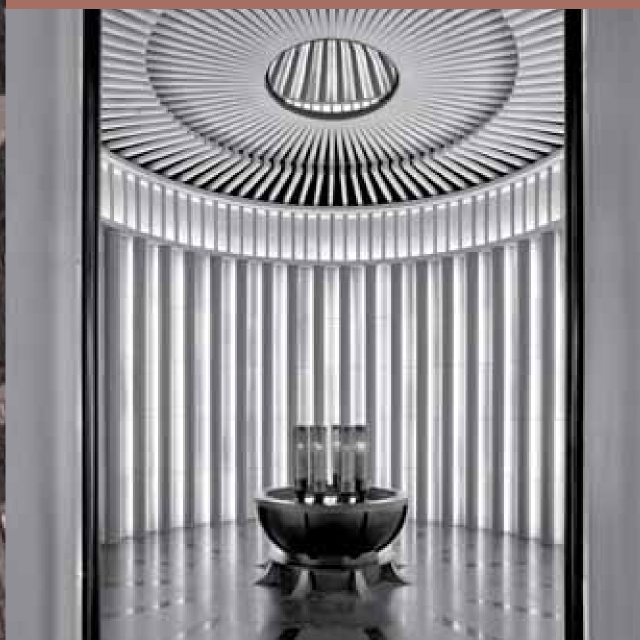


IREKA

ANNUAL REPORT 2019

Ireka remains steadfast and assured in its core businesses that include construction, technologies and hospitality; and exemplified by the successful opening of Kuala Lumpur's landmark The RuMa Hotel and Residences, the only hotel in the city to join The Leading Hotels of the World (LHW). The RuMa Hotel and Residences is one of several projects that ensures Ireka's continual presence and impact in Malaysia's construction and property industries.

ABOUT IREKA

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

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

Today, Ireka Group is actively involved in three core businesses: Infrastructure, Real Estate and Technologies, spreading its wings in both Malaysia and Vietnam.

THE RUMA HOTEL AND RESIDENCES

...IN TRUSTED HANDS

VISION

TO BE A PROGRESSIVE AND GLOBALLY-FOCUSED CORPORATION WHICH PRIDES ITSELF ON PROVEN TRACK RECORD IN PERFORMANCE, RELIABILITY, EXCELLENCE IN QUALITY AND CREATIVITY IN ALL PRODUCTS AND SERVICES OFFERED.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Datuk Lai Siew Wah

Managing Director
Datuk Lai Voon Hon

Deputy Managing Director
Lai Voon Huey, Monica

Executive Directors
Tan Thiam Chai
Chan Chee Kian

Non-independent Non-executive Director
Datuk Lai Jaat Kong @ Lai Foot Kong

Independent Non-executive Directors
Haji Mohd. Sharif bin Haji Yusof
Hoe Kah Soon
Dato' Azmi bin Abdullah

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Haji Mohd. Sharif bin Haji Yusof
Tel : +603-6411 6388
Fax : +603-6411 6383
Email : mohdsharif@ireka.com.my

AUDIT COMMITTEE

Chairman
Haji Mohd. Sharif bin Haji Yusof

Members
Hoe Kah Soon
Dato' Azmi bin Abdullah

COMPANY SECRETARY

Wong Yim Cheng (MAICSA 7008092)

COUNTRY OF DOMICILE & INCORPORATION

Malaysia

LEGAL STATUS

Public listed company limited by shares

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 (378993-D)
(Formerly known as Symphony Share Registrars Sdn Bhd)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7849 0777
Fax : +603-7841 8151/8152

STOCK EXCHANGE LISTING

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

AUDITORS

RSL PLT (Audit Firm No. 0071)
29A, Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
Sabah Development Bank Berhad
United Overseas Bank (M) Berhad

CHAIRMAN'S STATEMENT

2018 was a challenging year on both global and domestic fronts. Global financial and commodity markets remained jittery as a result of the on-going trade tension between the world's two largest economies, China and the United States, distraught geopolitical instability in the Middle East, economic headwinds as well as various risks which intensified market volatility and uncertainty. In Malaysia, despite the high expectation following the historic change in Goverment, the domestic economy generally remained subdued, with a challenging property market and cautious consumer sentiment.

On the back of the subdued economic environment, Ireka Corporation Berhad's ('Ireka' or 'the Group') revenue decreased from RM268.8 million to RM200.1 million in financial year ended 31 March 2019 ('FY2019'), a drop of 25.6% as compared to the previous year, largely due to a decrease in the volume of work completed by the Infrastructure Division's construction unit. The Group recorded an operating loss of RM19.9 million as compared to an operating loss of RM13.0 million in financial year ended 31 March 2018 ('FY2018'). Moreover, the finance cost of RM6.1 million together with the share of increased losses of an associated company, Aseana Properties Limited ('Aseana Properties' or 'Aseana') of RM2.6 million has further exacerbated the Group's losses for the year to RM29.1 million as compared to a loss of RM16.0 million in the previous year. The Group has adopted MFRS 15 'Revenue from Contracts with Customers' with a date of initial application of 1 April 2018 and its adoption has an impart on the timing at recognition of revenue and profit for the Group's construction segment, property development segment and share of results of associates.

Nevertheless, infrastructure developments in Malaysia continue to serve as a growth catalyst for both the real estate and construction sectors. Over the past few years, mega infrastructure projects commenced under the 11th Malaysia Plan ('11MP') (2016-2020) dominated the activities of the construction sector. For instance, the Mass Rapid Transit Line 2 ('MRT2') and Light Rail Transit 3 ('LRT3') are both on track and are expected to be operational in Q3 2021 and Q1 2024 respectively. The revival of the East Coast Rail Link ('ECRL') project has spread positive sentiment in the market which will likely bolster the Ringgit and the local construction sector.

On the construction front, the Group's order book stood at RM621.7 million as at 30 April 2019, of which RM363.1 million is completed, leaving an outstanding order book of RM258.6 million. In supporting the Group's Real Estate Division's activities, Ireka Engineering & construction Sdn Bhd ('IECSB') has also planned for a number of internal projects with a total construction value of RM599.0 million to take place in the next 2 years. Upon the implementation of these internal projects, The Group's outstanding order book will increase to approximately RM857.0 million. Given the current economic and market conditions, the Group will continue to seek opportunities, both in the public and private sectors, to replenish its order book, albeit on a cautious basis to minimize the risks of an uncertain economy in the short to medium term.

Meanwhile, the Malaysian Government has introduced a RM500.0 million Public Transportation Fund as part of the Government's initiative to enhance and improve the country's existing public transportation system, including infrastructure and services, in particular the last mile connection. The fund is to be used by the transport operators to improve their services for public convenience and to purchase more vehicles such as taxis, busses and other types of public transport. In line with the Government's effort to increase the utlisation of public transport, Ireka is venturing into the urban transportation sector in various cities throughout the country, in collaboration with Shanghai-based CRRC Urban Traffic Co Ltd ('CRRC UT'). The collaboration focuses on projects in urban rail traffic solutions and infrastructure which include super capacitor and battery-powered electric buses ('E-Buses') as well as the Autonomous-Rail Rapid Transit ('ART') vehicles, which integrates conventional tram technology with leading-edge rail-less and autonomous driving technology. Ireka is confident that the Group will secure projects related to E-Buses and ART as several States have expressed their keen interest in these new and environmentally friendly last mile connections.

During the year under review, Malaysia's property market remained weak and challenging, with slow market activities. Nonetheless, the property market is believed to be picking up, albeit at a slower pace. The Malaysian banks approved approximately RM133.0 billion worth of housing mortgages to more than 350,000 borrowers throughout the country, of which 69% of the housing loan borrowers were first-time homebuyers of properties priced below RM500,000. The overall housing loan approval rate was 71.3% as compared to 73.0% recorded in 2017. Furthermore, the Government has announced various key initiatives to stimulate the economy which include allocation of funds to build affordable houses, assistance for first-time homebuyers, stamp duty exemptions and property crowdfunding to spur demand in the property market. In line with the Government's efforts to encourage developers to build affordable houses, Ireka, through Meadowfield Sdn Bhd, a joint-venture company with Osaka-based Hankyu Hanshin Properties Corporation ('Hankyu Hanshin'), the property arm of Japanese conglomerate Hankyu Hanshin Holdings Inc, launched , Dwi@Rimbun Kasia ('Dwi') in December 2018. This project aims to attract the medium-end market. Dwi is part of the Rimbun Kasia project in Nilai which has an overall Gross Development Value ('GDV') of over RM1.3 billion. The Development encompasses a commercial and five residential projects on a 30.56-acre piece of land. The Group is also currently working on launching Rintik@Rimbun Kasia ('Rintik') – a 465-unit apartment project with GDV of RM264.0 million. The concept of this project is a combination of both Ireka's zenZ brand and Hankyu Hanshin's Geo brand. Ireka is looking forward to forming a long-term collaboration with Hankyu Hanshin to develop other medium-end residential homes to serve the Nilai community in future.

In December 2018, Ireka and Cosmos Plan Sdn Bhd ('Cosmos'), a Japanese-focused property management company, have entered into an agreement to jointly manage KaMi Mont' Kiara Residences ('KaMi'), a 168-unit serviced apartment project located in the heart of Mont' Kiara. KaMi has successfully achieved 80% take up rate to-date. Through the joint venture, Ireka and Cosmos have formed a management company, KaMi Management Service Sdn Bhd on a 51:49 basis to manage the marketing activities, leasing and maintenance of the residences at KaMi Mont' Kiara. The Group is confident that the collaboration with Cosmos will deliver quality services to the property buyers and investors.

On 22 March 2019, Ireka's 23%-owned associated company, Aseana Properties ('Aseana' or 'ASPL') , announced that Ireka Development Management Sdn Bhd ('IDM'), had terminated its contract as the Development Manager under the Management Agreement. IDM has said that the resignations is to avoid any perception of conflict between IDM's role as Development Manager and Ireka's position as a substantial shareholder of Aseana. Following the resignation of IDM, Aseana has announced the appointment of a Chief Executive Officer ('CEO'), with effect from 3 June 2019. The CEO's main roles are to oversee the operations of Aseana and lead the orderly disposal of the Company's remaining assets. Aseana has outsourced several functions within Aseana to IDM which includes accounting and company secretarial in order to ensure a smooth transition, and to avoid any operational disruption

Ireka Group's Information Technology businesses, both i-Tech Network Solutions Sdn Bhd ('i-Tech') and iTech ELV Solutions Sdn Bhd ('iTech ELV') continued to operate under a competitive environment and were impacted by the relatively soft economy. i-Tech has delivered a moderate performance during the financial year under review, which was mainly attributable to the refocusing of i-Tech as a Cloud Managed Service Provider. This has enabled i-Tech to optimise operational efficiency, leading to improved cost efficiency. Nevertheless, the Technologies Division will continue its business strategy as a Cloud Managed Service Provider.

On behalf of the Board of Directors, I would like to thank our management team and all employees for their dedication and contributions towards another significant year for Ireka. I wish to extend my gratitude to all stakeholders comprising shareholders, customers, business partners, bankers and Government authorities for their trust and continued support rendered to Ireka. Lastly, I believed the Group is well positioned to undertake new challenges and I am confident that, with the Group's strategic plans firmly in place, the Group will continue to grow its businesses in medium to long term.

DATUK LAI SIEW WAH
Executive Chairman
16 July 2019

MANAGEMENT DISCUSSION & ANALYSIS

GROUP PERFORMANCE REVIEW

Ireka Corporation Berhad ('Ireka' or 'the Group') recorded revenue of RM200.1 million for the financial year ended 31 March 2019 ('FY2019'), a decrease of 25.6% compared to financial year ended 31 March 2018 ('FY2018'). The drop in revenue is mainly due to the completion of certain major construction and development projects during the year while the new construction and development projects are still at their initial stages of construction. The Infrastructure Division through its construction activities remained the key driver of the Group's operations and accounted for approximately 75.9% of the Group's total revenue, while the revenue from the Real Estate Division and Trading and Services Division accounted for the remaining 19.0% and 5.1% respectively.

The Group registered losses of RM28.7 million for FY2019 compared to pre-tax losses of RM15.8 million in FY2018, mainly due to significant reduction in construction revenue while its overhead and operating costs remained high during the year. In addition, the reduction in management fees earned from Aseana Properties Limited ('Aseana' or 'ASPL') following the management agreement's restructuring between ASPL and Ireka Development Management Sdn Bhd ('IDM') also contributed to the overall losses. During the year under review, the share of ASPL losses registered was RM2.6 million. This was mainly attributed to pre-opening expenses of The RuMa Hotel and Residences, as well as operating losses and financing costs of City International Hospital ('CIH'), Harbour Mall Sandakan ('HMS') and Four Points by Sheraton Sandakan Hotel ('FPSS').

The Group's total assets as at 31 March 2019 stood at RM485.2 million, which is RM13.1 million lower than the previous financial year. Total liabilities of the Group decreased from RM350.8 million in FY2018 to RM340.4 million in FY2019 translating to net assets per share of RM0.80.

Moving forward, the Group will continue to develop its three core businesses of Infrastructure, Real Estate and Technologies, as well as the recently established urban transportation business segment all part of its mid to long-term growth strategy.

INFRASTRUCTURE DIVISION PERFORMANCE REVIEW

The Malaysian construction sector registered a moderate growth of 5.1% in 2018 (2017: 6.7%) with the value of work done recorded at RM145.5 billion, compared to RM138.5 billion registered in the previous year. Growth in the construction sector is expected to slow down in 2019, due to the soon-to-be completed large petrochemical projects in the civil engineering sub-sector coupled with the property overhang situation. The continued progress of large transportation and utility projects will provide support to the sector's growth. The residential and non-residential sub-sectors, however, are expected to remain subdued amid the oversupply of residential and commercial properties.

After a series of reviews and renegotiations, the Government has recently announced the revival of mega infrastructure projects such as the East Coast Rail Link ('ECRL') and the Bandar Malaysia development. These resurrections are seen to be the catalyst for growth to the construction sector which will benefit local rail-based construction and property development companies, create a spillover effect for local port operators and potentially open up corridors for property development routes.

The revenue from the Group's construction arm, Ireka Engineering & Construction Sdn Bhd ('IECSB'), decreased by 34.3% to RM151.9 million from RM231.3 million in FY2018 as a result of the completion of several key projects. During FY2019, IECSB successfully completed KL Eco City Office Tower 2 in July 2018 followed by the completion of The RuMa Hotel and Residences in September 2018, and the refurbishment and improvement of two hospital blocks in Pantai Hospital Kuala Lumpur in October 2018.


PANTAI HOSPITAL AYER KEROH

KAMI MONT' KIARA RESIDENCES

IECSB's order book currently consists of building projects ranging from residential, industrial and private hospital. The Group's total construction order book as at 30 April 2019 stood at RM621.7 million, of which RM258.6 million remained outstanding. The Group anticipates commencement of six internally generated projects over the next two years, which when implemented, would add another approximately RM599.0 million to the order book.

The Group is actively seeking opportunities to grow its order book to ensure sustainable earnings in the coming years. Concurrently, the Infrastructure Division has implemented several strategic initiatives which include use of Information and Communications Technology ('ICT') to improve efficiency and to lower overhead and operating cost. Based on the Group's track record and experience, the targeted potential projects will include commercial and Government buildings such as private and public hospitals, as well as civil engineering works from the various infrastructure projects being implemented across Malaysia.

REAL ESTATE DIVISION PERFORMANCE REVIEW

Generally, the Malaysian property market continued its softening trend in 2018 due to various factors such as macroeconomic uncertainties and weak consumer sentiment in the country. Ongoing trade disputes between the world's biggest economies continue to raise concerns, with potential impact on global economic growth. Locally, challenges such as stringent lending policies, development approval freeze by the Government on selected commercial and high-end residential development, property overhang and price unaffordability continue to dampen the property market. Furthermore, several measures introduced in Budget 2019 including upward revision in the rates of the Real Property Gains Tax and Stamp Duty have impacted the sector's prospects of recovery due to higher acquisition and disposal costs for property transactions.

On its property business front, the construction of the Group's eighth 'i-Zen' brand development, the KaMi Mont' Kiara Serviced Residences, is progressing well. KaMi Mont' Kiara, featuring a low density of 168 units, with a Japanese-inspired design has achieved a commendable

ASTA ENTERPRISE PARK, KAJANG

DWI@RIMBUN KASIA, NILAI

take-up rate of over 80% (as at 30 June 2019) following its official launch in June 2018. The project is slated for completion in year 2021.

Over the year, the Group continues its development of the Asta Enterprise Park in Kajang, a 31.5-acre freehold industrial development located to the south of Kuala Lumpur. The project consists of industrial lots, semi-detached and detached light industrial factories in a guarded development. Phase One of the development comprising 18 units are approximately 83% sold to-date, and is targeted to complete in Q4 2019. Sale and construction of Phase Two, which also consists of another 18 units, are expected to commence in Q3 2019.

Over in Nilai, Negeri Sembilan, the Group and Hankyu Hanshin Properties Corporation ('Hankyu Hanshin'), one of the largest developer in Osaka, are jointly developing the Rimbun Kasia project with an initial Gross Development Value ('GDV') of over RM400.0 million over its first two phases. Rimbun Kasia is a new residential enclave covering five phases of residential projects, and one phase of commercial project, over a 30.56-acre piece of land located in the town of Nilai. Dwi@Rimbun Kasia, the first project between Ireka and Hankyu Hanshin was successfully launched in December 2018. Dwi@Rimbun Kasia consists of 382 residential units in a 9-storey block with sizes ranging from 650 square feet to 980 square feet. Construction of Dwi@Rimbun Kasia is currently underway and is slated for completion by end year 2020. In addition to Dwi@Rimbun Kasia, another parcel of residential land, which will blend the essence of both the zenZ brand and Hankyu Hanshin's Geo brand, is currently at its design planning stage. This collaboration is in line with the Government's effort to develop affordable and practical housing as both zenZ brand and Geo brand are focused on developing quality medium-end residential homes.

In the coming year, the Group will be finalising the development planning for Serika Residences, a project featuring 608 units of high-rise apartments. Serika Residences is positioned as a new urban resort serviced residence under the Group's mid-market brand, 'zenZ'. The project is expected to be launched in 2021, subject to favourable market conditions at that point in time.

Meanwhile, Ireka Development Management Sdn Bhd ('IDM') had in March 2019, submitted notice to terminate its appointment under the Management Agreement. The resignation was subject to a notice period, which expired on 30 June 2019, to allow for an orderly transition of operations currently carried out by IDM to ASPL management. Ireka remains the largest shareholder of ASPL, holding approximately 23.1% shares in the company.

TECHNOLOGIES DIVISION PERFORMANCE REVIEW

i-Tech Network Solutions Sdn Bhd ('i-Tech') had a mixed year in FY2019. The Company changed its business direction from sale of hardware to a more sustainable recurring income business model focusing on cloud computing, datacenter and managed services which is where the current market demand is. The business transition has had a contributory impact on sales revenue, which saw a reduction by approximately 37.2% in FY2019 compared to the previous year. To this end, however, it managed to improve its recurring revenue from these services, which is in line with strategies put in place two years ago.

The strategic decision to relocate SAFEHOUSE and its customers to two recognised datacenters located in Bangsar South and Cyberjaya has proven to be fruitful. The relocation has significantly reduced i-Tech's operating costs, and enable i-Tech to streamline many of its activities and processes, resulting in higher cost savings.

Since becoming a Cloud Managed Service Provider, i-Tech has won two prestigious awards from Microsoft distributors, which serves as a testament to the efforts in transforming i-Tech from a systems integrator into one of the top Cloud service providers in Malaysia. Services offered by i-Tech today, branded under SAFEHOUSE, are Infrastructure As A Service ('IaaS'), Backup As A Service ('BaaS'), Disaster Recovery As A Service ('DRaaS'), Software As A Service ('SaaS'), Microsoft Office 365, and Cloud Storage. These services are subscription-based services or based on the 'pay-as-you-use' model. This model is gaining traction in Malaysia and is very popular in the ICT industry worldwide.

THE RUMA HOTEL AND RESIDENCES

On the contracting front, iTech ELV Solutions Sdn Bhd's ('iTech ELV') sales revenue dropped by approximately 87.1% in FY2019 compared to FY2018. This is primarily due to the near completion of The RuMa Hotel and Residences project and the delay in replenishing its work order during the year.

i-Tech Network Solutions (Vietnam) Company Limited ('ITV') on the other hand, is positioned as an IT security company in Vietnam, primarily targeting Malaysian companies that have expanded their businesses in Ho Chi Minh City, Vietnam. ITV is also replicating the Cloud managed service provider model adopted in Malaysia.

The Technologies Division will continue to heavily market cloud services as local companies are fast adopting cloud based software and services. It is confident that the strategies put in place as a Managed Service Provider will be profitable in the medium to long term.

URBAN TRANSPORTATION BUSINESS

Following the announcement of Ireka's debut in Malaysia's urban transportation business in 2018, in collaboration with CRRC Urban Traffic Co., Ltd., the Group has been actively seeking opportunities to implement urban transportation projects with several State Governments and local companies. These urban transportation projects will feature green-energy transportation vehicles such as electric buses ('E-Buses'), and the

leading-edge electric tram technology, the Autonomous-Rail Rapid Transit ('ART'). These projects will also leverage on the Group's capability across infrastructure construction and also the development of transit-oriented properties at transportation hubs. The Group's direction in this business segment is in line with the Government's efforts to improve the Country's urban transportation system by initiating projects under the ambit of various transportation master plans such as the Greater Kuala Lumpur / Klang Valley Land Public Transport Master Plan and Penang Transport Master Plan.

With several State Governments expressing their interest in incorporating E-Buses and ART into their respective States' transport masterplan, Ireka is confident that the Group will secure new projects for E-Buses and ART in the very near future.

RISK AND MANAGEMENT

Risk management forms an important part of the integral process of achieving the Group's business visions. Key risks for the Group and the Group's risk management approach is provided in more detail in the Statement of Risk Management and Internal Control on pages 33 to 34 of this Annual Report.

