • Regular feedbacks and meetings	• Product quality • Resolving complaints efficiently • Ensuring on-time service • Ensuring on-time product delivery • Relationship building • Health and safety	• Quality management system • Competitive pricing • Customer engagement
Suppliers	• Suppliers and products assessment • Regular meetings with suppliers • Engaged contract on a need basis • Transparent procurement practices • Transparent pricing	• Product quality • Payment terms • Timely delivery • Regular/on-time payment schedule	• Quality assessment • Constant and regular engagement

STAKEHOLDERS' ENGAGEMENTS (Cont'd)

Stakeholder	Engagement Channel	Area of interests	Forum of responses
Employees	• Company events and activities • Training and development programme • Safety training and awareness • Whistle-blowing policy • Annual performance appraisal • Staff orientation/ onboarding • Employee engagement survey	• Career development • Competitive remuneration and rewards • Occupational safety and health	• Induction and orientation • Training • Staff welfare events • Performance management system • Whistle-blowing channel
Governments and regulators	• Corporate website • Policies in place to comply with relevant government laws and regulations • Seminars or information sessions held by authorities • Formal meetings • Emails and letters • On-site inspection	• Compliance with law and regulations • Compliance with corporate governance • Compliance with labour, environmental and safety and health regulations • Accuracy, transparency and disclosure	• Engagement with regulatory bodies and government agencies
Media and analysts	• Media release/interviews • Financial results briefings • Public events	• Financial performance • Business strategies • Market presence	• Quarterly reporting and regular audits • Financial performance and results
Local community	• Corporate website • Corporate social responsibility program • Volunteer opportunities • Charitable/community events	• Social responsibility • Environmental awareness and education • Business opportunity • Employment support • Interact with local communities	• Corporate social responsibility events • Job opportunity

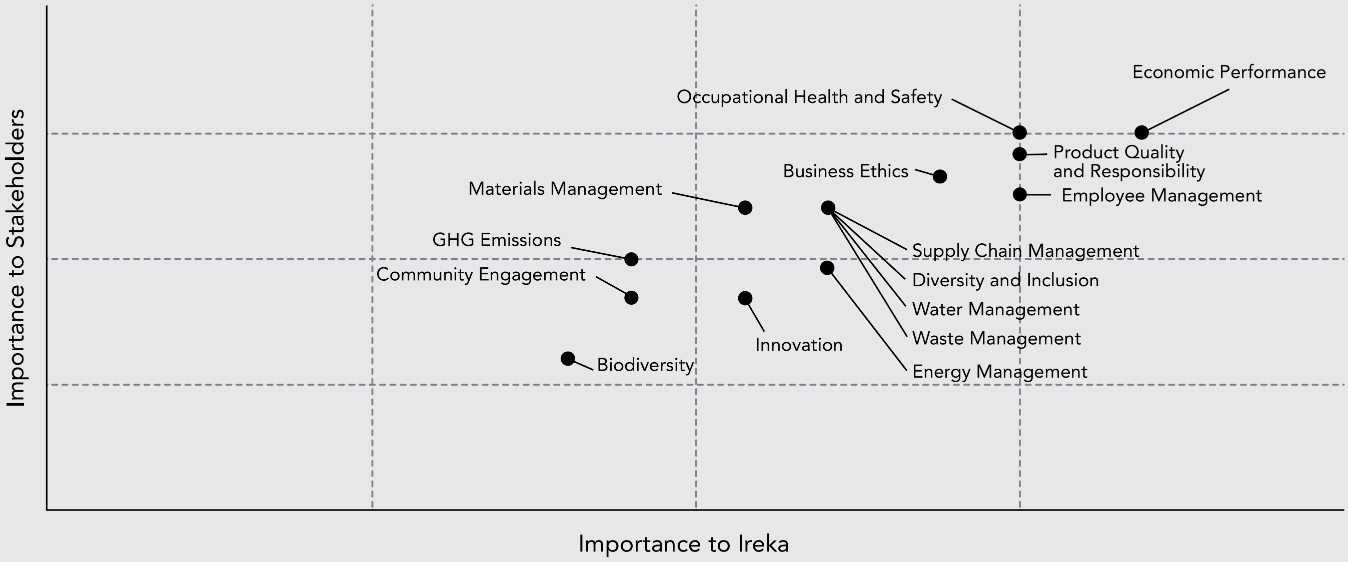
MATERIALITY ASSESSMENT

The materiality assessment enables the Group to map out its sustainability-related matters that can contribute significantly to improving the effectiveness of the business strategies in the short, medium and long term.

The materiality assessment process is done by these three steps:

STEP 1	STEP 2	STEP 3
Identify a list of relevant sustainability matters	Prioritise sustainability matters	Materiality matrix reviewed and validated

MATERIALITY ASSESSMENT (Cont'd)



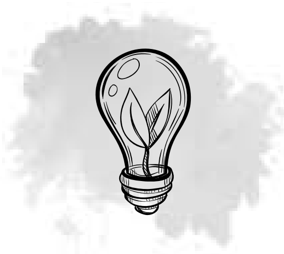
While the survey emphasised Occupational Health and Safety, the urgency of Economic Performance is particularly noted as we prepare the Regularisation Plan for exiting PN17 status.

List of material matters according to Economic, Environmental and Social ("EES")

ECONOMIC

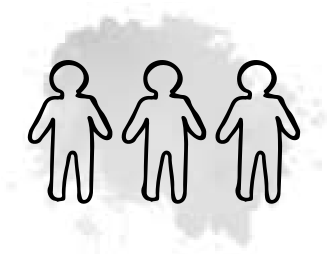
- Economic Performance
- Business Ethics
- Product Quality and Responsibility
- Customer Privacy
- Innovation
- Supply Chain Management

ENVIRONMENTAL



- GHG Emissions
- Energy Management
- Materials Management
- Water Management
- Waste Management
- Biodiversity

SOCIAL



- Employee Management
- Occupational Health and Safety
- Diversity and Inclusion
- Community Engagement

CONTRIBUTION TO THE UN SUSTAINABILITY DEVELOPMENT GOALS

Continuing our efforts from 2022, we are aligning our work with the UN Sustainability Development Goals ("UN SDGs"), and adopted specific goals to guide our actions.

Environment, Economy and Social ("EES")	Material Topics	UN SGDs
Environment	• GHG Emissions • Energy Management • Materials Management • Water Management • Waste Management • Biodiversity	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Economy	• Economic Performance • Business Ethics • Product Quality and Responsibility • Innovation • Supply Chain Management	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Social	• Employee Management • Occupational Health and Safety • Diversity and Inclusion • Community Engagement	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES

ENVIRONMENT

Ireka is steadfast in its commitment to environmental preservation and understanding the essential connection between ecological health, our business practices, and community welfare. Our future strategy is geared towards significantly reducing our environmental impact and promoting sustainability through several key initiatives.

In our forthcoming plans, we will concentrate on:

GHG Emissions

Reducing our carbon footprint as part of our commitment to climate change mitigation.

Energy Management

Enhancing efficiency and conservation efforts within our operational practices. Currently, we have also introduced simple steps such as turning off air conditioners and electrical appliances and equipment when offices are not in use.

Materials Management

Going forward, we plan to implement sustainable resource use and procurement practices that prioritise sustainable, recycled and recyclable materials in our operations.

Water Management

Water is a precious resource, and its conservation is essential for environmental sustainability. Some of the practical steps taken by the Group include:

- Collect rainwater for general cleaning purposes;
- Withdraw water from nearby ponds for washing and cleaning; and
- Application for municipal water supply such as tap water prior to commencement of projects.

Going forward, we will continue to advance our water conservation and responsible usage strategies.

Waste Management

We primarily generate construction, domestic and scheduled waste at our project sites. To manage this responsibly, we have embraced the 3Rs principle – reduce, reuse and recycle. For example, we minimise landfill waste and opt for recyclable materials where possible. We also repurpose plastic packaging and recycle concrete waste in various construction sites. Additionally, we encourage workers to use reusable containers, enhancing our environmental efforts.

Biodiversity

We recognise our operation's potential impact on local ecosystems and are committed to protecting biodiversity. In the future, we will include habitat restoration, local conservation projects and integration of biodiversity considerations into our planning and decision-making processes.

While these initiatives are future-focused, they represent our ongoing pledge to environmental stewardship, vital for societal prosperity and the success of ensuing generations. As we move forward, we commit to setting specific, measurable goals and maintaining transparency in our progress reports, ensuring accountability and dedicated advancement in our sustainability journey.

ECONOMY

At Ireka, our approach to sustainability encompasses a multifaceted commitment to economic responsibility. Through our engagement with the stakeholders, we prioritise the following material matters under economic aspects: **Economic Performance, Business Ethics, Product Quality and Responsibiltiy, Innovation, and Supply Chain Management.**

Through these strategic focuses, Ireka reaffirms its commitment to driving sustainability in its economic aspects. We believe that responsible management of these material matters is not only crucial for our business's success but also contributes to the sustainable development of the broader economic ecosystem.

1) Economic Performance

At the heart of our sustainability trajectory is the imperative of solid economic vitality as we navigate through our present financial challenges. This challenging phase has necessitated a strategic recalibration and intensified collaboration with a spectrum of stakeholders, including regulatory bodies, as we work on our Regularisation Plan. Our overarching goal is a holistic resurgence, fortifying our financial standings and restoring the robustness of our Balance Sheet.

For FY2023, management focused on recovery strategies and the preparation of the Regularisation Plan. A pivotal move during this period encompassed the disposal of the loss-making subsidiary, Ireka iCapital Sdn Bhd ("ICAP") and discontinuation of operation of Ireka Engineering & Construction Sdn Bhd ("IECSB"). These strategic moves allowed us to narrow our focus, channelling our resources and expertise into our core business in property development and construction management. This significant step was not merely about business rationalisation; it was a calculated manoeuvre to rejuvenate our Balance Sheet and set the stage for a systematic rebound.

This disposal was instrumental in reallocation of capital, alleviating debt pressures, and providing us with the financial agility to pivot back to our core competencies. With a leaner, more focused business model, we foresee an environment where innovation and operational efficiencies thrive, driving us back to industry prominence.

2) Business Ethics

Integrity forms the cornerstone of our economic sustainability. We adhere to the highest ethical standards, promoting transparency, fairness and accountability in all business dealings, thereby solidifying trust with stakeholders and upholding our reputation.

Ireka operates under clear, firm corporate policies that address critical concerns, including bribery, corruption, harassment, whistleblowing and political affiliations. Currently, we are enhancing our risk management procedures to ensure comprehensive and robust risk assessments throughout our operations.

Our commitment is to uphold the legal standards and best practices set by Bursa Malaysia Securities Market ("Bursa Securities"), the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), Companies Act 2016, and Ireka's Constitution. We recognise the serious implications of non-compliance, which can expose us to operational, legal, financial, and reputational risks.

For detailed insights into our governance practices, we invite you to review the Corporate Governance Statement in this report, specifically pages 30 to 37.

Ireka emphasises stringent business ethics across all operations, underscored by three fundamental policies:

Ethical Conduct & Corporate Integrity

Governed by a comprehensive Code of Conduct and Ethics, Ireka sets high standards for professional behaviour, explicitly outlining acceptable practices and behaviours for all stakeholders, including resolutions for potential conflicts of interest. The policy covers a spectrum of ethical issues, from sexual harassment to discrimination, ensuring a respectful, integral workplace. Rigorous adherence has resulted in no instances of non-compliance or unethical conduct within the last year.

Zero Tolerance for Corruption

Ireka's commitment to combatting corruption is enforced through its robust Anti-Bribery and Anti-Corruption Policy ("ABAC"), compliant with the Malaysian Anti-Corruption Commission Act 2018. Updated and disseminated extensively in the past financial year, the policy mandates regular anti-corruption training for directors, management, and staff, striving for company-wide proficiency. There were no reported cases of corruption in the recent review period, attesting to the policy's efficacy.

Whistleblowing Policy

To safeguard corporate transparency and accountability, Ireka maintains a Whistleblowing Policy, offering protection to whistleblowers from retaliation or harassment. Enhanced during the last fiscal year, for greater accessibility and efficacy, this policy now includes an online submission feature for reporting misconduct. The system ensures a confidential, secure, and thorough assessment of all reports, encouraging a culture of integrity and open communication within the organisation. The previous year saw no whistleblowing reports, suggesting a compliant operational environment.

ECONOMY (Cont'd)

3) Product Quality and Responsibility

Our commitment to our customers is reflected in our unwavering emphasis on high-calibre products and services in order to maintain top-notch product quality, we have maintained the ISO9001: 2015 certification, ensuring thorough quality checks on our projects. This approach covers identifying quality standards, evaluating performance, and monitoring compliance. Additionally, before any property handover, our team meticulously inspects each unit to address any issues, guaranteeing our commitment to excellence.

4) Innovation

Innovation remains central to Ireka's strategy, enhancing our market competitiveness and economic resilience. Our focus is on immediate recovery, yet we are committed to long-term innovative exploration, particularly in digital marketing and eco-friendly home construction.

While prioritising financial recovery, we foresee continued advancement in these innovative domains, balancing immediate economic needs with future-focused growth strategies.

5) Supply Chain Management

Understanding our supply chain's economic influence, we commit to responsible sourcing and procurement. Going forward, we plan to prioritise local vendors in the future, boosting economic development in our areas of operation.

SOCIAL

The social dimension is another crucial part of our future sustainability strategies. We acknowledge our responsibility to all individuals involved with our business, including employees, partners, customers and local communities.

In future plans, we will concentrate on:

Employee Management	Occupational Health and Safety	Diversity and Inclusion	Community Engagement
Enhancing staff well-being and development.	Ensuring a safe, hazard-free workplace.	Promoting an inclusive work culture with diverse perspectives.	Building stronger, mutually beneficial ties with the communities we operate in.

1) Employee Management

Building strong relationships with our employees is crucial for boosting productivity and fostering a sense of community at Ireka. We prioritise understanding and addressing their needs, which helps us attract and retain top talent, essential for sustainable growth.

Among some of our key areas include:

- **Employee engagement**

  Throughout FY2023, we hosted various engagements such as festive gatherings and other staff social events, coupled with feedback sessions, to strengthen connections and understand the needs of our employees. These efforts contribute to a more cohesive and supportive work environment.

- **Employees' benefits**

  Ireka is committed to supporting our employees' well-being by offering salaries above the minimum wage and performance-based incentives. Our comprehensive benefits package for full-time employees focuses on health and overall wellness. Key benefits include medical coverage, special purpose leave and flexible work arrangement. These provisions ensure our staff are well-cared for, underlining our commitment to their welfare and job satisfaction.

SOCIAL (Cont'd)

2) Occupational Health & Safety

Ireka cares about the health and safety of its employees. We follow Occupational Health and Safety ("OHS") rules that meet legal guidelines to help make our workplace safe.

Our approach hinges on several key strategies:

Dedicated Emergency Response Team

We have a dedicated Emergency Response Team to oversee the safety practices across the Group.

Training

Continuous employee training enhances safety awareness and preparedness, particularly for equipment handling and emergency protocols.

Risk Management

Regular hazard assessments and compliance audits are conducted using a systematic approach to identify, evaluate, and mitigate risks.

Health Promotion

We emphasise holistic well-being through health screenings, mental health support, and general healthcare.

Incident Response

A streamlined process for immediate investigation and response to accidents helps prevent future occurrences.

Prevention

Standardised use of Personal Protective Equipment ("PPE") and strict adherence to safety guidelines are enforced.

Through these measures, Ireka reinforces its unwavering commitment to a safe, healthy workplace that underpins both our operational success and our team's welfare.

3) Diversity & Inclusion

The Group attributes its success to a workforce rich in diverse talents, backgrounds and cultures, mirroring the communities we serve. This diversity fosters innovation, creativity, and enhanced decision-making, aligning with UN SDGs 5 (Gender Equality) and 8 (Decent Work & Economic Growth).

We strictly adhere to merit-based hiring, devoid of discrimination regarding ethnicity, gender, age, religion, disability or nationality. We are working on a Diversity & Inclusion Policy which is expected to further solidify this commitment.

4) Community Engagement

As Ireka navigates through a period focused primarily on recovery, we are also laying the groundwork for our future community engagement strategies. Under our CSR initiative, IREKA CARES, we plan to deepen our social contributions in areas such as health, education, environment and community development. While our current resources are directed towards organisational recovery, our long-term strategy includes fostering a culture of active employee involvement in community service, recognising that our collective effort can drive meaningful change in society. This forward-looking approach ensures that once we have stabilised our position, we will be ready to invest whole-heartedly in the communities around us.

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') for the purpose of providing the stakeholders with an overview of the extent of compliance by the Company with the three (3) Key Principles set out in the Malaysian Code on Corporate Governance 2021 ('the Code') for the financial year ended 30 June 2023. This Statement also serves in compliance with Paragraph 15.25 of the Main Market Listing Requirements ('MMLR) of Bursa Malaysia Securities Berhad ('Bursa Malaysia'). The Corporate Governance Report is available on the website of Bursa Malaysia together with the Company's Annual Report for the financial year ended 30 June 2023 and is as posted on the Company's website at www.ireka.com.my.

The Board remains committed to ensure that good corporate governance principles continue to be developed and implemented throughout the Ireka Group of Companies ("Ireka Group") with the ultimate objective of enhancing shareholders' values, whilst taking into account the interests of other stakeholders as well as generating 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 for determining the direction of Ireka Group, thereby ensuring the long-term success of the Group and delivery of sustainable value to its stakeholders. The Board provides leadership and advice on corporate strategies, advocates good governance and ethical practices, and ensures the effective implementation of corporate strategies. The principal responsibilities include the following:

- reviewing and adopting strategic plans for the Group;
- supervising 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;
- managing human capital affairs, including appointing, training, determining 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.

For the matters reserved beyond the Board's decision, the Board delegates the authority to implement the Group's strategies and manage the operations of the Group to the Group Managing Director and the Executive Directors who are supported by a capable Management team ("Management"). The Board has oversight on matters delegated to the Management whereby updates are reported at least on 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 good practices of corporate governance are 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 the Board delegates specific powers to the Board Committees, it remains informed about key issues and recommendations presented by each Board Committee through reports provided by the respective Chairman during Board meetings. The ultimate decision-making authority, however, rests with the Board.

Apart from formulating corporate strategies to enhance the shareholders' value, the Board is committed 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 last and recently reviewed on 29 August 2023, following the recommendations of Paragraph 15.01A of Bursa Malaysia Listing.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

The Chairman and the Group 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, overseeing the business operations and driving the Group's businesses and performance towards achieving the Group's visions and goals.

Company Secretary

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

The Company Secretary keeps abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training, and hence the Board is regularly updated and advised on new statutory and regulatory requirements, as well as 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 Annual General Meeting 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 responsibilities. All the Directors of the Company complied with the MMLR on the number of directorships held in the public listed companies, which is 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, of which sufficient information is attached in order to make an informed decision. During the financial year ended 30 June 2023, a total of seven (7) Board meetings were held and the attendance record is as below:

Existing Directors	No. of Meetings Attended
YBhg Tan Sri Dato' Mohd Ismail bin Che Rus	6/7
YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail	7/7
Chairil bin Mohd Tamil	7/7
Chow Sung Chek Simon	7/7
YBhg Dato' Azmi bin Abdullah	7/7
YM Raja Azura binti Raja Mahayuddin	7/7
Shahruladeri bin Mohamad Adnan	7/7
Director who departed during the financial year under review	
Wan Ahmad Nazim bin Mohamed Noor *(Resigned on 29 May 2023)*	6/7

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

Board Meetings and Supply of Information (Cont'd)

All Board members are provided with agenda and board papers containing relevant documents and information prior to the Board meetings to ensure the Board members have reasonable time to review and consider the issues before participating in discussions and deliberations at the Board meetings. The Board papers include minutes of the previous meetings, updates on financial information, operational matters and corporate development activities of the Group. The Board Members have the right and duty to raise further enquiries where necessary. Members of the Management team are invited to provide insight and 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 of which are confirmed later by the Board on its accuracy and completeness. In the event where a potential conflict of interest may arise, it is mandatory for the concerned Board Member to declare his or her 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 of 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 a Board member to source for the relevant advice from a suitable external consultant, based on the requirements of the Board.