PROSPECT

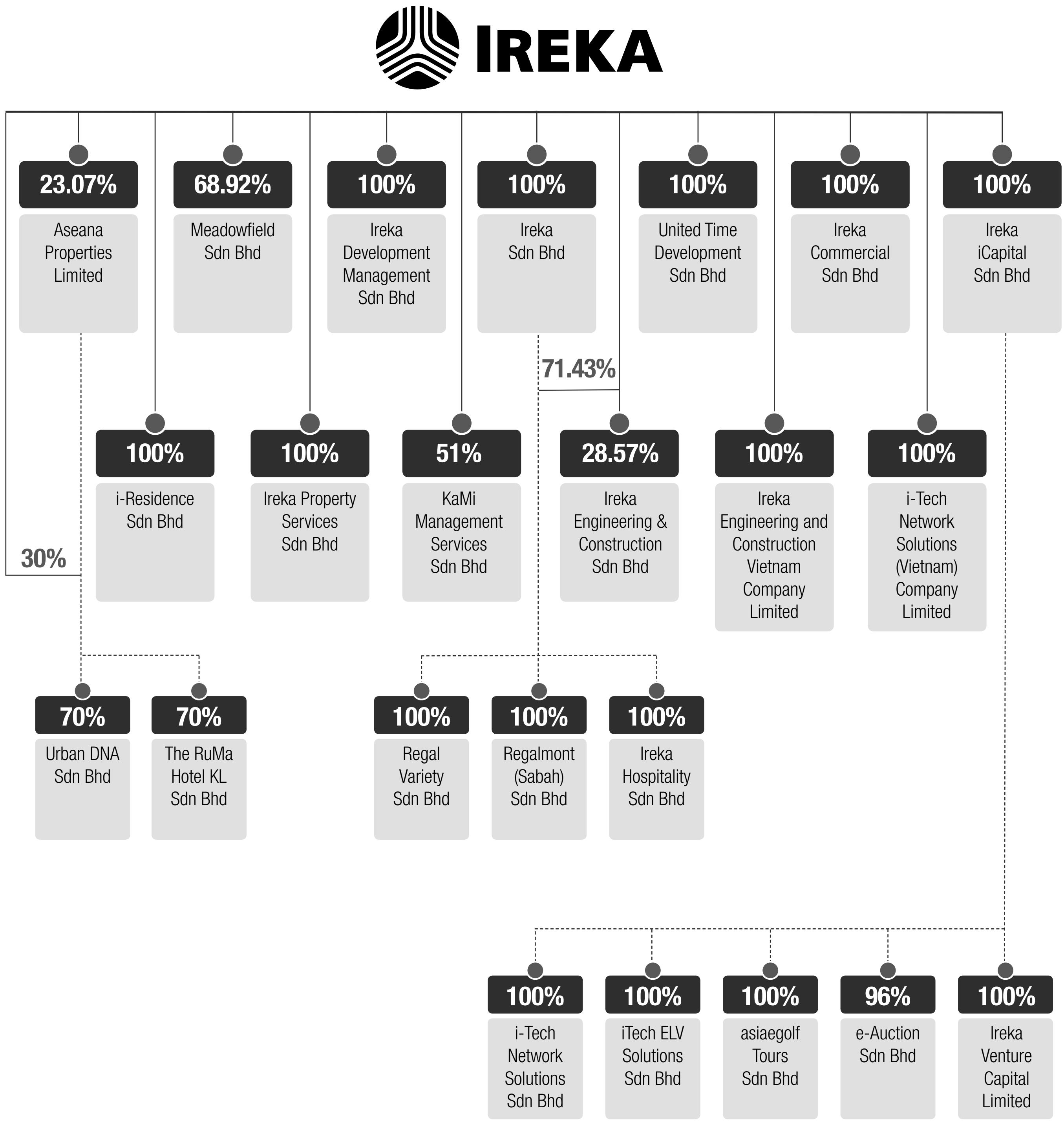
Going forward in 2019, the market and business environment is being challenged by the on-going domestic market adjustments and rising external headwinds. Recalibration of fiscal policies and structural reforms by the Malaysian Government will continue to put pressure on the nation's economic performance. However, the Group is confident of the prospect of the Group moving forward and that it will be able to improve its performance for the forthcoming year.

DATUK LAI VOON HON
Group Managing Director
16 July 2019

Ireka's direction in Urban Transportation business segment is in line with the Government's efforts to improve the Country's urban transportation system by initiating projects under the ambit of various transportation master plans.

AUTONOMOUS-RAIL RAPID TRANSIT ('ART')

CORPORATE STRUCTURE



5-YEAR FINANCIAL HIGHLIGHTS

GROUP	12 MONTHS to 31.03.15	12 MONTHS to 31.03.16	12 MONTHS to 31.03.17(i)	12 MONTHS to 31.03.18(ii)	12 MONTHS to 31.03.19
IN RM'000					
Revenue	426,203	263,122	331,759	268,767	**200,134**
Profit / (Loss) before taxation	(2,881)	(39,048)	3,946	(15,790)	**(28,671)**
Profit / (Loss) after taxation and minority interest	(2,419)	(39,556)	4,195	(15,991)	**(29,084)**
Issued share capital	170,872	170,872	170,872	180,049	**181,288**
Shareholders' funds	185,831	140,336	157,541	147,421	**144,797**
Total assets	547,106	483,649	512,263	498,259	**485,210**
IN SEN					
Gross dividend per share	3.0	–	2.0	2.0	**–**
Net earnings per share – Basic	(1.54)	(23.15)	2.46	(9.11)#	**(15.26)#**
Net tangible assets per share	108.8	82.1	92.2	81.9	**79.9**
IN PERCENTAGE					
Return on shareholders' fund	(1.3)	(28.2)	2.7	(10.8)	**(20.1)**
Gearing	82	102	80	66	**68**
Gearing (net of cash)	66	83	72	49	**45**

Note:
(i) The comparatives have not been restated for the first-time adoption of the MFRS framework and adoption of MFRS 15 – Revenue from Contracts with Customers.
(ii) Restated following the first-time adoption of the MFRS Framework and early adoption of MFRS 15.
 # Net earning per share is calculated by dividing net profit for the year attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

BOARD OF DIRECTORS

DATUK LAI SIEW WAH 拿督赖昭华
Executive Chairman

Aged 79, Male, Malaysian

Date first appointed to the Board: 31 December 1975

Datuk Lai Siew Wah is the founder of Ireka. He was appointed as the Managing Director of Ireka on 5 April 1993 and redesignated as Executive Chairman on 1 April 2015. He is also a Director of several subsidiaries within Ireka Group. He has been active in the construction industry since 1967 during which time he has accumulated vast knowledge and experience in the implementation and management of construction projects.

He is a major shareholder of Ireka, through his interest in Ideal Land Holdings Sdn Bhd.

DATUK LAI VOON HON 拿督赖文翰
Managing Director

Aged 55, Male, Malaysian

Date first appointed to the Board: 18 March 1996

Datuk Lai Voon Hon joined Ireka in 1994 as the Group General Manager and was appointed as the Group Managing Director of Ireka on 1 April 2015. He is also the President of Ireka Development Management Sdn Bhd and a Director of several subsidiaries within Ireka Group. He graduated from University College London and Ashridge Management College with a Bachelor of Science (Hons) Degree in Architecture in 1987 and Post-graduate Diploma in Architecture (Dip-Arch) in 1989; and a Master in Business Administration ('MBA') (Distinction) degree in 1993 respectively. An architect by profession, he has practiced in London, Hong Kong and Malaysia prior to joining Ireka. He is a registered Professional Architect with the Board of Architects, Malaysia.

He is currently an Exco Member of the Young Presidents Organisation, Member of the Board of Trustees for the Malaysian AIDS Foundation; as well as a National Committee Member for the International Federation of Real Estate (FIABCI) Malaysia.

He was the Past Council Member of the Master Builder Malaysia, Industrialised Building System Steering Committee Member of the Construction Industry Development Board (CIDB); as well as past President of the Young Entrepreneurs' Organisation Malaysia.

He is a major shareholder of Ireka, through his interest in Ideal Land Holdings Sdn Bhd. He is the son of Datuk Lai Siew Wah.

LAI VOON HUEY, MONICA 赖玟妃
Deputy Managing Director

Aged 53, Female, Malaysian

Date first appointed to the Board: 30 June 1999

Lai Voon Huey, Monica joined Ireka as the Group Financial Controller in 1993 and was appointed as the Group Deputy Managing Director on 1 April 2015. She is also the Chief Financial Officer of Ireka Development Management Sdn Bhd, and a Director of several subsidiaries within Ireka Group. She graduated from City University, London, with a Bachelor of Science (Hons) Degree in Accountancy and Economics. She has worked for two international accounting firms in England and Hong Kong prior to joining Ireka. She is a fellow member of several institutes that include the Institute of Chartered Accountants, England and Wales; Chartered Accountants, Malaysia; and the Malaysian Institute of Taxation.

She is a major shareholder of Ireka, through her interest in Ideal Land Holdings Sdn Bhd. She is the daughter of Datuk Lai Siew Wah.

CHAN CHEE KIAN 陈子健
Executive Director

Aged 42, Male, Malaysian

Date first appointed to the Board: 1 April 2018

Chan Chee Kian joined Ireka Corporation Berhad as Manager, Strategy & Corporate Development in 2006 and subsequently promoted to Director, Strategy & Corporate Development in 2009. He was appointed as a Director of Ireka on 1 April 2018. He is also the Chief Investment Officer of Ireka Development Management Sdn Bhd and a Director of several subsidiaries within Ireka Group. He graduated from University of Bristol, United Kingdom with a Master of Engineering in Civil Engineering (First Class Honours).

He was previously a management and strategy consultant with Accenture in Kuala Lumpur and worked across Asia Pacific, including Singapore, Bangkok, Brisbane and New Delhi, advising a broad range of clients including large multi-national companies, Government linked agencies and local enterprises on strategic and operational issues. He is also an Advisory Committee Member for Asia Pacific Hotel Investment Conference since 2016.

He is the son of Chan Soo Har @ Chan Kay Chong and Lai Man Moi, both are major shareholders of the Company. He is also the nephew of Datuk Lai Siew Wah.

TAN THIAM CHAI 陈添财
Executive Director

Aged 60, Male, Malaysian

Date first appointed to the Board: 1 April 2015

Tan Thiam Chai joined Ireka Engineering & Construction Sdn Bhd, Ireka's construction arm, in 1989 and has been the Chief Executive Officer since 2003. He is also the Director of Ireka Engineering & Construction Sdn Bhd. He was appointed as a Director of Ireka Corporation Berhad on 1 April 2015. He graduated from University of Bristol, United Kingdom, with a Bachelor of Science (Hons) Degree in Civil Engineering. He has worked for Ireka for 30 years and brings with him a wealth of expertise and know-how, having led many of the company's major civil engineering and building projects over the years.

DATUK LAI JAAT KONG @ LAI FOOT KONG 拿督赖佛光
Non-independent Non-executive Director

Aged 76, Male, Malaysian

Date first appointed to the Board: 13 August 1977

Datuk Lai Jaat Kong @ Lai Foot Kong was appointed as the Deputy Managing Director on 8 May 1993 and redesignated as Executive Director on 1 April 2015 and subsequently redesignated as Non-independent Non-executive Director of Ireka on 31 March 2017.

He has over 35 years of experience in the construction industry and is actively involved in activities of related trade organisation locally and regionally. Currently, he is the Honorary Life President of Master Builders Association Malaysia. He was the Past President/Honorary Advisor of the Master Builders Association Malaysia and had also served as Board Member/Secretary-General/Rapporteur of International Federation of Asia & Western Pacific Contractors' Association (IFAWPCA) and Council Member of ASEAN Constructors Federation (ACF), as Board Member of Construction Industry Development Board Malaysia (CIDB) and National Institute of Occupational Safety and Health (NIOSH). He is currently the Honorary Lifetime Member of IFAWPCA.

He is the brother of Datuk Lai Siew Wah.

HAJI MOHD. SHARIF BIN HAJI YUSOF
Senior Independent Non-executive Director

Aged 80, Male, Malaysian

Date first appointed to the Board: 2 January 2002
Board Committee Membership:
Chairman of the Audit Committee and Nomination & Remuneration Committee

Haji Mohd. Sharif bin Haji Yusof is also a Director of several subsidiaries within Ireka Group. He is a fellow member of the Institute of Chartered Accountants, England and Wales, a member of the Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants. He is also an Independent Non-executive Chairman of AYS Ventures Berhad and Senior Independent Non-executive Director of Atlan Holdings Berhad and Axis REIT Managers Berhad.

HOE KAH SOON 何嘉顺
Independent Non-executive Director

Aged 60, Male, Malaysian

Date first appointed to the Board: 1 April 2015
Board Committee Membership:
Member of the Audit Committee and Nomination & Remuneration Committee

Hoe Kah Soon graduated from University of Malaya in 1982 with a Bachelor of Accounting (First Class Honours) and in the same year successfully completed the MICPA examinations. He is a management consultant by profession and comes to Ireka with vast experience in helping global and local organisations successfully implement their strategic change programmes. While at Accenture, previously known as Andersen Consulting (1982 to 2006), he assumed numerous country, regional and global leadership roles. He sits on the board of University of Malaya and several other limited companies.

DATO' AZMI BIN ABDULLAH
Independent Non-executive Director

Aged 68, Male, Malaysian

Date first appointed to the Board: 26 June 2015
Board Committee Membership:
Member of the Audit Committee and Nomination & Remuneration Committee

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.

He is currently a Director of Kumpulan Wang Amanah Pencen (KWAP) and he also sits on the board of several other private limited companies.

Notes:
Save as disclosed, all other Directors have no directorships in public companies or listed issuers and any family relationship with any Directors and/or Major Shareholders of the Company.
None of the Directors have:-
1. *any conflict of interests with the Company;*
2. *any convictions for offences within the past five years (other than traffic offences, if any); and*
3. *any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.*

KEY SENIOR MANAGEMENT AND COMPANY SECRETARY

The key senior management comprising the five (5) Executive Directors including the Executive Chairman namely Datuk Lai Siew Wah, Datuk Lai Voon Hon, Lai Voon Huey, Monica, Chan Chee Kian and Tan Thiam Chai. The other senior management are as disclosed below:

LEONARD YEE YUKE DIEN 余易庭
Group General Manager of
Ireka Corporation Berhad

Aged 55, Male, Malaysian

Leonard Yee joined Ireka as Chief Executive Officer of Ireka iCapital Sdn Bhd in May 2000 and was appointed as the Group General Manager on 1 November 2005. He is also the President of i-Tech Network Solutions Sdn Bhd and a Director of several subsidiaries within the Ireka Group. He graduated from University of Kingston, Kingston-Upon-Thames, England with a Bachelor of Arts (Honors) Degree in Social Sciences. He worked as a Surety and Financial Lines Underwriter with American International Group, Inc in London and New York before returning to Malaysia. He was previously an Executive Director of a local construction company and a Managing Director of an equities research firm before joining Ireka.

Leonard Yee is the spouse of Lai Voon Huey, Monica.

NG YAU SIONG 黄耀祥
Deputy Chief Executive Officer of
Ireka Engineering & Construction Sdn Bhd

Aged 55, Male, Malaysian

Ng Yau Siong joined Ireka in 1991 and was promoted to the Deputy Chief Executive Officer of Ireka Engineering & Construction Sdn Bhd on 1 December 2012. He is an engineer by profession and he holds a Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Canterbury, New Zealand. In the span of 28 years in Ireka Engineering & Construction Sdn Bhd, he has held various management positions and successfully completed numerous multi-million civil engineering and building projects.

RAYMOND CHIN YUN CHOI 陈运财
Chief Executive Officer of
Ireka Development Management Sdn Bhd

Aged 58, Male, Malaysian

Raymond Chin joined Ireka as Chief Operating Officer of Ireka Development Management Sdn Bhd ('IDM') on 2 June 2014 and was subsequently promoted to the Chief Executive Officer of IDM on 1 April 2018. He graduated from Liverpool Polytechnic, England with Bachelor of Civil Engineering (Honors) in 1984 and he is a civil engineer by profession. He was involved in the development of some high profile projects such as the Renaissance & New World Hotels, Cendana Residence, Desa Damansara & Federal Hill luxury condominiums in Kuala Lumpur, and The Estella luxury condominium & Riviera Cove Waterfront Villas in Ho Chi Minh City.

YAP KET BIN 叶国彬
Chief Executive Officer of
i-Tech Network Solutions Sdn Bhd

Aged 41, Male, Malaysian

Yap Ket Bin joined Ireka on 4 August 2008 as Chief Operating Officer of i-Tech Network Solutions Sdn Bhd ('i-Tech'), one of Ireka's core businesses and was appointed as the Chief Executive Officer of i-Tech on 1 April 2018. He graduated from Iowa State University, Ames, USA with a Bachelor of Science Degree, majoring in Computer Science. He has over 17 years of experience in the Information Technology industry. Over the past 11 years in Ireka, he has expanded i-Tech's business to Vietnam and established a new business unit – iTech ELV Solutions Sdn Bhd. He has also been appointed as Ireka's Information Technology advisor to improve the Group's operational efficiency using technology.

WONG YIM CHENG 黄艳贞
Group Company Secretary of
Ireka Corporation Berhad

Aged 55, Female, Malaysian

Wong Yim Cheng joined Ireka as Group Company Secretary on 1 July 2000. She is currently overseeing the corporate services and corporate communication divisions. She is an Associate of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ('MAICSA') and has over 30 years of working experience in company secretarial practice and corporate work.

Notes:
Save as disclosed, all other senior management and company secretary have no directorships in public companies or listed issuers and any family relationship with any Directors and/or Major Shareholders of the Company.

None of the senior management and company secretary have:-
1. *any conflict of interests with the Company;*
2. *any convictions for offences within the past five years (other than traffic offences, if any); and*
3. *any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.*

CORPORATE CALENDAR

APRIL 2018

- Ireka's flagship Corporate Social Responsibility (CSR) programme, IREKA CARES, organised a trip to the KL Bird Park for underprivileged children from Open Hands Children's Home in Kajang.

- Ireka entered into the following agreements:

    1. a share purchase agreement with Hankyu Hanshin Properties Corp. ('Hankyu') for the proposed disposal of 2,307,363 issued and fully-paid ordinary shares in the capital of Meadowfield Sdn Bhd ('Meadowfield'), a wholly-owned subsidiary of Ireka, to Hankyu representing 8.03% of the total number of issued shares in Meadowfield for a total consideration of RM6,000,000.00 ('Share Disposal');

    2. a share subscription agreement with Hankyu and Meadowfield for the subscription of first tranche of 9,614,011 new shares in the capital of Meadowfield by Hankyu, representing 25.06% of the post-subscription share capital of Meadowfield at a consideration of RM25,000,000.00 and the subscription of second tranche of 9,708,724 new shares in the capital of Meadowfield by Hankyu, representing 20.20% of the post-subscription share capital of Meadowfield at a consideration of RM25,246,290.00 ('Share Subscription'); and

    3. a shareholders' agreement with Hankyu and Meadowfield to regulate the affairs of Meadowfield, the vehicle of the joint venture between Ireka and Hankyu to carry out the Rimbun Kasia project, which upon completion of the Share Disposal and Share Subscription will be held 55% by Ireka, and 45% by Hankyu.

- Ireka Engineering & Construction Sdn Bhd ('IECSB') won a RM91.960 million contract from Pantai Hospital Ayer Keroh for the construction of additional 1-storey basement and 8-storey hospital and refurbishment of existing hospital building in Hang Tuah Jaya, Melaka.

MAY 2018

- Ireka announced its consolidated unaudited results for the financial year ended 31 March 2018.

JULY 2018

- Ireka conducted a comprehensive training on workplace safety, Health, Safety & Environmental Manual Training at its Head Office.

- Ireka proposed a first and final single-tier dividend of 2 sen per share in respect of the financial year ended 31 March 2018 for approval by shareholders at the Annual General Meeting.

- IREKA CARES brought 14 children from Open Hands Home, Kajang to IOI City Mall for a blockbuster movie, 'The Incredibles 2'.

AUGUST 2018

- IECSB initiated pre-commencement of arbitration against UEM Land Berhad in respect of the disputes and differences arising from the contract finalisation for the contract on the construction of a proposed mixed development at Mukim Pulai, Johor Darul Takzim.

- Ireka's Head of Safety Officer conducted an Excavation Training at the KaMi Mont' Kiara Residences project site in order to ensure the site workers and staff have a full understanding of the Environmental Safety Guidelines.

- IREKA CARES volunteers brought 14 children from the Open Hands Home, Kajang to enjoy a circus show entitled 'Charity for Children Gala Night' held at Desa Park City on 24 August 2018.

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 June 2018.

- Ireka held its 42nd Annual General Meeting at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur. All the resolutions tabled were approved by the shareholders.

SEPTEMBER 2018

- SAFEHOUSE (I-Tech) won the Rising Star Awards at Crayon World Summit 2018. Working closely with Crayon for Bar Council members, and following the successful implementation of about 400 accounts for Ireka and its subsidiaries to Exchange Online, SAFEHOUSE managed to defeat the other shortlisted companies and emerged as the recipient of the award.

- Ireka supported The Hot & Cold Charity Run 2018 co-organised by the Malaysia AIDS Foundation and the Faculty of Medicine, University of Malaya. Proceeds raised from the Run were channelled to support HIV education and prevention activities for young people under the MAF Red Ribbon Youth Club. Parts of the proceeds were dedicated to the UMFOM Development Fund. A total of 60 participants, including 43 Ireka employees and 17 of the employees' family members took part in that event.

OCTOBER 2018

- IREKA CARES organised a fun indoor Telematch event for 15 children from Ireka's adopted home, Open Hands Home at the community WillYou cafe on the third floor of 1MK Mall.

NOVEMBER 2018

- Ireka took part in the Danajamin Mighty Run 2018 organised by Danajamin Nasional Berhad. It was a charity run with the objective to raise awareness of autism and parts of the proceeds raised were contributed to The National Autism Society of Malaysia (NASOM).

- The RuMa Hotel and Residences ('The RuMa Hotel'), developed by an associated company of Ireka, was opened for business on 30 November 2018. The RuMa Hotel is operated by renowned international hotel management group, Urban Resort Concepts (URC).

NOVEMBER 2018

- Ireka paid a first and final single-tier dividend of 2 sen per share in respect of the financial year ended 31 March 2018 amounting to approximately RM3.734 million.

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 30 September 2018.

- A subsidiary named KaMi Management Services Sdn Bhd ('KaMi') was incorporated with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares at an issue price of RM1.00 each. The shareholders are Ireka Corporation Berhad and Cosmos Plan Sdn Bhd with shareholdings of 51% and 49% respectively. The intended principal activity of KaMi is consulting services for real estate industry.

DECEMBER 2018

- The RuMa Hotel was awarded the 'Universal Access Award' by the Kuala Lumpur City Council (DBKL) at the Kuala Lumpur Design Month Appreciation Dinner. The award was given to development projects that stress on inclusivity by providing facilities and an environment that is accessible for all groups including children, senior citizens and the disabled.

- Ireka officially launched its first joint-venture development with Hankyu, Dwi@ Rimbun Kasia in Nilai. Dwi consists of 382 residential units, 203 of which are dual-key units, in a 9-storey block under the ZenZ brand.

FEBRUARY 2019

- Ireka ushered in the Lunar New Year with a lion dance performance at its Head Office and its Mont' Kiara Property Gallery.

- Ireka Townhall 2019 was held at the Royale Chulan Damansara and hosted by Group Managing Director, Datuk Lai Voon Hon and Deputy Group Managing Director, Monica Lai to communicate relevant issues on the organisation's strategic direction and plans.

- Ireka Annual Dinner 2019 was held at Royale Chulan Damansara in conjunction with its 52nd Anniversary.

- Ireka announced its quarterly report on consolidated unaudited results for the financial period ended 31 December 2018.

SUSTAINABILITY STATEMENT

OUR APPROACH

Ireka aims to integrate sustainability into all aspects of our work and also in the way we work for the benefit of our business, our buyers, our employees, our associates and all our stakeholders. The ultimate aim is to build a proud and sustainable legacy.

OUR SUSTAINABILITY FRAMEWORK

Ireka's sustainability framework sets out our priorities and reflects the importance we place on delivering great homes, work spaces and communities for our buyers and business partners; while operating responsibly and investing in the future. This statement, which covers the scope of our reporting, contains policies and programmes that we have organized towards achieving positive outcomes in the following four key pillars:

1	Developing 'Green' and sustainable projects, mitigating against environmental risks as far as practicable.
2	Ensuring the welfare of our employees as paramount and enabling them to be able to work in in a safe and healthy environment.
3	Reviewing our marketplace regularly to connect with the range of people we are proud to do business with in order to ensure that we remain relevant and up-to-date.
4	Doing our best to be part of the community where we have our business operations through making a difference to the most vulnerable in society.

Ireka has continued its commitment towards achieving these objectives and incorporating sustainability into all 3 of its core businesses, and will continue to critically evaluate its progress to improve the way the Company's businesses are conducted.

ROLES AND RESPONSIBILITIES

Ireka's Group Managing Director, Datuk Lai Voon Hon is the most senior company executive with ultimate responsibility for sustainability issues. Together with the Group Deputy Managing Director and the senior management team, they all provide oversight of corporate sustainability performance at their regular meetings such as the Heads of Departments (HoD) Forum and ultimately to the Board of Directors (BoD).

BOARD OF DIRECTORS

▲

SENIOR MANAGEMENT TEAM

▲

HOD FORUM

WORKPLACE

Ireka is a 52 year old organisation with currently 477 staff, with the ratio of 73% men and 27% women working for them. The average age of Ireka's staff is around 40 years old and the average length of service works out at around 8 years. 100% of staff completed their performance reviews last year.

Staff Total	Women	Men
477	27%	73%

Ireka's Board and Senior Management team are well aware that the employees are their most valuable asset, contributing their expertise, skills and knowledge for the organisation's growth every day they are at work. Therefore, it is a top-most priority to ensure their welfare, benefits, work conditions, training and development are managed well. Ireka's HR department, which comes under the purview of the General Manager, has a robust people strategy that is regularly reviewed by the senior management team.

Staff Induction – Induction is an essential part of familiarising new recruits with the company and getting the process right can help them to foster a positive attitude for their new job and has been shown to play a big part in improving long-term staff retention. Ireka has an induction programme which does not only include explaining the business and introducing key people and their roles, but also explains the Company's extra-curricular activities – namely, the Toastmasters Club, the Ireka Sports and Recreation Club (ISRC) and the flagship CSR project, IREKA CARES. The Company places importance on these clubs and are keen to encourage staff to participate if they are interested to do so.

Extra-Curricular Activities

Toastmasters Club	Ireka Sports & Recreation Club (ISRC)	IREKA CARES

Internships – Ireka has a structured internship programme because it recognizes the benefits interns bring to the business. Students are provided with a small stipend, supervision, training and mentoring. The benefits work both ways where the students would learn new organisational skills at first-hand and for the Company, interns bring fresh perspectives to the role, as well as being an extra pair of hands. There were 9 interns recruited in 2018 and of this, 2 were hired to work full-time in Ireka.

Improving Performance – The world of performance management is evolving rapidly, but the way we manage our people isn't always as fast to catch up. Ireka's performance management system has been in operation for a few years. Led by the HR Director, Rosalind Wee, Ireka has a strategy to review its performance management system, the appraisal form and equip managers to conduct the most important conversations between managers and employees to happen more than once a year. Two performance management experts were recruited - one to train senior managers to give effective performance reviews and the other to improve on Ireka's systems.

Employee Engagement – Ireka has a long standing tradition of hosting Town Hall events that are attended by staff across the organisation to hear from the CEO, Datuk

Lai Voon Hon and senior managers on the Company's plans and strategic direction. Ample opportunity is always given to staff to ask questions of the top management and to raise issues of concern. In order to encourage as many staff as possible to speak out, the Corporate Communications team invites all staff to pose their questions in advance to be answered by the senior managers at the Town Hall event. The event is always recorded and the responses to staff's questions are posted on Ireka's intranet soon after the Town Hall. The Corporate Communications team also conducts a survey immediately after the Town Hall to evaluate how Irekians found the event, and for the senior management to study lessons learnt for future meetings.

iPulse, the Company's quarterly magazine produced with Ireka staff in mind, is another mechanism for staff to keep informed of what is happening in the Company and to share important information about colleagues with each other. Staff are also encouraged to use technology, such as the television at the Level 18 reception area to share information about key events in their lives such as family weddings or memorable weekend activities.

Cultivating Talent – Ireka's technology arm, i-Tech, attracts the millennial generation to work there and most tech companies today attract young talent by creating a fun, friendly and collaborative company culture. At i-Tech, we try to be as accommodating as possible to our staff so that they feel comfortable working in the Division through more team working and engendering bonding activities among employees. Through interviews with millennials, they tell us that they prefer companies that prioritize quality of life for employees. For them, a job is not just a salary – it's a lifestyle. Many job applicants have stated that they focus more on emotional rewards rather than monetary compensation. I-Tech practices a flat management structure that allows employees to work in small teams thus shortening the chain of command, thereby increasing the communication among each other.

Health & Safety – Ireka's Head of Security, Jamz Jamsari and Health & Safety Manager, Balakrishnan A/L Karuppiah organise a series of training for both HQ, project and site staff throughout the year to ensure they are up-to-date with their knowledge of the latest health & safety requirements. For example, Harbour Mall Sandakan and the Four Points by Sheraton staff conducted an Emergency Mock Drill in November 2018 to ensure that shoppers, staff, guests and tenants are aware of how to evacuate the buildings safely and to ensure the Emergency Response Team for Fire Fighting & Safety are trained on how to handle the fire equipment as a first response. In March 2019, training was conducted with staff at the recently opened RuMa Hotel and Residences, Kuala Lumpur City Centre, on how to use the fire-fighting equipment on site.

In November, 2018, all HQ floor wardens, across the 3 different floors were briefed on the use and maintenance of walkie-talkies as this would be the main means of communication in an emergency. The Head of Security has also produced his quarterly plan to induct all new staff on Fire & Security awareness in the workplace. HQ's Emergency Response Team with representatives from each of the three floors meet regularly to discuss and practice health, safety and security issues.

Another important role is to ensure that all Ireka's construction sites conduct their monthly Health & Safety Committee meetings so that respective site officers observe and comply with the industry's requirements in this area. Mr Bala led on and organized a series of training for site staff to raise awareness and to reinforce the message that for Ireka, safety issues are paramount. A few examples of training courses carried out by Bala are - Health, Safety & Environmental manual Training conducted at HQ in July 2018; Excavation Training at the KaMi site in August 2018 and Safety Officer training in December, 2018.

Health & Safety and Security Training

Project Sites	Harbour Mall Sandakan/Four Points by Sheraton	RuMa Hotel, KL	Ireka HQ
Health & Safety Committee Meetings	Emergency Drill Training	Handling Fire Fighting Equipment Training	Use and Maintenance of Walkie-Talkie in Emergencies Training
Health, Safety & Environmental Training	Handling Fire Fighting Equipment Training		Fire & Security Awareness Training
Excavation Training			Regular Emergency Response Team Training
Safety Officer Training			

Healthy Living – This is a key part of Ireka's values and the senior management team recognises that one of the positive ways of reducing workplace stress is to exercise. ISRC organises weekly Zumba dance classes, badminton and yoga classes for members and these are all well attended.

When Ireka sponsors charity runs like the Hot & Cold Run, 2018, philanthropic though this is, the company also uses this opportunity to encourage staff and their family to join in the run as part of healthy living. Last year, 60 participants joined in the run organised by the Malaysian AIDS Foundation, 43 Irekians and 17 family members. These runs have proved popular with staff and in 2018, two other runs in the Klang Valley area were supported.

Bringing Staff Together – There is a lot of research to show that bringing staff together socially is one way to challenge silo working and improves employee morale. The ISRC was established over 15 years ago and aside from weekly sports activities, it also organises outings for staff – a trip to Taman Negara was organized in May 2018 for ISRC members. The company also organises yearly Loh Sang and Buka Puasa parties which are well attended. During Chinese New Year, senior managers donate their gift hampers for the staff draw held at the Loh Sang parties.

A success story has been the 8 House Teams (named after Marvel comic characters) who compete for the coveted first place trophy in a range of activities, which in the last year included the Ireka Mini Sports Day, Cooking Competition and a themed video shooting competition. The House Teams encourage staff across the whole organisation to work with each other around these given activities and to have fun together.

Toastmasters Club – The Ireka Toastmasters Club is in its eleventh year and works hard to encourage communication and leadership skills for staff. Members pay a nominal fee with the bulk subsidised by the Company, to encourage self-development. The challenge remains to recruit more new members to the club and to dispel the myth that this is a public speaking forum. The Toastmasters Club organizes training sessions for members at least once a year and these are open for all Irekians to attend. In July 2018, Ms Kim Chow was invited to train around 100 participants on effective use of our voices – Vocal Variety training.

MARKETPLACE

Having been in the construction and property development industry for over 50 years, Ireka is confident of what its shareholders, investors, buyers, owners, suppliers and business associates require. An effective communications and marketing programme allows all our stakeholders to gain a greater understanding of our business, governance, financial performance and prospects.

The Ireka website, which is regularly updated, is used to promote and facilitate communication with our shareholders and to provide them with useful information about the Company and its Governance. Seeing the shift in how the general population is consuming media online, Ireka will continue to leverage and expand on available online channels to communicate more effectively.

Ireka maintains good communication processes with owners and buyers through its customer relationship team and marketing division under the guidance of its Investor Relations Policy. The Company's quarterly lifestyle magazine, CiTi- ZEN which has been produced since 2008 also provides stakeholders with progress information on Ireka's various developments as well as articles on lifestyle interest issues. Readers are encouraged to provide feedback on the magazine.

Going forward, Ireka will continue working to better understand the expectations of its stakeholders and to address the challenges and opportunities identified through the feedback received.

COMMUNITY

Ireka firmly believes that community development is the way forward to strengthening society and it tries to do through its flagship CSR programme, IREKA CARES. This programme is all about children and is the Company's third extra-curricular activity. The principle behind IREKA CARES (which began in 2010) is about empowerment of local communities and working to strengthen the capacity of the children whom they have chosen to work with, through spending time with them rather than just through grant giving. The community programme has always been led by a member of the senior management team in order to show this programme's importance to the wider Company and to attract senior management involvement. The IREKA CARES programme is an integral part of the organization and the volunteers are employees who willingly give up their Saturdays bi-monthly to work with children's homes in the Klang Valley area. Open Hands Children's Home has been the chosen charity for the last 3 years and over this period, time is spent with the children and this is a regular commitment in the calendar. In the last year, the children were taken to the cinema, an indoor tele-match event was organized for them, and various arts and crafts sessions. The objective is to help the children experience different things, to share learning with them and above all, to have fun. Ireka's volunteers come from across the organisation, led by an active Action Committee. There is still much work to be done in encouraging more senior managers to participate in the organized events which the Action Committee works on continuously.

As well as the dedicated in-house community development programme, Ireka also provides one-off donations to a range of organisations, and in the last year, these have included the following:

1	Kwong Ngai Lion Dance Troupe
2	Hot & Cold Charity Run, 2018 organised by the Malaysian AIDS Foundation
3	Tun Siti Hasmah Award Gala Dinner organized by the Malaysian AIDS Foundation
4	Danajamin Mighty Run, 2018 organised by Danajamin National Berhad
5	31st Seremban Half Marathon organized by Matrix Concept Berhad

ENVIRONMENT

At Ireka, we are conscious that the construction industry accounts for high energy consumption, solid waste generation and environmental damage which is why it continues to work hard to ensure that their developments have 'Green' features to deliver sustainable building throughout the design and construction process. Ireka is also committed to establishing a harmonious relationship between development and environment. It adopts sustainability practices not only in its daily operations but also follows a grounded theory approach to promoting sustainability in the Company's developments.

The RuMa Hotel & Residences, the joint venture development company between Ireka and Aseana Properties Limited is a project that stresses on environmental sustainability. Both the hotel and residences were separately awarded the Green Building Index (GBI) Provisional Gold Rating having successfully met all the GBI Criteria under each category for Energy Efficiency, Indoor Environment Quality, Sustainable Site Planning & Management, Materials & Resources, Water Efficiency and Innovation. The GBI is Malaysia's industry recognised green rating tool for buildings to promote sustainability in the building industry. The project has environmentally friendly features which include:

Natural Elements	Plants and greenery, lighting, and 3D-metal art sculptures with natural elements were incorporated into the project.
Maintaining and Sustaining Local Malaysian heritage	Sustaining Malaysian cultural legacy is the essence of the RuMa Hotel so decorative elements like batik prints throughout are recycled from a local batik factory. The Kelelai (a type of bamboo) ornaments and ceiling panels at the pool area of Level 6 are cultivated from a dying weaving art by Kelantanese women.

Ireka's KaMi Mont' Kiara development has environmentally friendly features which include:

1	Rainwater harvesting system to recycle rainwater for irrigation of plants and trees promotes using water resource sustainably.
2	Low-E glazing (Low emissivity glazing) used for West facing windows to reduce solar heat gain to achieve a more energy efficient residential unit.

At Ireka's DWI project in Nilai, Negeri Sembilan, the environmentally friendly features include:

1	Bicycle Irrigation System – designed specifically to promote rainwater harvesting and fitness to generate energy with the desire/aim of introducing sustainable living in a socially engaging and holistic approach/way.
2	Natural Lighting and Ventilation – every apartment with its single loaded corridor and courtyard configuration is architecturally designed to leverage on natural lighting and ventilation to reduce energy usage.

At one of Ireka's core businesses, i-Tech, its goal is to help companies save money and energy using cloud computing technology. The cloud allows us to utilize virtual public cloud services to keep IT expenses low, drive down energy resources, and provide our clients with more efficient management.

In alignment with Ireka's strategy to promote sustainability by reducing carbon footprint, i-Tech has helped to digitally transform Ireka's operation by moving their on-premise IT system to a cloud-based system. This reduces the maintenance of cold temperatures and humidity levels within the facility to ensure the hardware can operate smoothly, and it results in less carbon dioxide emission as data is no longer being hosted onsite.

As for i-Tech's customers, our technical engineers can provide timely IT support remotely via email, telephone, or remote connection software, thereby reducing the consumption of fossil fuels and the harmful pollution that results from vehicle emissions travelling to clients' premises.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this Corporate Governance Overview Statement ('Statement') to provide investor with an overview of the extent of compliance with the 3 Principles as set out in the Malaysian Code on Corporate Governance 2017 ('the Code') by the Company throughout the financial year ended 31 March 2019. This Statement also serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements ('Listing Requirements') of Bursa Malaysia Securities Berhad ('Bursa Malaysia'). The Corporate Governance Report is available on the website of Bursa Malaysia together with the Annual Report 2019 and is also posted on the Company's website at www.ireka.com.my.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

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

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

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

Where appropriate, the Board delegates matters to the Board Committees, namely the Audit Committee ('AC') and Nomination & Remuneration Committee ('NRC') to examine specific matters within their respective terms of reference as approved by the Board. Nomination Committee and Remuneration Committee were merged during the year to streamline the processes of the two committees. Although specific powers are delegated to the Board Committees, the Board keeps itself updated of the key issues and decisions made by each Board Committee through the reports by the Chairmen of the Board Committees at Board meetings. The ultimate responsibility for decision-making lies with the Board.

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

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

The Board reviews the Board Charter periodically to keep it up-to-date with changes in regulations and best practices to ensure its effectiveness and relevance to the Board's objectives. The Board Charter is available for reference at the Company's website at www.ireka.com.my.

The Chairman and the Managing Director

There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Executive 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, with the assistance of the Deputy Group Managing Director, has the overall responsibilities for the execution of the Group's strategies in line with the Board's direction, oversees the business operations and drives the Group's businesses and performance towards achieving the Group's vision and goals.

Company Secretary

The Board is supported by a qualified Company Secretary who is experienced, competent and knowledgeable on the laws and regulations issued by the regulatory authorities. The Company Secretary plays an important role in ensuring that all governance matters and Board procedures are adhered to and that applicable laws and regulations are complied with.

The Board is regularly updated and advised by the Company Secretary on new statutory and regulatory requirements, and the implications on the Group and the Directors in relation to their duties and responsibilities.

Board Meetings and Supply of Information

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

The Board meets at least five (5) times a year, with additional meetings being held as and when necessary. In the interval between board meetings, Board decisions for urgent matters are obtained via circular resolutions, to which are attached sufficient information required for an informed decision. During the year ended 31 March 2019, the Board met for a total of seven (7) times and their respective attendance are as follows:

Directors	No. of Meetings Attended
Datuk Lai Siew Wah	6/7
Datuk Lai Voon Hon	6/7
Lai Voon Huey, Monica	7/7
Chan Chee Kian	7/7
Tan Thiam Chai	7/7
Datuk Lai Jaat Kong @ Lai Foot Kong	7/7
Haji Mohd. Sharif bin Haji Yusof	6/7
Hoe Kah Soon	6/7
Dato' Azmi bin Abdullah	7/7

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

All Board members are provided with agenda and board papers containing relevant documents and information around seven (7) days in advance of the board meetings to ensure the Board members have reasonable time to review and consider the issues before participating in discussions and deliberations in Board meetings. The Board papers include minutes of the previous meetings, updates on financial, operational and corporate developments of the Group. All Directors have the right and duty to make further enquiries where they consider necessary. Members of the senior management team are invited to provide insight and to furnish clarification on issues that may be raised by the Board. At the quarterly board meetings, the Board reviews and discusses the business performance of the Group. All proceedings of the Board meetings covering the deliberations of issues and the conclusions are recorded in the minutes and later confirmed by the Board. Where a potential conflict of interest may arise, it is mandatory practice for the Director concerned to declare his interest and abstain from the decision-making process.

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

In addition, all Directors have access to the advice and services of the Company 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 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 behaviour for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees which is encapsulated in the Group's Human Resource Policies. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. 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.

The whistleblowing policy is not implemented for the time being as such policy requires appropriate education and adequate training for the employees and the right calibre of personnel to ensure its effectiveness. Meanwhile, appropriate feedback and information can be channeled to the Management by the employees. However, the Board will continue to assess if such need is required.

II. BOARD COMPOSITION

During the financial year under review, the Board has nine (9) members comprising the Executive Chairman, three (3) Independent Non-executive Directors ('INED'), four (4) Executive Directors and the Non-independent Non-executive Director. The current composition complies with the Listing Requirements which requires at least one-third (1/3) of the Board members to be independent directors.

The Board comprises members of calibre from a diverse blend of professional backgrounds ranging from business, engineering, management, economic, finance and accounting experience. The Board views its current composition encompasses right mix of skills and strength in qualities which are relevant and enable the Board to discharge its responsibilities in an effective and competent manner. The profiles of these Directors are provided on pages 12 to 15 of the Annual Report.

The Board takes cognisance that the Code recommends that at least half of the board are independent directors. Whilst the Board currently comprising one-third (1/3) independent directors, the Board is satisfied that the current number of independent directors is sufficient to ensure balance of power and authority on the Board.

Datuk Lai Siew Wah is the Executive Chairman and a substantial shareholder of the Company. His strategic leadership and entrepreneurial vision are important for the continued growth of the Company. He has vast experience and knowledge in managing the Group's operations and business activities that enable him to provide the Board with a diverse set of expertise and skills. He has shown great commitment and played an integral role in stewardship apart from ensuring board effectiveness. During his tenure as the Executive Chairman of the Company, he has acted in the best interest of the Company and the Board is satisfied that there is no undue influence involved in all related party transactions. All related party transactions and the shareholders' mandate on the recurrent related party transactions were independently assessed by the AC to ensure compliance with the Listing Requirements of Bursa Malaysia. The Executive Chairman encourages open discussion and free expression of opinions and suggestions at board meetings. Every resolution tables will be deliberated and all views from the directors are considered before a decision is made by the Board.

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 directors in which they could continue to bring objective and independent judgement in board decision making.

The Board is aware of the importance of boardroom diversity to facilitate good decision-making as this enables different insights and perspectives to be harnessed. This diversity criteria includes gender, ethnicity and age. However, the Board is of the view that the selection criteria of a Director, based on the candidates' competency, skills, character, knowledge and experience should remain a priority. Nevertheless, the Board is actively exploring avenues to improve board diversity including gender, ethnicity and age. When given the opportunity of meeting the suitable female candidates, the Board through its NRC will consider gender diversity as part of its future selection process. Presently, Ms. Lai Voon Huey, Monica is the only female Director in the Board of nine (9) Directors.

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

The Group has no immediate plan to implement a diversity policy for its workforce in terms of gender, ethnicity and age as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. However, the Group is committed to diversify and apply 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 in Board deliberations and decision-making of the Board, taking into account the interests of the Group and the minority shareholders.

The Board noted the recommendation of the Code on the tenure of independent directors should not exceed a cumulative term of nine (9) years. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth (12^{th}) year, the Board should seek annual shareholders' approval through a two-tier voting process. Haji Mohd. Sharif bin Haji Yusof has served as an INED of the Company since 2002. He was retained as the INED of the Company by the shareholders in the Company's 2018 Annual General Meeting ('AGM'). On 28 May 2019, Haji Mohd. Sharif bin Haji Yusof gave a notice of his intended retirement as Director to take effect at the conclusion of the Company's forthcoming AGM. He would not seek for re-election at the forthcoming AGM. The Board will identify a suitable replacement independent director in due course.

The Board does not impose a term of limit for independent director as the Board believes that continued contribution provides benefits for the Board and the Company as a whole. The Board is of the view that there are significant advantages to be gained from the long-serving independent directors who provide invaluable insight and possesses knowledge of the affairs of the Company.

Independent directors do not participate in the day-to-day management of the Company and they remain free of material business or relationship with the Company which could reasonably be perceived to materially interfere with their exercise of independent judgment. The suitability and ability of an independent director to carry out his roles and responsibilities effectively are very much a function of his calibre, qualifications, experience and personal qualities.

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 namely Haji Mohd. Sharif bin Haji Yusof (Chairman), Mr. Hoe Kah Soon and Dato' Azmi bin Abdullah. The Chairman of the NRC is a Senior INED. The NRC has written terms of reference dealing with its authority, duties and responsibilities and are available on the Company's website at www.ireka.com.my.

The NRC is responsible for identifying, recommending and recruiting candidates for directorships and also to fill the seats of Board Committees. For new appointments to the Board, the NRC shall meet with the shortlisted candidates to assess their suitability before formally considering and recommending them for appointment to the Board. In assessing the suitability of the candidates, the NRC shall consider the candidates' character, experiences, competencies, integrity, time commitment and other qualities which the candidates would contribute to the overall desired composition of the Board. Based on the recommendation of the NRC, the Board will evaluate and decide on the appointment of the proposed candidates. In addition, an assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees, and also the contribution of each Director. The Board, through the NRC, reviews periodically the succession plans of the Board, its required mix of skills and experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board, and make recommendations to the Board with regard to any changes. The assessment for the financial year ended 31 March 2019 indicated that there was a good balance in the composition of the Board and the members of the Board possessed the sufficient skills and experience in discharging their duties and responsibilities and the level of independence demonstrated by the INEDs was satisfactory with the ability to act in the best interest of the Company. All Directors retiring pursuant to the Company's Constitution and standing for election and re-election are assessed by the NRC before they are recommended for election and re-election by shareholders at the AGM. All assessments and evaluations carried out by the NRC in the discharge of all its functions are properly documented.

Election and Re-election of Directors

Article 91 of the Company's Constitution provides that an election of Directors shall take place each year and all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. Article 98 of the Company's Constitution provides that 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 to serve on the Board. The re-election of each director will be voted on separately. At the forthcoming AGM, the following Directors retiring pursuant to Article 91 of the Company's Constitution, and being eligible, offered themselves for re-election:

(i) Datuk Lai Siew Wah;
(ii) Datuk Lai Jaat Kong @ Lai Foot Kong; and
(iii) Dato' Azmi bin Abdullah.

The Directors who are due for re-election at the AGM will be subject to assessment conducted by the NRC, whereupon the NRC's recommendations are made to the Board on the proposed re-election of the Directors concerned. The Board was satisfied with the performance of the abovementioned Directors and recommended their proposed re-election to be tabled for shareholders' approval at the forthcoming AGM. To assist the shareholders in their decision, information on their personal profiles are provided on pages 12 to 15 of the Annual Report.