In addition, all Directors have access to the advice and services provided by the Company Secretary, who is 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 behaviours for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility. In order 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 Company had the Anti-Bribery and Anti-Corruption Policy ('ABAC Policy') in place. The ABAC Policy, reviewed on 29 August 2023 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 perform 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 reviewed its Whistleblowing Policy on 29 August 2023, by providing a dedicated channel to facilitate employees and members of the public to disclose any improper conducts, wrongdoings, corruption, fraud and/or abuse in accordance with the procedures provided under the said policy.

II. Board Composition

As at 30 June 2023, the Board comprises seven (7) members which include the Non- Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors ('INED') and three (3) Executive Directors.

The current Board composition complies with the MMLR under para 15.09 (1) which requires at least 1/3 of the Board members to be independent directors. The Board is satisfied with the current number of independent directors who had shown their spirit, intention and purpose to exercise independent judgement 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 experiences. The Board views its current composition as encompassing the 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 18 of the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

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 MMLR of Bursa Malaysia. The Chairman encourages open discussion and free expression of opinions and suggestions at the Board meetings. Every resolution tabled will be deliberated and all views from the Board are considered before a decision is made.

During the financial year 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 of which they could continue to bring objective and independent judgement in the Board decision-making.

The Board is aware of the importance of board diversity to facilitate good decision-making as this enables different insights and perspectives to be harnessed. The Board is of the view that competency, skill, character, knowledge and experience are paramount criterias in the selection of a director following the minimum requirement as set in the MMLR's on the nomination of a Board member. While the mandatory minimum set under the MMLR 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. When given the opportunity of meeting suitable female candidates, the Board through its NRC will consider expanding gender diversity as part of its future selection process.

YM Raja Azura binti Raja Mahayuddin now serves as one of the Group's Independent Non-Executive Directors. She is also the Chairperson of the Audit Committee and a member of other Board Committees.

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, experiences, 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.

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 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 must 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 year ended 30 June 2023, no Independent Director had served on the Board for more than nine (9) years from the date of their 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 below:

1. YBhg Dato' Azmi bin Abdullah - *Chairman*
2. Shahruladeri bin Mohamad Adnan
3. YM Raja Azura binti Raja Mahayuddin

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' characters, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

Appointments to the Board (Cont'd)

In addition, an assessment mechanism is in place to continue assessing on an annual basis, the effectiveness of the Board as a whole and the Board Committees, and the contribution of each Director. The Board, through the NRC, reviews periodically the succession plans of the Board, its requires mix of skills, experiences and other qualities, including core competencies, which Non-Executive Directors need to bring to the Board, and also make recommendations to the Board with regard to any changes. On the assessment conducted for the financial year ended 30 June 2023, it was indicated that there was a good balance in the composition of the Board, and the members of the Board possessed sufficient skills and experiences 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 the shareholders at the AGM. All assessments and evaluations conducted 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 to one-third (1/3), shall retire from office provided that all Directors shall retire from office at least once in every three 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 annual general meeting and shall be eligible for election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue serving the Board.

The election and re-election of each Director shall be voted separately. The Directors who are seeking election and re-election at the forthcoming AGM are stated in the notice of the 47th 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. In order to assist the shareholders with their decision, the information on their personal profiles are provided on pages 15 and 18 of the Annual Report.

Directors' Training

The Mandatory Accreditation Program ("MAP"), as required by Bursa Malaysia was attended by all Board Members. The Directors are mindful that they must 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 MMLR and key corporate governance developments from time to time.

During the financial year ended 30 June 2023, an in-house training was conducted on the topic: Building the Environmental, Social and Governance (ESG) Framework. The training gave lessons on the topic of sustainability and their impact to the Group, environment and society. It also elaborated the reporting practices for the identification, measurement and management of sustainability matters.

Directors Training Attendance

Topic:	YBhg Tan Sri Dato' Mohd Ismail bin Che Rus	YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail	Chairil bin Mohd Tamil	Chow Sung Chek Simon	YBhg Dato' Azmi bin Abdullah	Shahruladeri bin Mohamand Adnan	YM Raja Azura binti Raja Mahayuddin
Building the Environmental, Social and Governance (ESG) Framework.	√	√	√	√	√	√	√

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. Remuneration

The Board has deliberated and recommended a reasonable remuneration package for Directors for the consideration of the shareholders at the forthcoming AGM, so as to ensure it is sufficient to attract, retain and motivate the Directors to manage the Group successfully. The Board has structured the Executive Director's remuneration packages so as to link the rewards to the corporate and individual performance and to commensurate with their experiences, skills and responsibilities arising from their respective executive/management positions in the Group. In the case of INED, the level of remuneration reflects their experiences and level of responsibilities undertaken by the particular INED. They will be offered Directors' fees based on their responsibilities in the 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 are not involved in deciding their remunerations. 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.

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 experiences, skills and education and is benchmarked against industry standards. The Executive Directors' remuneration during the financial year ended 30 June 2023 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 prospects 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 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 and 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 wide-ranging service on the boards of other companies, which have enabled them to discharge their duties and responsibilities efficiently.

The NRC assesses the performance of the AC and RMC together with its members through an annual evaluation. Based on the outcome of the evaluation for the financial year under review, the Board was 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 Statement of Risk Management and Internal Control respectively in this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Company appointed Messrs Baker Tilly Montero Heng PLT ("the Auditors") on 25 May 2022. The Company maintained a transparent and professional relationship with the Auditors to enable them to independently report to the shareholders in accordance with the statutory and professional requirements 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 recommends to the Board for Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) to be re-appointed by the shareholders as external auditors of the Company for the financial year ending 30 June 2024 at the forthcoming AGM.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

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 shareholders' interests are safeguarded.

The Company has put 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 Managing 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 Board acknowledge that the Group's Internal Audit function, 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 controls within the Group is set out in the Company's Annual Report 2023.

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 year, the timely release of annual reports, circulars to shareholders, press releases, announcements of quarterly and annual financial results, which provide the 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 any new property developments.

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

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

II. Conduct of General Meetings

The Board recognises the AGM as the principal forum for dialogue and interaction with shareholders. The Notice of AGM is 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 the business of the Group to keep the shareholders informed and updated on the current developments. 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 the general meetings unless there are unforeseen circumstances which preclude them from attending. All Directors of the Company have attended the previous 46th AGM held on 8 December 2022.

With the availability of technology and in the continued effort to mitigate the risk of Covid-19, the Company has conducted its 46th AGM and subsequently an Extraordinary General Meeting ("EGM") on 19 January 2023 through live streaming method using the Remote Participation and Voting ("RPV") system. Both meetings were broadcasted from the Company's registered office.

All resolutions set out in the notice of the general meeting were voted by poll. Votes of any shareholders who were absent from the general meeting were cast using their respective proxies. An independent scrutineer was appointed to verify the results of the poll. The outcome of all resolutions proposed at the general meeting was 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 were made available to the shareholders and public for their reference at www.ireka.com.my.

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 any current departures from the practices stipulated in the Code as well as instilling and strengthening the 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 in order to ensure succession pipeline and for the future talent development process.

- To remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices as set out in the Code and all other applicable laws, where applicable and appropriate.

This Corporate Governance Overview Statement and the Corporate Governance Report have been approved by the Board of Directors at the Board meeting held on 26 October 2023.

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 ("BTMH") or their affiliated companies for the financial year ended 30 June 2023 are as follows:

	Group (RM)	Company (RM)
Audit fees paid/payable to BTMH	503,000	215,000
Non-audit fees paid/payable to BTMH*	7,000	7,000
Non-audit fees paid/payable to affiliates of BTMH	35,800	33,200

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

2. Material Contracts or Loans with Related Parties

There were no material contracts or loans 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, either still subsisting at the end of financial year ended 30 June 2023 or entered into since the end of the previous financial period.

3. Utilisation of Proceeds from Corporate Proposal

The Company did not raise any funds through any corporate proposal during the financial year ended 30 June 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROLS

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 year ended 30 June 2023. This Statement has been prepared in accordance with Main Market Listing 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 assessments that cover among others, strategic planning, organisational structure, operational processes, regulatory and human capital processes in order to manage the key risks identified.

Members of the Risk Management Committee

During the financial year ended 30 June 2023, the Risk Management Committee ("RMC") 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) En Chairil bin Mohd Tamil
Member/Executive Director

The main objective of the RMC is to review, minimise and avoid the occurrence of major risks. The RMC is supported by the Risk Department which provides an independent assessment and evaluation of the effectiveness of the Group's risk management during the year under review.

Risk Identification & Assessment

In view of the limitations that are inherent in the systems of risk management and internal controls, the Board recognises that the systems are designed in order 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 the associate companies and jointly controlled entities where the Group does not have full management control. The Group's interests in these jointly controlled entities are closely monitored through the periodic review of their management accounts and Board's representation in these companies.

The Board is of the view that the system of risk management and internal controls are in place for the financial year under review and up to the date of the issuance of this Statement is appropriate to the business operations and that risks taken are at reasonable levels 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 are operating adequately and effectively, in all material aspects.

Effectiveness of Risk Management and Internal Control

The existing system of risk management and internal control has been operating adequately for the financial year ended 30 June 2023 and up to the date of the issuance of the financial statements.

Although there was some principal risk exposure identified, among others risk to exit from PN17 status and the generation of cash inflow during the financial year ended 30 June 2023, the management is committed to mitigate these exposures and follow-up reviews are constantly performed.

The Board is committed towards operating a sound system and will strive for continuous improvement, where necessary to further enhance the said system. The Board is satisfied with the adequacy, effectiveness and integrity of the Group's system of risk management and internal control system.

The Group's Internal Audit Department assists the Board and Audit Committee ('AC') by providing an independent assessment on 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 41 to 43 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 the Committees of the Board and management of operating units respectively;
- clearly documented internal procedures in respect of operational and financial processes as set out in the ISO 9001:2015 Quality Management System Documents and Financial Processes Manual;
- regular and comprehensive information provided to the Board and AC covering financial performance and key business performance indicators;
- monitoring of results against budget, with major variances being followed-up and relevant management actions taken during respective Key Performance Index project meetings, management meetings and Board meetings; and
- regular visits to operating units by Executive Directors, CEOs and Management, compliance with the Group's rules and regulations and employees' conduct as set out in the Group's Human Resource Policies.

Review of Statement

The external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 June 2023, and consequently, they have 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 processes adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

Conclusion

There have been no significant weaknesses noted during the financial year ended 30 June 2023 which may have resulted in any material losses. The Group Managing Director and Group Chief Financial Officer assure the Board that the Company's and the Group's internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system that are in place currently at the Company and the Group. 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. Additionally, the Board is also cognisant of the fact that the Group's system of risk management and internal controls practices must continuously evolve to meet the changing and ever- evolving business environment. Therefore, the Board shall continue to take appropriate and necessary measures to implement the recommendations of the internal auditors in order to further enhance the existing system of risk management and internal controls.

This Statement on Risk Management and Internal Control has been approved by the Board of Directors at the Board meeting held on 26 October 2023.

MEMBERS OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2023, the Audit Committee ("AC") comprises the following members:

1) YM Raja Azura binti Raja Mahayuddin
Chairman/Independent Non-Executive Director

2) YBhg Dato' Azmi bin Abdullah
Member/Senior Independent Non-Executive Director

3) En Shahrulderi 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, UK. She is also a member of Malaysian Institute of Accountants (MIA), Chartered Global Management Accountant (CGMA), a Certified Internal Auditor and a member of Malaysian Energy Commission.

ATTENDANCE OF MEETINGS

During the financial year under review, a total of four (4) AC meetings were held and the members' record of attendance is as shown below:

AC members	No. of meetings attended
YM Raja Azura binti Raja Mahayuddin	4/4
YBhg Dato' Azmi bin Abdullah	4/4
En Shahruladeri bin Mohamad Adnan	4/4

The Chief Financial Officer, Chief of Risk and Compliance Officer, representatives from the Internal Audit Department and 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 briefs the Board on the proceedings of each AC meeting. The minutes of respective AC meetings were tabled at the subsequent meetings for confirmation.

TERMS OF REFERENCE

The Terms of Reference of the AC was reviewed on 26 October 2023 and are available on the Company's website at www.ireka.com.my.

SUMMARY OF ACTIVITIES

The activities below were carried out by the AC for the financial year ended 30 June 2023 in discharging its duties:

1) Reviewed the quarterly unaudited financial results and year-end financial statements of the Group before recommending for approval to the Board, focusing, amongst other matters on:

   i) significant matters highlighted including financial reporting issues, significant judgements made by the management, significant and unusual events or transactions, and how these matters were being addressed; and

   ii) compliance with accounting standards and other legal requirements.

2) Reviewed the external auditors' audit plan, scope of work and 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 the annual audit, management letter and audit report;

SUMMARY OF ACTIVITIES (Cont'd)

4) Reviewed the audited financial statements of the Company and the Group, which have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") and the Act 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 them to the Board for approval prior to the inclusion in the Annual Report;

6) Considered the renewal of the proposed general mandate for recurrent related party transactions of a revenue or trading nature and draft circular to shareholders before recommending them to the Board for approval;

7) Invited the Chief Financial Officer to all AC meetings to facilitate direct communication, provide clarification on issues relating to the financial results of the Group, significant financial reporting issues and judgements made on the accounting matters;

8) Reviewed and approved the risk-based audit plan of internal auditors;

9) Reviewed and deliberated the internal audit reports tabled during the year, audit recommendations made and management's response to the recommendations. The AC briefed the Board on audit findings, sought clarifications from the Chief Financial Officer on internal control matters and provided its opinions and recommendations on areas where improvements were needed;

10) Reviewed the results of the follow-up audits conducted by the internal auditors on the management's implementation of any audit recommendations made 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 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 per 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 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.

INTERNAL AUDIT FUNCTION

An Internal Audit Department under the Internal Audit Officer which stands independent of the activities or operations reports directly to the AC in discharging the department's duties.

The Internal Audit function focuses on the key areas based on the approved internal audit plan by the AC. The primary objectives of the Internal Audit function include reviewing the adequacy, integrity and effectiveness of the system of internal controls, compliance with the established policies and procedures, guidelines, laws and regulations, and reliability as well as integrity of information.

The Internal Audit function adopts a risk-based approach in determining the audit areas and execution of its audits. In addition, special reviews may be made at the request of the AC and management on specific areas of concern, particularly on high-risk areas identified during the course of the business. These reviews would provide additional assurance and comfort on the integrity and robustness of the internal control systems.

Areas for improvement and audit recommendations are forwarded to the Management for attention and further actions. The Management is responsible for ensuring that corrective actions are implemented within the required time frame. The audit reports which provide the results of the audit conducted are submitted to the AC for review. Key control issues and recommendations are highlighted to enable the AC to execute its oversight function.

INTERNAL AUDIT FUNCTION (Cont'd)

During the financial year ended 30 June 2023, the Internal Audit Department conducted reviews on the entities and areas as shown below:

Entity	Review area
Ireka Engineering & Construction Sdn Bhd	Judicial management
United Time Development Sdn Bhd	Budget revision
Meadowfield Sdn Bhd	Budget revision

The results of the audit reviews were discussed with the Management and subsequently, the audit findings including the recommendations for improvement were presented to the AC at the scheduled meetings. Even though a number of weaknesses were identified, none of these weaknesses have resulted in any material losses that would require separate disclosure.

This statement has been approved by the Board of Directors on 26 October 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In Preparing The Financial Statements
(Pursuant to Paragraph 15.26(A) of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Directors acknowledge their responsibilities to prepare the financial statements so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 and of the results and cash flows of the Group and of the Company for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the Companies Act 2016 ("Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Group and 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 and of the Company, to prevent and detect fraud and other irregularities.

(This Statement of Directors' Responsibility has been approved by the Board of Directors on 26 October 2023)

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries include property development and management, provision of other related professional services and consultancy, property services, property investment and renting of property and construction, engineering and real estate development.

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

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year, net of tax		
- Continuing operations	(68,958,445)	(63,349,599)
- Discontinued operations	129,638,989	-
	60,680,544	(63,349,599)
Attributable to:		
Owners of the Company	67,240,643	(63,349,599)
Non-controlling interests	(6,560,099)	-
	60,680,544	(63,349,599)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2023.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements 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 there were no 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 render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements 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 year which secures the liabilities of any other person; and

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM510,000 and RM222,000 respectively.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of share or debentures were made by the Company.

DIRECTORS

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

Tan Sri Dato' Mohd Ismail Bin Che Rus
Datuk Mohd Hasnul Ismar Bin Mohd Ismail *
Chairil Bin Mohd Tamil *
Chow Sung Chek Simon *
Dato' Azmi Bin Abdullah
YM Raja Azura Binti Raja Mahayuddin
Shahruladeri Bin Mohamad Adnan
Wan Ahmad Nazim Bin Mohamed Noor * (Resigned on 29 May 2023)

* Directors of the Company and certain subsidiaries

DIRECTORS (continued)

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

Chan Huan Khim
Mitsuhiro Nakazawa
Dato' Mohd Hairiezan Bin Rasli
Okamoto Keiji
Shahrul Arizan Bin Mohamad Adnan
Sharon Kathryn Lourdes
Shotaro Ishihara
Wan Ahmad Nazim Bin Mohamed Noor
Leonard Yee Yuke Dien
Nor Shahmir bin Nor Shahid (Resigned on 30 August 2023)

DIRECTORS' INTERESTS

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

Interests in the Company

	Number of ordinary shares			
	At 1.7.2022	**Bought**	**Sold**	**At 30.6.2023**
Indirect interest:				
Datuk Mohd Hasnul Ismar Bin Mohd Ismail #	48,050	-	-	48,050

Shares held through company in which the director has financial interests.

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

DIRECTORS' BENEFITS

Since the end of the previous financial period, 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.

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	1,777,772	1,759,981
Non-executive directors		
- Fees	156,000	156,000
	1,933,772	1,915,981
Directors of subsidiaries		
- Remuneration and other emoluments	227,792	-
	2,161,564	1,915,981

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM12,094 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %
Ireka Sdn. Bhd.	Malaysia	100	100
Ireka iCapital Sdn. Bhd.	Malaysia	-	100
Ireka Properties Sdn. Bhd. (formerly known as Ireka Development Management Sdn. Bhd.)	Malaysia	100	100
Ireka Property Services Sdn. Bhd.	Malaysia	100	100
Ireka Commercial Sdn. Bhd.	Malaysia	100	100
Kami Management Services Sdn. Bhd.	Malaysia	51	51
i-Residence Sdn. Bhd.	Malaysia	100	100
Ireka Engineering and Construction Vietnam Company Limited	Vietnam	100	100
Meadowfield Sdn. Bhd.	Malaysia	55	55
i-Tech Network Solutions (Vietnam) Company Limited	Vietnam	100	100
United Time Development Sdn. Bhd.	Malaysia	100	100
Ireka Development (Terengganu) Sdn. Bhd.	Malaysia	80	80
Shoraka Power Sdn. Bhd.	Malaysia	100	100
Shoraka Construction Sdn. Bhd. (Note a)	Malaysia	100	-
Shoraka Digital Solutions Sdn. Bhd.	Malaysia	100	-
Ireka Energy (M) Sdn. Bhd.	Malaysia	100	-
Ireka Development (Langkawi) Sdn. Bhd.	Malaysia	80	-

SUBSIDIARIES (continued)

The details of the Company's subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2023 %	2022 %
Subsidiaries of Ireka Sdn. Bhd.			
Ireka Engineering & Construction Sdn. Bhd. (in liquidation)	Malaysia	-	100
Regalmont (Sabah) Sdn. Bhd.	Malaysia	100	100
Regal Variety Sdn. Bhd.	Malaysia	100	100
Ireka Hospitality Sdn. Bhd.	Malaysia	100	100
Subsidiaries of Ireka iCapital Sdn. Bhd.			
e-Auction Sdn. Bhd.	Malaysia	-	96
Ireka Venture Capital Limited	British Virgin Islands	-	100
Shoraka Construction Sdn. Bhd. (Note a)	Malaysia	-	100
i-Tech Network Solutions Sdn. Bhd.	Malaysia	-	100
iTech ELV Solutions Sdn. Bhd.	Malaysia	-	100

(a) On 15 November 2022, the Company purchase the entire equity interest in Shoraka Construction Sdn. Bhd. from Ireka iCapital Sdn. Bhd. for a total cash consideration of RM1.

AUDITORS

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

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

DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL
Director

CHAIRIL BIN MOHD TAMIL
Director

Date: 31 October 2023

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	4,602,181	14,565,652	1,752,828	2,197,127
Right-of-use assets	6	4,574,366	7,765,869	4,489,830	5,093,349
Investment properties	7	8,655,000	12,055,000	-	-
Investment in subsidiaries	8	-	-	61,233,220	36,886,848
Investment in associates	9	-	-	300,000	300,000
Investment in a joint venture	10	-	-	-	-
Finance lease receivables	11	1,054,425	-	1,054,425	2,156,000
Other investments	12	27,844,600	36,382,182	27,844,600	36,382,182
Deferred tax assets	13	-	55,126	-	-
Inventories	14	30,618,694	25,544,633	-	-
Total non-current assets		77,349,266	96,368,462	96,674,903	83,015,506
Current assets					
Inventories	14	67,818,225	81,507,853	-	-
Tax assets		2,500,976	1,543,497	-	-
Trade and other receivables	15	11,110,026	55,136,700	18,888,182	60,266,835
Contract costs	16	1,547,151	1,376,159	-	-
Contract assets	17	19,663,092	40,874,072	-	-
Finance lease receivables	11	404,048	-	404,048	539,235
Deposits, cash and bank balances	18	6,560,485	18,499,444	3,230,740	10,344,315
Total current assets		109,604,003	198,937,725	22,522,970	71,150,385
TOTAL ASSETS		186,953,269	295,306,187	119,197,873	154,165,891

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	207,729,154	207,729,154	207,729,154	207,729,154
Foreign exchange reserve	20	(402,821)	(1,874,128)	-	-
Accumulated losses		(275,593,604)	(343,209,721)	(219,219,397)	(155,927,226)
		(68,267,271)	(137,354,695)	(11,490,243)	51,801,928
Non-controlling interests		23,353,222	29,913,301	-	-
(CAPITAL DEFICIENCY)/ TOTAL EQUITY		(44,914,049)	(107,441,394)	(11,490,243)	51,801,928
Non-current liabilities					
Lease liabilities	21	4,796,004	6,556,344	4,741,697	6,468,001
Hire purchase payables	22	62,718	128,036	62,718	121,870
Loans and borrowings	23	67,608,000	67,608,000	67,608,000	67,608,000
Retirement benefits obligation	24	864,306	3,696,206	716,473	526,194
Deferred tax liabilities	13	212,610	313,100	-	-
Total non-current liabilities		73,543,638	78,301,686	73,128,888	74,724,065
Current liabilities					
Lease liabilities	21	1,758,888	1,657,538	1,726,304	1,617,704
Hire purchase payables	22	87,452	176,374	87,452	112,048
Loans and borrowings	23	8,274,854	35,909,858	-	-
Retirement benefits obligation	24	-	557,400	-	201,782
Trade and other payables	25	97,277,475	232,331,354	32,997,455	25,708,364
Contract liabilities	17	11,770,455	2,543,314	-	-
Provisions	26	39,067,955	49,145,959	22,748,017	-
Tax liabilities		86,601	2,124,098	-	-
Total current liabilities		158,323,680	324,445,895	57,559,228	27,639,898
TOTAL LIABILITIES		231,867,318	402,747,581	130,688,116	102,363,963
CAPITAL DEFICIENCY NET OF TOTAL LIABILITIES/TOTAL EQUITY AND LIABILITIES		186,953,269	295,306,187	119,197,873	154,165,891

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

		Group		Company	
		1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)
	Note	RM	RM	RM	RM
Continuing operations					
Revenue	27	6,078,042	56,788,953	6,196,000	11,377,073
Cost of sales	28	(29,844,768)	(26,391,367)	-	-
Gross (loss)/profit		(23,766,726)	30,397,586	6,196,000	11,377,073
Other income	29	4,007,826	1,440,197	452,093	669,949
Selling and administrative expenses		(13,315,812)	(13,061,196)	(9,096,175)	(14,835,046)
Net impairment losses on financial assets and contract assets		(48,759)	(109,925)	(24,477,489)	(26,745,806)
Other operating expenses		(35,219,262)	(43,783,811)	(34,388,486)	(195,891,308)
		(48,583,833)	(56,954,932)	(67,962,150)	(237,472,160)
Operating loss		(68,342,733)	(25,117,149)	(61,314,057)	(225,425,138)
Finance costs	30	(2,104,406)	(2,402,044)	(2,035,542)	(1,898,424)
Share of results of a joint venture, net of tax		-	(465,457)	-	-
Loss before tax	31	(70,447,139)	(27,984,650)	(63,349,599)	(227,323,562)
Tax credit/ (expense)	33	1,488,694	(1,646,334)	-	-
Loss for continuing operations		(68,958,445)	(29,630,984)	(63,349,599)	(227,323,562)
Profit/(Loss) from discontinued operations, net of tax	34	129,638,989	(137,534,412)	-	-
Profit/(Loss) for the financial year/period		60,680,544	(167,165,396)	(63,349,599)	(227,323,562)

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Other comprehensive income, net of tax				
Item that may not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	375,474	2,113,428	57,428	1,656,636
Item that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	1,471,307	45,399	-	-
Total comprehensive income/(loss) for the financial year/ period	62,527,325	(165,006,569)	(63,292,171)	(225,666,926)

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

		Group		Company	
		1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)
	Note	RM	RM	RM	RM
Profit/(Loss) attributable to:					
Owners of the Company		67,240,643	(166,479,503)	(63,349,599)	(227,323,562)
- From continuing operations		(62,398,346)	(28,980,482)	(63,349,599)	(227,323,562)
- From discontinued operations		129,638,989	(137,499,021)	-	-
Non-controlling interests					
- From continuing operations		(6,560,099)	(685,893)	-	-
		60,680,544	(167,165,396)	(63,349,599)	(227,323,562)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		69,087,424	(164,320,676)	(63,292,171)	(225,666,926)
- From continuing operations		(60,551,565)	(26,821,655)	(63,292,171)	(225,666,926)
- From discontinued operations		129,638,989	(137,499,021)	-	-
Non-controlling interests					
- From continuing operations		(6,560,099)	(685,893)	-	-
		62,527,325	(165,006,569)	(63,292,171)	(225,666,926)
Basic and diluted earnings/(loss) per share (sen)	35	31.73	(78.55)		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

		← Attributable to owners of the Company			→		
	Note	**Share capital RM**	**Foreign exchange reserve RM**	**Accumulated losses RM**	**Sub-total RM**	**Non-controlling interests RM**	**Capital deficiency RM**
Group							
At 1 July 2022		207,729,154	(1,874,128)	(343,209,721)	(137,354,695)	29,913,301	(107,441,394)
Total comprehensive income for the financial year							
Profit for the financial year		-	-	67,240,643	67,240,643	(6,560,099)	60,680,544
Other comprehensive income		-	1,471,307	375,474	1,846,781	-	1,846,781
Total comprehensive income		-	1,471,307	67,616,117	69,087,424	(6,560,099)	62,527,325
Transaction with owners							
Non-controlling interests arising from investment in subsidiaries	8(c)	-	-	-	-	20	20
Total transaction with owners		-	-	-	-	20	20
At 30 June 2023		207,729,154	(402,821)	(275,593,604)	(68,267,271)	23,353,222	(44,914,049)

		Attributable to owners of the Company					
	Note	Share capital RM	Foreign exchange reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	Total equity/ (Capital deficiency) RM
Group							
At 1 April 2021		181,288,393	(1,919,527)	(178,843,646)	525,220	30,599,192	31,124,412
Total comprehensive loss for the financial period							
Loss for the financial period		-	-	(166,479,503)	(166,479,503)	(685,893)	(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)	(685,893)	(165,006,569)
Transactions with owners							
Issue of ordinary shares	19	26,871,877	-	-	26,871,877	-	26,871,877
Transaction costs of share issue	19	(431,116)	-	-	(431,116)	-	(431,116)
Non-controlling interest arising from investment in a subsidiary	8(c)	-	-	-	-	2	2
Total transactions with owners		26,440,761	-	-	26,440,761	2	26,440,763
At 30 June 2022		207,729,154	(1,874,128)	(343,209,721)	(137,354,695)	29,913,301	(107,441,394)

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

		← Attributable to owners of the Company →		
	Note	Share capital RM	Retained earnings/ (Accumulated loss) RM	Total equity/ (Capital deficiency) RM
Company				
At 1 April 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	19	26,871,877	-	26,871,877
Transaction costs of share issue	19	(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
Total comprehensive loss for the financial year				
Loss for the financial year		-	(63,349,599)	(63,349,599)
Other comprehensive income		-	57,428	57,428
Total comprehensive loss		-	(63,292,171)	(63,292,171)
At 30 June 2023		207,729,154	(219,219,397)	(11,490,243)

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

STATEMENTS OF CASH FLOWS
For the financial year ended 30 June 2023

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**	**1.7.2022 to 30.6.2023 (12 months) RM**	**1.4.2021 to 30.6.2022 (15 months) RM**
Cash flows from operating activities				
Profit/(Loss) before tax				
- Continuing operations	(70,447,139)	(27,984,650)	(63,349,599)	(227,323,562)
- Discontinued operations	129,638,989	(137,499,880)	-	-
	59,191,850	(165,484,530)	(63,349,599)	(227,323,562)
Adjustments for:				
Bad debts written off	-	6,111,099	-	-
COVID-19-related rent concessions income	-	(106,173)	-	(64,884)
Deposits written off	1,200	8,472	-	-
Depreciation of:				
- property, plant and equipment	1,511,712	2,714,674	522,836	271,214
- right-of-use assets	1,244,098	2,146,814	1,207,332	943,213
Dividend income	(27)	(19)	(27)	(19)
Fair value (gain)/loss on:				
- investment properties	(3,559,878)	1,453,368	-	-
- other investments	8,544,403	24,604,198	8,544,403	24,604,198
Gain on deconsolidation of a subsidiary	(133,255,432)	-	-	-
Gain on disposal of subsidiaries	(13,727,527)	-	-	-
(Gain)/Loss on unrealised foreign exchange	(179)	23,823	(294)	(360)
GST receivable written off	2,962	2,703,773	2,962	-
Impairment losses on:				
- amounts owing by subsidiaries	-	-	24,227,489	26,745,806
- contract assets	-	4,932,562	-	-
- investment in an associate	-	-	-	105,003
- investment in subsidiaries	-	-	250,000	68,000,000
- other receivables	20,938	-	-	-
- trade receivables	27,821	10,478,837	-	-
Interest expense	3,339,915	7,573,202	2,035,542	1,898,424
Interest income	(117,145)	(290,322)	(348,080)	(577,548)
Inventories written down	3,725,178	-	-	-
Loss on derecognition of an associate	-	11,732,794	-	97,186,509
Loss on derecognition of right-of-use asset	5,389	-	-	-

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2023

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Cash flows from operating activities (continued)				
Loss on lease modification	282,118	-	164,593	131,172
Loss/(Gain) on disposal of:				
- a joint venture	-	3,678,462	-	4,650,000
- property, plant and equipment	(84,857)	(1,483,900)	32	(14,435)
Property, plant and equipment written off	67,724	4,427,925	-	-
Provision for:				
- legal claims	322,258	11,505,438	143,118	-
- onerous contracts	6,270,872	27,770,595	-	-
- corporate guarantee	22,604,899	-	22,604,899	-
- retirement benefits obligation	285,478	546,726	100,463	169,833
Reversal of bad debts	(2,858,354)	-	-	-
Reversal of impairment losses on:				
- contract assets	-	(35,408)	-	-
- other receivables	-	(782,614)	-	-
- trade receivables	(5,392,690)	(3,488,724)	-	-
Reversal of provision for onerous contracts	(5,724,397)	-	-	-
Share of results of a joint venture	-	465,457	-	-
Operating loss before changes in working capital	(57,271,671)	(48,793,471)	(3,894,331)	(3,275,436)
Changes in working capital:				
Contract assets and liabilities	34,524,628	10,560,408	-	-
Contract costs	(170,992)	832,331	-	-
Inventories	(5,031,411)	17,683,371	-	-
Trade and other receivables	(7,101,808)	72,608,559	(9,721,127)	(463,236)
Trade and other payables	46,695,901	(88,884,714)	4,141,131	639,392
Net cash generated from/ (used in) operations	11,644,647	(35,993,516)	(9,474,327)	(3,099,280)
Payment of retirement benefits obligation	(86,423)	(230,986)	(54,538)	-
Tax paid	(1,450,720)	(2,809,418)	-	-
Net cash from/(used in) operating activities	10,107,504	(39,033,920)	(9,528,865)	(3,099,280)

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Cash flows from investing activities				
Acquisition of other investment	(6,823)	-	(6,821)	-
Investment in subsidiaries	-	-	(183)	(100,008)
Dividend received	27	19	27	19
Interest received	117,145	290,322	348,080	577,548
Proceeds from disposal of property, plant and equipment	243,071	2,631,633	41	300,754
Proceeds from deconsolidation of a subsidiary, net of cash deconsolidated	(36,808)	-	-	-
Proceeds from disposal of subsidiaries, net of cash disposed	(205,806)	-	-	-
Proceeds from disposal of investment properties	11,000,000	-	-	-
Proceeds from disposal of a joint venture	-	3,000,000	-	3,000,000
Purchase of property, plant and equipment	(128,692)	(338,947)	(78,610)	(35,490)
Payments from lease receivables	201,425	-	-	-
Repayments from associates	-	587,349	-	560,349
Repayment from/ (Advances to) subsidiaries	-	-	2,989,370	(24,115,761)
Repayments from a joint venture	-	68,216	-	52,422
(Advances to)/Repayments from related parties	(213,027)	(48,727)	(247,874)	132,214
Withdrawal of short-term fund	-	4,862,906	-	-
Change in pledged deposits	1,361,081	6,076,449	308,438	351,840
Net cash from/(used in) investing activities	12,331,593	17,129,220	3,312,468	(19,276,113)

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	Group 1.7.2022 to 30.6.2023 (12 months) RM	Group 1.4.2021 to 30.6.2022 (15 months) RM	Company 1.7.2022 to 30.6.2023 (12 months) RM	Company 1.4.2021 to 30.6.2022 (15 months) RM
Cash flows from financing activities					
Advances from directors		2,505,219	6,888	2,464,128	-
Advances from/ (Repayments to) subsidiaries		-	-	683,832	(59,411,088)
Drawdown of term loans		984,000	2,150,455	-	-
Interest paid		(1,987,755)	(7,573,202)	(2,035,542)	(1,898,424)
Payments of lease liabilities		(1,658,990)	(1,751,011)	(1,617,704)	(1,670,720)
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
Repayments of hire purchase		(114,964)	(380,309)	(83,748)	(290,644)
Repayments of term loans		(8,200,282)	(38,751,475)	-	-
Repayments of banker acceptance		-	(18,582,000)	-	-
Repayments of revolving credits		(1,115,109)	(8,808,011)	-	(1,000,000)
(Repayments to)/Advances from an associate		(15,756,642)	6,232,889	-	-
Repayments to related parties		(1,544,044)	(1,008,752)	-	-
Subscription of shares in a subsidiary by the non-controlling interest		20	2	-	-
Net cash (used in)/from financing activities	(b)	(26,888,547)	25,584,235	(589,034)	29,777,885
Net (decrease)/increase in cash and cash equivalents		(4,449,450)	3,679,535	(6,805,431)	7,402,492
Cash and cash equivalents at the beginning of the financial year/period		7,806,866	4,126,971	6,833,102	(569,750)
Effect of exchange rates change on cash and cash equivalents		294	360	294	360
Cash and cash equivalents at the end of the financial year/period	18	3,357,710	7,806,866	27,965	6,833,102

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

	Note	Group 1.7.2022 to 30.6.2023 (12 months) RM	Group 1.4.2021 to 30.6.2022 (15 months) RM	Company 1.7.2022 to 30.6.2023 (12 months) RM	Company 1.4.2021 to 30.6.2022 (15 months) RM
Included in net cash from operating activities:					
Payment relating to leases of low value assets	31	46,000	9,303	-	-
Payment relating to short-term leases	31	6,453	179	-	-
Included in net cash from financing activities:					
Interest paid in relation to lease liabilities	30	297,584	554,455	293,410	452,741
Payment of lease liabilities		1,658,990	1,751,011	1,617,704	1,670,720
Total cash outflows for leases		2,009,027	2,314,948	1,911,114	2,123,461

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2023

(b) Reconciliation of liabilities arising from financing activities:

	1 July 2022 RM	Cash flows RM	Non-cash Others RM	30 June 2023 RM
Group				
Amounts owing to associates	15,756,642	(15,756,642)	-	-
Amounts owing to directors	6,888	2,505,219	(37,000)	2,475,107
Amounts owing to related parties	1,544,044	(1,544,044)	-	-
Term loans	15,491,136	(7,216,282)	-	8,274,854
Lease liabilities	8,213,882	(1,658,990)	-	6,554,892
Hire purchase payables	304,410	(114,964)	(39,276)	150,170
Redeemable convertible preference shares	67,608,000	-	-	67,608,000
Revolving credits	14,290,000	(1,115,109)	(13,174,891)	-
	123,215,002	(24,900,812)	(13,251,167)	85,063,023
Company				
Amounts owing to directors	-	2,464,128	-	2,464,128
Amounts owing to subsidiaries	5,778,804	683,832	-	6,462,636
Lease liabilities	8,085,705	(1,617,704)	-	6,468,001
Hire purchase payables	233,918	(83,748)	-	150,170
Redeemable convertible preference shares	67,608,000	-	-	67,608,000
	81,706,427	1,446,508	-	83,152,935

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

	1 April 2021	Cash flows	Non-cash Acquisition	Non-cash Others	30 June 2022
	RM	RM	RM	RM	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	9,940,168	(1,751,011)	130,898	(106,173)	8,213,882
Hire purchase payables	684,719	(380,309)	-	-	304,410
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	9,862,598	(1,670,720)	-	(106,173)	8,085,705
Hire purchase payables	524,562	(290,644)	-	-	233,918
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

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 year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 October 2023.

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 year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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.

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
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	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# 1 January 2024
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023# 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#/ 1 January 2024
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 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 121	The Effects of changes in Foreign Exchange Rate	1 January 2025
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 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

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) As at 30 June 2023, the Group's and the Company's current liabilities exceeded their current assets by RM48,719,677 and RM35,036,258 respectively, and the Group and the Company recorded a capital deficiency of RM44,914,049 and RM11,490,243 respectively.

(b) On 28 February 2022, the Company had triggered the prescribed criteria under Paragraph 2.1(e) of the Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the shareholders' equity of the Group is 50% or less than its share capital. On 31 March 2023, the Company has obtained approval from Bursa Securities for the extension of time until 31 August 2023 to submit its regularisation plan. On 30 August 2023, the Company submitted an application for a further extension of time to Bursa Securities.

(c) As detailed in Note 23(e), during the financial year, Hong Leong Bank Berhad and Ambank (M) Berhad have filed Writ of Summons and Statement of Claim against Ireka Engineering & Construction Sdn. Bhd. (in liquidation) as the first defendant and the Company as the second defendant.

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 Group has secured several new projects subsequent to the financial year end as disclosed in Note 40(d).

The Board of Directors of the Company are of the opinion that the Group and the Company will be able to continue as going concerns for the foreseeable future. The ability of the Group and of the Company to continue as going concerns is dependent on:

(i) the timely formulation and successful implementation of the Group's Proposed Regularisation Plan to regularise its financial conditions to address the Group's PN17 condition;
(ii) the ability of the Group and the Company to generate sufficient cash flows to meet the obligations of the Group and of the Company;
(iii) the continuous supports from the financial institutions and creditors; and
(iv) continuous effort in securing profitable projects which include actively seek out potential partners for joint ventures and tendering of new projects.

In the event that these are not forthcoming, the Group and the Company may be unable to realised their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and to additional amount and classification of 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(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.

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.

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(c) Associates (continued)

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) 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).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

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.

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.

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.

<u>Debt instruments</u>

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.

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, all 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.

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.

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 3.17.

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

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 straight-line basis to write off the depreciable amount 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 year 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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 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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Lessee accounting (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Lessee accounting (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

<u>Property under development</u>

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

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

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.

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; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

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

The amount of impairment 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.

(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 exceed 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re-presented as if the operation has been discontinued from the start of the comparative period.

3.13 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.

3.14 Employee benefits expense

(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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Employee benefits expense (continued)

(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.

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.

3.15 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Provisions (continued)

(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.

(c) Corporate guarantee

The corporate guarantees are contracts that require the Group or Company to make specific payments to reimburse the holders for a loss it incurs because a specified debtor fails to make payments when due. The Group or Company monitors the results of the subsidiaries and their repayment on an on-going basis.