Directors' Training

All the Directors, apart from attending the Mandatory Accreditation Programme as prescribed by Bursa Malaysia, have also attended other training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with recent developments of the business environment, relevant changes in laws and regulations. The Directors are mindful that they should continue to update their skills and knowledge to sustain their active participation in board deliberations and maximise their effectiveness during their tenure. In addition, the Company Secretary updated the Directors of the changes to the Listing Requirements and key corporate governance developments from time to time.

Newly appointed Directors received induction on joining the Board which include briefings by the Board members with the necessary information to assist them in understanding the operations of the Company, current issues and corporate strategies, as well as the structure and management of the Company.

The training programmes and seminars attended by the Directors during the financial year ended 31 March 2019 are as follows:-

Directors	Title of Course
Datuk Lai Siew Wah	• Understanding Performance Management Cycle (In-house training)
Datuk Lai Voon Hon	• Best Practices in the Governance Family Business (Young Presidents' Organisation ('YPO')) • New Money Versus Old Money (YPO) • New Structure of New Malaysia (YPO) • Cities + Societies 21st C by Malaysian Institute of Architects • Understanding Performance Management Cycle (In-house training) • Morning Talk – Good Feng Shui Integration (New Outlook and Opportunity) (FIABCI) • Asia Pacific Real Estate Market Outlook 2019 (YPO) • Open Source Code Leadership (YPO) • 2019 YPO GLC and YPO Edge (YPO)
Lai Voon Huey, Monica	• Bank of Singapore Investor Forum 2018 – Asia – The Great Disruptor • Bank of Singapore Mid Year Outlook 2018 – Looking Through the Turbulence • Malaysia Australia Business Council High Tea Talk – Wellness and Working Flexibly • Doing Business in China (Christopher & Lee Ong) • Getting More Out of Digital Marketing (Securities Commission Malaysia) • Understanding Performance Management Cycle (In-house training) • Trade and Investment between Malaysia and the UK (British Malaysian Society in collaboration with MIDA) • Bank of Singapore Global Outlook 2019 – Opportunities in a Shifting Landscape • CSR Distinguished Dinner Talk Series (CEOWorld Academy Sdn Bhd)
Datuk Lai Jaat Kong @ Lai Foot Kong	• MBAM 44th IFAWPCA Convention Kuala Lumpur 2018
Chan Chee Kian	• Asia Pacific Hotel Investment Conference 2018 (Questex Asia Ltd) • Mandatory Accreditation Programme for Directors of Public Listed Companies (The ICLIF Leadership and Governance Centre) • Jones Lang Wootton Annual Quarterly Subscribers Forum & Luncheon 2018 • Understanding Performance Management Cycle (In-house training) • CSR Distinguished Dinner Talk Series (CEOWorld Academy Sdn Bhd)
Tan Thiam Chai	• MBAM 44th IFAWPCA Convention Secretariat • Understanding Performance Management Cycle (In-house training) • CSR Distinguished Dinner Talk Series (CEOWorld Academy Sdn Bhd)
Haji Mohd. Sharif bin Haji Yusof	• Sustainability Engagement Series for Directors and CEOs (Bursa Malaysia) • The Malaysian Code on Corporate Governance (MAICSA/Atlan Holdings Berhad) • PwC Sales and Service Tax Briefing (Axis REIT)
Hoe Kah Soon	• Credit Suisse Market Outlook Seminar • Bank of Singapore Mid Year Outlook 2018 – Looking Through the Turbulence • 4th Higher Education Leadership and Governance Conference • Credit Suisse Market Outlook Seminar • Bank of Singapore Global Outlook 2019
Dato' Azmi bin Abdullah	• Risk Governance Conference (Bank Muamalat (M) Berhad) • Corporate Director Conference (Kumpulan Wang Amanah Persaraan) • Khazanah Mega Trends Forum

III. REMUNERATION

The Board has put in place a remuneration policy for Directors so as to ensure it is sufficient to attract, retain and motivate the Directors needed to manage the Group successfully. In the case of Executive Directors, in addition to directors' fee, their remuneration packages are structured so as to link rewards to corporate and individual performance and to commensurate with their experience, skills and responsibilities arising from their respective executive/ management positions in the Group as well as benchmarking against industry standards. In the case of Non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-executive Directors concerned. Non-executive Directors will be paid directors' fee and board committees' fees based on their responsibilities in Board committees.

The NRC consists exclusively of independent directors namely Haji Mohd. Sharif bin Haji Yusof (Chairman), Mr. Hoe Kah Soon and Dato' Azmi bin Abdullah. The NRC is responsible for recommending the remuneration packages of the Directors for consideration and approval by the Board. The Directors play no part in decision on their own remuneration. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors. The directors' fees and benefits payable to the Directors are recommended by the Board and approved by the shareholders at the AGM.

The NRC reviewed the remuneration of the executive board before recommending the same for the Board's approval. The NRC also deliberated on the proposed renewal of the consultancy service contract for the Non-independent Non-executive Director for subsequent approval by the Board. The Directors concerned were abstained from deliberation and voting on their own remuneration.

The Company has policy to determine the remuneration of the senior management which shall commensurate with their experience, skills and education as well as benchmarking against industry standards. The top five (5) senior management comprises the five (5) Executive Directors including the Executive Chairman and the details of their respective remuneration were as disclosed below.

The details of the remuneration of the Directors during the financial year ended 31 March 2019 (received from the Company and on a group basis) are as follows:

Name of Directors	Salaries RM	Fees RM	Bonuses & Incentives RM	Defined Contribution Plan RM	Benefits-In-Kind RM	Total RM
Executive Directors						
Datuk Lai Siew Wah	956,280	50,000	37,720	–	5,675	1,049,675
Datuk Lai Voon Hon	864,406	40,000	30,852	103,730	5,675	1,044,663
Lai Voon Huey, Monica	775,822	40,000	27,706	93,100	6,150	942,778
Chan Chee Kian	509,550	40,000	37,000	61,146	6,150	653,846
Tan Thiam Chai	–	40,000	–	–	–	40,000
Non-executive Directors						
Datuk Lai Jaat Kong @ Lai Foot Kong	–	40,000	–	–	–	40,000
Haji Mohd. Sharif bin Haji Yusof	–	50,000	–	–	–	50,000
Hoe Kah Soon	–	48,000	–	–	–	48,000
Dato' Azmi bin Abdullah	–	48,000	–	–	–	48,000
Received from the Company	**3,106,058**	**396,000**	**133,278**	**257,976**	**23,650**	**3,916,962**
Executive Director						
Tan Thiam Chai	625,893	–	24,685	75,108	6,150	731,836
Received from a subsidiary	**625,893**	**–**	**24,685**	**75,108**	**6,150**	**731,836**
Total Group	**3,731,951**	**396,000**	**157,963**	**333,084**	**29,800**	**4,648,798**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

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

The AC comprises three (3) INEDs. It is chaired by Haji Mohd. Sharif bin Haji Yusof, who is a member of the Malaysian Institute of Accountants and he is not a Chairman of the Board. All the AC members have sound knowledge on financial and accounting matters and also with the knowledge gained through extensive service on the boards and audit committees of other listed companies, have enabled them to discharge their duties and responsibilities efficiently. By attending the continuous professional development programmes has enabled them to keep abreast with relevant developments in accounting and auditing standards, practices and rules.

The NRC assessed the performance of the AC and its members through an annual evaluation. Based on the outcome of the evaluation for the financial year under review, both the NRC and the Board were satisfied with the AC's performance. The information on the composition, attendance record and summary of activities of the AC is presented in the Audit Committee Report of this Annual Report.

Assessment of Suitability and Independence of External Auditors

A transparent and professional relationship with the external auditors to enable them to independently report to shareholders in accordance with the statutory and professional requirement is established through the AC. The role of the AC members in relation to the external auditors is stated in the Audit Committee Report of this Annual Report.

The AC assesses the performance, competency and professionalism demonstrated by the external auditors during the year. Prior to making a recommendation on the continuance of the incumbent external auditors, the AC performs 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 external auditors that they are and have been, independent throughout the conduct of the audit engagement in accordance with the terms and the relevant professional and regulatory requirements.

Having considered all of the above criteria, the AC is satisfied with the performance of the external auditors and hence, recommended to the Board for RSL PLT to be re-appointed by shareholders as external auditors of the Company for the financial year ending 31 March 2020 at the forthcoming AGM.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

The Company has in place an ongoing process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The AC is delegated with the oversight responsibility of risk management. The Board, through its AC, reviews the key risks identified to ensure proper management and mitigation of risks within its control.

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

The Statement on Risk Management and Internal Control which provides an overview of the state of internal control within the Group is set out in the Company's Annual Report 2019.

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

I. COMMUNICATION WITH STAKEHOLDERS

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

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

The Board has identified Haji Mohd. Sharif bin Haji Yusof as the Senior Independent Non-executive Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders.

II. CONDUCT OF GENERAL MEETINGS

The Board recognises the AGM as a principal forum for dialogue and interaction with shareholders. Hence, venue of the meeting is set at a place which is easily accessible to shareholders and notice of AGM of at least 28 days prior to the date of the meeting is given to the shareholders to allow sufficient time for the shareholders to consider the resolutions that will be discussed and decided at the AGM. Besides releasing announcement through the website of Bursa Malaysia Securities Berhad and dispatching notices to the shareholders, the notice of the AGM is also published in a nationally circulated newspaper and posted on the Company's website.

The notice of AGM, which sets out the businesses to be transacted at the AGM, is accompanied by full explanation of the purposes and effects of a proposed resolution where applicable so as to enable shareholders to make informed decisions in exercising their voting rights.

At the AGM, the Board presents an overview of the performance of businesses in the Group to keep the shareholders informed and updated on current developments of the Group. All shareholders are encouraged to participate in the question and answer sessions. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and affairs of the Company and the Group. All Directors will attend general meetings unless unforeseen circumstances preclude them from attending the meetings. All Directors of the Company attended the previous AGM held on 29 August 2018. The Chairman of the Board Committees was present to facilitate discussion on matters such as audit, nomination, remuneration and risk management. Members of the Senior Management and representatives of the external auditors were also present to respond to any queries by the shareholders.

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

(This Corporate Governance Overview Statement and the Corporate Governance Report have been approved by the Board of Directors at the Board meeting held on 16 July 2019)

ADDITIONAL COMPLIANCE INFORMATION

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

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company entered into a subscription agreement with CRRC Urban Traffic (Europe) Co. Ltd. ('CRRC Europe') on 4 December 2017 for the subscription by CRRC Europe of 15,836,000 ordinary shares of the Company representing approximately 9.27% of the total issued shares in Ireka for a total subscription price of RM9,176,962.

As at 30 June 2019, the status of the utilisation of proceeds raised from the share subscription is as follows:

	Estimated timeframe for utilisation	Proposed utilisation (RM)	Actual utilisation (RM)	Balance (RM)
Working Capital	Within 12 months from receipt of funds	9,026,962	377,565	8,649,397

2. NON-AUDIT FEES

The amount of non-audit fees incurred and payable for the services rendered to the Company and/or the Group by its external auditors, RSL PLT or their affiliated companies for the financial year ended 31 March 2019 are as follows:

Non-audit services rendered	Company (RM)	Group (RM)
1. Review of the Statement on Risk Management and Internal Control	7,000	7,000
2. Limited Review of Consolidated Financial Statements	25,000	25,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) which involved the interests of Directors and/or major shareholders, either still subsisting at the end of the financial year ended 31 March 2019 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS ('RRPT')

The Company had at the 42nd Annual General Meeting ('AGM') of the Company held on 29 August 2018 obtained shareholders' mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business with the related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming AGM. The Company intends to seek a renewal of the shareholders' mandate for the RRPT at the Company's forthcoming AGM.

The details of the renewal of the shareholders' mandate to be sought are set out in the Circular to Shareholders dated 31 July 2019 which is dispatched together with this Annual Report.

The details of the RRPTs transacted during the financial year ended 31 March 2019 are disclosed in Note 31 to the financial statements contained in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's ('Bursa Malaysia') Main Market Listing Requirements, the Board of Directors of Ireka Corporation Berhad ('the Group') is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 March 2019. This Statement has been prepared in accordance with the above requirements and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

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

In view of the limitations that are inherent in any system of risk management and internal control, the system put in place by Management can only reduce rather than eliminate all risks of failure to achieve the Group's business objectives. Consequently, 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 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 periodic receipt 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 control in place for the year under review and up to the date of issuance of this Statement, is appropriate to business operations and that risks taken are at a reasonable level within the operations of the Group. The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's system of risk management and internal control is operating adequately and effectively, in all material aspects.

RISK MANAGEMENT

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

The risk identification process involves reviewing and identifying the possible risk exposure arising from changes in both external business environment and internal operating conditions. The risk measurement guidelines comprised quantitative and qualitative measures of risk consequences based on the risk likelihood rating and risk impact rating. Risk Profile consists of principal business risks which are identified and documented in the Risks Register. The Risks Register includes the description of risk, consequence if risk were to crystalize, the likelihood and impact of the risk to the Group. The Group Risk Management Reports were tabled to the Audit Committee and Board of Directors on 29 November 2018 and 28 May 2019 for review. The Audit Committee reviewed the Risk Management Framework and Policy & Procedure on 28 May 2019 and subsequently recommended for Board of Directors for approval.

The Executive Directors and CEO of the respective business unit ensure all key risks affecting the business operation and achievement of their objectives are considered and incorporated into their FY 2019 business plan and 5-year corporate strategy. The Board is of the view that it is an ongoing process for identifying, evaluating, monitoring and managing the key risks in their daily operation activities for the year under review and up to the date of issuance of this Statement.

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

AREA OF RISKS	DIVISION	MITIGATION STRATEGY
Competitive Market Due to sluggish market condition, the Group is experiencing intense competition across its three core businesses.	• Infrastructure	• To participate and tender in projects which the Group has established and proven experience as well as competitive edge such as high specification residence and commercial buildings; earthwork and building projects for hotels and hospitals; and bridges, roads, viaducts in civil engineering works • To support Urban Transportation projects initiatives which the Group now venturing into
	• Real Estate	• To have a broad spectrum of products with different pricing strategies to cater to different market segments which are in demand • To offer innovative and unique financing schemes
	• Technologies	• To establish and strengthen relationship with new and existing suppliers and customers • To offer competitive pricing and package deal

AREA OF RISKS	DIVISION	MITIGATION STRATEGY
Labour shortage/ Loss of Key Employees The infrastructure and real estate industries have been facing shortages of labour and skilled personnel due to competitive market conditions in recent years.	• Infrastructure /Real Estate	• To develop conducive work place environment • To ensure competitive remuneration policies to retain employee • To develop talents within the Group
Project Management Risk The Group understands the financial and reputational implication of delay in completing the construction projects and handing over the units to customers. Delays may lead to purchaser claiming Liquidated and Ascertained Damages ('LAD') which affect reputation and cashflow of the Group.	• Infrastructure • Real Estate	• To have close monitoring on progress report and contractor performance • To implement technology in improving efficiencies and productivity and to use industrialised building system and formworks for construction • To have in place project management plan/ tool and quality management system • To establish policy and procedures in selection of consultants to ensure only qualified professional firms are selected • To strengthen relationship with external consultants

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function assists the Board and Audit Committee ('AC') by providing an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control systems. Further details of the Internal Audit Function are set out in the Audit Committee Report on pages 35 to 36 of this Annual Report.

Other Key Elements of Internal Control

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

- clearly defined delegation of responsibilities to committees of the Board and to Management of operating units, including authorisation levels for all respects of the business which are set out in the authority matrix;

- clearly documented internal procedures in respect of operational and financial processes as set out in ISO 9001:2015 Quality Management System Documents and the Financial Processes Manual;

- regular and comprehensive information provided to the Board and AC covering financial performance and key business indicators;

- a detailed budgeting process where operating units prepare budgets for coming year and approved by the Executive Management;

- monitoring of results against budget, with major variances being followed up and management actions taken, where necessary during respective Key Performance Index project meetings, management meetings and Board meetings; and

- regular visits to operating units by Executive Directors, CEOs and Senior Management; compliance with the Group's rules and regulations and employee conduct as set out in the Group's Human Resource Policies.

Review of Statement

The external auditors have reviewed this Statement for inclusion in the Annual Report 2019 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

Conclusion

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

(This Statement on Risk Management and Internal Control has been approved by the Board of Directors at the Board meeting held on 16 July 2019)

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

During the financial year under review, the Audit Committee ('AC') comprises the following members:

1) Haji Mohd. Sharif bin Haji Yusof
Chairman/Senior Independent Non-executive Director

2) Hoe Kah Soon
Member/Independent Non-executive Director

3) Dato' Azmi bin Abdullah
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 is a Fellow member of the Institute of Chartered Accountants, England and Wales and a member of the Malaysian Institute of Accountants. Haji Mohd. Sharif bin Haji Yusof had given a notice of his intended retirement as Director to take effect at the conclusion of the Company's forthcoming Annual General Meeting. Hence, he would relinquish his position as the Chairman of the AC consequent to his retirement from the Board. The Board would identify a suitable replacement independent director in due course and to, subsequently, fill the vacancy of the Chairman of the AC.

ATTENDANCE OF MEETINGS

During the financial year ended 31 March 2019, a total of five (5) AC meetings were held and the details of the attendance of the members are as follows:

Name	No. of Meetings Attended
Haji Mohd. Sharif bin Haji Yusof	4/5
Hoe Kah Soon	4/5
Dato' Azmi bin Abdullah	5/5

One of the Executive Directors (the officer primarily responsible for the accounting records and financial management of the Group), head of the Risk Management Committee, representatives of the outsourced internal audit function and the external auditors were invited to attend the AC meetings, when required, to explain and provide the AC with clarification on the activities involving their area of responsibilities.

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

TERMS OF REFERENCE

The terms of reference of the AC was reviewed on 27 February 2019 and are available on the Company's website at www.ireka.com.my.

SUMMARY OF ACTIVITIES

The following activities were carried out by the AC during the financial year ended 31 March 2019 in discharging its functions:

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

    i) changes in or implementation of major accounting policies;

    ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters were addressed; and

    iii) compliance with accounting standards and other legal requirements

2) Reviewed the external auditors' report on their audit plan, scope of works and the audit procedures to be adopted in the annual audit;

3) Reviewed and discussed with the external auditors on the key audit matters raised from the results of their annual audit, the management letter and the audit report;

4) Reviewed the annual audited financial statements of the Company and the Group, which have been prepared in compliance with the applicable Financial Reporting Standard and in accordance with the provision of the Companies Act 2016, together with the external auditors prior to submission to the Board for consideration and approval;

5) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to the inclusion in the Company's Annual Report;

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

7) Invited one of the Executive Directors (the officer primarily responsible for the accounting records and financial management of the Group) to all the AC meetings to facilitate direct communication and to provide clarification on issues relating to the financial results of the Group, significant financial reporting issues and judgments made on the accounting matters;

8) Reviewed and approved the risk based audit plan of the internal auditors to ensure the adequacy of the scope and coverage of the work, and that it has the necessary authority to carry out its work;

9) Reviewed and deliberated on internal audit reports tabled during the year, the audit recommendations made and Management's response to these recommendations. The AC briefed the Board on audit findings, sought clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements could be made;

10) Reviewed the results of follow-up audits conducted by the internal auditors on the Management's implementation of audit recommendations to ensure that corrective actions have been implemented in a timely manner;

11) Reviewed all related party transactions entered into by the Company and the Group to ensure that such transactions were undertaken at arm's length and on normal commercial terms prior to submission for the Board's approval;

12) Reviewed the actual values of recurrent related party transactions entered into by the Company and the Group against the approved estimated values mandated by shareholders on a quarterly basis;

13) Reviewed the key risks identified by the Chief Executive Officers of the Group's core businesses as contained in the Group Risk Management Reports before recommending the same for the Board's consideration; and

14) Reviewed, assessed and monitored the performance, competency and professionalism demonstrated by the external auditors. The AC was satisfied with the performance and the audit independence of the external auditors and accordingly, it was recommended to the Board for their re-appointment to be tabled for approval at the forthcoming Annual General Meeting.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group's internal audit function, which reports directly to the AC, is outsourced to Axcelasia Columbus Sdn Bhd. The main role of the internal audit function is to undertake regular reviews of the Group's systems of controls, procedures and operations so as to provide independent and objective assurance to the AC regarding the adequacy and effectiveness of internal control, risk management and governance systems. The Engagement Director is Mr Mah Siew Hoong who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Mr Mah is a Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The number of staff deployed for the internal audit reviews ranges from 4 to 5 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk based approach and were guided by the International Professional Practice Framework.

During the financial year ended 31 March 2019, the outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan approved by the AC. The entities and business processes reviewed were as follows:

Entity	Business Processes
Ireka Corporation Berhad	• Risk Management Framework Review
Ireka Engineering & Construction Sdn Bhd	• Construction • Materials Management at Site
Ireka Development Management Sdn Bhd	• Pre-Development

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

Entity	Business Processes
Ireka Engineering & Construction Sdn Bhd	• Project Operation Risk Management • Pre-Contract and Tender Management • Construction
Ireka Development Management Sdn Bhd	• Project Closure • Sales and Marketing • Credit Control and Collection

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

The total costs incurred for the outsourcing of the Internal Audit function for the financial year ended 31 March 2019 was RM59,852.22.

STATEMENT OF DIRECTORS' RESPONSIBILITY

for preparing the Financial Statements
(Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Directors are responsible for the preparation of the financial statements of the Group in accordance with the Malaysian Financial Reporting Standards, the Companies Act 2016 ('Act') and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2019 and of the results and cash flows of the Company and of the Group for the financial year then ended.

In preparing the financial statements, the Directors have:

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

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

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

(This Statement has been approved by the Board of Directors at the Board meeting held on 16 July 2019)

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries within the Group are stated in Note 8 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Loss before tax	(28,671,022)	(2,910,722)
Taxation	(413,109)	–
Loss for the year	(29,084,131)	(2,910,722)
Attributable to:		
Owners of the parent	(28,489,189)	(2,910,722)
Non-controlling interests	(594,942)	–
	(29,084,131)	(2,910,722)

In the opinion of the Directors, the results of the operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, a first and final single-tier dividend of RM3,734,161 (2 sen per share on 186,708,050 ordinary shares) in respect of financial year ended 31 March 2018 was paid out during the financial year under review.

The Directors do not recommend payment of any dividend in respect of the financial year ended 31 March 2019.

DIRECTORS OF THE COMPANY

The Directors who held office during the year since the date of the last report and as at the date of this report are:

- Datuk Lai Siew Wah
- Datuk Lai Voon Hon
- Lai Voon Huey
- Datuk Lai Jaat Kong @ Lai Foot Kong
- Haji Mohd. Sharif Bin Haji Yusof
- Tan Thiam Chai
- Hoe Kah Soon
- Dato' Azmi Bin Abdullah
- Chan Chee Kian

The persons who are Directors of the subsidiary companies of Ireka Corporation Berhad during the year are disclosed in Note 8 to the financial statements.

DIRECTORS' BENEFITS

During and at the end of the previous financial year no arrangements subsisted, to which the Company or its subsidiaries is a party, with the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

No Director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) 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, except as disclosed in Note 31 to the financial statements.