3.16 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue and other income (continued)

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.

(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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue and other income (continued)

(c) Property development (continued)

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.

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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue and other income (continued)

(d) Construction contracts (continued)

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.

(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.

3.17 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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 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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Income tax (continued)

(b) Deferred tax (continued)

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.

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.

3.19 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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.

3.21 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 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.

3.23 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.

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.*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Contract costs (continued)

(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.

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.

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

(b) 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 36(b)(i).

(c) 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.

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	Total RM
Group							
2023							
Cost							
At 1 July 2022	453,493	9,405,936	26,752,103	1,806,986	6,560,926	172,230	45,151,674
Additions	-	-	-	-	128,692	-	128,692
Disposals	-	-	(486,000)	-	(237,348)	-	(723,348)
Written off	-	-	-	-	(426,251)	-	(426,251)
Transfer to investment properties (Note 7)	-	(5,684,677)	-	-	-	-	(5,684,677)
Deconsolidation of a subsidiary (Note 8 (a))	-	-	(26,202,563)	(1,114,811)	(1,980,568)	-	(29,297,942)
Disposal of subsidiaries (Note 8 (b))	-	-	(63,540)	-	(233,977)	-	(297,517)
At 30 June 2023	453,493	3,721,259	-	692,175	3,811,474	172,230	8,850,631

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	Total RM
Accumulated depreciation							
At 1 July 2022	-	2,121,263	22,262,816	1,274,403	4,921,799	5,741	30,586,022
Depreciation charge for the financial year	-	136,901	689,769	173,761	494,058	17,223	1,511,712
Disposals	-	-	(411,595)	-	(153,539)	-	(565,134)
Written off	-	-	-	-	(358,527)	-	(358,527)
Transfer to investment properties (Note 7)	-	(1,644,555)	-	-	-	-	(1,644,555)
Deconsolidation of a subsidiary (Note 8 (a))	-	-	(22,483,015)	(920,688)	(1,639,864)	-	(25,043,567)
Disposal of subsidiaries (Note 8 (b))	-	-	(57,975)	-	(179,526)	-	(237,501)
At 30 June 2023	-	613,609	-	527,476	3,084,401	22,964	4,248,450
Carrying amount							
At 30 June 2023	453,493	3,107,650	-	164,699	727,073	149,266	4,602,181

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								
2022								
Cost								
At 1 April 2021	453,493	9,405,936	34,592,098	5,018,741	7,118,203	-	8,511,620	65,100,091
Additions	-	-	-	-	166,717	172,230	-	338,947
Disposals	-	-	(7,645,580)	(3,206,890)	(190,325)	-	(74,387)	(11,117,182)
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	1,806,986	6,560,926	172,230	-	45,151,674

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
Accumulated depreciation								
At 1 April 2021	-	1,942,484	27,598,106	3,966,446	5,284,832	-	3,791,186	42,583,054
Depreciation charge for the financial period	-	178,779	1,635,169	212,196	304,586	5,741	378,203	2,714,674
Disposals	-	-	(6,879,421)	(2,900,110)	(142,156)	-	(47,762)	(9,969,449)
Written off	-	-	(91,038)	(4,129)	(525,463)	-	(4,121,627)	(4,742,257)
At 30 June 2022	-	2,121,263	22,262,816	1,274,403	4,921,799	5,741	-	30,586,022
Carrying amount								
At 30 June 2022	453,493	7,284,673	4,489,287	532,583	1,639,127	166,489	-	14,565,652

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RM	Buildings RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Total RM
Company					
2023					
Cost					
At 1 July 2022	453,493	498,800	692,172	3,557,969	5,202,434
Additions	-	-	-	78,610	78,610
Disposals	-	-	-	(2,350)	(2,350)
At 30 June 2023	453,493	498,800	692,172	3,634,229	5,278,694
Accumulated depreciation					
At 1 July 2022	-	18,263	389,520	2,597,524	3,005,307
Depreciation charge for the financial year	-	819	137,952	384,065	522,836
Disposals	-	-	-	(2,277)	(2,277)
At 30 June 2023	-	19,082	527,472	2,979,312	3,525,866
Carrying amount					
At 30 June 2023	453,493	479,718	164,700	654,917	1,752,828

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RM	Buildings RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Total RM
Company					
2022					
Cost					
At 1 April 2021	453,493	498,800	3,428,255	3,549,746	7,930,294
Additions	-	-	-	35,490	35,490
Disposals	-	-	(2,736,083)	(27,267)	(2,763,350)
At 30 June 2022	453,493	498,800	692,172	3,557,969	5,202,434
Accumulated depreciation					
At 1 April 2021	-	17,790	2,717,624	2,475,710	5,211,124
Depreciation charge for the financial period	-	473	130,026	140,715	271,214
Disposals	-	-	(2,458,130)	(18,901)	(2,477,031)
At 30 June 2022	-	18,263	389,520	2,597,524	3,005,307
Carrying amount					
At 30 June 2022	453,493	480,537	302,652	960,445	2,197,127

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) During the financial year/period, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM128,692 (2022: RM338,947) and RM78,610 (2022: RM35,490) respectively which are satisfied by the cash payments.

(b) Motor vehicles of the Group and of the Company with carrying amount of RM164,699 (2022: RM422,361) and RM164,699 (2022: RM302,247) respectively have been pledged as security for hire purchase arrangements as disclosed in Note 22.

(c) Buildings of the Group with a carrying amount of RM3,107,650 (2022: RM7,284,673) has been pledged as security to secure term loans granted to the Group as disclosed in Note 23(c).

6. RIGHT-OF-USE-ASSETS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Cost				
At beginning of the financial year/period	10,345,216	10,214,318	6,791,133	3,395,567
Additions	-	130,898	-	-
Derecognition*	(27,620)	-	-	-
Lease modification	(1,659,898)	-	1,735,667	3,395,566
At end of the financial year/period	8,657,698	10,345,216	8,526,800	6,791,133
Accumulated depreciation				
At beginning of the financial year/period	2,579,347	432,533	1,697,784	141,483
Depreciation charge for the financial year/period	1,244,098	2,146,814	1,207,332	943,213
Derecognition*	(22,231)	-	-	-
Lease modification	282,118	-	1,131,854	613,088
At end of the financial year/period	4,083,332	2,579,347	4,036,970	1,697,784
Carrying amount				
At end of the financial year/period	4,574,366	7,765,869	4,489,830	5,093,349

* Derecognition of the right-of-use assets was a result of termination of certain leases.

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

The Group and the Company lease office premises.

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

	Group RM	Company RM
Office premises		
Carrying amount		
At 1 April 2021	9,781,785	3,254,084
Additions	130,898	-
Depreciation	(2,146,814)	(943,213)
Lease modification	-	2,782,478
At 30 June 2022	7,765,869	5,093,349
Depreciation	(1,244,098)	(1,207,332)
Derecognition	(5,389)	-
Lease modification	(1,942,016)	603,813
At 30 June 2023	4,574,366	4,489,830

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.

7. INVESTMENT PROPERTIES

	Group	
	2023 RM	2022 RM
At fair value		
At beginning of the financial year/period	12,055,000	13,508,368
Disposals	(11,000,000)	-
Net gain/(loss) arising from fair value adjustment	3,559,878	(1,453,368)
Transfer from property, plant and equipment (Note 5)	4,040,122	-
At end of the financial year/period	8,655,000	12,055,000

As at the reporting date, titles to the investment properties with carrying amount of RM8,655,000 (2022: RM12,055,000) have yet to be registered under the subsidiaries' name.

Investment properties of a subsidiary with a carrying fair value of RM8,655,000 (2022: RM11,000,000) has been pledged as security to secure term loans granted to the Group as disclosed in Note 23(c).

7. INVESTMENT PROPERTIES (continued)

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

	Group 2023 RM	Group 2022 RM
Rental income	388,373	312,000
Direct operating expenses:		
- income generating investment properties	(289,708)	(182,845)
- non-income generating investment properties	(1,203)	(4,342)

Fair value information

Fair values of investment properties are categorised as follows:

	Level 2 RM
2023	
Freehold buildings	8,655,000
2022	
Freehold buildings	12,055,000

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 year ended 30 June 2023 and financial period ended 30 June 2022.

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

	Note	Company 2023 RM	2022 RM
Unquoted shares, at cost			
At beginning of the financial year/period		106,866,512	106,766,504
Additions		183	100,008
Disposals of subsidiaries		(1,000,000)	-
Deconsolidation of a subsidiary		(20,000,000)	-
At end of the financial year/period		85,866,695	106,866,512
Accumulated impairment losses			
At beginning of the financial year/period		(69,979,664)	(1,979,664)
Impairment loss during the financial year/period		(250,000)	(68,000,000)
Disposals of subsidiaries		1,000,000	-
Deconsolidation of a subsidiary		20,000,000	-
At end of the financial year/period		(49,229,664)	(69,979,664)
Loans that are part of investments	(f)	24,596,189	-
		61,233,220	36,886,848

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal activities
Ireka Sdn. Bhd.^	Malaysia	100	100	Investment holding
Ireka iCapital Sdn. Bhd. *	Malaysia	-	100	Investment holding

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 2023 %	2022 %	Principal activities
Ireka Properties Sdn. Bhd. (formerly known as Ireka Development Management Sdn. Bhd.) ^	Malaysia	100	100	Property development management, provision of other related professional and consultancy services
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	Dormant
Meadowfield Sdn. Bhd.	Malaysia	55	55	Property development

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 2023 %	Effective equity interest 2022 %	Principal activities
i-Tech Network Solutions (Vietnam) Company Limited * +	Vietnam	100	100	Dormant
United Time Development Sdn. Bhd. ^	Malaysia	100	100	Property development
Ireka Development (Terengganu) Sdn. Bhd. ^	Malaysia	80	80	Construction, engineering and real estate development
Shoraka Power Sdn. Bhd. ^	Malaysia	100	100	Dormant
Shoraka Construction Sdn. Bhd. ^	Malaysia	100	-	Dormant
Shoraka Digital Solutions Sdn. Bhd.	Malaysia	100	-	Dormant
Ireka Energy (M) Sdn. Bhd.	Malaysia	100	-	Dormant
Ireka Development (Langkawi) Sdn. Bhd.	Malaysia	80	-	Dormant

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 2023 %	2022 %	Principal activities
Subsidiaries of Ireka Sdn. Bhd.				
Ireka Engineering & Construction Sdn. Bhd. @* (in liquidation)	Malaysia	-	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 and consultancy services

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 2023 %	2022 %	Principal activities
Subsidiaries of Ireka iCapital Sdn. Bhd.				
e-Auction Sdn. Bhd. $*	Malaysia	-	96	Dormant
Ireka Venture Capital Limited $*	British Virgin Islands	-	100	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies
Shoraka Construction Sdn. Bhd. ^	Malaysia	-	100	Dormant
i-Tech Network Solutions Sdn. Bhd. $*	Malaysia	-	100	System integration, software solutions and trading in computer hardware
iTech ELV Solutions Sdn. Bhd. $*	Malaysia	-	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.
\# 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.
@ Note 8(a).
$ Note 8(b).

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Deconsolidation of a subsidiary

(i) On 27 March 2023, the High Court of Malaya in Kuala Lumpur ("the High Court") approved the appointment of an Interim Liquidator for a wholly owned subsidiary, Ireka Engineering & Construction Sdn. Bhd. (“IECSB”) (in liquidation). In view of this, the Board of Directors is of the opinion that the Company as a parent has lost its control over IECSB as a subsidiary on the date of the appointment of the Interim Liquidator. Consequently, all the assets and liabilities of IECSB have been deconsolidated on that date. On 11 May 2023, the Interim Liquidator was officially appointed as the Liquidator of IECSB.

(ii) The financial statements of Ireka Engineering & Construction Sdn. Bhd. (in liquidation) were deconsolidated as a result of loss of control upon the appointment of interim liquidator on 27 March 2023. The loss of the subsidiary from the beginning of current financial year up to the date of appointment of interim liquidator of RM11,329,771 and the gain on derecognition of the subsidiary amounting to RM133,255,432 was accounted for using the unaudited management financial statements of the said subsidiary as at the date of derecognition. No audited financial statement of the said subsidiary is available as the subsidiary is in liquidation.

(iii) Summary of effects of deconsolidation on the financial position of the Group:

	IECSB 27.3.2023 RM
Assets:	
Property, plant and equipment	4,254,375
Other investment	2
Inventories	9,889,198
Trade and other receivables	54,576,147
Contract assets	7,575,422
Cash and bank balances	36,808
	76,331,952
Liabilities:	
Trade and other payables	(138,694,050)
Contract liabilities	(12,211,313)
Provision	(33,551,636)
Retirement benefits obligations	(3,127,479)
Hire purchase liabilities	(39,276)
Loans and borrowings	(21,792,684)
Tax liabilities	(170,946)
	(209,587,384)
Net liabilities deconsolidated	(133,255,432)

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Deconsolidation of a subsidiary (continued)

(iii) Summary of effects of deconsolidation on the financial position of the Group: (continued)

	IECSB 27.3.2023 RM
Recognised:	
Cash consideration received	-
Less: Net liabilities disposed	(133,255,432)
Gain on deconsolidation of a subsidiary	(133,255,432)

(iv) Effect of deconsolidation on cash flows of the Group:

	IECSB 27.3.2023 RM
Cash consideration received	-
Less: Cash and bank balances of subsidiaries disposed	36,808
Net cash outflows on deconsolidation	(36,808)

(b) Disposal of subsidiaries

On 21 December 2022, the Company entered into a Share Sale Agreement ("SSA") with Zaharah Binti Ismail to dispose off its shareholdings in Ireka iCapital Sdn. Bhd. together with its subsidiaries namely e-Auction Sdn. Bhd., Ireka Venture Capital Limited, i-Tech Network Solutions Sdn. Bhd. and iTech ELV Solutions Sdn. Bhd. collectively known as ("iCapital Group") for a total cash consideration of RM1.

The disposal was completed on 21 December 2022 upon fulfilment of all the Conditions Precedent of the SSA.

8. INVESTMENT IN SUBSIDIARIES (continued)

(b) Disposal of subsidiaries (continued)

(i) Summary of effects of disposal on the financial position of the Group:

	iCapital group RM
Assets:	
Property, plant and equipment	60,016
Inventories	32,602
Trade and other receivables	4,963,486
Contract assets	549,384
Tax assets	70,020
Cash and bank balances	205,806
	5,881,314
Liabilities:	
Trade and other payables	(19,523,438)
Retirement benefits obligations	(85,403)
	(19,608,841)
Net liabilities disposed	(13,727,527)

	iCapital group RM
Recognised:	
Cash consideration received	1
Less: Net liabilities disposed	13,727,527
Cumulative exchange gain in respect of the net liabilities of the disposed subsidiaries reclassified from equity to profit or loss upon disposal	(1,440,787)
Gain on disposal of subsidiaries	12,286,741

8. INVESTMENT IN SUBSIDIARIES (continued)

(b) Disposal of subsidiaries (continued)

(ii) Effect of disposals on cash flows of the Group:

	iCapital group RM
Cash consideration received	1
Less: Cash and bank balances of subsidiaries disposed	205,806
Net cash outflows on disposal	(205,805)

(c) Incorporation of new subsidiaries

2023

(i) On 12 August 2022, the Company had incorporated a wholly-owned subsidiary, namely Shoraka Digital Solutions Sdn. Bhd. with an issued and paid-up share capital of 2 ordinary shares of RM1 each.

(ii) On 30 August 2022, the Company had incorporated wholly-owned subsidiary, namely Ireka Energy (M) Sdn. Bhd., with an issued and paid-up share capital of 100 ordinary shares of RM1 each.

(iii) On 30 August 2022, the Company had incorporated a subsidiary, namely Ireka Development Langkawi Sdn. Bhd., with an issued and paid-up share capital of 100 ordinary shares of RM1 each. The Company had subscribed for 80 ordinary shares, representing 80% of total paid up capital total cash consideration of RM80.

2022

(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.

(d) Changes in ownership interest in a subsidiary

On 15 November 2022, the Company purchase the entire equity interest in Shoraka Construction Sdn. Bhd. from Ireka iCapital Sdn. Bhd. for a total cash consideration of RM1.

8. INVESTMENT IN SUBSIDIARIES (continued)

(e) Impairment losses

During the financial year/period, an impairment loss of RM250,000 (2022: 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.

(f) Loans that are part of net investments

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

(g) 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:

	Effective equity interest	
	2023	**2022**
Name of company	**%**	**%**
Meadowfield Sdn. Bhd.	45	45
KaMi Management Services Sdn. Bhd.	49	49
Ireka Development (Terengganu) Sdn. Bhd.	20	20
Ireka Development (Langkawi) Sdn. Bhd.	20	-

Carrying amount of non-controlling interests:

	2023	**2022**
Name of company	**RM**	**RM**
Meadowfield Sdn. Bhd.	23,791,134	30,055,483
KaMi Management Services Sdn. Bhd.	(20,730)	(7,899)
Ireka Development (Terengganu) Sdn. Bhd.	(408,970)	(134,283)
Ireka Development (Langkawi) Sdn. Bhd.	(8,212)	-
	23,353,222	29,913,301

8. INVESTMENT IN SUBSIDIARIES (continued)

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

Loss allocated to non-controlling interests:

Name of company	2023 RM	2022 RM
Meadowfield Sdn. Bhd.	(6,264,348)	(548,123)
KaMi Management Services Sdn. Bhd.	(12,831)	(3,485)
Ireka Development (Terengganu) Sdn. Bhd.	(274,687)	(134,285)
Ireka Development (Langkawi) Sdn. Bhd.	(8,233)	-
	(6,560,099)	(685,893)

(h) 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.	
	2023 RM	2022 RM
Summarised statement of financial position		
Non-current assets	651	59,065
Current assets	75,124,068	77,090,469
Non-current liabilities	(4,100)	(10,626)
Current liabilities	(22,251,432)	(10,359,572)
Net assets	52,869,187	66,779,336
Summarised statement of comprehensive income		
Revenue	5,782,326	11,905,818
Loss for the financial year/period	(13,919,698)	(1,221,745)
Total comprehensive loss	(13,910,149)	(1,220,516)
Summarised cash flow information		
Cash flows from/(used in) operating activities	5,848,297	(1,067,759)
Cash flows from investing activities	13,408	4,888,425
Cash flows (used in)/from financing activities	(3,468,859)	3,568,943
Net increase in cash and cash equivalents	2,392,846	7,389,609
Dividends paid to non-controlling interests	-	-

9. INVESTMENT IN ASSOCIATES

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Quoted shares, at cost				
At beginning of the financial year/ period	-	158,139,389	-	158,139,389
Derecognition of an associate (Note a)	-	(158,139,389)	-	(158,139,389)
At end of the financial year/ period	-	-	-	-
Unquoted shares, at cost				
At beginning/end of the financial year/ period	405,003	405,003	405,003	405,003
Less: Accumulated impairment losses				
At beginning of the financial year/ period	-	-	(105,003)	-
Additions	-	-	-	(105,003)
At end of the financial year/ period	-	-	(105,003)	(105,003)
Share of post-acquisition loss				
At beginning of the financial year/ period	(405,003)	(85,858,718)	-	-
Derecognition of an associate (Note a)	-	85,453,715	-	-
At end of the financial year/ period	(405,003)	(405,003)	-	-
	-	-	300,000	300,000

9. INVESTMENT IN ASSOCIATES (continued)

Details of associates are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2023 %	2022 %	Principal activities
Urban DNA Sdn. Bhd. *	Malaysia	30	30	Property development
The RuMa Hotel KL Sdn. Bhd. *	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 year ended 30 June 2023.

(a) Derecognition of Aseana Properties Limited ("Aseana")

In the previous 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 Aseana. The Group has no representative on the Aseana's Board and do not participate in 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 Aseana:

	2022 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)

10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unquoted shares, at cost				
At beginning of the financial year/period	-	7,650,000	-	7,650,000
Disposal	-	(7,650,000)	-	(7,650,000)
At end of the financial year/period	-	-	-	-
Share of post-acquisition loss				
At beginning of the financial year/period	-	(506,081)	-	-
Share of results	-	(465,457)	-	-
Disposal	-	971,538	-	-
At end of the financial year/period	-	-	-	-
	-	-	-	-

Details of a joint venture are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal activities
Mobilus Sdn. Bhd.	Malaysia	-	-	Sale of industrial, commericial vehicles and wholesale of other activities incidental to land transportation, rail, urban traffic solution, tourism and infrastructure

10. INVESTMENT IN A JOINT VENTURE (continued)

(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 in the previous financial period.