DIRECTORS' REMUNERATION

Directors' remuneration paid or payable to the Directors of the Company during the financial year are disclosed in Note 27 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in ordinary shares and warrants of the Company are as follows:

Interest in ordinary shares of the Company:

Number of ordinary shares

Direct Holding	At 1.4.2018	Addition	Disposal	At 31.3.2019
Datuk Lai Jaat Kong @ Lai Foot Kong	8,943,750	56,150	–	8,999,900
Datuk Lai Voon Hon	18,000	–	–	18,000
Lai Voon Huey	9,000	–	–	9,000
Tan Thiam Chai	29,250	–	–	29,250
Indirect Holding				
Datuk Lai Siew Wah (i)	73,502,997	–	–	73,502,997
Datuk Lai Voon Hon (i)	73,502,997	–	–	73,502,997
Lai Voon Huey (i)	73,502,997	–	–	73,502,997

Interest in warrants of the Company:

Number of warrants 2014/2019

Direct Holding	At 1.4.2018	Addition	Disposal	At 31.3.2019
Datuk Lai Jaat Kong @ Lai Foot Kong	2,924,050	–	–	2,924,050
Datuk Lai Voon Hon	6,000	–	–	6,000
Lai Voon Huey	3,000	–	–	3,000
Tan Thiam Chai	9,750	–	–	9,750
Indirect Holding				
Datuk Lai Siew Wah (i)	24,500,999	–	–	24,500,999
Datuk Lai Voon Hon (i)	24,500,999	–	–	24,500,999
Lai Voon Huey (i)	24,500,999	–	–	24,500,999

(i) Deemed interest through Ideal Land Holdings Sdn Bhd

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There has been no change in the issued and paid-up capital of the Company during the financial year.

The Group and the Company have not issued any debentures during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors and officers' liability insurance for purpose of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for Directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM11,458.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business 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:

(a) the amount written off for bad debts or the amount of the allowance for impairment in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(b) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

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

(a) 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; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

(a) no contingent or other liability 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 when they fall due; and

(b) 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 or of the Company for the financial year in which this report is made except as disclosed in Note 36 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, RSL PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 27 to the financial statements.

SIGNED ON BEHALF OF THE BOARD
IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATUK LAI VOON HON
Director

LAI VOON HUEY
Director

Petaling Jaya – 16 July 2019

STATEMENT BY DIRECTORS

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

We, **DATUK LAI VOON HON** and **LAI VOON HUEY**, being two of the Directors of **IREKA CORPORATION BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 50 to 113 are drawn up in accordance with 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 31 March 2019 and of their financial performance and cash flows for the year then ended.

SIGNED ON BEHALF OF THE BOARD
IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATUK LAI VOON HON
Director

LAI VOON HUEY
Director

Petaling Jaya – 16 July 2019

STATUTORY DECLARATION

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

I, **LAI VOON HUEY**, being the Director primarily responsible for the accounting records and financial management of **IREKA CORPORATION BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages 50 to 113 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
LAI VOON HUEY
NRIC No. 660508-10-6572
At PETALING JAYA
in the state of SELANGOR DARUL EHSAN
on 16 July 2019

LAI VOON HUEY

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Ireka Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ireka Corporation Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 50 to 113.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 ("ByLaws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Group Financial Statements

Key Audit Matters	How the matter was addressed in our audit
Investment Properties	
The Group's Investment properties are carried at fair value. The Executive Directors engaged independent external valuer to determine the fair value of the investment properties every five years. On an annual basis, the Executive Directors performed internal valuation based on actual transactions of similar type of properties and location. We have identified the valuation of investment properties as a key audit matter because valuation included significant assumptions which are judgmental. Refer to Note 4(k) – Significant Accounting Policies: Investment properties; Note 7 – Investment properties.	Our audit procedures include: • Assessed the valuation methodology applied by the external valuers and the Group to ensure that they are appropriate for financial reporting purpose; • Considered the qualifications of competence of the external valuers and assessed the scope of work of the external valuers; and • Assessed information used in internal valuation by the Group and discussed with Executive Directors on their relevance and appropriateness.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Group Financial Statements (cont'd)

Key Audit Matters	How the matter was addressed in our audit
Investment in Associates	
The Group's investment in associates is carried at cost. The Group has an associated company listed on the London Stock Exchange main board – Aseana Properties Limited ("ASPL"). We have identified the quoted investment of ASPL of RM117,453,420 as at 31 March 2019 as a key audit matter because of the significance of the amount and the valuation models used by the valuers of ASPL to determine its fair value and its significant assumptions which are judgmental. Refer to Note 4(g) – Significant Accounting Policies: Associates; Note 9 – Investment in associates.	Our audit procedures include: • Assessed publicly available information of ASPL including annual reports, interim reporting, quarterly investor updates and corporate presentations; • Discussed with the Executive Directors on the reasonableness of valuation methodology applied by the external valuers' of ASPL which were 'in accordance with the International Valuation Standards ("IVS") or in accordance with the Royal Institute of Chartered Surveyor Guidelines' ("RICS"); and • Assessed the reasonableness of ASPL's cash flow model's key assumptions.
Revenue and cost recognition of construction contract	
A significant proportion of the Group's revenues and profits are derived from long term construction contracts which span over more than one accounting period. Revenue is recognised progressively over time based on stage of completion. The stage of completion is determined by the proportion that contract costs incurred for work performed to date against the estimated total construction costs. Refer to Note 4(m) and 4(u)(i) – Significant Accounting Policies: Construction contracts; Note 5(b)(ii) Significant Accounting Estimates And Judgments; Note 22 – Contract liabilities; Note 23 – Revenue; Note 24 – Cost of sales.	Our audit procedures performed in this area included: • Tested the Group's controls by checking for evidence of reviews and approvals over contract cost, setting budgets and recognised and recording of actual costs incurred; • Checked the architect certificate against stage of completion of certain contracts to ascertain the reasonableness of the stage of completion recognised in the profit or loss; • Assessed the assumptions in deriving at the estimates contract cost; • Agreed a sample of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate contract, and met the definition of contract costs; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Group Financial Statements (cont'd)

Key Audit Matters	How the matter was addressed in our audit
Recoverability of Investment in subsidiaries and recoverability of amounts due from subsidiaries	
Investment in Subsidiaries RM104,786,840 Amounts due from subsidiaries RM52,164,753 Refer to Note 4(f) – Significant Accounting Policies: Subsidiaries; Note 8 – Investment in Subsidiaries	Our audit procedures included: Test of details: • We compared the carrying amount of all the investments with the relevant subsidiaries' financial statements to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historical been profit-making; and • We assessed all the intercompany debtors balances to identify, with reference to the relevant debtors' financial statements, whether they have a positive net asset value and therefore coverage of the debt owed. Subsidiary audit: We assessed the work performed by the subsidiary audit teams and considered the results of that work, on subsidiaries' income and net assets.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

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 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 a going concern, 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 or the Company or to cease operations, or have no realistic alternative but to do so.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 8 to the financial statements.

Other Matters

1. As stated in Note 4(a) to the financial statements, **IREKA CORPORATION BERHAD**. adopted Malaysian Financial Reporting Standard and International Financial Reporting Standards on 1 April 2018 with a transition date of 1 April 2017. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 31 March 2018, 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 year ended 31 March 2018 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 March 2019, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2018 do not contain misstatements that materially affect the financial position as at 31 March 2019 and the financial performance and cash flows for the year then ended.

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

RSL PLT	**LIM LIP CHIN**
LLP0020047-LCA & AF-0071	01931/02/2021 J
Chartered Accountants	Chartered Accountant

Petaling Jaya – 16 July 2019

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2019

	Note	Group 2019 RM	2018 RM Restated	As at 1.4.2017 RM Restated
ASSETS				
Non–current assets				
Property, plant and equipment	6	**26,515,396**	28,912,619	33,531,659
Investment properties	7	**17,419,700**	6,351,904	11,098,505
Investment in associates	9	**114,646,659**	118,214,270	116,306,679
Other investments	10	**33,500**	41,500	41,500
Inventories	11	**13,070,808**	27,204,775	24,326,446
Deferred tax assets	21	**27,676**	–	–
Total non-current assets		**171,713,739**	180,725,068	185,304,789
Current assets				
Inventories	11	**130,305,854**	104,866,321	109,055,356
Trade and other receivables	12	**135,093,618**	172,269,093	190,589,842
Amounts due from associates	14	**14,889,492**	14,895,133	14,884,994
Cash and cash equivalents	15	**33,207,492**	25,503,087	12,428,419
Total current assets		**313,496,456**	317,533,634	326,958,611
TOTAL ASSETS		**485,210,195**	498,258,702	512,263,400
EQUITY AND LIABILITIES				
Equity				
Share capital	16	**181,288,393**	180,049,012	170,872,050
Share premium	16	**–**	1,239,381	1,384,922
Warrant reserves	17	**5,695,735**	5,695,735	5,695,735
Other reserves	18	**(5,695,735)**	(5,695,735)	(5,695,735)
Foreign currency translation reserve	19	**(1,951,959)**	(1,146,745)	(1,404,478)
Accumulated losses		**(61,702,532)**	(32,720,570)	(13,311,856)
Equity attributable to owners of the parent		**117,633,902**	147,421,078	157,540,638
Non-controlling interests		**27,163,569**	–	–
Total equity		**144,797,471**	147,421,078	157,540,638
Non-current liabilities				
Borrowings	20	**29,081,186**	33,664,391	30,109,966
Deferred tax liabilities	21	**3,222,000**	3,222,000	3,222,000
Total non-current liabilities		**32,303,186**	36,886,391	33,331,966
Current liabilities				
Trade and other payables	22	**237,954,869**	249,207,250	224,278,438
Amounts due to associates	14	**–**	–	1,610
Borrowings	20	**69,785,911**	64,059,956	96,107,787
Tax payable		**368,758**	684,027	1,002,961
Total current liabilities		**308,109,538**	313,951,233	321,390,796
Total liabilities		**340,412,724**	350,837,624	354,722,762
TOTAL EQUITY AND LIABILITIES		**485,210,195**	498,258,702	512,263,400

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

	Note	Company 2019 RM	2018 RM	As at 1.4.2017 RM
ASSETS				
Non–current assets				
Property, plant and equipment	6	**3,433,491**	2,930,178	3,294,820
Investment in subsidiaries	8	**104,786,840**	107,094,152	91,149,668
Investment in associates	9	**158,544,392**	158,544,392	158,439,392
Other investments	10	**33,500**	41,500	41,500
Total non-current assets		**266,798,223**	268,610,222	252,925,380
Current assets				
Trade and other receivables	12	**973,782**	1,780,113	2,178,064
Amounts due from subsidiaries	13	**52,164,753**	41,997,772	48,909,720
Amounts due from associates	14	**14,889,492**	14,895,133	14,884,994
Cash and cash equivalents	15	**12,682,973**	12,266,198	1,313,001
Total current assets		**80,711,000**	70,939,216	67,285,779
TOTAL ASSETS		**347,509,223**	339,549,438	320,211,159
EQUITY AND LIABILITIES				
Equity				
Share capital	16	**181,288,393**	180,049,012	170,872,050
Share premium	16	**–**	1,239,381	1,384,922
Warrant reserves	17	**5,695,735**	5,695,735	5,695,735
Other reserves	18	**(5,695,735)**	(5,695,735)	(5,695,735)
Retained earnings		**87,124,809**	93,770,116	102,067,929
Total equity		**268,413,202**	275,058,509	274,324,901
Non-current liabilities				
Borrowings	20	**687,365**	–	–
Deferred tax liabilities	21	**610,000**	610,000	610,000
Total non-current liabilities		**1,297,365**	610,000	610,000
Current liabilities				
Trade and other payables	22	**9,214,671**	8,795,775	21,704,215
Amounts due to subsidiaries	13	**66,444,215**	52,914,738	20,888,537
Amounts due to associates	14	**–**	–	1,610
Borrowings	20	**2,139,770**	1,718,635	1,997,827
Tax payable		**–**	451,781	684,069
Total current liabilities		**77,798,656**	63,880,929	45,276,258
Total liabilities		**79,096,021**	64,490,929	45,886,258
TOTAL EQUITY AND LIABILITIES		**347,509,223**	339,549,438	320,211,159

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2019

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Continuing operations					
Revenue	23	**200,134,465**	268,767,067	**13,487,680**	11,704,309
Cost of sales	24	**(184,253,848)**	(259,968,946)	**–**	–
Gross profit		**15,880,617**	8,798,121	**13,487,680**	11,704,309
Other income	25	**4,652,320**	6,848,268	**4,279,476**	1,610,328
Administration expenses		**(21,917,231)**	(19,252,371)	**(11,668,787)**	(11,413,501)
Other expenses		**(18,559,193)**	(9,368,883)	**(8,848,301)**	(6,554,946)
Operating loss		**(19,943,487)**	(12,974,865)	**(2,749,932)**	(4,653,810)
Finance costs	26	**(6,141,903)**	(5,193,228)	**(160,790)**	(130,674)
Share of (loss)/profit of associates		**(2,585,632)**	2,378,502	**–**	–
Loss before tax	27	**(28,671,022)**	(15,789,591)	**(2,910,722)**	(4,784,484)
Income tax	28	**(413,109)**	(201,258)	**–**	(95,464)
Loss for the financial year		**(29,084,131)**	(15,990,849)	**(2,910,722)**	(4,879,948)
Other comprehensive (loss)/income:					
Currency translation differences		**(805,214)**	257,733	**–**	–
Loss on fair value changes		**–**	–	**–**	–
Other comprehensive (loss)/income for financial year, net of tax		**(805,214)**	257,733	**–**	–
Total comprehensive loss for the financial year		**(29,889,345)**	(15,733,116)	**(2,910,722)**	(4,879,948)
Total loss attributable to					
owners of the parent		**(28,489,189)**	(15,990,849)	**(2,910,722)**	(4,879,948)
non-controlling interests		**(594,942)**	–	**–**	–
		(29,084,131)	(15,990,849)	**(2,910,722)**	(4,879,948)
Total comprehensive loss attributable to					
owners of the parent		**(29,294,403)**	(15,733,116)	**(2,910,722)**	(4,879,948)
non-controlling interests		**(594,942)**	–	**–**	–
		(29,889,345)	(15,733,116)	**(2,910,722)**	(4,879,948)
Loss per share attributable to owners of the parent (sen)					
Basic and diluted	29	**(15.26)**	(9.11)		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Attributable to Owners of the Parent								
	Non–distributable					Distributable			
	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
As at 1 April 2017, as previously reported	170,872,050	1,384,922	5,695,735	(5,695,735)	(1,404,478)	(26,754,578)	144,097,916	–	144,097,916
Effect of adopting MFRS	–	–	–	–	–	13,442,722	13,442,722	–	13,442,722
As at 1 April 2017, as restated	170,872,050	1,384,922	5,695,735	(5,695,735)	(1,404,478)	(13,311,856)	157,540,638	–	157,540,638
Issuance of shares	9,176,962	–	–	–	–	–	9,176,962	–	9,176,962
Dividend paid	–	–	–	–	–	(3,417,865)	(3,417,865)	–	(3,417,865)
Shares issue expenses	–	(145,541)	–	–	–	–	(145,541)	–	(145,541)
Restated total comprehensive loss for the year	–	–	–	–	257,733	(15,990,849)	(15,733,116)	–	(15,733,116)
As at 31 March 2018, as restated	**180,049,012**	**1,239,381**	**5,695,735**	**(5,695,735)**	**(1,146,745)**	**(32,720,570)**	**147,421,078**	**–**	**147,421,078**
Incorporation of new subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**49**	**49**
Dilution of equity interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25,000,274**	**25,000,274**
Partial disposal of a subsidiary	**–**	**–**	**–**	**–**	**–**	**3,241,812**	**3,241,812**	**2,758,188**	**6,000,000**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(3,734,585)**	**(3,734,585)**	**–**	**(3,734,585)**
Transition to no-par value regime	**1,239,381**	**(1,239,381)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(805,214)**	**(28,489,189)**	**(29,294,403)**	**(594,942)**	**(29,889,345)**
As at 31 March 2019	**181,288,393**	**–**	**5,695,735**	**(5,695,735)**	**(1,951,959)**	**(61,702,532)**	**117,633,902**	**27,163,569**	**144,797,471**

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

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Attributable to Owners of the Company					
	Non–distributable				Distributable	
	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Retained earnings RM	Total equity RM
As at 1 April 2017	170,872,050	1,384,922	5,695,735	(5,695,735)	102,067,929	274,324,901
Issuance of shares	9,176,962	–	–	–	–	9,176,962
Dividend paid	–	–	–	–	(3,417,865)	(3,417,865)
Shares issue expenses	–	(145,541)	–	–	–	(145,541)
Total comprehensive loss for the year	–	–	–	–	(4,879,948)	(4,879,948)
As at 31 March 2018	**180,049,012**	**1,239,381**	**5,695,735**	**(5,695,735)**	**93,770,116**	**275,058,509**
Transition to no-par value regime	**1,239,381**	**(1,239,381)**	**–**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**–**	**–**	**(3,734,585)**	**(3,734,585)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(2,910,722)**	**(2,910,722)**
As at 31 March 2019	**181,288,393**	**–**	**5,695,735**	**(5,695,735)**	**87,124,809**	**268,413,202**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

		Note	2019 RM	2018 RM Restated
Cash flow from operating activities				
Loss before tax from –				
Continuing operations			**(28,671,022)**	(15,789,591)
Adjustments for:				
Bad debt written off			**3,768,015**	19,332
Dividend income			**(36)**	(32)
Impairment allowances made for trade receivables			**256,501**	–
Interest expense			**6,141,903**	5,193,228
Interest income			**(959,331)**	(481,975)
Investment properties	– Gain on disposal		**–**	(1,673,925)
	– Loss on disposal		**–**	630,205
	– Gain on fair value changes		**(1,784,873)**	(1,804,727)
Other investments	– Loss on disposal		**2,000**	–
Property, plant and equipment	– Depreciation		**3,242,754**	3,906,964
	– Gain on disposal		**(735,911)**	(113,878)
	– Loss on disposal		**145,520**	431,618
	– Written-off		**48,982**	30,151
Share of loss/(profit) from associates			**2,585,632**	(2,378,502)
Stock value written down			**2,926**	727
Unrealised gain on foreign exchange			**(994)**	(98)
Unrealised loss on foreign exchange			**–**	411,087
Operating loss before working capital changes			**(15,957,934)**	(11,619,416)
Amounts due from associates			**5,641**	(11,749)
Amounts due from customers on contracts			**(895,142)**	62,164,950
Inventories			**3,984,851**	744,854
Property development costs			**(29,427,308)**	3,443,454
Receivables			**16,147,829**	(29,510,131)
Payables			**(2,094,179)**	13,000,390
Cash (used in)/generated from operations			**(28,236,242)**	38,212,352
Income tax refunded			**65,281**	62,635
Income tax paid			**(376,593)**	(2,451,285)
Net cash flow (used in)/generated from operating activities			**(28,547,554)**	35,823,702
Cash flow from investing activities				
Dividend received			**36**	32
Interest received			**959,331**	481,975
Investment properties	– Proceeds from disposal		**–**	7,595,048
Investment in associates	– Additions		**–**	(105,000)
Land held for property development			**14,133,967**	(2,878,329)
Other investments	– Proceeds from disposal		**6,000**	–
Property, plant and equipment	– Additions		**(1,062,748)**	(289,563)
	– Proceeds from disposal		**1,767,038**	933,290
Net cash flow generated from investing activities			**15,803,624**	5,737,453

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

	Note	2019 RM	2018 RM Restated
Cash flow from financing activities			
Dividends paid to shareholders		**(3,734,585)**	(3,417,865)
Hire purchase principal repayments		**(3,097,367)**	(3,615,424)
Interest paid		**(6,141,903)**	(5,193,228)
Proceeds from issuance of shares		**31,000,323**	9,176,962
Payment of shares issue expenses		**–**	(145,541)
Drawdown of bank borrowings		**84,301,705**	73,048,795
Repayment of bank borrowings		**(77,626,926)**	(91,313,140)
Net cash flow generated from/(used in) financing activities		**24,701,247**	(21,459,441)
Net increase in cash and cash equivalents		**11,957,317**	20,101,714
Effect of changes in exchange rates		**(810,250)**	(131,409)
Cash and cash equivalents			
– at start of financial year		**13,699,493**	(6,270,812)
– at end of financial year	15	**24,846,560**	13,699,493

Reconciliation of liabilities arising from financing activities:

	The Group			
	As at 1.4.2018 RM	Cash flows RM	Non-cash acquisition RM	As at 31.3.2019 RM
Revolving credits	23,125,278	1,506,142	–	**24,631,420**
Trade finance	23,701,000	243,000	–	**23,944,000**
Term loans	35,460,033	4,925,637	–	**40,385,670**
Hire purchase and finance lease liabilities	3,634,442	(3,097,367)	1,008,000	**1,545,075**
	85,920,753	3,577,412	1,008,000	**90,506,165**
			Note 6(a)	

	The Company			
	As at 1.4.2018 RM	Cash flows RM	Non-cash acquisition RM	As at 31.3.2019 RM
Revolving credits	1,014,956	759	–	**1,015,715**
Hire purchase and finance lease liabilities	–	(84,703)	928,000	**843,297**
			Note 6(a)	

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

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

		Note	2019 RM	2018 RM
Cash flow from operating activities				
Loss before tax			**(2,910,722)**	(4,784,484)
Adjustments for:				
Dividend income			**(36)**	(32)
Interest expenses			**160,790**	130,674
Interest income			**(527,148)**	(169,978)
Amounts due from subsidiaries	– Written-off		**3,867,669**	658,825
Impairment loss on investment in subsidiary			**–**	979,664
Investment in subsidiaries	– Gain on partial disposal		**(2,332,979)**	–
Other investment	– Loss on disposal		**2,000**	–
Property, plant and equipment	– Depreciation		**430,091**	359,012
	– Gain on disposal		**(4,511)**	(1,424)
	– Loss on disposal		**7,958**	1,500
	– Written-off		**222**	2,016
Unrealised gain on foreign exchange			**(254)**	(89)
Unrealised loss on foreign exchange			**699**	2,038
Operating loss before working capital changes			**(1,306,221)**	(2,822,278)
Amounts due from/(to) associates			**5,641**	(11,749)
Amounts due (to)/from subsidiaries			**(505,173)**	38,279,324
Receivables			**806,331**	397,951
Payables			**418,896**	(12,908,440)
Cash (used in)/generated from operations			**(580,526)**	22,934,808
Income tax paid			**(451,781)**	(327,752)
Net cash flow (used in)/generated from operating activities			**(1,032,307)**	22,607,056
Cash flow from investing activities				
Dividend received			**36**	32
Interest received			**527,148**	169,978
Investment in subsidiaries	– Additions		**(51)**	(16,924,148)
	– Proceeds from disposal		**4,640,342**	–
Other investment	– Proceeds from disposal		**6,000**	–
Investment in associates	– Additions		**–**	(105,000)
Property, plant and equipment	– Additions		**(113,627)**	(17,405)
	– Proceeds from disposal		**104,554**	20,943
Net cash flow generated from/(used in) investing activities			**5,164,402**	(16,855,600)
Cash flow from financing activities				
Dividends paid to shareholders			**(3,734,585)**	(3,417,865)
Hire purchase principal repayments			**(84,703)**	–
Proceeds from issuance of shares			**–**	9,176,962
Payment of shares issue expenses			**–**	(145,541)
Interest paid			**(160,790)**	(130,674)
Drawdown of bank borrowings			**759**	189
Net cash flow (used in)/generated from financing activities			**(3,979,319)**	5,483,071
Net increase in cash and cash equivalents			**152,776**	11,234,527
Effect of changes in exchange rates			**(445)**	(1,949)
Cash and cash equivalents				
– at start of financial year			**11,562,519**	329,941
– at end of financial year		15	**11,714,850**	11,562,519

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

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries within the Group are stated in Note 8 to the financial statements.