Summary of the effects of disposal of Mobilus Sdn. Bhd.:

	2022	
	Group	**Company**
	RM	**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	(6,678,462)	(7,650,000)
Loss on disposal	(3,678,462)	(4,650,000)

11. LEASE RECEIVABLES

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-current				
Finance lease receivables	1,054,425	-	1,054,425	2,156,000
Current:				
Finance lease receivables	404,048	-	404,048	539,235
	1,458,473	-	1,458,473	2,695,235

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
At beginning of the financial year/period	-	-	2,695,235	6,575,066
COVID-19-related rent concessions expense	-	-	-	(41,289)
Addition	1,659,898	-	1,659,898	-
Interest income	31,465	-	83,053	254,808
Lease payments received	(232,890)	-	(551,409)	(1,179,700)
Lease modification	-	-	(2,428,304)	(2,913,650)
At end of the financial year/period	1,458,473	-	1,458,473	2,695,235

Gross investment under lease receivables together with the present value of minimum lease payment receivables are as follows:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Gross investment:				
Not later than one year	454,824	-	454,824	637,038
Later than one year and not later than 5 years	1,109,670	-	1,109,670	2,314,571
Minimum lease payments receivable	1,564,494	-	1,564,494	2,951,609
Less: Amount representing unearned interest income	(106,021)	-	(106,021)	(256,374)
Present value of minimum lease payments receivable	1,458,473	-	1,458,473	2,695,235

11. LEASE RECEIVABLES (continued)

Gross investment under lease receivables together with the present value of minimum lease payment receivables are as follows: (continued)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Present value of minimum lease payments receivable:				
Not later than one year	404,048	-	404,048	539,235
Later than one year and not later than 5 years	1,054,425	-	1,054,425	2,156,000
	1,458,473	-	1,458,473	2,695,235
Less: Amount due within 12 months	(404,048)	-	(404,048)	(539,235)
	1,054,425	-	1,054,425	2,156,000

12. OTHER INVESTMENTS

	Group and Company	
	2023 RM	2022 RM
Financial assets at fair value through profit or loss		
At fair value:		
Quoted equity securities outside Malaysia	27,811,100	36,348,682
Investment in club memberships	33,500	33,500
	27,844,600	36,382,182

As at 30 June 2023, the fair value of quoted equity which is listed on the London Stock Exchange, was RM27,811,100 (2022: RM36,348,682) based on the quoted market price available on the stock exchange, which was categorised within Level 1 fair value hierarchy.

13. DEFERRED TAX (LIABILITIES)/ASSETS

	Group 2023 RM	Group 2022 RM
At beginning of the financial year/period	(257,974)	(425,834)
Recognised in profit or loss (Note 33)	45,364	167,860
At end of the financial year/period	(212,610)	(257,974)

	Group 2023 RM	Group 2022 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	55,126
Deferred tax liabilities	(212,610)	(313,100)
	(212,610)	(257,974)

This is in respect of estimated deferred tax assets/(liabilities) arising from temporary differences as follows:

	Group 2023 RM	Group 2022 RM
Deferred tax assets		
Other deductible temporary differences	-	55,126
Deferred tax liabilities		
Differences between the carrying amount of investment properties and their tax bases	(212,610)	(313,100)
	(212,610)	(257,974)

13. DEFERRED TAX (LIABILITIES)/ASSETS (continued)

Unrecognised deferred tax assets

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unused tax losses	89,281,653	75,579,849	40,617,489	36,414,337
Unabsorbed capital allowances	2,372,375	1,786,837	2,266,433	1,776,242
Property development	48,242,844	19,195,490	-	-
Right-of-use assets	2,356	1,487	-	-
Provisions	9,869,975	9,870,053	-	-
	149,769,203	106,433,716	42,883,922	38,190,579
Potential deferred tax assets not recognised at 24% (2022: 24%)	35,944,609	25,544,092	10,292,141	9,165,739

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 2023 RM	Company 2023 RM
2028	4,688,678	-
2029	37,879,618	30,660,983
2030	10,650,713	2,762,699
2031	10,965,599	1,704,017
2032	11,411,845	1,286,638
2033	13,685,200	4,203,152
	89,281,653	40,617,489

14. INVENTORIES

	Group 2023 RM	Group 2022 RM
Non-current:		
Property held for development		
- Freehold land	2,097,654	2,097,654
- Development costs	28,521,040	23,446,979
	30,618,694	25,544,633
Current:		
Property under development		
- Freehold land	22,649,213	19,092,028
- Development costs	45,169,012	55,039,426
Completed properties	-	2,722,186
Construction materials	-	4,169,151
Others	-	485,062
	67,818,225	81,507,853
	98,436,919	107,052,486

(a) The cost of inventories of the Group recognised as an expense in the cost of sales during the financial year/period in respect of continuing operations was RM27,994,189 (2022: RM18,720,555).

(b) Properties held for development and properties under development of RM16,590,427 (2022: RM13,614,710) and RM58,972,043 (2022: RM65,048,288) 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 year/period as follows:

	Group 2023 RM	Group 2022 RM
Borrowing costs capitalised	855,131	1,054,678

(d) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of write-down of inventories to net realisable value was RM3,725,178 (2022: Nil).

15. TRADE AND OTHER RECEIVABLES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Current:					
Trade					
Third parties		1,279,163	47,894,875	-	-
Associates		27,821	62,517	-	-
		1,306,984	47,957,392	-	-
Less: Impairment losses					
- third parties		-	(10,478,837)	-	-
- associates		(27,821)	-	-	-
	(a)	1,279,163	37,478,555	-	-
Non-trade					
Amounts owing by subsidiaries	(b)	-	-	16,384,450	86,130,179
Amounts owing by related parties	(c)	261,754	48,727	261,754	13,880
Amounts owing by associates	(c), (f)	3,740,096	3,719,158	3,719,158	3,719,158
Other receivables	(d), (f)	40,763,106	18,487,307	30,276,930	1,427,787
Advances to suppliers		62,000	83,000	-	-
GST refundable		262	75,794	-	2,962
Deposits		907,221	3,123,179	757,939	757,939
Prepayments		764,581	1,394,100	764,581	761,445
		46,499,020	26,931,265	52,164,812	92,813,350
Less: Impairment losses					
- amounts owing by subsidiaries	(b)	-	-	(4,427,639)	(32,546,515)
- other receivables	(d)	(36,668,157)	(9,273,120)	(28,848,991)	-
		(36,668,157)	(9,273,120)	(33,276,630)	(32,546,515)
		9,830,863	17,658,145	18,888,182	60,266,835
Total trade and other receivables		11,110,026	55,136,700	18,888,182	60,266,835

15. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

In previous financial period, included in the Group's trade receivables is an amount of RM10,518,912 which is currently under an arbitration process.

The Group's normal trade credit terms ranges from 30 to 90 days (2022: 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	
	2023	**2022**
	RM	**RM**
At beginning of the financial year/period	10,478,837	3,488,724
Charge for the financial year/period		
- individually assessed	27,821	10,478,837
Reversal of impairment losses	(5,392,690)	(3,488,724)
Deconsolidation of a subsidiary	(4,976,222)	-
Written off	(109,925)	-
At end of the financial year/period	27,821	10,478,837

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.

In previous financial period, the trade receivables amounted to RM6,111,099 has been written off in 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 36(b)(i).

15. TRADE AND OTHER RECEIVABLES (continued)

(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 (2022: RM3,236,425) bear interest at a rate of 5.5% (2022: 5.5%) per annum.

The reconciliation of movement in the accumulated impairment losses of amounts owing by subsidiaries is as follows:

	Company	
	2023	2022
	RM	RM
At beginning of the financial year/period	32,546,515	5,800,709
Charge for the financial year/period		
- individually assessed	24,227,489	26,745,806
Impact of lost control of a subsidiary	(28,848,991)	-
Written off	(23,497,374)	-
At end of the financial year/period	4,427,639	32,546,515

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 related parties and associates

The amounts owing by related parties are non-trade in nature, unsecured, interest-free and receivable upon demand in cash.

15. TRADE AND OTHER RECEIVABLES (continued)

(d) Other receivables

The reconciliation of movement in the accumulated impairment losses of other receivables is as follows:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
At beginning of the financial year/period	9,273,120	10,055,734	-	-
Charge for the financial year/period				
- individually assessed	20,938	-	-	-
Reversal of impairment losses	-	(782,614)	-	-
Disposal of subsidiaries	(9,273,120)	-	-	-
Impact of lost control of a subsidiary	36,647,219	-	28,848,991	-
At end of the financial year/period	36,668,157	9,273,120	28,848,991	-

(e) The deposits of the Group amounted to RM1,200 (2022: RM8,472) have been written off during the financial year relate to amounts that are uncollectible.

The GST receivables of the Group and of the Company amounted to RM2,962 (2022: RM2,703,773) and RM2,962 (2022: Nil) respectively have been written off during the financial year relate to amounts that are uncollectible.

(f) As at 30 June 2023, included in other receivables of the Group and the Company is an amount owing by Aseana Properties Limited of RM1,235,517.

As at 30 June 2023, amounts owing by associates of the Group and the Company amounted to RM3,740,096 and RM3,719,158 respectively.

The directors are of the view that no impairment is required for the amount owing by Aseana Properties Limited and amounts owing by associates.

16. CONTRACT COSTS

	Group 2023 RM	2022 RM
Current:		
Costs to obtain contracts	1,547,151	1,376,159

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 year, the amortisation of contract costs of the Group recognised were RM2,842,843 (2022: RM3,642,040).

17. CONTRACT ASSETS/(LIABILITIES)

	Group 2023 RM	2022 RM
Contract assets relating to property development contracts	19,663,092	40,579,568
Contract assets relating to construction service contracts	-	294,504
Total contract assets	19,663,092	40,874,072
Contract liabilities relating to property development contracts	(11,770,455)	(605,257)
Contract liabilities relating to construction service contracts	-	(1,938,057)
Total contract liabilities	(11,770,455)	(2,543,314)

17. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances

	2023		2022	
	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 year/period	-	9,518,974	-	3,258,227
Increase due to consideration received from customers, but revenue not recognised	-	(30,957,428)	-	(5,465,741)
Deconsolidation of a subsidiary	-	12,211,313	-	-

17. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances (continued)

	2023		2022	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Transfer from contract liabilities recognised at the beginning of the period to payables	-	-	-	432,687
Increase due to revenue recognised for unbilled goods or services transferred to customers	20,328,260	-	50,988,084	-
Transfer from contract assets recognised at the beginning of the period to receivables	(33,414,434)	-	(59,773,665)	-
Net impairment losses of contract assets	-	-	(4,897,154)	-
Deconsolidation of a subsidiary	(7,575,422)	-	-	-
Disposal of subsidiaries	(549,384)	-	-	-

17. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Impairment

The movement in the impairment of contract assets is as follows:

	Group	
	2023 RM	2022 RM
At beginning of the financial year/period	4,932,562	35,408
Charge for the financial year/period		
- individually assessed	-	4,932,562
Reversal of impairment losses	-	(35,408)
Deconsolidation of a subsidiary	(4,932,562)	-
At end of the financial year/period	-	4,932,562

18. DEPOSITS, CASH AND BANK BALANCES

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	3,357,710	13,935,588	27,965	6,833,102
Deposits placed with licensed banks (Note (a))	3,202,775	4,563,856	3,202,775	3,511,213
Deposits, cash and bank balances as reported in the statements of financial position	6,560,485	18,499,444	3,230,740	10,344,315
Less: Pledged deposits	(3,202,775)	(4,563,856)	(3,202,775)	(3,511,213)
Less: Bank overdrafts (Note 23)	-	(6,128,722)	-	-
Cash and cash equivalents as reported in the statements of cash flows	3,357,710	7,806,866	27,965	6,833,102

18. DEPOSITS, CASH AND BANK BALANCES (continued)

(a) Included in the deposits placed with licensed banks of the Group and the Company, RM3,202,775 (2022: RM4,563,856) and RM3,202,775 (2022: RM3,511,213) are pledged to the licensed banks to secure credit facilities granted to the Company and subsidiaries as disclosed in Note 23(b).

(b) Deposits placed with licensed banks of the Group and the Company earn interest at rates ranging from 1.65% to 2.90% (2022: 1.55% to 1.65%) per annum and at rates ranging from 1.65% to 2.90% (2022: at a rate of 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 RM2,064,456 (2022: RM613,763) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		← Amounts →	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid up (no par value):				
At beginning of the financial year/period	227,783,750	186,708,050	207,729,154	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 year/period	227,783,750	227,783,750	207,729,154	207,729,154

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.

In the previous 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 in the previous financial period rank pari passu in all respects with the existing ordinary shares of the Company.

20. 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.

21. LEASE LIABILITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:				
Lease liabilities	4,796,004	6,556,344	4,741,697	6,468,001
Current:				
Lease liabilities	1,758,888	1,657,538	1,726,304	1,617,704
	6,554,892	8,213,882	6,468,001	8,085,705

The incremental borrowing rate applied to other lease liabilities ranging from 3.97% to 3.99% (2022: at a rate of 3.99%).

Future minimum lease payments together with the present value of net minimum lease payments are as follow:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Minimum lease payments:				
Not later than one year	1,988,911	1,955,202	1,953,583	1,911,114
Later than one year and not later than 5 years	5,046,067	7,036,438	4,990,131	6,943,714
	7,034,978	8,991,640	6,943,714	8,854,828
Less: Future finance charges	(480,086)	(777,758)	(475,713)	(769,123)
Present value of minimum lease payments	6,554,892	8,213,882	6,468,001	8,085,705

21. LEASE LIABILITIES (continued)

Future minimum lease payments together with the present value of net minimum lease payments are as follow: (continued)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Present value of minimum lease payments:				
Not later than one year	1,758,888	1,657,538	1,726,304	1,617,704
Later than one year and not later than 5 years	4,796,004	6,556,344	4,741,697	6,468,001
	6,554,892	8,213,882	6,468,001	8,085,705
Less: Amount due within 12 months	(1,758,888)	(1,657,538)	(1,726,304)	(1,617,704)
Amount due after 12 months	4,796,004	6,556,344	4,741,697	6,468,001

22. HIRE PURCHASE PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:				
Hire purchase payables	62,718	128,036	62,718	121,870
Current:				
Hire purchase payables	87,452	176,374	87,452	112,048
	150,170	304,410	150,170	233,918

Motor vehicles of the Group and of the Company as disclosed in Note 5 are pledged for leases. The interest rates implicit in the hire purchase payables ranging from 1.98% to 2.35% (2022: 1.88% to 10%).

22. HIRE PURCHASE PAYABLES (continued)

Future minimum lease payments together with the present value of net minimum lease payments are as follow:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Minimum lease payments:				
Not later than one year	91,187	185,442	91,187	119,496
Later than one year and not later than 5 years	64,433	133,560	64,433	127,320
	155,620	319,002	155,620	246,816
Less: Future finance charges	(5,450)	(14,592)	(5,450)	(12,898)
Present value of minimum lease payments	150,170	304,410	150,170	233,918
Present value of minimum lease payments:				
Not later than one year	62,718	186,196	62,718	121,870
Later than one year and not later than 5 years	87,452	118,214	87,452	112,048
	150,170	304,410	150,170	233,918
Less: Amount due within 12 months	(87,452)	(176,374)	(87,452)	(112,048)
Amount due after 12 months	62,718	128,036	62,718	121,870

23. LOANS AND BORROWINGS

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:					
Secured:					
Redeemable convertible preference shares	(a)	67,608,000	67,608,000	67,608,000	67,608,000
Current:					
Secured:					
Bank overdrafts	(b)	-	6,128,722	-	-
Revolving credits	(b)	-	14,290,000	-	-
Term loans	(c)	8,274,854	15,491,136	-	-
		8,274,854	35,909,858	-	-
		75,882,854	103,517,858	67,608,000	67,608,000
Total loans and borrowings:					
Redeemable convertible preference shares	(a)	67,608,000	67,608,000	67,608,000	67,608,000
Bank overdrafts	(b)	-	6,128,722	-	-
Revolving credits	(b)	-	14,290,000	-	-
Term loans	(c)	8,274,854	15,491,136	-	-
		75,882,854	103,517,858	67,608,000	67,608,000

23. LOANS AND BORROWINGS (continued)

(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.
Maturity date	:	The business day immediately before the 3rd anniversary of the date of Issue Date of 1st 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.

23. LOANS AND BORROWINGS (continued)

(a) Redeemable convertible preference shares ("RCPS") (continued)

The salient terms of the RCPS are as follows: (continued)

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.
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) Bank overdraft and revolving credits

The trade facilities of the Group and of the Company are secured by:

(i) a legal assignment over rights and interest to the contract proceeds;
(ii) a first legal charge over certain of the Group's fixed deposits with licensed banks as disclosed in Note 18(a); and
(iii) a corporate guarantee by the Company.

23. LOANS AND BORROWINGS (continued)

(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 5, 7 and 14;
(ii) corporate guarantee by the Company; and
(iii) personal guarantee by certain directors.

(d) The interest rates of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
Redeemable convertible preference shares	2.00	2.00	2.00	2.00
Bank overdrafts	-	6.65 - 7.76	-	-
Revolving credits	-	4.28 - 5.67	-	-
Term loans	6.00 - 12.00	8.75 - 12.00	-	-

(e) (i) On 3 February 2023, Hong Leong Bank Berhad ("HLBB") has filed a Writ of Summons and Statement of Claim ("the Writ") against Ireka Engineering & Construction Sdn. Bhd. ("IECSB") (in liquidation) as the first defendant and the Company as the second defendant.

On 23 July 2020, HLBB granted IECSB a revolving contract financing line with sub-limit of Specific Contract Financing Line ("Banking Facilities Offer") of RM28,200,000, to finance the project awarded by Regency Specialist Hospital Sdn. Bhd. ("RSHSB") for the Main Building Works of 10-Storey Extension Block of RSHSB, Johor ("the Contract"). The Company had on 3 August 2020 executed a Letter of Guarantee ("Corporate Guarantee") in favour of the HLBB as security for the repayment of the Banking Facilities Offer.

(ii) On 24 March 2023, Ambank (M) Berhad ("Ambank") has filed the Writ against IECSB as the first defendant and the Company as the second defendant.

On 12 December 2007 granted IECSB a revolving contract financing line with sub-limit of Specific Contract Financing Line of RM10,000,000 and Overdraft Facilities of RM5,000,000 as general working capital. The Company had on 8 January 2008 and 31 December 2012 executed 2 letter of guarantees in favour of the Bank as security for the repayment of the Banking Facilities Offer.

23. LOANS AND BORROWINGS (continued)

(e) (continued)

(iii) On 17 March 2023, the Company proposed a settlement agreement to restructure and reschedule the claimed amount over a period of nine quarters. Subsequently, HLBB, Ambank, RHB Bank Berhad and Malayan Banking Berhad ("the Banks") are agreeable with the proposed settlement to be shared proportionately.

As at 30 June 2023, the outstanding corporate guarantee provisions taken up by the Company was RM22,604,899 as disclosed in Note 26(c). The Banks has accepted the settlement proposal made by the Company pursuant to the corporate guarantee obligation in relation to the facilities granted to IECSB.

24. RETIREMENT BENEFITS OBLIGATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:				
Retirement benefits obligation	864,306	3,696,206	716,473	526,194
Current:				
Retirement benefits obligation	-	557,400	-	201,782
	864,306	4,253,606	716,473	727,976

The movements in the retirement benefits obligation in the statements of financial position are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of the financial year/period	4,253,606	6,051,294	727,976	2,214,779
Current service costs and interest expense (Note 32)	285,478	546,726	100,463	169,833
Remeasurement of actuarial gain from financial assumption	(375,473)	(2,113,428)	(57,428)	(1,656,636)
Benefits paid	(86,423)	(230,986)	(54,538)	-
Deconsolidation of a subsidiary (Note 8(a))	(3,127,479)	-	-	-
Disposal of subsidiaries (Note 8(b))	(85,403)	-	-	-
At end of the financial year/period	864,306	4,253,606	716,473	727,976

24. RETIREMENT BENEFITS OBLIGATION (continued)

Significant actuarial assumptions

The significant actuarial assumptions applied in the measurement of defined benefits pension plan are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Discount rate	4.64	4.86	4.64	4.86
Salary increase rate	5.00	5.00	5.00	5.00

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 15 years to 22 years for an employee retiring at age 60.