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 16 July 2019.

3. REVENUE AND SEGMENTAL INFORMATION

For management purpose, the Group is organised into five reportable business operating segments as follows:

- Construction
- Property development
- Trading and services
- Property investment
- Investment holding

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical basis unless otherwise indicated in the accounting policies below and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM").

For all periods up to and including the year ended 31 March 2018, the Group and the Company prepared its financial statements in accordance with Financial Reporting Standards in Malaysia ("Previous FRS Framework"). The financial statements of the Group and of the Company for financial year ended 31 March 2019 are the first set of financial statements prepared in accordance with the MFRS Framework, hence MFRS 1 First-time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group from 1 April 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant financial report is 1 April 2017.

At the beginning of the current financial year, the Group and the Company had adopted new and revise MFRS's which are mandatory for financial periods beginning on or after 1 April 2018 as described below.

(b) Changes in accounting policies

The Group and the Company had adopted the following amendments/improvements to MFRSs and IC Interpretation that are mandatory for the current financial year:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9, Financial Instruments (2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers (and related clarification)	1 January 2018

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

(b) Changes in accounting policies (cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 2: Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
IC Interpretation 22 Foreign Currency Transcations and Advance Consideration	1 January 2018
Amendments to MFRSs Annual Improvements to MFRS 2014-2016	1 January 2018

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group except as follows:-

<u>MFRS 9 Financial Instruments</u>

MFRS 9 introduces an expected credit loss ("ECL") model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The ECL is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. For trade receivables, the Group applies the simplified approach permitted by MFRS 9, which requires lifetime expected losses to be recognised on initial recognition of the trade receivables.

The Group has applied the simplified approach and requires lifetime expected losses on all trade receivables and contract asset. The Group has assessed that the impact initial application of this standard is not material.

<u>MFRS 15 Revenue from Contracts with Customers</u>

MFRS 15 replaces MFRS 111 Construction Contracts, MFRS 118 Revenue and related interpretations. Prior to the adoption of MFRS 15, revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer. Upon adoption of MFRS 15, revenue is recognised when a performance obligation is satisfied, such as "control" of goods or services underlying the particular performance obligation are transferred to the customer.

The adoption of MFRS 15 has an impact on the timing of recognition of revenue and profit for the Group's property development business as disclosed in Note 34.

<u>Standards issued but not yet effective</u>

The Group and the Company have not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods beginning on or after
MFRS 16 Leases	1 January 2019
Amendments to MFRSs Annual Improvement to MFRSs 2015-2017 Cycle	1 January 2019
Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128, Investment in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019

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

(b) Changes in accounting policies (cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods beginning on or after
Amendments to MFRS 119, Employee Benefits (Annual Improvement to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 3, Business combination (Annual Improvement to MFRS Standards 2015-2017 Cycle)	1 January 2020
Amendments to MFRS 101 presentation of financial statement	1 January 2020
Amendments to MFRS 108 Accounting policies, Changes in Accounting Estimates and errors	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an investor and its associates or joint venture	Deferred until further notice

The Directors expect that the adoption of the above accounting standards and interpretations (including the consequential amendments, if any) will have no material impact on the financial statements in the period of initial application, except as discussed below:

MFRS 16 Leases
Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Company as a lessee currently accounts for as operating leases. On adoption of this standard, the Company will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as 'right-of-use' assets and their corresponding lease liabilities for the present value of future lease payments.

The Company plans to adopt this standard when it becomes effective by applying the transitional provision and include the required additional disclosure in their financial statements of that year.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2019.

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

The Company controls an investee if and only if the Company has all the following:
- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:
- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

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

(c) Basis of consolidation (cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

(d) Business combination

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note (i).

(e) Transaction with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(f) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

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

(g) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(h) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control and establishment by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Investments in joint ventures are stated at cost in the separate financial statements. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount.

Results and interests in joint venture are equity accounted in the venturer's financial statements of the Group.

Equity accounting involves recognising the venturer's share of the post-acquisition results of joint ventures in the profit or loss and its share of post-acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturer. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

(i) Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

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

(i) Intangible assets (cont'd)

Goodwill (cont'd)

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(j) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on reducing balance basis over the estimated useful lives of the assets as follows:

	%
Buildings	2
Plant and machinery	10-20
Motor vehicle	20
Office equipment	10-25
Furniture and fittings	10
Computers	25
Office renovation	10-25
Data centre	6.7

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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 on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(k) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property 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, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

(l) Inventories

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

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(n)(ix).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

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

(l) Inventories (cont'd)

(ii) Property development costs (cont'd)

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

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

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(iii) Others

Cost is determined using the weighted average basis. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportion of manufacturing overheads based on normal operating capacity. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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.

(m) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the estimated total contract costs.

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

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

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balances is classified as contract liabilities.

(n) Financial instruments

(i) Financial assets

For the purpose of subsequent measurement, the Group and the Company classify financial assets into three measurement categories, namely: (i) financial assets at amortised cost ("AC"); (ii) financial assets at fair value through other comprehensive income ("FVOCI") and (iii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets as follow:

(a) Financial assets at AC
A financial asset is measured at AC if: (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding. Typically, trade and other receivables (excluding prepayments) and cash and cash equivalents are classified as financial assets at AC.

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

(n) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(b) Financial assets at FVPL
A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at FVPL, all other financial assets are subject to review for impairment in accordance with Note (n)(ix).

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, deposits held at call and short term highly liquid investments that are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the current liabilities section on the statement of financial position.

(iv) Held-to-maturity investment

Held-to-investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investment are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(v) Financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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

(n) Financial instruments (cont'd)

(vi) Share capital

Equity instruments are measured at the proceeds received net of direct issue costs.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, the equivalent will be credited to capital redemption reserves.

(vii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity 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 or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(viii) Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group considers evidence of impairment for loans and receivables at a specific asset level. All individually significant receivables are assessed for specific impairment.

- **Trade and other receivables and other financial assets carried at amortised cost**

  The Group applies the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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

(n) Financial instruments (cont'd)

(viii) Impairment (cont'd)

- **Unquoted equity securities carried at cost**

  If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

- **Non-derivative financial assets**

  A financial asset not carried at FVPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

  Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economics conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

(ix) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers, deferred tax asset and investment property 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, then the asset's recoverable amount is estimated. 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 other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

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

(n) Financial instruments (cont'd)

(x) 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.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(xi) Warrant reserve

The warrant reserve assume the relative fair value method of the warrants, being the values determined and used to allocate the proceeds of the Right Issue With Warrants and after deducting issue expenses.

(o) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments, the right to use an asset for an agreed period of time.

(i) Accounting by lessee

- **Finance leases**

  Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

  Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

  Property, plant and equipment acquired under finance leases is depreciated over the shorter of the estimated useful life of the asset and the lease term, in accordance with the property, plant and equipment policy.

- **Operating leases**

  Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period.

(ii) Accounting by lessor

Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

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

(p) Borrowing costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised to the cost of those assets. 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. Any unsold unit is not a qualifying asset because the asset is ready for its intended sale in its current condition.

The unsold unit fails to meet the definition of qualifying asset under MFRS 123 and accordingly, no capitalisation of borrowing costs. All sold units are not a qualifying asset to the developer as the control of the asset has been transferred to customers over time. No capitalisation borrowing costs relating to assets that it no longer controls and recognises.

All other finance costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

(q) Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(s) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulated compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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

(s) Employee benefits (cont'd)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(iii) Termination benefit

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

(t) Foreign currencies

(i) 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 the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

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

(t) Foreign currencies (cont'd)

(iii) Foreign operations (cont'd)

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2019 RM	2018 RM
United States Dollars	**4.082**	3.864
Vietnam Dong	**0.000176**	0.000169

(u) Revenue recognition

The Group and the Company recognise revenue from contracts with customers based on five-step model as set below:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured at fair value of the consideration received or receivable net recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Construction contracts

The contracts for construction comprise of multiple deliverables which include significant turnkey service and are therefore recognised as a single performance obligation. Revenue is recognised progressively over time based on stage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the stage of completion and the milestone payment is generally less than one year.

(ii) Property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stage-alone selling price. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the assets is transferred to the customer. Depending of the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if 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 complete to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by using an input method which is based on cost incurred to-date relative to the total expected costs to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognised sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

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

(u) Revenue recognition (cont'd)

(iii) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs of the possible return of goods.

(iv) Revenue from services rendered

Sale of services are recognised upon render of services to customers.

(v) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on straight-line basis.

(vi) Interest income

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

(vii) Dividend income

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

(viii) Management fees

Management fees are recognised when services are rendered.

(v) Non-current assets (or disposal Groups) held for sale and discontinued operation

Non-current asset (or disposal Groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal Group) is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair values less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

(w) Commitments and contingencies

Commitments and contingent liabilities are disclosed in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical judgements made in applying accounting policies

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

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

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

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

(ii) Operating lease commitments – The Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated on a reducing balance basis over the term of their useful service lives taking into account residual values where appropriate. The estimated useful lives of these assets should be reflective of factors such as service life experience on the facilities and their maintenance programmes. The useful lives and residual values of assets are reviewed, and adjusted if appropriate, at each reporting date.

(ii) Construction contracts

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total revenue and contract costs, as well as the recoverability of the construction contracts activities. Total revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Company relied on past experience and work of specialists.

(iii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(iv) Impairment of assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(v) Claims payable for late completion and late delivery

Claims payable in respect of project completion was delayed resulting in late delivery to its clients. Significant judgement is therefore used in determining the amounts of damages for the delayed completion and claims payable for late delivery to the affected parties.

The Directors have carefully assessed the terms of the contracts, advice from the qualified external party, the amount of damages and the estimated claims payable for late delivery. Based on the Directors' assessment, the Group estimated with reasonable certainty the amounts of claims that are expected to be payable for the project and these amounts have been recognised accordingly as at 31 March 2019. In view of the ongoing negotiations on the claims, any further disclosure may be prejudicial to the Group's negotiating position.

6. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Computers RM	Office renovation RM	Data centre RM	Total RM
2019										
Cost										
As at 1.4.2018	444,922	10,368,469	43,692,070	7,160,628	4,777,587	2,471,160	1,304,178	338,113	8,282,737	78,839,864
Additions	–	–	740,900	1,125,583	89,306	60,680	54,279	–	–	2,070,748
Disposals	–	–	(6,565,283)	(3,111,194)	(95,095)	–	(12,675)	–	–	(9,784,247)
Written-off	–	–	(230,090)	–	(34,462)	(46,502)	–	–	–	(311,054)
Exchange adjustments	–	–	–	–	–	–	1,099	–	–	1,099
As at 31.3.2019	444,922	10,368,469	37,637,597	5,175,017	4,737,336	2,485,338	1,346,881	338,113	8,282,737	70,816,410
Accumulated depreciation										
As at 1.4.2018	–	1,737,748	33,458,212	6,174,203	3,414,977	1,403,666	945,336	168,171	2,624,932	49,927,245
Depreciation charge for the year	–	163,286	1,912,190	340,183	251,733	109,531	57,892	16,994	390,945	3,242,754
Disposals	–	–	(5,535,850)	(2,976,837)	(82,238)	–	(12,674)	–	–	(8,607,599)
Written-off	–	–	(190,218)	–	(28,256)	(43,598)	–	–	–	(262,072)
Exchange adjustments	–	–	–	–	–	–	686	–	–	686
As at 31.3.2019	–	1,901,034	29,644,334	3,537,549	3,556,216	1,469,599	991,240	185,165	3,015,877	44,301,014
Net carrying amount										
As at 31.3.2019	444,922	8,467,435	7,993,263	1,637,468	1,181,120	1,015,739	355,641	152,948	5,266,860	26,515,396

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Computers RM	Office renovation RM	Data centre RM	Total RM
2018										
Cost										
As at 1.4.2017	444,922	10,368,469	44,601,813	9,993,267	4,805,084	3,089,293	957,573	338,113	8,564,362	83,162,896
Additions	–	–	96,700	295,362	106,661	–	28,515	–	44,325	571,563
Reclassification	–	–	–	–	–	–	325,950	–	(325,950)	–
Disposals	–	–	(958,383)	(3,128,001)	(108,592)	(576,660)	(3,593)	–	–	(4,775,229)
Written-off	–	–	(48,060)	–	(25,566)	(41,473)	–	–	–	(115,099)
Exchange adjustments	–	–	–	–	–	–	(4,267)	–	–	(4,267)
As at 31.3.2018	444,922	10,368,469	43,692,070	7,160,628	4,777,587	2,471,160	1,304,178	338,113	8,282,737	78,839,864
Accumulated depreciation										
As at 1.4.2017	–	1,571,128	31,628,927	8,428,394	3,244,743	1,515,263	893,336	149,288	2,200,158	49,631,237
Depreciation charge for the year	–	166,620	2,568,343	245,241	290,865	134,838	57,400	18,883	424,774	3,906,964
Disposals	–	–	(707,887)	(2,499,432)	(100,984)	(212,305)	(3,591)	–	–	(3,524,199)
Written-off	–	–	(31,171)	–	(19,647)	(34,130)	–	–	–	(84,948)
Exchange adjustments	–	–	–	–	–	–	(1,809)	–	–	(1,809)
As at 31.3.2018	–	1,737,748	33,458,212	6,174,203	3,414,977	1,403,666	945,336	168,171	2,624,932	49,927,245
Net carrying amount										
As at 31.3.2018	444,922	8,630,721	10,233,858	986,425	1,362,610	1,067,494	358,842	169,942	5,657,805	28,912,619

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM	Buildings RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Total RM
2019						
Cost						
As at 1.4.2018	**453,493**	**498,800**	**5,164,422**	**2,650,386**	**1,866,334**	**10,633,435**
Additions	**–**	**–**	**1,030,709**	**10,918**	**–**	**1,041,627**
Disposals	**–**	**–**	**(2,599,235)**	**(5,160)**	**–**	**(2,604,395)**
Written-off	**–**	**–**	**–**	**(4,780)**	**–**	**(4,780)**
As at 31.3.2019	**453,493**	**498,800**	**3,595,896**	**2,651,364**	**1,866,334**	**9,065,887**
Accumulated depreciation						
As at 1.4.2018	**–**	**16,344**	**4,748,174**	**1,947,062**	**991,677**	**7,703,257**
Depreciation charge for the year	**–**	**492**	**215,660**	**126,473**	**87,466**	**430,091**
Disposals	**–**	**–**	**(2,491,501)**	**(4,893)**	**–**	**(2,496,394)**
Written-off	**–**	**–**	**–**	**(4,558)**	**–**	**(4,558)**
As at 31.3.2019	**–**	**16,836**	**2,472,333**	**2,064,084**	**1,079,143**	**5,632,396**
Net carrying amount						
As at 31.3.2019	**453,493**	**481,964**	**1,123,563**	**587,280**	**787,191**	**3,433,491**
2018						
Cost						
As at 1.4.2017	453,493	498,800	6,242,812	2,632,981	1,883,501	11,711,587
Additions	–	–	–	17,405	–	17,405
Disposals	–	–	(1,078,390)	–	–	(1,078,390)
Written-off	–	–	–	–	(17,167)	(17,167)
As at 31.3.2018	453,493	498,800	5,164,422	2,650,386	1,866,334	10,633,435
Accumulated depreciation						
As at 1.4.2017	–	15,841	5,699,829	1,791,453	909,644	8,416,767
Depreciation charge for the year	–	503	105,716	155,609	97,184	359,012
Disposals	–	–	(1,057,371)	–	–	(1,057,371)
Written-off	–	–	–	–	(15,151)	(15,151)
As at 31.3.2018	–	16,344	4,748,174	1,947,062	991,677	7,703,257
Net carrying amount						
As at 31.3.2018	453,493	482,456	416,248	703,324	874,657	2,930,178

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Purchase of property, plant and equipment

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Aggregate costs of property, plant and equipment acquired	**2,070,748**	571,563	**1,041,627**	17,405
Amount financed through hire purchase and finance lease	**(1,008,000)**	(282,000)	**(928,000)**	–
Cash disbursed for purchase of property, plant and equipment	**1,062,748**	289,563	**113,627**	17,405

(b) Details of assets under hire purchase and finance lease

Net carrying amounts of property, plant and equipment held under hire purchase and finance lease are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Net carrying amounts				
Plant and machinery	**1,643,031**	4,977,482	**–**	–
Motor vehicles	**1,340,120**	307,206	**1,030,709**	–
	2,983,151	5,284,688	**1,030,709**	–

(c) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 20) are as follows:

	Group	
	2019 RM	2018 RM
Buildings	**699,122**	713,390

7. INVESTMENT PROPERTIES

	Group	
	2019 RM	2018 RM
Level 3 fair value		
As at 1 April	**6,351,904**	11,098,505
Additions	**5,361,800**	–
Change in fair value – Other income – Unrealised	**1,784,873**	1,804,727
Disposal	**–**	(6,551,328)
Sales revocation	**3,921,123**	–
As at 31 March	**17,419,700**	**6,351,904**

Investment properties comprise a number of commercial properties leased to third parties as disclosed in Note 30 to the financial statements.

Investment properties in construction progress amounting to RM5,361,800.

7. INVESTMENT PROPERTIES (CONT'D)

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM362,791 (2018 – RM362,578).

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison approach which seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Where dissimilarities exist, adjustments are made.	Price per square foot (RM437 – RM750).	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The registered independent valuers provides the fair value of the Group's investment property portfolio every 5 years. Changes in level 3 fair values are analysed by the management every 5 years after obtaining valuation report from the valuation company.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2019 RM	**2018 RM**
Unquoted shares at cost	**106,766,504**	109,073,816
Less: Impairment losses	**(1,979,664)**	(1,979,664)
	104,786,840	107,094,152

As at the reporting date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM21,249,733 (2018 – RM17,874,538). The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investments. The Directors believe that there is no permanent impairment in value of these investments.

The particulars of the subsidiaries within the Group are as follows:

	Country of incorporation	Principal activities	Holding in equity	
Subsidiaries –			**2019 %**	**2018 %**
Ireka Sdn Bhd	Malaysia	Investment holding	**100**	100
Ireka iCapital Sdn Bhd (i)(iii)	Malaysia	Investment holding	**100**	100
Ireka Development Management Sdn Bhd	Malaysia	Property development management, provision of other related professional services and consultancy	**100**	100

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of incorporation	Principal activities	Holding in equity 2019 %	2018 %
Subsidiaries –				
Ireka Property Services Sdn Bhd (iii)	Malaysia	Property services	**100**	100
Ireka Commercial Sdn Bhd	Malaysia	Property investment and renting of property	**100**	100
KaMi Management Services Sdn Bhd (i)	Malaysia	Dormant	**51**	–
i-Residence Sdn Bhd (iii)	Malaysia	Property investment and renting of property	**100**	100
Ireka Engineering And Construction Vietnam Company Limited (i)	Vietnam	Civil, structural and building construction	**100**	100
Meadowfield Sdn Bhd	Malaysia	Property development	**68.92**	100
i-Tech Network Solutions (Vietnam) Company Limited (i)	Vietnam	Import and distribution of computer hardware, computer programming, consultancy and computer system management	**100**	100
United Time Development Sdn Bhd	Malaysia	Property development	**100**	100
Subsidiary companies of Ireka Sdn Bhd –				
Ireka Engineering & Construction Sdn Bhd (ii)	Malaysia	Earthworks, civil, structural and building construction and renting of construction plant and machinery	**71.43**	71.43
Regalmont (Sabah) Sdn Bhd (iii)	Malaysia	Property development	**100**	100
Regal Variety Sdn Bhd (iii)	Malaysia	Investment holding	**100**	100
Ireka Hospitality Sdn Bhd (iii)	Malaysia	Property management, provision of other related professional services and consultancy	**100**	100
Subsidiary companies of Ireka iCapital Sdn Bhd –				
e-Auction Sdn Bhd (i)(iii)	Malaysia	Dormant	**96**	96
Ireka Venture Capital Ltd (i)	British Virgin Islands	Investment holding and provision of venture capital fund to internet, e-commerce and related technology based companies	**100**	100
asiaegolf Tours Sdn Bhd (i)(iii)	Malaysia	Dormant	**100**	100
i-Tech Network Solutions Sdn Bhd (i)(iii)	Malaysia	System integration, software solutions and trading in computer hardware	**100**	100
iTech ELV Solutions Sdn Bhd (i)	Malaysia	Provide, supply and install high voltage power system and low voltage power system, and structured cabling system and extra low voltage system	**100**	100

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) The financial statements of these companies are not audited by RSL PLT.

(ii) 28.57% of the shareholding held directly by Ireka Corporation Berhad.

(iii) The auditors' reports in financial statements of these subsidiaries contain a modification in respect of the appropriateness of going concern assumption.

(iv) The persons who are directors of the subsidiary companies of Ireka Corporation Berhad during the year are:

- Datuk Lai Siew Wah
- Datuk Lai Voon Hon
- Lai Voon Huey
- Haji Mohd. Sharif Bin Haji Yusof
- Tan Thiam Chai
- Leonard Yee Yuke Dien
- Chan Huan Khim
- Ng Yau Siong
- Chan Chee Kian

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

	Meadowfield Sdn Bhd RM	KaMi Management Services Sdn Bhd RM	Total RM
NCI percentage of ownership interest and voting interest	31.08%	49.00%	
Carrying amount of NCI	27,164,141	(572)	27,163,569
Loss allocated to NCI	(594,321)	(621)	(594,942)

	Meadowfield Sdn Bhd RM	KaMi Management Services Sdn Bhd RM	Total RM
Summarised financial information before intra-group elimination			
As at 31 March 2019			
Non-current assets	10,185	–	
Current assets	57,255,274	100	
Non-current liabilities	–	–	
Current liabilities	(13,360,136)	(1,267)	
Net assets/(liabilities)	43,905,323	(1,167)	
Year ended 31 March 2019			
Revenue	227,462	–	
Loss for the year	(2,158,478)	(1,267)	
Total comprehensive loss	(2,158,478)	(1,267)	
Cash flows used in operating activities	(17,677,051)	–	
Cash flows used in investing activities	(7,336)	–	
Cash flows from financing activities	27,496,948	–	
Net increase in cash and cash equivalents	9,812,561	–	

9. INVESTMENT IN ASSOCIATES

	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Quoted shares outside Malaysia, at cost	**158,139,389**	158,139,389	**158,139,389**	158,139,389
Unquoted shares in Malaysia	**405,003**	405,003	**405,003**	405,003
	158,544,392	158,544,392	**158,544,392**	158,544,392
Share of post-acquisition accumulated losses	**(43,897,733)**	–	**–**	–
As previously reported	**–**	(41,516,640)	**–**	–
Effect of adopting MFRS	**–**	1,186,518	**–**	–
	(43,897,733)	(40,330,122)	**–**	–
	114,646,659	118,214,270	**158,544,392**	158,544,392
Market value of quoted shares	**101,038,693**	92,985,961	**101,038,693**	92,985,961

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Holding in equity 2019 %	Holding in equity 2018 %
Aseana Properties Limited ("ASPL") (i) (ii) (iii)	Jersey, Channel Islands	Development of upscale residential and hospitality projects, projects, sale of development land and operation of hotel, mall and hospital in Malaysia and Vietnam	**23.07**	23.07
Urban DNA Sdn Bhd ("URBAN") (i) (ii) (iii)	Malaysia	Property development	**30.00**	30.00
The RuMa Hotel KL Sdn Bhd ("RUMA") (i) (ii) (iii)	Malaysia	Investment holding	**30.00**	30.00

(i) The financial year end is 31 December 2018.