Sensitivity analysis

The sensitivity of the defined benefits obligation to the significant actuarial assumptions at the end of the reporting period are shown below:

	Reasonably possible change in assumption	Group		Company	
		Effect on defined benefits obligation			
		Increase	Decrease	Increase	Decrease
		RM	RM	RM	RM
2023					
Discount rate	1%	(62,411)	71,296	(45,566)	51,506
Salary growth rate	1%	51,408	(45,146)	38,649	(34,206)
2022					
Discount rate	1%	(138,126)	151,075	(23,924)	26,543
Salary growth rate	1%	149,377	(139,220)	26,243	(24,112)

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.

25. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Current:					
Trade					
Third parties		28,769,334	90,040,032	-	-
Associates		-	4,386,220	-	-
Retention sums		-	35,292,675	-	-
	(a), (d)	28,769,334	129,718,927	-	-
Non-trade					
Other payables	(d)	48,222,181	51,658,075	22,034,748	19,239,109
Accruals		6,082,863	17,518,761	2,035,393	689,901
Advances received		11,692,442	8,439,755	-	-
Amounts owing to subsidiaries	(b)	-	-	6,462,636	5,778,804
Amounts owing to related parties	(c)	-	1,544,044	-	-
Amounts owing to associates	(c)	-	15,756,642	-	-
Amounts owing to directors	(c)	2,475,107	6,888	2,464,128	-
Deposits received		30,729	7,610,304	550	550
Sales and service tax payable		4,819	77,958	-	-
		68,508,141	102,612,427	32,997,455	25,708,364
Total trade and other payables		97,277,475	232,331,354	32,997,455	25,708,364

(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 (2022: 30 to 90 days). The retention sum was 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 bear interest at a rate of 12% per annum in the previous financial period.

(c) The amounts owing to related parties, associates and directors are non-trade in nature, unsecured, interest-free and repayable on demand.

25. TRADE AND OTHER PAYABLES (continued)

(d) Included in the financial statements as at the end of the previous financial period ended 30 June 2022 of the Group are trade payables and other payables of a subsidiary, Ireka Engineering & Construction Sdn. Bhd. (in liquidation), amounting to RM104,230,522 and RM24,315,564 respectively.

(e) For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 36(b)(ii).

26. PROVISIONS

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Legal claims	(a)	322,258	11,505,438	143,118	-
Onerous contracts	(b)	16,140,798	37,640,521	-	-
Corporate guarantee	(c)	22,604,899	-	22,604,899	-
		39,067,955	49,145,959	22,748,017	-

Movements in each class of provisions are as follows:

	Corporate guarantee RM	Legal claims RM	Onerous contracts RM	Total RM
Group				
At 1 April 2021	-	-	9,869,926	9,869,926
Recognised in profit or loss	-	11,505,438	27,770,595	39,276,033
At 30 June 2022	-	11,505,438	37,640,521	49,145,959
Recognised in profit or loss	22,604,899	322,258	6,270,872	29,198,029
Reversal of onerous contracts	-	-	(5,724,397)	(5,724,397)
Deconsolidation of a subsidiary (Note 8(a))	-	(11,505,438)	(22,046,198)	(33,551,636)
At 30 June 2023	22,604,899	322,258	16,140,798	39,067,955

26. PROVISIONS (continued)

Movements in each class of provisions are as follows: (continued)

	Corporate guarantee RM	Legal claims RM	Onerous contracts RM	Total RM
Company				
At 30 June 2022	-	-	-	-
Recognised in profit or loss	22,604,899	143,118	-	22,748,017
At 30 June 2023	22,604,899	143,118	-	22,748,017

(a) Legal claims

The provisions relate to litigation claims brought against the Group by its suppliers and sub-contractors. 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.

(c) Corporate guarantees contracts

The corporate guarantees are contracts that require the Group and the Company to make specific payments to reimburse the holders for a loss it incurs because a specified debtor fails to make payments when due.

27. REVENUE

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Continuing operations				
Revenue from contracts customers				
At a point in time:				
Trading and services	-	821	-	-
Property development	-	1,236,000	-	-
	-	1,236,821	-	-
Over time:				
Constructions	-	1,914,269	-	-
Property development	5,534,669	52,311,549	-	-
	5,534,669	54,225,818	-	-
Revenue from other sources:				
Over time:				
Management fees	155,000	975,000	6,196,000	11,377,073
Rental income	388,373	351,314	-	-
	543,373	1,326,314	6,196,000	11,377,073
	6,078,042	56,788,953	6,196,000	11,377,073

27. REVENUE (continued)

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Discontinued operations				
Revenue from contracts customers				
At a point in time:				
Trading and services	2,354,989	6,027,784	-	-
Property development	-	6,255,689	-	-
	2,354,989	12,283,473	-	-
Over time:				
Constructions	9,518,975	31,366,458	-	-
Property development	2,542,209	22,076,189	-	-
	12,061,184	53,442,647	-	-
	14,416,173	65,726,120	-	-
Total revenue	20,494,215	122,515,073	6,196,000	11,377,073

28. COST OF SALES

	Group 1.7.2022 to 30.6.2023 (12 months) RM	Group 1.4.2021 to 30.6.2022 (15 months) RM
Continuing operations		
Cost of construction services	16,320	1,129,911
Cost of properties under development	23,557,131	20,131,996
Cost of completed units sold	445	281,691
Cost of inventories sold	6,270,872	19,800
Cost of services rendered	-	4,827,969
	29,844,768	26,391,367
Discontinued operations		
Cost of construction services	26,577,933	116,256,204
Cost of properties under development	2,583,222	21,829,505
Cost of completed units sold	-	5,946,730
Cost of inventories sold	1,809,356	5,586,210
	30,970,511	149,618,649
Total cost of sales	60,815,279	176,010,016

29. OTHER INCOME

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Continuing operations				
COVID-19-related rent concession income	-	106,173	-	64,884
Deposit forfeited	171,385	820,144	-	-
Dividend income	27	19	27	19
Gain on disposal of property, plant and equipment	2,578	17,810	-	14,435
Gain on disposal of investment	1	-	1	-
Gain on fair value adjustment on investment properties (Note 7)	3,559,878	-	-	-
Gain on lease modification	364	-	-	-
Interest income on:				
- amounts owing by subsidiaries	-	-	195,449	230,859
- deposits, cash and bank balances	85,680	97,674	69,578	91,881
- finance lease receivables	31,465	-	83,053	254,808
- short-term fund	-	31,071	-	-
Gain on foreign exchange differences				
- realised	294	-	294	-
- unrealised	-	362	-	360
Rental income	-	61,496	-	-
Others	156,154	305,448	103,691	12,703
	4,007,826	1,440,197	452,093	669,949

29. OTHER INCOME (continued)

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Discontinued operations				
Deposit forfeited	-	413,876	-	-
Reversal of bad debts written off	2,858,354	-	-	-
Gain on disposal of property, plant and equipment	82,311	1,466,090	-	-
Gain on lease modification	-	1,291	-	-
Gain on disposal of a subsidiary	1	-	-	-
Interest income:				
- deposits, cash and bank balances	-	161,577	-	-
Others	961,312	2,883,715	-	-
	3,901,978	4,926,549	-	-
Total other income	7,909,804	6,366,746	452,093	669,949

30. FINANCE COSTS

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**	**1.7.2022 to 30.6.2023 (12 months) RM**	**1.4.2021 to 30.6.2022 (15 months) RM**
Continuing operations				
Interest expense on:				
- amounts owing to subsidiaries	-	-	382,525	980,777
- bank overdrafts	5,650	87,228	-	10,771
- lease liabilities	297,584	554,455	293,410	452,741
- hire purchase	7,447	21,337	7,447	21,337
- Redeemable convertible preference shares	1,352,160	271,667	1,352,160	271,667
- revolving credits	-	39,782	-	39,782
- term loans	441,565	1,301,240	-	-
- others	-	126,335	-	121,349
	2,104,406	2,402,044	2,035,542	1,898,424
Discontinued operations				
Interest expense on:				
- bank overdrafts	371,140	569,187	-	-
- banker acceptance	-	392,753	-	-
- hire purchase	1,695	10,747	-	-
- revolving credits	254,461	1,258,572	-	-
- term loans	256,923	1,256,450	-	-
- others	351,290	1,683,449	-	-
	1,235,509	5,171,158	-	-
Total finance costs	3,339,915	7,573,202	2,035,542	1,898,424

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	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Auditors' remuneration:				
- auditors of the Company				
- statutory audit				
- current year	503,000	423,000	215,000	120,000
- under provision in the previous financial period	40,000	50,000	40,000	50,000
- non statutory audit	7,000	5,000	7,000	5,000
- component auditors of the Group	-	6,130	-	-
Bad debts written off	-	6,111,099	-	-
COVID-19-related rent concessions income	-	(106,173)	-	(64,884)
Deposits written off	1,200	8,472	-	-
Depreciation of:				
- property, plant and equipment	1,511,712	2,714,674	522,836	271,214
- right-of-use assets	1,244,098	2,146,814	1,207,332	943,213
Employee benefits expense (Note 32)	17,590,419	48,020,635	6,493,398	9,236,634
Expenses relating to leases of low value assets	46,000	9,303	-	-
Expenses relating to short-term leases	6,453	179	-	-
Fair value (gain)/loss on:				
- investment properties	(3,559,878)	1,453,368	-	-
- other investments	8,544,403	24,604,198	8,544,403	24,604,198
Gain on deconsolidation of a subsidiary (Note 8(a))	(133,255,432)	-	-	-
Gain on disposal of subsidiaries (Note 8(b))	(13,727,527)	-	-	-
GST receivable written off	2,962	2,703,773	2,962	-

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	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**	**1.7.2022 to 30.6.2023 (12 months) RM**	**1.4.2021 to 30.6.2022 (15 months) RM**
Impairment losses on:				
- amounts owing by subsidiaries	-	-	24,227,489	26,745,806
- contract assets	-	4,932,562	-	-
- investment in associates	-	-	-	105,003
- investment in subsidiaries	-	-	250,000	68,000,000
- other receivables	20,938	-	-	-
- trade receivables	27,821	10,478,837	-	-
Inventories written down	3,725,178	-	-	-
Loss on derecognition of an associate	-	11,732,794	-	97,186,509
Loss on derecognition of right-of-use asset	5,389	-	-	-
Loss on lease modification	282,118	-	164,593	131,172
Loss/(Gain) on disposal of:				
- a joint venture	-	3,678,462	-	4,650,000
- property, plant and equipment	(84,857)	(1,483,900)	32	(14,435)
Loss/(Gain) on foreign exchange				
- realised	-	22,106	-	-
- unrealised	(179)	23,823	(294)	(360)
Petty cash written off	3,413	-	3,413	-
Property, plant and equipment written off	67,724	4,427,925	-	-
Provision for: (Note 25)				
- legal claims	322,258	11,505,438	143,118	-
- onerous contracts	6,270,872	27,770,595	-	-
- corporate guarantee	22,604,899	-	22,604,899	-
Reversal of bad debts	(2,858,354)	-	-	-
Reversal of impairment losses on:				
- contract assets	-	(35,408)	-	-
- other receivables	-	(782,614)	-	-
- trade receivables	(5,392,690)	(3,488,724)	-	-
Reversal of provision for onerous contracts (Note 25)	(5,724,397)	-	-	-

32. EMPLOYEE BENEFITS EXPENSE

		Group		Company	
		1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)
	Note	RM	RM	RM	RM
Wages, salaries and emoluments		15,680,086	43,383,534	5,787,516	8,196,356
Defined contribution plan		1,624,855	4,090,375	605,419	870,445
Retirement benefits obligation	24	285,478	546,726	100,463	169,833
		17,590,419	48,020,635	6,493,398	9,236,634

Included in employee benefits expense are:

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)	1.7.2022 to 30.6.2023 (12 months)	1.4.2021 to 30.6.2022 (15 months)
	RM	RM	RM	RM
Directors of the Company				
Executive directors:				
Salaries and other emoluments	1,582,172	2,774,399	1,564,381	2,337,550
Defined contribution plan	195,600	298,547	195,600	247,989
Benefits-in-kind	-	32,800	-	32,800
	1,777,772	3,105,746	1,759,981	2,618,339
Non-executive directors:				
Fees	156,000	134,286	156,000	134,286

32. EMPLOYEE BENEFITS EXPENSE (continued)

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**	**1.7.2022 to 30.6.2023 (12 months) RM**	**1.4.2021 to 30.6.2022 (15 months) RM**
Directors of subsidiaries				
Executive directors:				
Salaries and other emoluments	203,744	548,503	-	-
Defined contribution plan	24,048	65,552	-	-
	227,792	614,055	-	-
Total directors' remuneration	2,161,564	3,854,087	1,915,981	2,752,625
Other key management personnel				
Other emoluments	143,500	-	143,500	-
	2,305,064	3,854,087	2,059,481	2,752,625

33. TAX (CREDIT)/EXPENSE

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**	**1.7.2022 to 30.6.2023 (12 months) RM**	**1.4.2021 to 30.6.2022 (15 months) RM**
Statements of comprehensive income				
Continuing operations				
Current income tax:				
- Current income tax charge	63,101	1,921,973	-	-
- Adjustment in respect of prior financial period	(1,871,129)	(107,779)	-	-
- Real property gain tax	364,698	-	-	-
	(1,443,330)	1,814,194	-	-

33. TAX (CREDIT)/EXPENSE (continued)

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Deferred tax (Note 13):				
- Reversal of temporary differences	(100,490)	(152,000)	-	-
- Adjustment in respect of prior financial period	55,126	(15,860)	-	-
	(45,364)	(167,860)	-	-
Tax (credit)/expense attributable of continuing operations	(1,488,694)	1,646,334	-	-
Statements of comprehensive income				
Discontinued operations				
Current income tax charge	-	34,532	-	-
Total tax (credit)/ expense	(1,488,694)	1,680,866	-	-

33. TAX (CREDIT)/EXPENSE (continued)

Domestic income tax is calculated at the Malaysia statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year/period.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax (credit)/expense are as follows:

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
(Loss)/Profit before tax				
- Continuing operations	(70,447,139)	(27,984,650)	(63,349,599)	(227,323,562)
- Discontinued operations	129,638,989	(137,499,880)	-	-
	59,191,850	(165,484,530)	(63,349,599)	(227,323,562)
Tax at Malaysian statutory income tax rate of 24%	14,206,044	(39,716,287)	(15,203,904)	(54,557,655)
Share of results of a joint venture	-	111,710	-	-
Non-taxable income	(38,258,790)	(640,329)	(31,850)	(591,413)
Non-deductible expenses	13,970,928	14,889,895	14,109,352	54,417,723
Deferred tax assets not recognised during the financial year/period	10,400,517	27,124,984	1,126,402	731,345
Deferred tax recognised in different tax rate	8,610	-	-	-
Adjustments in respect of prior financial period				
- current income tax	(1,871,129)	(73,247)	-	-
- deferred tax	55,126	(15,860)	-	-
Tax (credit)/expense	(1,488,694)	1,680,866	-	-

34. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX

As disclosed in Notes 8(a) and 8(b), the Group has deconsolidated Ireka Engineering & Construction Sdn. Bhd. (in liquidation) and completed the disposal of Ireka iCapital group on 27 March 2023 and 21 December 2022 respectively.

(i) Analysis of the result of discontinued operation and the result recognised on the disposal group are as follows:

	Group	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**
Revenue	14,416,173	65,726,120
Cost of sales	(30,970,511)	(149,618,649)
Other income	3,901,978	4,926,549
Selling and administrative expenses	(3,658,330)	(17,102,789)
Gain on disposal of subsidiaries	12,286,741	-
Gain on deconsolidation of a subsidiary	133,255,432	-
Net impairment losses on financial assets and contract assets	5,392,690	(10,994,728)
Other operating expenses	(3,749,675)	(25,265,225)
Finance cost	(1,235,509)	(5,171,158)
Profit/(Loss) before tax	129,638,989	(137,499,880)
Tax expenses	-	(34,532)
Profit/(Loss) after tax for the financial year from discontinued operations, net of tax	129,638,989	(137,534,412)

34. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX (continued)

(ii) The following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Auditors' remuneration:		
- auditors of the Company		
- statutory audit		
- current year	-	149,000
Bad debts written off	-	6,111,099
Depreciation of:		
- property, plant and equipment	782,543	2,239,120
- right-of-use assets	-	711,067
Employee benefits expense	6,550,622	28,889,971
Expenses relating to short-term leases	-	179
Gain on deconsolidation of a subsidiary	(133,255,432)	-
Gain on disposal of subsidiaries	(12,286,741)	-
Gain on disposal of:		
- property, plant and equipment	(82,311)	(1,466,090)
GST receivable written off	-	2,454,952
Inventories written down	3,294,146	-
Impairment losses on:		
- contract assets	-	4,932,562
- trade receivables	-	10,368,912
Loss on foreign exchange:		
- realised	-	5,971
- unrealised	62	24,056
Property, plant and equipment written off	30,083	4,419,719
Provision for:		
- legal claims	-	11,505,438
- onerous contracts	-	37,640,521
Reversal of bad debts written off	(2,858,354)	-
Reversal of impairment losses on:		
- contract assets	-	(35,408)
- other receivables	-	(782,614)
- trade receivables	(5,392,690)	(3,488,724)
Reversal of provision for onerous contracts	(5,724,397)	-

35. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share are based on (loss)/profit for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period, calculated as follows:

	Group	
	2023 RM	2022 RM
(Loss)/Profit attributable to owners of the Company		
- continuing operations	(62,398,346)	(28,980,482)
- discontinued operations	129,638,989	(137,499,021)
	67,240,643	(166,479,503)
Weighted average number of ordinary shares for basic earnings/(loss) per share	211,943,803	211,943,803
Basic (loss)/earnings per ordinary share (sen)		
- continuing operations	(29.44)	(13.67)
- discontinued operations	61.17	(64.88)
	31.73	(78.55)

(b) The diluted earnings/(loss) per share of the Group for the financial year ended 30 June 2023 and financial period ended 30 June 2022 are same as the basic earnings/(loss) per share of the Group as there is anti-dilutive effect on earnings/(loss) per share.

36. 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
2023			
Financial assets			
Group			
Other investments	27,844,600	-	27,844,600
Trade and other receivables, net of advances to suppliers, GST refundable and prepayments	10,283,183	10,283,183	-
Deposits, cash and bank balances	6,560,485	6,560,485	-
	44,688,268	16,843,668	27,844,600
Company			
Other investments	27,844,600	-	27,844,600
Trade and other receivables, net of GST refundable and prepayments	18,123,601	18,123,601	-
Deposits, cash and bank balances	3,230,740	3,230,740	-
	49,198,941	21,354,341	27,844,600
Financial liabilities			
Group			
Loans and borrowings	75,882,854	75,882,854	-
Hire purchase payables	150,170	150,170	-
Trade and other payables, net of advances received, sales and service tax payable	83,580,214	83,580,214	-
	159,613,238	159,613,238	-
Company			
Loans and borrowings	67,608,000	67,608,000	-
Hire purchase payables	150,170	150,170	-
Trade and other payables	32,997,455	32,997,455	-
	100,755,625	100,755,625	-

36. 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
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	53,666,806	53,666,806	-
Deposits, cash and bank balances	18,499,444	18,499,444	-
	108,548,432	72,166,250	36,382,182
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	10,344,315	10,344,315	-
	106,228,925	69,846,743	36,382,182
Financial liabilities			
Group			
Loans and borrowings	103,517,858	103,517,858	-
Hire purchase payables	304,410	304,410	-
Trade and other payables, net of advances received, sales and service tax payable	223,813,641	223,813,641	-
	327,635,909	327,635,909	-
Company			
Loans and borrowings	67,608,000	67,608,000	-
Hire purchase payables	233,918	233,918	-
Trade and other payables	25,708,364	25,708,364	-
	93,550,282	93,550,282	-

36. FINANCIAL INSTRUMENTS (continued)

(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.

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.

As at 30 June 2023, 26% (2022: Nil) of the trade receivables of the Group were owed by 2 major customers (2022: Nil).

36. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

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	
	2023	**2022**
	RM	**RM**
Trade receivables		
Property development	1,181,824	1,523,785
Construction services	35,039	34,543,658
Trading and services	62,300	1,383,291
Others	-	27,821
	1,279,163	37,478,555
Contract assets		
Property development	19,663,092	40,579,568
Construction services	-	294,504
	19,663,092	40,874,072

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.

36. 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:

	Group 2023 RM	Group 2022 RM
Gross carrying amount at default		
Contract assets	40,874,072	19,663,092
Current	11,801,585	320,627
1 to 30 days past due	659,856	415,191
31 to 60 days past due	606,018	162,995
61 to 90 days past due	677,609	207,055
91 to 120 days past due	1,148,169	9,640
121 to 150 days past due	103,994	5,880
More than 150 days past due	22,481,324	157,775
Trade receivables	37,478,555	1,279,163
Impaired individually	10,478,837	27,821
	88,831,464	20,970,076

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.

36. 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:

- internal credit rating
- external credit rating (as far as available)
- 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.

36. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

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 Group and the Company consider the finance lease receivables as low credit and any loss allowance would be negligible.

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 RM7,290,854 (2022: RM56,854,676).

(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.

36. 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:

		← Contractual undiscounted cash flows →		
	Carrying amount RM	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**Total RM**
Group				
2023				
Financial liabilities:				
Trade and other payables	97,277,475	97,277,475	-	97,277,475
Lease liabilities	6,554,892	1,988,911	5,046,067	7,034,978
Hire purchase payables	150,170	91,187	64,433	155,620
Redeemable convertible preference shares	67,608,000	2,704,320	70,312,320	73,016,640
Term loans	8,274,854	8,587,442	-	8,587,442
	179,865,391	110,649,335	75,422,820	186,072,155

36. 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)

		← Contractual undiscounted cash flows →		
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
Group				
2022				
Financial liabilities:				
Trade and other payables	232,331,354	232,331,354	-	232,331,354
Lease liabilities	8,213,882	1,955,202	7,036,438	8,991,640
Hire purchase payables	304,410	185,442	133,560	319,002
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
	344,367,504	273,403,688	77,482,318	350,886,006

36. 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)

		← Contractual undiscounted cash flows →		
Company	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**Total RM**
2023				
Financial liabilities:				
Trade and other payables	32,997,455	32,997,455	-	32,997,455
Lease liabilities	6,468,001	1,953,583	4,990,131	6,943,714
Hire purchase payables	150,170	91,187	64,433	155,620
Redeemable convertible preference shares	67,608,000	1,352,160	73,016,640	74,368,800
Financial guarantee contracts	-	7,290,854	-	7,290,854
	107,223,626	43,685,239	78,071,204	121,756,443

36. 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)

Company	Carrying amount RM	← Contractual undiscounted cash flows → On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
2022				
Financial liabilities:				
Trade and other payables	25,708,364	26,368,364	-	26,368,364
Lease liabilities	8,085,705	1,911,114	6,943,714	8,854,828
Hire purchase payables	233,918	119,496	127,320	246,816
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
	101,635,987	86,605,810	77,383,354	163,989,164

36. 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 profit/(loss) for the financial year/period 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.

36. 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 total equity and profit/(loss) for the financial year/period.

	Change in basis points	Effect on profit/ (loss) for the financial year/period RM	Effect on equity RM
Group			
2023	+ 100	7,478	7,478
	- 100	(7,478)	(7,478)
2022	+ 100	181,593	181,593
	- 100	(181,593)	(181,593)

(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 year/period (2022: no transfer in either directions).

36. 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:

	Carrying amount RM	Fair value of financial instruments carried at fair value — Fair value				Fair value of financial instruments not carried at fair value — Fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group									
2023									
Financial assets									
Other investments	27,844,600	27,811,100	-	33,500	27,844,600	-	-	-	-
Financial liabilities									
Redeemable convertible preference shares	67,608,000	-	-	-	-	-	-	73,016,640	73,016,640
Term loans	8,274,854	-	-	-	-	-	-	8,587,442	8,587,442
Hire purchase payables	150,170	-	-	-	-	-	-	105,085	105,085

36. **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:

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
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
Hire purchase payables	304,410	-	-	-	-	-	-	215,155	215,155

36. 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	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company									
2023									
Financial assets									
Other investments	27,844,600	27,811,100	-	33,500	27,844,600	-	-	-	-
Financial liabilities									
Redeemable convertible preference shares	67,608,000	-	-	-	-	-	-	74,368,800	74,368,800
Hire purchase payables	150,170	-	-	-	-	-	-	105,085	105,085

36. 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	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company									
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
Hire purchase payables	233,918	-	-	-	-	-	-	147,562	147,562

37. 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) Entities in which directors have substantive financial interest;
(iv) Close members of the family of a directors; and
(v) 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**	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**	**1.7.2022 to 30.6.2023 (12 months) RM**	**1.4.2021 to 30.6.2022 (15 months) RM**
Joint venture				
Management fees	-	(100,000)	-	(100,000)
Subsidiaries				
Interest expense	-	-	443,245	980,777
Interest income	-	-	(195,449)	(230,859)
Management fees	-	-	(6,196,000)	(11,277,073)
Related parties				
Rental income	(232,890)	-	-	-

37. RELATED PARTIES

(b) Significant related party transactions (continued)

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 36(b)(i).

(c) Compensation of key management personnel

	Group		Company	
	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM	1.7.2022 to 30.6.2023 (12 months) RM	1.4.2021 to 30.6.2022 (15 months) RM
Short-term employee benefits	1,941,916	3,784,312	1,720,381	2,798,960
Defined contribution benefits	219,648	403,263	195,600	287,153
Benefits-in-kind	-	32,800	-	32,800
	2,161,564	4,220,375	1,915,981	3,118,913

38. 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
Investment holding	Investment holding and provision of management services
Property investment	Rental of investment properties

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.

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Note	Total RM
1.7.2022 to 30.6.2023 (12 months)								
Revenue								
External sales	9,518,975	8,324,535	2,509,989	-	388,373	(247,657)		20,494,215
Inter-segment sales	7,955,434	-	1,252,000	6,196,000	169,240	(15,572,674)		-
Total revenue	17,474,409	8,324,535	3,761,989	6,196,000	557,613	(15,820,331)	A	20,494,215
Results								
Segment results	(10,872,877)	(36,292,418)	(14,092,979)	(61,462,557)	698,240	184,554,356		62,531,765
Finance costs	(1,235,509)	(451,225)	(164)	(2,035,542)	(195,449)	577,974		(3,339,915)
(Loss)/Profit before tax	(12,108,386)	(36,743,643)	(14,093,143)	(63,498,099)	502,791	185,132,330	B	59,191,850
Tax credit/ (expense)	-	1,798,253	-	-	(181,949)	(127,610)		1,488,694
(Loss)/Profit for the financial year	(12,108,386)	(34,945,390)	(14,093,143)	(63,498,099)	320,842	185,004,720		60,680,544

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
2023							
Assets							
Segment assets	1,265,227	138,727,849	2,956,479	119,981,219	17,704,845	(96,183,326)	184,452,293
Tax assets	246,193	2,013,932	207,939	-	32,912	-	2,500,976
Total assets	1,511,420	140,741,781	3,164,418	119,981,219	17,737,757	(96,183,326)	186,953,269
Liabilities							
Segment liabilities	1,834,990	97,655,124	17,978,823	130,703,910	14,830,973	(31,435,713)	231,568,107
Deferred tax liabilities	-	-	-	-	417,466	(204,856)	212,610
Tax liabilities	-	-	-	-	86,601	-	86,601
Total liabilities	1,834,990	97,655,124	17,978,823	130,703,910	15,335,040	(31,640,569)	231,867,318

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Note	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	32,284,476	81,879,427	13,285,938	11,377,073	629,120	(16,940,961)	A	122,515,073
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)/Profit before tax	(143,208,327)	(4,536,945)	(15,260,656)	(277,434,218)	(2,004,833)	276,960,449	B	(165,484,530)
Tax (expense)/ credit	(34,532)	(1,712,296)	12,000	-	53,962	-		(1,680,866)
(Loss)/Profit for the financial period	(143,242,859)	(6,249,241)	(15,248,656)	(277,434,218)	(1,950,871)	276,960,449		(167,165,396)

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
2023							
Assets							
Segment assets	1,265,227	138,727,849	2,956,479	119,981,219	17,704,845	(96,183,326)	184,452,293
Tax assets	246,193	2,013,932	207,939	-	32,912	-	2,500,976
Total assets	1,511,420	140,741,781	3,164,418	119,981,219	17,737,757	(96,183,326)	186,953,269
Liabilities							
Segment liabilities	1,834,990	97,655,124	17,978,823	130,703,910	14,830,973	(31,435,713)	231,568,107
Deferred tax liabilities	-	-	-	-	417,466	(204,856)	212,610
Tax liabilities	-	-	-	-	86,601	-	86,601
Total liabilities	1,834,990	97,655,124	17,978,823	130,703,910	15,335,040	(31,640,569)	231,867,318

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.7.2022 to 30.6.2023 (12 months)							
Other segment items							
Capital expenditure:							
- property, plant and equipment	-	19,174	30,908	78,610	-	-	128,692
Deposits written off	-	-	1,200	-	-	-	1,200
Depreciation of:							
- property, plant and equipment	776,984	32,640	43,170	522,836	-	136,082	1,511,712
- right-of-use assets	136,197	32,724	4,042	1,207,332	-	(136,197)	1,244,098
Fair value (gain)/loss on:							
- investment properties	-	-	-	-	(850,000)	(2,709,878)	(3,559,878)
- other investments	-	-	-	8,544,403	-	-	8,544,403
(Gain)/Loss on disposal of property, plant and equipment	(82,311)	-	(2,578)	32	-	-	(84,857)
GST receivable written off	-	-	-	2,962	-	-	2,962

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.7.2022 to 30.6.2023 (12 months)							
Other segment items (continued)							
Impairment losses on:							
- amounts owing by subsidiaries	-	-	-	24,335,314	-	(24,335,314)	-
- amounts owing by related companies	-	55,644	2,810,440	-	-	(2,866,084)	-
- investment in subsidiaries	-	-	-	250,000	-	(250,000)	-
- other receivables	-	5,392,690	2,426,476	-	-	(7,798,228)	20,938
- trade receivables	2,637,166	-	4,154,069	-	5,400	(6,768,814)	27,821
Interest expense	1,235,509	451,225	164	2,035,542	195,449	(577,974)	3,339,915
Interest income	-	(396,825)	(76)	(296,492)	(1,726)	577,974	(117,145)
Inventories written down	3,294,146	-	-	-	-	431,032	3,725,178
Loss on derecognition of right-of use assets	-	-	5,389	-	-	-	5,389
Loss on lease modification	-	-	(364)	164,594	-	117,888	282,118

38. SEGMENT INFORMATION (continued)

	Construction RM	Property development RM	Trading and services RM	Investment holding RM	Property investment RM	Adjustments and eliminations RM	Total RM
1.7.2022 to 30.6.2023 (12 months)							
Other segment items (continued)							
Property, plant and equipment written off	30,083	-	37,641	-	-	-	67,724
Provision for:							
- legal claims	11,505,438	179,140	-	143,118	-	(11,505,438)	322,258
- onerous contracts	-	6,270,872	-	-	-	-	6,270,872
- corporate guarantee	-	-	-	22,604,899	-	-	22,604,899
Reversal of bad debts	(2,858,354)	-	-	-	-	-	(2,858,354)
Reversal of impairment losses on trade receivables	(5,392,690)	-	-	-	-	-	(5,392,690)
Reversal of provision for onerous contracts	(5,724,397)	-	-	-	-	-	(5,724,397)

38. 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	1,830,177	11,937	475,080	271,214	178,306	(52,040)	2,714,674
- right-of-use assets	721,984	13,635	496,284	943,213	-	(28,302)	2,146,814
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

38. 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)							
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
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 on unrealised foreign exchange	-	-	129	23,694	-	-	23,823
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)

38. 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)							
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

38. SEGMENT INFORMATION (continued)

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

A The revenue relating to deconsolidation of a subsidiary and disposal of subsidiaries have been excluded to arrive at amounts shown in the consolidated statements of comprehensive income and other comprehensive income as they are presented separately in the statements of comprehensive income and other comprehensive income within one line item, "profit/(loss) from discontinued operations, net of tax".

	Group	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**
Revenue		
Total revenue for reportable segments	20,494,215	122,515,073
Discontinued operations (Note 34)	(14,416,173)	(65,726,120)
Revenue of the Group per consolidated statement of comprehensive income and other comprehensive income	6,078,042	56,788,953

B Reconciliation of reportable segment profit/(loss) to the corresponding amounts of the Group are as follows:

	Group	
	1.7.2022 to 30.6.2023 (12 months) RM	**1.4.2021 to 30.6.2022 (15 months) RM**
Segment profit/(loss)		
Total profit/(loss) for reportable segments	59,191,850	(165,484,530)
Discontinued operations (Note 34)	(129,638,989)	137,499,880
Loss of the Group per consolidated statement of comprehensive income and other comprehensive income	(70,447,139)	(27,984,650)

38. SEGMENT INFORMATION (continued)

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment in presented.

Information about major customers

In previous financial period, the revenue from one major customer in the construction segment represents RM29,961,222 or 24% of the Group's revenue.

39. MATERIAL LITIGATIONS

(a) Between ASPL M9 limited ("ASPL") (as plaintiff) and Ireka Corporation Berhad (as defendant)

On 21 October 2022, ASPL has filed a Writ of Summons and Statements of Claim ("the Writ") against the Company.

The Writ's cause of action arose from a Joint Venture Agreement dated 31 December 2009 ("JVA"). The JVA was entered by ASPL, the Company and Urban DNA Sdn. Bhd. ("UDNA") with the primary objective of overseeing the development of the RuMa Project ("the Project"), whereby UDNA will be the developer of the Project, with the shareholding ratio of 70% to the ASPL and 30% to the Company. It was also alleged under the Writ that the ASPL and the Company, had on the same date entered into an unwritten Joint Venture Agreement ("Unwritten JVA") on equivalent terms to the JVA.

ASPL's claims includes the following:-

(i) The sum of RM51,080,342 being the Company's obligation under the JVA and the Unwritten JVA;
(ii) The sum of RM31,952,270 being the outstanding interest due under the JVA and Unwritten JVA; and
(iii) The sum of RM14,880,705 together with interest thereon at the rate of 8% per annum from the date of judgment to the date of full payment.

On 7 September 2023, mediation was held and no further date was fixed as mediation was deemed unsuccessful. Case Management is fixed on 23 November 2023 and trial dates is fixed in January 2024.

The directors are of the view that no provision is required to be made in the financial statements at this juncture as the amount of the obligation cannot be measured with sufficient reliability given that the matter is currently awaiting court's proceedings and subject to a full trial.

39. MATERIAL LITIGATIONS (continued)

(b) Between Hong Leong Bank Berhad ("HLBB") (as plaintiff) and Ireka Engineering & Construction Sdn. Bhd. ("IECSB") (in liquidation) (as first defendant) and the Company (as second defendant)

On 3 February 2023, HLBB has filed a writ and statement of claim against IECSB. Under the writ, IECSB is named as the first defendant while the Company is named as the second defendant.

HLBB's suit is premised on a banking facility provided by HLBB to IECSB upon its appointment by Regency Specialist Hospital Sdn. Bhd. ("RSH") as the main contractor for the main building works of 10-storey extension block of the Regency Specialist Hospital, Johor ("the Project"). The Company had provided a corporate guarantee in favour of HLBB as security for the repayment of the banking facilities, whereby the Company undertakes to pay to HLBB all monies owing by IECSB under the banking facilities.

When IECSB's employment under the Project was terminated by RSH, the performance bond issued by HLBB for IECSB was called by RSH. As a result of the calling of the aforesaid performance bond, it was alleged that IECSB and the Company have defaulted in its obligations to make payments to HLBB as required under the banking facilities.

The plaintiff claims:

1. RM5,680,318 performance bond;
2. RM478,426 overdraft - contract; and
3. RM294,828 overdraft/progress claim.

On 11 April 2023, the Company and IECSB filed their defence and put in a counter claim against HLBB, RSH, the representatives of deceased estate - Lai Voon Hoon and Lai Voon Huey.

RSH then filed their defence to the Company and IECSB's counter claim on 2 May 2023. During the case management on 15 May 2023 and in light of IECSB's appointment of liquidator and application for winding up, the Court has instructed for the matter to be put in abeyance until HLBB has obtained leave of court to continue proceeding against IECSB, a winding up company.

The Company in its capacity as the Corporate Guarantor had entered into a settlement with HLBB vide a settlement letter dated 25 May 2023. Under the settlement letter, HLBB has agreed to withdraw their civil suit once the Company has paid the first instalment as per the settlement letter.

The claim is not expected to have any material impact on the earnings and net assets of the Group and of the Company for the financial year ended 30 June 2023 as adequate provision had been made in the financial statements.

39. MATERIAL LITIGATIONS (continued)

(c) Between AmBank (M) Berhad ("AmBank") (as plaintiff) and Ireka Engineering & Construction Sdn. Bhd. ("IECSB") (in liquidation) (as first defendant) and the Company (as second defendant)

On 24 March 2023, AmBank has filed a writ and statement of claim against IECSB. Under the writ, IECSB is named as the first defendant while the Company is named as the second defendant.

AmBank had on 12 December 2007 granted IECSB a Revolving Contract Financing Line and Overdraft Facilities (collectively referred as the "Banking Facilities Offer") as general working capital. The Company had provided a corporate guarantee in favour of AmBank as security for the repayment of the above Banking Facilities Offer.

Pursuant to the corporate guarantee, the Company undertakes to pay to AmBank a payment of all monies owing by IECSB under the Banking Facilities Offer. It was alleged that IECSB and the Company have defaulted in its obligations to make payments to AmBank as required by the Banking Facilities Offer.

The plaintiff claims:
1. RM1,136,815 revolving credit; and
2. RM3,098,812 overdraft.

The Company in its capacity as the corporate guarantor had entered into a settlement with AmBank vide a settlement letter dated 14 June 2023. Under the settlement letter, AmBank has agreed to withdraw the writ once the Company has paid the first instalment as per the settlement letter.

The claim is not expected to have any material impact on the earnings and net assets of the Group and of the Company for the financial year ended 30 June 2023 as adequate provision had been made in the financial statements.

39. MATERIAL LITIGATIONS (continued)

(d) Between One Industrial (M) Sdn. Bhd. ("OISB") (as plaintiff) and Shoraka Construction Sdn. Bhd. ("SCSB") (as defendant)

On 7 August 2023, OISB has served with an Originating Summons ("OS") and Affidavit in Support against IECSB. The OS is premised on 2 units of industrial factories at ASTA Project, which were purchased by OISB from IECSB. Contrary to a normal sale and purchase transaction, the 2 units were purchased by way of contra arrangement whereby in consideration of the 2 units being transferred to OISB, the outstanding amount owed by IECSB to OISB is offset against the amount owing and a 100% credit notes equivalent to the purchase price were issued to OISB. However, since the ASTA Project was taken over by SCSB via a Sale and Purchase Agreement dated 9 January 2023 ("SPA") and Power of Attorney dated 10 January 2023 duly registered in the High Court, SCSB has cancelled the credit notes and issued new credit and debit notes based on the actual progress billings.

Under the OS, OISB is seeking for, among others, declaration that the 100% credit notes were wrongly cancelled by SCSB and SCSB is holding the units on trust for OISB.

SCSB has filed and served its Affidavit in Reply on 7 September 2023 which thereafter was replied by OISB vide their Affidavit in Reply on 29 September 2023.

Vide a letter dated 5 October 2023, the liquidator of IECSB is intending to invoke Section 528 of the Companies Act 2016 in declaring the SPA void and thus, ASTA Project will fall back under the jurisdiction of IECSB. Premised on the same, SCSB will be filing for an application to strike out the OS.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial year ended 30 June 2023 as SCSB will no longer be part of the suit.

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Practice Note 17 (“PN17”) Issuer

On 28 February 2022, the Company had triggered the prescribed criteria under Paragraph 2.1(e) of the Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the shareholders' equity of the Group is 50% or less than its share capital. The Board has appointed KAF Investment Bank Berhad (“KAF”) as the Principal Adviser to assist the Company in the formulation of the regularisation plan.

On 31 March 2023, the Company has obtained approval from Bursa Securities for the extension of time until 31 August 2023 to submit its regularisation plan.

On 30 August 2023, the Company submitted an application for a further extension of time to Bursa Securities.