(ii) The financial statements of these companies are not audited by RSL PLT.

(iii) There are no contingencies and commitments relating to the Group's interest in the associates.

9. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows:

2019	ASPL RM	URBAN RM	RUMA RM	TOTAL RM
Assets and liabilities				
Current assets	**1,230,426,861**	**440,603,786**	**2,595,208**	**1,673,625,855**
Non-current assets	**19,957,887**	**19,624,681**	**457,152**	**40,039,720**
Total assets	**1,250,384,748**	**460,228,467**	**3,052,360**	**1,713,665,575**
Current liabilities	**500,108,598**	**267,539,449**	**21,564,653**	**789,212,700**
Non-current liabilities	**190,144,855**	**157,052,173**	**–**	**347,197,028**
Total liabilities	**690,253,453**	**424,591,622**	**21,564,653**	**1,136,409,728**
Results				
Revenue	**133,768,195**	**111,628,223**	**439,216**	**245,835,634**
(Loss)/Profit for the financial year/ Total comprehensive (loss)/profit for the financial year	**(25,451,017)**	**27,903,686**	**(16,950,625)**	**(14,497,956)**
Group's share:				
Net assets/(liabilities)	**117,453,420**	**2,756,531**	**(5,563,292)**	**114,646,659**
(Loss)/Profit for the financial year/ Total comprehensive (loss)/profit for the financial year	**(5,871,550)**	**8,371,106**	**(5,085,188)**	**(2,585,632)**
Dividends received by the Group	**–**	**–**	**–**	**–**

2018 Restated	ASPL RM	URBAN RM	RUMA RM	TOTAL RM
Assets and liabilities				
Current assets	1,223,113,539	409,974,815	268,941	1,633,357,295
Non-current assets	18,794,693	15,468,626	14,914	34,278,233
Total assets	1,241,908,232	425,443,441	283,855	1,667,635,528
Current liabilities	527,990,078	451,725,451	1,846,033	981,561,562
Non-current liabilities	194,375,197	–	–	194,375,197
Total liabilities	722,365,275	451,725,451	1,846,033	1,175,936,759
Results				
Revenue	77,290,352	–	–	77,290,352
Profit/(Loss) for the financial year/ Total comprehensive profit/(loss) for the financial year	15,478,010	(6,047,937)	(1,881,372)	7,548,701
Group's share:				
Net assets/(liabilities)	123,324,970	(4,633,646)	(477,054)	118,214,270
Profit/(Loss) for the financial year/ Total comprehensive profit/(loss) for the financial year	4,320,746	(1,377,832)	(564,412)	2,378,502
Dividends received by the Group	–	–	–	–

Pursuant to a general meeting of ASPL held on 23 April 2018, all of its assets will be disposed in a controlled, orderly and timely manner to maximise the realisation value of the ASPL's investment for a period of 18 months.

10. OTHER INVESTMENTS

	Group and Company 2019 RM	2018 RM
At cost:		
Financial assets at FVOCI		
Investments in club membership	**171,278**	237,778
Less: Accumulated impairment loss	**(137,778)**	(196,278)
	33,500	41,500

11. INVENTORIES

	Group 2019 RM	2018 RM Restated
Non-current		
Land held for property development (i)	**13,070,808**	27,204,775
Current		
Property development cost (ii)	**120,944,098**	91,516,788
Others (iii)	**9,361,756**	13,349,533
	130,305,854	104,866,321
	143,376,662	132,071,096

(i) Land held for property development

	Group 2019 RM	2018 RM Restated
Freehold land, at cost		
As at 1 April	**12,898,253**	12,898,253
Transfer to property development cost (ii)	**(10,800,600)**	–
As at 31 March	**2,097,653**	12,898,253
Development costs		
As at 1 April	**14,306,522**	11,428,193
Additions	**2,215,700**	2,878,329
Transfer to property development cost (ii)	**(5,549,067)**	–
As at 31 March	**10,973,155**	14,306,522
Carrying amount as at 31 March	**13,070,808**	27,204,775

The borrowing costs capitalised on the land held for property development during the financial year amounting to RM899,846 (2018 – RM NIL).

11. INVENTORIES (CONT'D)

(ii) Property development costs

Group	Freehold land RM	Development costs RM	Borrowing costs capitalised RM	Total RM
Cumulative property development costs				
2019				
Restated as at 1.4.2018	**57,880,355**	**122,922,255**	**11,378,693**	**192,181,303**
Transfer from land held for property development	**10,800,600**	**5,549,067**	**–**	**16,349,667**
Costs incurred during the year	**–**	**40,666,195**	**1,689,272**	**42,355,467**
As at 31.3.2019	**68,680,955**	**169,137,517**	**13,067,965**	**250,886,437**
Cumulative costs recognised in statement of profit or loss and other comprehensive income				
As at 1.4.2018				**(100,664,515)**
Recognised during the year				**(29,277,824)**
As at 31.3.2019				**(129,942,339)**
Property development costs as at 31.3.2019				**120,944,098**
2018				
As at 1.4.2017, as				
previously reported	57,880,355	117,816,028	10,549,788	186,246,171
Effect of adopting MFRS	–	–	(1,583,341)	(1,583,341)
Restated as at 1.4.2017	57,880,355	117,816,028	8,966,447	184,662,830
Restated costs incurred during the year	–	5,106,227	2,412,246	7,518,473
Restated as at 31.3.2018	57,880,355	122,922,255	11,378,693	192,181,303
Cumulative costs recognised in statement of profit or loss and other comprehensive income				
As at 1.4.2017				(89,702,588)
Restated recognised during the year				(10,961,927)
Restated as at 31.3.2018				(100,664,515)
Restated of property development costs as at 31.3.2018				91,516,788

Freehold land are pledged as securities for borrowings as disclosed in Note 20 to the financial statements amounting to RM43,680,925 (2018 – RM36,082,550).

11. INVENTORIES (CONT'D)

(iii) Others

	Group 2019 RM	Group 2018 RM
At cost		
Construction material	**7,341,844**	11,375,089
Finished goods	**63,931**	18,463
Property held for sales	**1,955,981**	1,955,981
	9,361,756	13,349,533
Recognised in profit or loss:		
Stock value written down	**2,926**	727
Inventories recognised as cost of sales	**139,869,737**	249,513,767

12. TRADE AND OTHER RECEIVABLES

	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Trade receivables (i)(ii)				
Trade	**68,696,028**	96,545,779	**–**	–
Retention amount	**35,765,905**	46,860,117	**–**	–
	104,461,933	143,405,896	**–**	–
Contract assets (iii)				
Accrued billing	**2,520,810**	2,801,205	**–**	–
Amount due from customers	**1,114,978**	8,678,048	**–**	–
	3,635,788	11,479,253	**–**	–
Other receivables				
Deposits	**2,545,871**	2,664,419	**629,081**	629,081
Prepayments	**4,171,908**	859,735	**344,701**	136,503
Other receivables	**18,189,634**	11,299,482	**–**	1,014,529
Tax refundable (iv)	**2,088,484**	2,560,308	**–**	–
	26,995,897	17,383,944	**973,782**	1,780,113
	135,093,618	172,269,093	**973,782**	1,780,113
Total trade and other receivables	**135,093,618**	172,269,093	**973,782**	1,780,113
Add: Deposits, cash and bank balances	**33,207,492**	25,503,087	**12,682,973**	12,266,198
Total loans and receivables	**168,301,110**	197,772,180	**13,656,755**	14,046,311

(i) The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) The ageing analysis of trade receivables past due and loss allowance was determined as follows :

	Trade receivables RM	Group Loss allowance RM	Total RM
2019			
Within credit terms	**12,323,876**	**–**	**12,323,876**
Past due			
91 to 120 days	**4,237,528**	**–**	**4,237,528**
More than 120 days	**88,157,030**	**(256,501)**	**87,900,529**
	104,718,434	**(256,501)**	**104,461,933**
2018			
Within credit terms	38,664,675	–	38,664,675
Past due but not impaired			
91 to 120 days	386,649	–	386,649
More than 120 days	104,354,572	–	104,354,572
	143,405,896	–	143,405,896

At the end of the reporting period, trade receivables that are individually impaired were those insignificant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group.The Group uses ageing analysis to monitor the credit quality of the trade receivables and collection.

(iii) Contract assets are initially recognised for revenue earned from property under development and construction rendered but yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables.

(iv) Tax refundable is subject to confirmation by the Inland Revenue Board.

13. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, repayable on demand and non-interest bearing except for a total amount of RM2,985,379 (2018 – RM2,829,743) from a subsidiary which bear interest of 5.5% (2018 – 5.5%) per annum.

14. AMOUNTS DUE FROM/(TO) ASSOCIATES

The amounts due from/(to) associates are unsecured, repayable on demand and non-interest bearing.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash on hand and at banks (i) (ii)	**9,773,670**	9,033,805	**271,376**	3,066,198
Deposits with licensed banks (iii)	**23,433,822**	16,469,282	**12,411,597**	9,200,000
Cash and bank balances	**33,207,492**	25,503,087	**12,682,973**	12,266,198
Bank overdrafts	**(8,360,932)**	(11,803,594)	**(968,123)**	(703,679)
Total cash and cash equivalents	**24,846,560**	13,699,493	**11,714,850**	11,562,519

(i) Included in cash at banks of the Group are amounts of RM4,966,059 (2018 – RM27,553) held pursuant to Section 8A of the Housing (Control and Licensing of Developers) Enactment, 1978 and Section 7A of the Housing Development (Control Licensing) Act, 1966 which restricted from use in the other operations.

(ii) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(iii) Deposits of the Group amounting to RM6,456,489 (2018 – RM6,887,445) are held on lien by bank pursuant to banking facilities agreements and restricted from use in the other operations.

The interest rate as at the reporting date and the remaining maturities of the Group and the Company deposits placed with licensed banks are as follows:

	Group		Company	
	2019	2018	2019	2018
Interest rate (%) (per annum)	**3.05 – 3.71**	2.30 – 3.20	**3.28 – 3.71**	2.30 – 3.20
Average maturity (days)	**30 – 90**	30 – 90	**30 – 90**	30 – 90

16. SHARE CAPITAL AND SHARE PREMIUM

	Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM
As at 1.4.2018	**180,049,012**	**1,239,381**	**181,288,393**
Transition to no-par value regime	**1,239,381**	**(1,239,381)**	**–**
As at 31.3.2019	**181,288,393**	**–**	**181,288,393**

Number of shares issued and fully paid up are 186,708,050 shares (2018 – 186,708,050 shares).

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.

The Company did not purchase or re-sell any of its own shares during the financial year ended 31 March 2019.

Prior to 31 January 2017, the application of the share premium account was governed by Section 60 and 61 of the Companies Act 1965. In accordance with the transitional provision set out in Section 618(2) of the new Companies Act 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,239,381 for the purposes as set out in Section 618(3) of the Act.

17. WARRANT RESERVES

On 26 June 2014, the Company increased its issued and paid-up share capital from RM113,914,700 to RM170,872,050 by way of a renounceable two-call rights issue of 56,957,350 new ordinary shares of RM1.00 each in the Company ("Rights Share(s)") together with 56,957,350 free detachable warrants ("Warrant(s)") on the basis of one (1) Rights Share with one (1) free Warrant for every two (2) existing ordinary shares of RM1.00 each held in the Company at an issue price of RM1.00 per Rights Share, of which the first call of RM0.65 per Rights Share is payable in cash on application and the second call of RM0.35 is to be capitalised from the Company's share premium account.

The Company had recognised the value of the warrants by debiting the other reserves account and crediting the same amount in full to the warrant reserves.

The value of warrant is based on the relative fair value of the ordinary shares by reference to the following assumptions comprising:

Share price	: RM0.92
Exercise price	: RM1.00
Tenure	: 5 Years
Volatility	: 10.000%
Dividend	: No dividend
Interest rate	: 3.953%

18. OTHER RESERVES

Other reserves shall be set off against the warrant reserves upon the full exercise of the warrants.

19. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currencies are different from that of the Group's presentation currency.

20. BORROWINGS

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Short-term borrowings				
Secured:				
Term loans	**12,227,351**	2,000,000	**–**	–
Hire purchase and finance lease liabilities	**622,208**	3,430,084	**155,932**	–
Bank overdrafts	**8,360,932**	11,803,594	**968,123**	703,679
Revolving credits	**24,631,420**	23,125,278	**1,015,715**	1,014,956
Trade finance	**23,944,000**	23,701,000	**–**	–
	69,785,911	64,059,956	**2,139,770**	1,718,635
Long-term borrowings				
Secured:				
Term loans	**28,158,319**	33,460,033	**–**	–
Hire purchase and finance lease liabilities	**922,867**	204,358	**687,365**	–
	29,081,186	33,664,391	**687,365**	–

20. BORROWINGS (CONT'D)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Total borrowings				
Revolving credits	**24,631,420**	23,125,278	**1,015,715**	1,014,956
Trade finance	**23,944,000**	23,701,000	**–**	–
Term loans	**40,385,670**	35,460,033	**–**	–
Bank overdrafts	**8,360,932**	11,803,594	**968,123**	703,679
Hire purchase and finance lease liabilities	**1,545,075**	3,634,442	**843,297**	–
	98,867,097	97,724,347	**2,827,135**	1,718,635

The term loans are secured by the following:

(a) First legal charge over the respective freehold land and buildings of certain subsidiaries as disclosed in Note 6(c) and Note 11.

(b) Corporate guarantees granted by the Company.

The secured bridging loans, bank overdrafts, revolving credits and trade finance are secured by assignment of contract proceeds and corporate guarantees of the Company.

Other information on financial risks of borrowings are disclosed in Note 33.

Hire purchase and finance lease liabilities

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Future minimum lease payments				
Not later than 1 year	**745,693**	3,587,348	**187,416**	–
Later than 1 year and not later than 2 years	**267,840**	406,151	**187,416**	–
Later than 2 years and not later than 5 years	**732,073**	185,100	**560,317**	–
Total future minimum lease payments	**1,745,606**	4,178,599	**935,149**	–
Less: Future finance charges	**(200,531)**	(544,157)	**(91,852)**	–
Present value of finance lease liabilities	**1,545,075**	3,634,442	**843,297**	–
Analysis of present value of finance lease liabilities				
Not later than 1 year	**622,208**	3,430,084	**155,932**	–
Later than 1 year and not later than 2 years	**234,581**	28,905	**162,803**	–
Later than 2 years and not later than 5 years	**613,402**	175,453	**449,678**	–
More than 5 years	**74,884**	–	**74,884**	–
	1,545,075	3,634,442	**843,297**	–
Less: Amount due within 12 months	**(622,208)**	(3,430,084)	**(155,932)**	–
Amount due after 12 months	**922,867**	204,358	**687,365**	–

20. BORROWINGS (CONT'D)

The Group has finance lease and hire purchase contracts for various items of property, plant and equipment as disclosed in Note 6. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 33.

21. DEFERRED TAX

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
As at 1 April	**3,222,000**	3,222,000	**610,000**	610,000
Recognised in income statement	**(27,676)**	–	**–**	–
As at 31 March	**3,194,324**	3,222,000	**610,000**	610,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(27,676)**	–	**–**	–
Deferred tax liabilities	**3,222,000**	3,222,000	**610,000**	610,000
As at 31 March	**3,194,324**	3,222,000	**610,000**	610,000

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Deferred tax liabilities:				
Property, plant and equipment	**3,222,000**	3,222,000	**610,000**	610,000
Deferred tax assets				
Unused tax losses				
As at 1 April	**–**	–	**–**	–
Recognised in income statement	**(27,676)**	–	**–**	–
As at 31 March	**(27,676)**	–	**–**	–

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Unused tax losses	**116,159,431**	88,522,409	**30,076,976**	30,029,172
Unabsorbed capital allowances	**21,825,478**	11,594,466	**2,463,780**	2,218,614
Accelerated capital allowances	**(5,628,175)**	(5,769,040)	**–**	–
	132,356,734	94,347,835	**32,540,756**	32,247,786

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current				
Trade payables (i)				
Trade	**122,866,182**	116,779,080	**–**	–
Retention amount	**42,952,775**	44,829,222	**–**	–
	165,818,957	161,608,302	**–**	–
Contract liabilities				
Amount due to customers	**6,209,906**	12,502,882	**–**	–
Progress billings in respect of property development cost	**68,184**	4,597,615	**–**	–
	6,278,090	17,100,497	**–**	–
Other payables				
Accruals	**5,313,231**	6,583,889	**–**	–
Other payables (ii)	**53,983,750**	54,743,474	**9,214,671**	8,795,775
Trade deposits	**6,539,841**	9,171,088	**–**	–
Provision	**21,000**	–	**–**	–
	65,857,822	70,498,451	**9,214,671**	8,795,775
	237,954,869	249,207,250	**9,214,671**	8,795,775
Total trade and other payables	**237,954,869**	249,207,250	**9,214,671**	8,795,775
Add: Borrowings	**98,867,097**	97,724,347	**2,827,135**	1,718,635
Total financial liabilities at amortised cost	**336,821,966**	346,931,597	**12,041,806**	10,514,410

(i) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days.

(ii) Included in other payables of the Group is an amount of RM112,102 (2018: RM190,158) due to a director of a subsidiary company. The amount is non-trade in nature, unsecured, repayable on demand and non-interest bearing.

23. REVENUE

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Construction contracts	**151,867,664**	231,289,276	**–**	–
Management fees	**–**	–	**13,487,680**	11,704,309
Property development	**38,115,400**	16,378,597	**–**	–
Rental income	**298,796**	386,896	**–**	–
Trading and services	**9,852,605**	20,712,298	**–**	–
	200,134,465	268,767,067	**13,487,680**	11,704,309

23. REVENUE (CONT'D)

The Group recognised its revenue from contracts with customers in the following manner:

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Over time				
Construction contracts	**151,867,664**	231,289,276	**–**	–
Property development	**38,115,400**	16,378,597	**–**	–
Management fees	**–**	–	**13,487,680**	11,704,309
At a point in time				
Rental income	**298,796**	386,896	**–**	–
Trading and services	**9,852,605**	20,712,298	**–**	–
	200,134,465	268,767,067	**13,487,680**	11,704,309

24. COST OF SALES

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Construction contracts costs	**139,039,299**	225,713,001	**–**	–
Property development costs	**29,277,824**	10,961,927	**–**	–
Cost of inventories sold	**3,262,321**	4,929,846	**–**	–
Cost of services rendered	**12,674,404**	18,364,172	**–**	–
	184,253,848	259,968,946	**–**	–

25. OTHER INCOME

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Dividend income	**36**	32	**36**	32
Interest income (i)	**959,331**	481,975	**527,148**	169,978
Gain on disposal of property, plant and equipment	**735,911**	113,878	**4,511**	1,424
Gain on fair value changes in investment properties	**1,784,873**	1,804,727	**–**	–
Balance carried forward	**3,480,151**	2,400,612	**531,695**	171,434

25. OTHER INCOME (CONT'D)

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Balance brought forward	**3,480,151**	2,400,612	**531,695**	171,434
Gain on disposal of				
– Investment properties		1,673,925	**–**	–
– Partial disposal of subsidiary	**–**	–	**2,332,979**	–
Gain on foreign exchange				
– Realised	**–**	–	**–**	–
– Unrealised	**994**	98	**254**	89
Rental income	**165,838**	351,055	**1,386,934**	1,386,934
Upkeep of motor vehicle recoverable	**27,200**	42,000	**27,200**	42,000
Other	**978,137**	2,380,578	**414**	9,871
	4,652,320	6,848,268	**4,279,476**	1,610,328

(i) Included in interest income from loan and receivables of the Company is interest of RM155,636 (2018 – RM147,522) from a fellow subsidiary.

26. FINANCE COSTS

	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Interest expense on:				
Bank borrowings	**8,105,982**	7,110,355	**140,465**	130,674
Hire purchase and finance lease liabilities	**625,039**	495,119	**20,325**	–
	8,731,021	7,605,474	**160,790**	130,674
Less: Interest expense capitalised in:				
Land held for property development – Note 11(i)	**(899,846)**	–	**–**	–
Property development cost – Note 11(ii)	**(1,689,272)**	(2,412,246)	**–**	–
Total interest expense	**6,141,903**	5,193,228	**160,790**	130,674

27. LOSS BEFORE TAX

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

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
After charging:				
Amounts due from subsidiaries – Written-off	**–**	–	**3,867,669**	658,825
Auditors' remuneration –				
Statutory audit –				
Current year	**314,168**	310,549	**90,000**	90,000
Under/(Over) provision in prior year	**2,100**	(867)	**–**	–
Non-statutory audit	**32,000**	11,000	**32,000**	11,000
Bad debt written off	**3,768,015**	19,332	**–**	–
Impairment loss on investment in subsidiaries	**–**	–	**–**	979,664
Impairment loss on trade receivables	**256,501**	–	**–**	–
Directors' remuneration –				
Executive directors				
Bonus	**19,015**	168,080	**–**	144,345
Fee	**260,011**	296,000	**250,000**	290,000
Emoluments	**4,242,311**	4,646,715	**3,100,508**	3,592,230
Employees Provident Fund	**397,276**	407,906	**257,976**	278,065
Non-executive directors				
Fee	**120,000**	135,000	**120,000**	135,000
Other investments – Loss on disposal	**2,000**	–	**2,000**	–
Investment properties – Loss on disposal	**–**	630,205	**–**	–
Loss on foreign exchange –				
Unrealised	**–**	411,087	**699**	2,038
Property, plant and equipment –				
Depreciation	**3,242,754**	3,906,964	**430,091**	359,012
Loss on disposal	**145,520**	431,618	**7,958**	1,500
Written-off	**48,982**	30,151	**222**	2,016
Rental –				
Plant and machinery	**2,310,383**	668,849	**–**	–
Land and buildings	**797,267**	3,160,166	**2,081,551**	2,081,035
Office	**202,074**	309,798	**–**	–
Office equipment	**11,695**	13,288	**–**	–
Stock value written down	**2,926**	727	**–**	–
Staff costs (i)	**37,388,449**	39,435,202	**7,139,756**	6,081,435
(i) **Staff costs –**				
Wages, salaries and other	**34,021,467**	36,516,369	**6,461,539**	5,450,331
Employees Provident Fund	**3,366,982**	2,918,833	**678,217**	631,104
	37,388,449	39,435,202	**7,139,756**	6,081,435

28. INCOME TAX

	Group 2019 RM	Group 2018 RM
Continuing operations		
Current income tax		
Malaysian income tax	**449,011**	862,215
Over provision in prior years Malaysian income tax	**(8,226)**	(660,957)
	440,785	201,258
Deferred tax		
Relating to origination and reversal of differences	**(27,676)**	–
Total income tax	**413,109**	201,258

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

A reconciliation of income tax applicable to loss before tax at the statutory income tax rate to income tax at the effective income tax rate of the Group and of the Company is as follows:

	Group 2019 RM	Group 2018 RM Restated
Loss before tax from:		
Continuing operations	**(28,671,022)**	(15,789,591)
Taxation at Malaysian statutory tax rate of 24%	**(6,881,045)**	(3,789,502)
Income not subject to tax	**(896,702)**	(523,011)
Effect of share of (loss)/profit of associates	**620,552**	(570,840)
Expenses not deductible for tax purposes	**1,783,012**	1,936,320
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**6,348,002**	3,940,747
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(552,484)**	(131,499)
Over provision of tax expenses in prior years	**(8,226)**	(660,957)
Income tax for the financial year	**413,109**	201,258

28. INCOME TAX (CONT'D)

	Company 2019 RM	Company 2018 RM
Current income tax		
Malaysian income tax	**–**	779,533
Over provision in prior years Malaysia income tax	**–**	(684,069)
Total income tax	**–**	95,464
Loss before tax	**(2,910,722)**	(4,784,484)
Taxation at Malaysian statutory tax rate of 24%	**698,573**	(1,148,276)
Income not subject to tax	**(561,068)**	(371)
Expenses not deductible for tax purposes	**1,189,328**	1,425,202
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**70,313**	502,978
Over provision of tax expenses in prior years	**–**	(684,069)
Income tax for the financial year	**–**	95,464

Tax savings during the financial year arising from:

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Utilisation of current year's tax losses	**527,562**	179,849	**527,562**	179,849
Utilisation of previously unrecognised tax losses	**2,302,592**	547,917	**–**	–

29. LOSS PER SHARE

Loss per share is calculated by dividing loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Group 2019 RM	Group 2018 RM
Loss from continuing operations attributable to owners of the parent	**(28,489,189)**	(15,990,849)
Weighted average number of ordinary shares in issue	**186,708,050**	175,514,384
Loss per share attributable to owners of the parent (sen)		
Basic and diluted	**(15.26)**	(9.11)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

30. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements on its investment property portfolio. These leases have remaining lease terms of not later than 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease payments receivable under operating leases contracted for as at the reporting date but not recognised as receivable, are as follows:

	Group	
	2019 RM	**2018 RM**
Not later than 1 year	**336,654**	411,873
Later than 1 year but not later than 5 years	**186,000**	509,237
	522,654	921,110

Investment property rental income including contingent rent are recognised in profit or loss during the financial year as disclosed in Note 23 to the financial statements.