(b) Liquidation of a subsidiary, Ireka Engineering & Construction Sdn. Bhd. (“IECSB”) (in liquidation)

On 5 August 2022, the Board of Directors of the Company announced that IECSB’s Interim Judicial Manager (“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 Judicial Management Originating Summons (“JM OS”). The JM OS has been rescheduled for hearing on 3 November 2022.

On 9 January 2023, IECSB has filed a notice to discontinue the JM OS in the High Court of Malaya at Kuala Lumpur.

On 27 March 2023, the High Court of Malaya in Kuala Lumpur approved the appointment of an Interim Liquidator for IECSB.

On 11 May 2023, the Interim Liquidator was officially appointed as the Liquidator of IECSB.

The effects of deconsolidation of IECSB is disclosed in Note 8(a).

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (continued)

(c) Disposal of investment properties

On 26 October 2022, a wholly-owned subsidiary of the Company, Ireka Commercial Sdn. Bhd. had entered into a Sale and Purchase Agreement with a third party for the proposed disposal of investment properties for a total consideration of RM11.0 million ("Disposal Consideration"). The Disposal Consideration was arrived on a 'willing-buyer willing seller' basis after taking into consideration the indicative market value of the particular investment properties as assessed by a third party registered valuer. The transaction was duly completed on 8 February 2023.

(d) New projects

(i) On 3 November 2022, a wholly-owned subsidiary of the Company, Ireka Properties Sdn. Bhd. (formerly known as Ireka Development Management Sdn. Bhd.) accepted a Letter of Award from Wakaf Pulau Pinang Sdn. Bhd., a representative of Majlis Agama Islam Negeri Pulau Pinang, to jointly develop a piece of land measuring approximately 12.5 acres located in Seberang Perai Tengah, Pulau Pinang ("the Project"). The estimated gross development value ("GDV") of the Project is approximately RM67.8 million.

(ii) On 28 August 2023, a wholly-owned subsidiary of the Company, Shoraka Power Sdn. Bhd. entered into a Joint Venture Agreement with E&H Energy Sdn. Bhd. to explore various energy-related business, in particular the business of supplying liquefied natural gas to various potential buyers or users in Malaysia.

(iii) On 29 August 2023, Regal Variety Sdn. Bhd., a wholly-owned subsidiary of Ireka Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company entered into a Joint Venture Agreement with Elay Project Sdn. Bhd. (formerly known as Khalaz Inspired Sdn. Bhd.) to co-develop a proposed mixed development consisting of 22 & 23 storey tower of apartments comprises 661 units, 48 retail units and 114 office units on a piece of land known as Serika Kajang. The estimated GDV of the development is approximately RM310.0 million.

41. COMPARATIVE FIGURES

In the previous 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 year.

42. 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 period. 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 year is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loans and borrowings	75,882,854	103,517,858	67,608,000	67,608,000
Lease liabilities	6,554,892	8,213,882	6,468,001	8,085,705
Hire purchase payables	150,170	304,410	150,170	233,918
Trade and other payables	97,277,475	232,331,354	32,997,455	25,708,364
	179,865,391	344,367,504	107,223,626	101,635,987
Less: Deposits, cash and bank balances	(6,560,485)	(18,499,444)	(3,230,740)	(10,344,315)
Net debts	173,304,906	325,868,060	103,992,886	91,291,672
(Capital deficiency)/ Total equity	(44,914,049)	(107,441,394)	(11,490,243)	51,801,928
Debt-to-equity ratio	*	*	*	1.76

* Not meaningful as the Group and the Company in capital deficiency position.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL** and **CHAIRIL BIN MOHD TAMIL**, 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 2023 and of their financial performance and cash flows for the financial year ended 30 June 2023.

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

DATUK MOHD HASNUL ISMAR BIN MOHD ISMAIL
Director

CHAIRIL BIN MOHD TAMIL
Director

Date: 31 October 2023

STATUTORY DECLARATION

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

I, **ISKANDAR SHAM BIN ABD RASAP**, being the officer 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.

ISKANDAR SHAM BIN ABD RASAP
(MIA Membership No: 14948)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 31 October 2023.

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 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 30 June 2023 and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 203.

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) As at 30 June 2023, the Group's and the Company's current liabilities exceeded their current assets by RM48,719,677 and RM35,036,258 respectively, and the Group and the Company recorded a capital deficiency of RM44,914,049 and RM11,490,243 respectively.

   (b) On 28 February 2022, the Company had triggered the prescribed criteria under Paragraph 2.1(e) of the Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the shareholders' equity of the Group is 50% or less than its share capital. On 31 March 2023, the Company has obtained approval from Bursa Securities for the extension of time until 31 August 2023 to submit its regularisation plan. On 30 August 2023, the Company submitted an application for a further extension of time to Bursa Securities.

Basis for Disclaimer of Opinion (continued)

1. (continued)

   (c) As detailed in Note 23(e) to the financial statements, during the financial year, Hong Leong Bank Berhad and Ambank (M) Berhad have filed a Writ of Summons and Statement of Claim against Ireka Engineering & Construction Sdn. Bhd. (in liquidation) as the first defendant and the Company as the second defendant.

   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 Group has secured several new projects subsequent to the financial year end as disclosed in Note 40(d) to the financial statements.

   The Board of Directors of the Company are of the opinion that the Group and the Company will be able to continue as going concerns for the foreseeable future. The ability of the Group and of the Company to continue as going concerns is dependent on:
   (i) the timely formulation and successful implementation of the Group's Proposed Regularisation Plan to regularise its financial conditions to address the Group's PN17 condition;
   (ii) the ability of the Group and the Company to generate sufficient cash flows to meet the obligations of the Group and of the Company;
   (iii) the continuous supports from the financial institutions and creditors; and
   (iv) continuous effort in securing profitable projects which include actively seek out potential partners for joint ventures and tendering of new 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.

   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.

Basis for Disclaimer of Opinion (continued)

2. (i) As disclosed in Note 39(a) to the financial statements, on 21 October 2022, ASPL M9 Limited ("ASPL") has filed a Writ of Summons and Statements of Claim ("the Writ") against the Company.

The Writ's cause of action arose from a Joint Venture Agreement dated 31 December 2009 ("JVA"). The JVA was entered by ASPL, the Company and Urban DNA Sdn. Bhd. ("UDNA") with the primary objective of overseeing the development of the RuMa Project ("the Project"), whereby UDNA will be the developer of the Project, with the shareholding ratio of 70% to the ASPL and 30% to the Company. It was also alleged under the Writ that the ASPL and the Company, had on the same date entered into an unwritten Joint Venture Agreement ("Unwritten JVA") on equivalent terms to the JVA.

ASPL's claims includes the following:-
(i) The sum of RM51,080,342 being the Company's obligation under the JVA and the Unwritten JVA;
(ii) The sum of RM31,952,270 being the outstanding interest due under the JVA and Unwritten JVA; and
(iii) The sum of RM14,880,705 together with interest thereon at the rate of 8% per annum from the date of judgment to the date of full payment.

On 7 September 2023, mediation was held and no further date was fixed as mediation was deemed unsuccessful. Case Management is fixed on 23 November 2023 and trial dates is fixed in January 2024.

The directors are of the view that no provision is required to be made in the financial statements at this juncture as the amount of the obligation cannot be measured with sufficient reliability given that the matter is currently awaiting court's proceedings and subject to a full trial.

(ii) As disclosed in Note 15(f) to the financial statements, as at 30 June 2023, included in other receivables of the Group and the Company is an amount owing by Aseana Properties Limited of RM1,235,517.

As at 30 June 2023, amounts owing by associates of the Group and the Company amounted to RM3,740,096 and RM3,719,158 respectively.

The directors are of the view that no impairment is required for the amount owing by Aseana Properties Limited and amounts owing by associates.

We were unable to obtain sufficient appropriate audit evidence on the effect of the litigation and the recoverability of the amount owing by Aseana Properties Limited and amounts owing by associates. Therefore, we could not determine the effect of adjustments, if any, on the financial statements of the Group and of the Company respectively.

Basis for Disclaimer of Opinion (continued)

3. As disclosed in Note 8(a)(ii) to the financial statements, the financial statements of Ireka Engineering & Construction Sdn. Bhd. (in liquidation) were deconsolidated as a result of loss of control upon the appointment of interim liquidator on 27 March 2023. The loss of the subsidiary from the beginning of current financial year up to the date of appointment of interim liquidator of RM11,329,771 and the gain on derecognition of the subsidiary amounting to RM133,255,432 was accounted for using the unaudited management financial statements of the said subsidiary as at the date of derecognition. No audited financial statement of the said subsidiary is available as the subsidiary is in liquidation.

   We were unable to obtain sufficient appropriate audit evidence on the loss from the subsidiary of RM11,329,771 and gain on deconsolidation of the subsidiary amounting to RM133,255,432. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group.

4. Our auditors' report on the financial statements for the financial period ended 30 June 2022 included a disclaimer of opinion as we were unable to obtain sufficient appropriate audit evidence on the use of the going concern basis in the preparation of the financial statements of the Group and of the Company and trade and other payables balances of a subsidiary, Ireka Engineering & Construction Sdn. Bhd. (in liquidation) of RM104,230,522 and RM24,315,564 respectively.

   Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the corresponding figures.

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.

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.

(iii) we have not obtained all the information and explanations that we required.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2024 J
Chartered Accountant

Kuala Lumpur

Date: 31 October 2023

ANALYSIS OF SHAREHOLDINGS

As at 16 October 2023

Distribution of Shareholdings

Size of holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 to 99	71	3.448	1,403	0.001
100 to 1,000	619	30.063	535,388	0.235
1,001 to 10,000	1,015	49.296	4,304,677	1.890
10,001 to 100,000	290	14.085	8,318,404	3.652
100,001 to 11,389,187 (*)	61	2.963	46,940,678	20.608
11,389,188 and above (**)	3	0.146	167,683,200	73.615
Directors' Shareholdings	0	0.000	0	0.000
Total	**2,059**	**100**	**227,783,750**	**100**

REMARK: * LESS THAN 5% OF ISSUED SHARES
** 5% AND ABOVE OF ISSUED SHARES

Directors' Shareholdings

Board of Directors	Direct Interest No. of shares	%	Indirect Interest No. of shares	%	Total %
YBhg Tan Sri Dato' Mohd Ismail bin Che Rus (Chairman)	-	-	-	-	-
YBhg Datuk Mohd Hasnul Ismar bin Mohd Ismail (*)	-	-	48,050	0.02	0.02
Chairil bin Mohd Tamil	-	-	-	-	-
Chow Sung Chek Simon	-	-	-	-	-
YBhg Dato' Azmi bin Abdullah	-	-	-	-	-
Shahruladeri bin Mohd Adnan	-	-	-	-	-
YM Raja Azura Binti Raja Mahayuddin	-	-	-	-	-
Total	**0**	**0.00**	**48,050**	**0.02**	**0.02**

(*) Interest held through Shoraka Capgroup Sdn Bhd

Substantial Shareholders' Holdings

Names of Substantial Shareholders	No. of Holdings	%
Koperasi Permodalan Felda Malaysia 2 Berhad	62,875,400	27.603
Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Kenanga Investors Bhd	55,929,700	24.554
Maybank Nominees (Tempatan) Sdn Bhd Exempt An For Kenanga Investors Bhd (Clients' Account)	48,878,100	21.458
Total	**167,683,200**	**73.615**

Thirty (30) Largest Shareholders

NO.	NAME	HOLDINGS	%
1	KOPERASI PERMODALAN FELDA MALAYSIA 2 BERHAD	62,875,400	27.603
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	55,929,700	24.554
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD (CLIENTS' ACCOUNT)	48,878,100	21.458
4	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KUAN TECK	6,441,800	2.828
5	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO ' CHANG LIK SEAN	5,609,700	2.463
6	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA ISLAMIC FUND	2,800,000	1.229
7	MV TECHNOLOGY SDN. BHD.	2,566,800	1.127
8	MV CONSOLIDATED SDN BHD	2,230,000	0.979
9	MAYBANK NOMINEES (ASING) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD (CLIENTS' ACCOUNT) (426791)	2,121,900	0.932
10	AGENSI PEKERJAAN KEMBARA MESRA SDN. BHD.	2,042,000	0.896
11	KWOK YOKE HOW	1,742,603	0.765
12	TEOH HOOI LEE	1,600,000	0.702
13	SAPIAH @ SAFIAH BINTI HUSSIN	1,500,000	0.659
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR TA DANA OPTIMIX	1,300,000	0.571
15	ABDULLAH BIN YUSOF	1,025,000	0.450
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD JOHAR BIN AMAT	1,000,000	0.439
17	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	1,000,000	0.439
18	MUHAMMAD SYUKRI BIN SULAIMAN	930,000	0.408
19	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR TA SMALL CAP FUND	900,000	0.395
20	TAN HWA LING @ TAN SIEW LENG	834,800	0.366
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR JOO GUAN	810,200	0.356
22	LOW LAY MOOI	550,600	0.242
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOON MUI YEN @ SOON NYUK HEN (8037621)	489,000	0.215
24	ZAMRI BIN MOHAMAD	453,500	0.199
25	SEOW GIM BENG	443,600	0.195
26	CHUA HANXI (CAI HANXI)	400,000	0.176
27	CHEN TSE PENG	390,000	0.171
28	TEH SITT MENG	367,650	0.161
29	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SOO HAR @ CHAN KAY CHONG	361,625	0.159
30	TAN GUAT HOON	360,000	0.158
	Total	**207,953,978**	**91.294**

LIST OF MATERIAL PROPERTIES

As at 30 June 2023

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	999,431	Residential land for development	N/A	21,325,455	2011
2	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	16	11,965,000	2007
3	Lot 8850, Mukim of Kajang Daerah Ulu Langat Selangor Darul Ehsan	Freehold	220,790	Agricultural land for future development	N/A	7,086,848	2011
4	GRN 280415, Lot 3911 Mukim Sungai Gumut Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	44,476	Homestead for investment	N/A	439,570	1995
5	GRN 280622, Lot 4019 Mukim Sungai Gumut Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	46,368	Homestead for investment	N/A	278,208	2002
6	Lot PT 2396 Mukim Kuala Kalumpang Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	7,180	Bungalow lot for investment	N/A	179,625	2002
7	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong Johor Darul Takzim	Freehold	824	Walk-up flat for investment	36	22,248	1987

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 47th Annual General Meeting of Ireka Corporation Berhad ("**ICB**" or "**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 Tuesday, 5 December 2023 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 Year Ended 30 June 2023 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 RM288,000 for the period commencing 6 December 2023 until the conclusion of next Annual General Meeting. **Ordinary Resolution 1** *(Please refer to Explanatory Note 2)*

3 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. Tan Sri Dato' Mohd Ismail bin Che Rus **Ordinary Resolution 2**
b. Shahruladeri bin Mohamad Adnan **Ordinary Resolution 3**
(Please refer to Explanatory Note 3)

4 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 Annual General Meeting of the Company at a remuneration to be fixed by the Directors. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:

5 **Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and Waiver of Pre-emptive Rights pursuant to Section 85 of the Act** **Ordinary Resolution 5** *(Please refer to Explanatory Note 4)*

THAT subject to Sections 75 and 76 of the Act and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at any point in time.

THAT approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be first offered new ICB Shares ranking equally to the existing issued ICB Shares pursuant to Section 85 of the Act read together with Clause 10 of the Constitution of the Company ("Waiver of Pre-emptive Rights").

THAT the Company is exempted from the obligation to offer new ICB Shares first to the existing shareholders of the Company in respect of the issuance and allotment of ICB Shares.

THAT the Directors and/or the Company Secretary be hereby authorized to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Waiver of Pre-emptive Rights for and on behalf of the Company.

6 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)
Company Secretary

Kuala Lumpur
31 October 2023

EXPLANATORY NOTES

1 Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 30 June 2023

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- 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	From 6 December 2023 until the conclusion of the next Annual General Meeting ("AGM")
Fees	RM233,000
Benefits : Board/Board Committee	RM55,000

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.

3 Ordinary Resolution 2 and 3 - Re-election of Directors

Clause 102 of the Company's Constitution states that all Directors shall retire from office at least once in every three (3) periods, but shall be eligible for re-election. Clause 103 of the Company's Constitution provides that an election of Directors shall take place each period. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

YBhg Tan Sri Dato' Mohd Ismail bin Che Rus and Shahruladeri bin Mohamad Adnan are retiring pursuant to Clause 102 of the Company's Constitution, and being eligible, have 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 profile is provided on page 15 and 18 of the Annual Report.

4 Ordinary Resolution 5 - Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights.

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.

At last year's AGM, a mandate was given to Directors to issue and allot new shares not exceeding 20% of the total number of issued shares up to 31 December 2022 and thereafter, not exceeding 10% of the total number of issued shares pursuant to the General Mandate which will continue to be in force until the conclusion of the forthcoming 47th AGM.

The Company further obtained its shareholders' approval through an Extraordinary General Meeting held on 19 January 2023, to waive their pre-emptive rights to be offered any new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to the General Mandate under Section 85 of the Act and Clause 10 of the Company's Constitution. That authority granted will expire at the conclusion of the forthcoming 47th AGM.

As such, the Board would like to seek a new mandate. The Ordinary Resolution 5 is proposed pursuant to Sections 75 and 76 of the Act, and if passed, will give the Directors of the Company, the authority to issue and allot not exceeding 10% of the total number of issued shares of the Company for purpose of funding current/ future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. By voting in favour of this proposed Ordinary Resolution 5, the shareholders of the Company will be waiving their statutory pre-emptive rights under Section 85 of the Act and will allow the Directors to issue shares to any person without having to offer the new shares to all existing shareholders of the Company prior to the issuance of the new 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.

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 **27 November 2023** 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 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

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

1. Directors who are standing for re-election at the 47th Annual General Meeting.

The profiles of the Directors who are standing for re-election are set out on pages 15 and 18 of this Annual Report. Details of their interests in the securities of the Company are set out on page 212 of this Annual Report.

2. Statement relating to general mandate for the 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 47th Annual General Meeting.

PROXY FORM

No. of Shares Held	CDS Account No.

IREKA CORPORATION BERHAD
Registration No. 197501004146 (25882-A)
(Incorporated in Malaysia)

I/We, ____ NRIC/Passport/Company No. ______________________
of ____
being a member of Ireka Corporation Berhad, hereby appoint the following person(s) as my/our proxy:

<table>
<tr><td rowspan="3">Proxy 1</td><td>Full name</td><td></td><td colspan="2">NRIC/Passport No.</td><td rowspan="2">No. of shares to be represented</td><td>Percentage</td></tr>
<tr><td>Address</td><td colspan="3"></td><td>%</td></tr>
<tr><td>Email address</td><td></td><td>Contact No.</td><td></td><td colspan="2"></td></tr>
<tr><td rowspan="3">Proxy 2</td><td>Full name</td><td></td><td colspan="2">NRIC/Passport No.</td><td rowspan="2">No. of shares to be represented</td><td>Percentage</td></tr>
<tr><td>Address</td><td colspan="3"></td><td>%</td></tr>
<tr><td>Email address</td><td></td><td>Contact No.</td><td></td><td colspan="2"></td></tr>
</table>

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 47th 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 **Tuesday, 5 December 2023 at 10.30 a.m**. and at any adjournment thereof, on the following resolutions as set out in the Notice of the 47th AGM:

Resolutions		For	Against
Ordinary Resolution 1	To approve the payment of Directors' fee and benefits of RM288,000 for the period commencing 6 December 2023 until the conclusion of next Annual General Meeting.		
Ordinary Resolution 2	To re-elect YBhg. Tan Sri Dato' Mohd Ismail bin Che Rus as a Director of the Company		
Ordinary Resolution 3	To re-elect Shahruladeri bin Mohamad Adnan as a Director of the Company		
Ordinary Resolution 4	To re-appoint Messrs. Baker Tilly Heng Monteiro PLT as Auditors of the Company		
Ordinary Resolution 5	To propose the renewal of authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights pursuant to Section 85 of the Act		

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 _______________ 2023

Notes:

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.*

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Notes: (Cont'd)

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://www.boardroomlimited.my 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 27 November 2023 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.*

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 2023.

Please fold here to seal

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

Please fold here to seal

IREKA

IREKA CORPORATION BERHAD
197501004146 (25882-A)

Level 18, Wisma Mont' Kiara
No. 1, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur, Malaysia

Tel: +603 6411 6388
Fax: +603 6411 6383
Email: enquiry@ireka.com.my

www.ireka.com.my

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