31. RELATED PARTY DISCLOSURES

	Group	
	2019 RM	**2018 RM**
Companies in which certain Directors are deemed to have interests:		
Building materials and spare parts purchased from/(by)		
– Imuda Sdn Bhd	**(426)**	(12,382)
– Quality Parts Sdn Bhd	**1,500,388**	1,223,245
Progress billings on contracts (to)/from		
– Binaderas Sdn Bhd	**(3,646,780)**	–
– Imuda Sdn Bhd	**1,457,483**	265,004
– Urban DNA Sdn Bhd	**(99,671,554)**	(101,326,451)
Reimbursement of expenses from/(to)		
– Amatir Resources Sdn Bhd	**9,455**	3,242
– ICSD Ventures Sdn Bhd	**–**	1,180
– Imuda Sdn Bhd	**1,614,219**	54,432
– Urban DNA Sdn Bhd	**(450)**	–

	Group and Company	
	2019 RM	**2018 RM**
Rental of land and buildings charged by		
– Ireka Land Sdn Bhd	**2,081,551**	**2,081,035**
Consultation fee charged by		
– Tukawan Enterprise Sdn Bhd	**214,000**	374,000

	Company	
	2019 RM	**2018 RM**
Subsidiary companies:		
Interest income	**(155,636)**	(147,522)
Management fees	**(13,484,180)**	(11,676,309)
Rental income	**(1,386,934)**	(1,386,934)
Upkeep of motor vehicle	**61,920**	64,800

31. RELATED PARTY DISCLOSURES (CONT'D)

Outstanding balances arising from trade transactions during the financial year are as follows:

	Group 2019 RM	Group 2018 RM
Included in trade and other receivables:		
Aseana Properties Limited	**2,062,188**	160,078
Amatir Resources Sdn Bhd	**70,106**	72,657
Binaderas Sdn Bhd	**–**	165,000
Bumijaya Mawar Sdn Bhd	**–**	35
Bumijaya Mahligai Sdn Bhd	**–**	35
Bumiraya Impian Sdn Bhd	**–**	35
ICSD Ventures Sdn Bhd	**–**	18
Ireka Land Sdn Bhd	**–**	2,551
Imuda Sdn Bhd	**2,412,080**	3,618,654
Inovtecs Sdn Bhd	**1,487,688**	1,735,938
Urban DNA Sdn Bhd	**6,753,549**	2,972,452
Uspa Construction Sdn Bhd	**–**	3,795,722
	12,785,611	12,523,175
Included in trade and other payables:		
Amatir Resources Sdn Bhd	**7,982,455**	5,434,116
Binaderas Sdn Bhd	**–**	3,765,229
Imuda Sdn Bhd	**2,344,284**	2,200,000
Ireka Land Sdn Bhd	**1,043,765**	1,106,253
Quality Parts Sdn Bhd	**906,805**	743,673
Texsol Sdn Bhd	**190,000**	190,000
Tukawan Enterprise Sdn Bhd	**248,000**	429,862
Urban DNA Sdn Bhd	**23,375,024**	15,570,747
	36,090,333	29,439,880

	Company 2019 RM	Company 2018 RM
Included in other receivables:		
ICSD Ventures Sdn Bhd	**–**	18
Included in other payables:		
Ireka Land Sdn Bhd	**1,043,765**	1,106,253
Tukawan Enterprise Sdn Bhd	**248,000**	429,862
	1,291,765	1,536,115

The Directors are in the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Included in the total key management personnel are:

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Directors' remuneration – Note 27	**5,038,613**	5,653,701	**3,728,484**	4,439,640

32. SEGMENTAL INFORMATION

Primary Reporting – Business segments

	Continuing operations						
	Construction RM	Property development RM	Trading and services RM	Property Investment RM	Investment holding RM	Elimination RM	Total RM
2019							
Revenue							
External sales	151,867,664	38,115,400	9,852,605	296,346	2,450	–	200,134,465
Inter-segment sales	20,164,975	–	10,442,712	474,376	13,485,230	(44,567,293)	–
Total revenue	172,032,639	38,115,400	20,295,317	770,722	13,487,680	(44,567,293)	200,134,465
Result							
Segment result	(5,781,374)	184,904	(4,419,109)	734,174	(548,650)	(11,072,763)	(20,902,818)
Finance costs							(6,141,903)
Interest income							959,331
Share of loss of associates					(2,585,632)		(2,585,632)
Loss before tax							(28,671,022)
Income tax expense							(413,109)
Loss for the year							(29,084,131)

Information about a major customer

Revenue from major customer amounted to RM135,937,536, arising from revenue earned by the construction segment.

32. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Other information

	Continuing operations							Discontinued operation	Per consolidated financial statements
	Construction RM	Property development RM	Trading and services RM	Property investment RM	Investment holding RM	Elimination RM	Total RM	RM	Total RM
2019									
Other information									
Segment assets	158,604,359	154,802,510	14,982,718	20,229,866	190,898,068	(54,307,326)	485,210,195	–	485,210,195
Segment liabilities	246,975,924	70,358,966	3,824,577	6,591,200	12,678,467	(16,410)	340,412,724	–	340,412,724
Additions to non-current assets:									
Property, plant and equipment	962,692	7,336	59,093	–	1,041,627	–	2,070,748	–	2,070,748
Investment properties	5,361,800	–	–	–	–	–	5,361,800	–	5,361,800
Inventories – Land held for property development	–	2,215,700	–	–	–	–	2,215,700	–	2,215,700
Depreciation	2,187,898	2,172	474,067	148,526	430,091	–	3,242,754	–	3,242,754

32. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Business segments

	Continuing operations						
	Construction RM	Property development RM	Trading and services RM	Property Investment RM	Investment holding RM	Elimination RM	Total RM
2018 Restated							
Revenue							
External sales	231,289,276	16,378,597	20,712,298	175,880	211,016	–	268,767,067
Inter-segment sales	4,238,929	–	12,204,686	599,424	11,684,709	(28,727,748)	–
Total revenue	235,528,205	16,378,597	32,916,984	775,304	11,895,725	(28,727,748)	268,767,067
Result							
Segment result	(12,171,551)	960,663	(115,889)	2,861,395	(5,236,270)	244,812	(13,456,840)
Finance costs							(5,193,228)
Interest income							481,975
Share of profit of associates					2,378,502		2,378,502
Loss before tax							(15,789,591)
Income tax expense							(201,258)
Loss for the year							(15,990,849)

Information about a major customer

Revenue from major customer amounted to RM70,034,007 arising from revenue earned by the construction segment.

32. SEGMENTAL INFORMATION (CONT'D)

Primary Reporting – Other information

	Continuing operations							Discontinued operation	Per consolidated financial statements
	Construction RM	Property development RM	Trading and services RM	Property investment RM	Investment holding RM	Elimination RM	Total RM	RM	Total RM
2018									
Restated									
Other information									
Segment assets	166,419,033	152,122,762	12,811,803	20,396,667	206,937,332	(60,428,895)	498,258,702	–	498,258,702
Segment liabilities	255,747,250	67,561,400	6,570,204	9,225,503	11,612,338	120,929	350,837,624	–	350,837,624
Additions to non-current assets:									
Property, plant and equipment	481,318	–	72,840	–	17,405	–	571,563	–	571,563
Inventories – Land held for property development	–	2,878,329	–	–	–	–	2,878,329	–	2,878,329
Depreciation	2,883,999	1,673	510,723	151,557	359,012	–	3,906,964	–	3,906,964

32. SEGMENTAL INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2019 RM	2018 RM Restated	2019 RM	2018 RM Restated
Malaysia	**200,001,182**	268,500,344	**171,708,479**	180,714,249
Vietnam	**133,283**	266,723	**5,260**	10,819
	200,134,465	268,767,067	**171,713,739**	180,725,068

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Malaysia 2019 RM	Vietnam 2019 RM	Malaysia 2018 RM Restated	Vietnam 2018 RM
Property, plant and equipment	**26,510,136**	**5,260**	28,901,800	10,819
Investment properties	**17,419,700**	**–**	6,351,904	–
Investment in associates	**114,646,659**	**–**	118,214,270	–
Others investments	**33,500**	**–**	41,500	–
Inventories	**13,070,808**	**–**	27,204,775	–
Deferred tax assets	**27,676**	**–**	–	–
	171,708,479	**5,260**	180,714,249	10,819

33. FINANCIAL RISK MANAGEMENT

The main areas of financial risks faced by the Group are foreign currency risk, interest rate risk, credit risk, price risk, liquidity and cash flow risks. The Group's overall financial risk management objective is to ensure that the Group enhances shareholders' value. The Group establishes and operates within financial risk management policies approved by the Board of Directors to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing these risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

(a) Foreign currency risk

The Group has investments in United Kingdom and Vietnam and is exposed to United State Dollars and Vietnamese Dong. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposure.

The Group's policy is to minimise exposure on foreign currency by matching foreign currency receivables against foreign currency payable, and whenever possible, to borrow in the currency of the country in which the business is located.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Foreign currency risk (cont'd)

Currency profile of major financial assets and liabilities

	← Denominated in other than functional currencies →			Denominated in functional currencies	
	US Dollar	**VND**	**GBP**		**Total**
Group					
2019					
Trade and other receivables	**2,062,188**	**436,313**	**–**	**132,595,117**	**135,093,618**
Cash and bank balances	**95,115**	**707,355**	**327**	**32,404,695**	**33,207,492**
	2,157,303	**1,143,668**	**327**	**164,999,812**	**168,301,110**
2018					
Trade and other receivables – Restated	160,078	433,887	–	171,675,128	172,269,093
Cash and bank balances	94,506	749,025	332	24,659,224	25,503,087
	254,584	1,182,912	332	196,334,352	197,772,180
Company					
2019					
Cash and bank balances	**94,123**	**11,618**	**–**	**12,577,232**	**12,682,973**
2018					
Cash and bank balances	93,568	20,842	–	12,151,788	12,266,198

The group is exposed to currency translation risk arising from its net investments in foreign operations in Vietnam.

Sensitivity analysis for foreign currency risk

At 31 March 2019, if other investments, trade and other receivables and cash and bank balances denominated in a currency other than the functional currency of the Group and of the Company entity strengthened/(weakened) by 10% and all other variables were held constant, the effects on the Group's profit and loss and equity expressed in Ringgit Malaysia would have been RM330,130/(RM330,130) (2018 – RM143,783/(RM143,783) and the Company's profit and loss and equity would have been RM10,574/(RM10,574) (2018 – RM11,441/(RM11,441).

(b) Interest rate risk

The Group's primary interest rate risk relates to deposits and interest-bearing debts. The investments in financial assets are mainly short term in nature and mostly have been placed in fixed deposits and money market instruments. The Group manages its interest exposure on interest-bearing financial liabilities by maintaining a prudent mix of fixed and floating rate borrowings, whenever possible.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest rate risk (cont'd)

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed as follows:

Exposure to interest rate risk

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Fixed rate instruments:				
Financial assets	**–**	–	**2,985,379**	2,829,743
Financial liabilities	**1,545,075**	3,634,442	**843,297**	–
Floating rate instruments:				
Financial assets	**33,207,492**	25,503,087	**12,682,973**	12,266,198
Financial liabilities	**97,322,022**	94,089,905	**1,983,838**	1,718,635

Sensitivity analysis for interest rate risk

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

At 31 March 2019, if interest rate had been 100 basis point higher/lower and all other variables were held constant, the effects on the Group's profit and loss and equity expressed in Ringgit Malaysia would have been RM487,270/(RM487,270) (2018 – RM550,814/(RM550,814) and the Company's profit and loss and equity would have been RM81,313/(RM81,313) (2018 – RM80,161/(RM80,161).

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investments securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

The Group does not have any significant exposure to any individual customer nor counterparty, except Aseana Properties Limited and subsidiaries; nor does it have any major concentration of credit risk related to any financial assets, other than as disclosed in Note 31 to the financial statements.

(i) Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (cont'd)

(i) Financial guarantees (cont'd)

Exposure to credit risk, credit quality and collateral (cont'd)

The financial guarantees have not been recognised since the fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

(ii) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a major customer which constituted approximately 30% (2018 – 20%) of its trade receivables as at the end of the reporting period.

(d) Price risk

Equity price risk arises from the Group's investments in quoted shares which are available-for-sale and held by the Group at fair value at reporting date. Gains and losses arising from changes in the fair value of available-for-sale investments are recognised in Group's profit and loss and equity.

Sensitivity analysis for equity price risk

The Group has considered the sensitivity of these financial instruments to market risk and are of the view that their impact is insignificant.

(e) Liquidity and cash flow risks

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months with the objective of ensuring adequate funds to meet commitments associated with its financial liabilities. When funds are sought, the Group balances the costs and benefits of equity and debt financing against the construction contracts to be undertaken. As at 31 March 2019, the Group's borrowings to fund the construction had tenure of less than five years.

Cash flows are monitored on an on-going basis. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long term and short term financial liabilities as well as cash out flows due in its day to day operations while ensuring sufficient headroom on its undrawn committed borrowing facilities at all times so that borrowing limits and covenants are not breached. Capital investments are committed only after confirming the source of funds, e.g. securing financial liabilities.

Management is of the opinion that most of the bank borrowings can be renewed or re-financed based on the strength of the Group's earnings, cash flow and asset base.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Liquidity and cash flow risks (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

	Note	WAEIR %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 3 years RM	3 to 4 years RM	4 to 5 years RM	More than 5 years RM	Total RM
2019											
Group											
Financial liabilities											
Fixed rate											
Hire purchase and finance lease liabilities	20	3.17	1,545,075	1,545,075	622,208	234,581	74,934	78,078	460,390	74,884	1,545,075
Floating rate											
Bank overdrafts	20	6.93	8,360,932	8,360,932	8,360,932	–	–	–	–	–	8,360,932
Revolving credits	20	6.65	24,631,420	24,631,420	24,631,420	–	–	–	–	–	24,631,420
Trade finance	20	5.25	23,944,000	23,944,000	23,944,000	–	–	–	–	–	23,944,000
Term loans	20	7.99	40,385,670	40,385,670	12,227,351	23,460,034	3,098,285	1,600,000	–	–	40,385,670
Trade and other payables	22		237,954,869	237,954,869	237,954,869	–	–	–	–	–	237,954,869
Total undiscounted financial liabilities			335,276,891	335,276,891	307,118,572	23,460,034	3,098,285	1,600,000	–	–	335,276,891
Company											
Fixed rate											
Hire purchase and finance lease liabilities	20	2.11	843,297	843,297	155,932	162,803	169,674	176,546	103,457	74,885	843,297
Floating rate											
Bank overdrafts	20	7.00	968,123	968,123	968,123	–	–	–	–	–	968,123
Revolving credits	20	7.16	1,015,715	1,015,715	1,015,715	–	–	–	–	–	1,015,715
Other payables	22		9,214,671	9,214,671	9,214,671	–	–	–	–	–	9,214,671
Total undiscounted financial liabilities			11,198,509	11,198,509	11,198,509	–	–	–	–	–	11,198,509
Financial guarantee contracts (i)			NIL	67,179,865	67,179,865	–	–	–	–	–	NIL

(i) The disclosure represents the maximum liquidity risk exposure in the event of default by the subsidiaries.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Liquidity and cash flow risks (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

	Note	WAEIR %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 3 years RM	3 to 4 years RM	4 to 5 years RM	Total RM
2018										
Group										
Financial liabilities										
Fixed rate										
Hire purchase and finance lease liabilities	20	3.27	3,634,442	3,634,442	3,430,084	28,905	56,402	58,488	60,563	3,634,442
Floating rate										
Bank overdrafts	20	7.74	11,803,594	11,803,594	11,803,594	–	–	–	–	11,803,594
Revolving credits	20	6.53	23,125,278	23,125,278	23,125,278	–	–	–	–	23,125,278
Trade finance	20	4.73	23,701,000	23,701,000	23,701,000	–	–	–	–	23,701,000
Term loans	20	8.39	35,460,033	35,460,033	2,000,000	11,000,000	22,460,033	–	–	35,460,033
Trade and other payables – Restated	22		249,207,250	249,207,250	249,207,250	–	–	–	–	249,207,250
Total undiscounted financial liabilities			343,297,155	343,297,155	309,837,122	11,000,000	22,460,033	–	–	343,297,155
Company										
Floating rate										
Bank overdrafts	20	6.16	703,679	703,679	703,679	–	–	–	–	703,679
Revolving credits	20	6.91	1,014,956	1,014,956	1,014,956	–	–	–	–	1,014,956
Other payables	22		8,795,775	8,795,775	8,795,775	–	–	–	–	8,795,775
Total undiscounted financial liabilities			10,514,410	10,514,410	10,514,410	–	–	–	–	10,514,410
Financial guarantee contracts (i)			NIL	58,911,237	58,911,237	–	–	–	–	NIL

(i) The disclosure represents the maximum liquidity risk exposure in the event of default by the subsidiaries.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Fair values

The carrying amount of trade and other receivables, deposits, cash and cash equivalents, trade and other payables, accruals and current bank loans and borrowings approximate their fair values in the current and prior years due to relatively short term in nature of these financial instruments.

Non current bank loans earn interest at floating rates and the fair value in the current and prior years approximates to the carrying value.

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the financial position date. No disclosure is made in respect of unquoted investment as it is not practicable to determine their fair values because of the lack of quoted market price.

The table below analyses financial instruments carried at fair value at the end of the reporting date by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (such as prices) or indirectly (such as derived from prices).
- Level 3: Inputs for the assets or liability that are not based on observable market date (unobservable inputs).

There were no transfers between level 1, 2 and level 3 fair value measurements during the financial year ended 31 March 2019 and 31 March 2018.

The Directors do not anticipate the carrying amounts recorded in the financial position to be significantly different from the fair values of the non-trade amounts due to/from intergroup of companies within the Group.

It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

The fair values of others financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2019		2018	
	Carrying amount RM	**Fair Value RM**	**Carrying amount RM**	**Fair Value RM**
Group				
Hire purchase and finance lease liabilities	**1,545,075**	**1,745,606**	3,634,442	4,178,599
Company				
Hire purchase and finance lease liabilities	**843,297**	**935,149**	–	–

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Non-derivative financial liabilities

Fair value, which is determined for disclosures purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases the market rate of interest is determined by references to similar lease agreements.

Interest rate used to determine fair value

The interest rates used to discount estimated cash flows are as follows:

	2019 %	**2018 %**
Hire purchase and finance lease liabilities	**1.88 – 3.50**	1.88 – 3.50

34. TRANSITION TO MFRS FRAMEWORK

	As previously reported under FRS framework RM	Effect of transitioning to MFRS RM	As restated under MFRS framework RM
Statement of Financial Position			
As at 1 April 2017			
Non-current assets			
Investment in associates	101,280,616	15,026,063	116,306,679
Land held for property development	24,326,446	(24,326,446)	–
Inventories	–	24,326,446	24,326,446
Current assets			
Property development costs	96,543,583	(96,543,583)	–
Inventories	14,095,114	94,960,242	109,055,356
Equity			
Accumulated losses	(26,754,578)	13,442,722	(13,311,856)
Statement of profit or loss and other comprehensive income			
For the financial year ended 31 March 2017			
Share of profit of associates	7,984,552	15,026,063	23,010,615
Finance cost	(7,247,513)	(1,583,341)	(8,830,854)
Statement of Financial Position			
As at 31 March 2018			
Non-current assets			
Investment in associates	102,001,689	16,212,581	118,214,270
Land held for property development	27,204,775	(27,204,775)	–
Inventories	–	27,204,775	27,204,775
Current assets			
Property development costs	95,926,594	(95,926,594)	–
Inventories	13,349,533	91,516,788	104,866,321
Contract assets	8,678,048	(8,678,048)	–
Trade and other receivables	160,925,271	11,343,822	172,269,093
Equity			
Accumulated losses	(22,754,317)	(9,966,253)	(32,720,570)
Current liabilities			
Trade and other payables	224,310,128	24,897,122	249,207,250
Contract liabilities	462,320	(462,320)	–
Statement of profit or loss and other comprehensive income			
For the financial year ended 31 March 2018			
Share of profit of associates	1,191,984	1,186,518	2,378,502
Finance costs	(4,581,885)	(611,343)	(5,193,228)
Statement of cash flows			
For the financial year ended 31 March 2018			
Operating profit/(loss) before working capital changes	12,367,766	(23,987,150)	(11,619,384)
Net cash flow generated from operating activities	35,212,391	611,343	35,823,734
Net cash flow used in financing activities	(20,848,098)	(611,343)	(21,459,441)

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust for the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 31 March 2018.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Bank borrowings	20	**98,867,097**	97,724,347	**2,827,135**	1,718,635
Less: Cash and cash equivalents	15	**(33,207,492)**	(25,503,087)	**(12,682,973)**	(12,266,198)
Net debt		**65,659,605**	72,221,260	**(9,855,838)**	(10,547,563)
Shareholders' equity		**144,797,471**	147,421,078	**268,413,202**	275,058,509
Capital and net debt		**210,457,076**	219,642,338	**258,557,364**	264,510,946
Gearing ratio (net cash)		**0.45**	0.49	**–**	–

36. SUBSEQUENT EVENT

One of the wholly-owned subsidiary of the Company (the "Claimant") has on 17 April 2019 served the notice of arbitration under the Asian International Arbitration Centre Rules 2018 against a subsidiary of a public listed company (the "Respondent") in respect of the disputes and differences arising from the contract for the construction of a mixed development project at Daerah Johor Bahru, Johor Darul Takzim (the "Contract").

The Claimant's claim against the Respondent are premised on the breach of contract and outstanding payment due in relation to the Contract. The Claimant seeks reliefs and/or remedies against the Respondent, which include but not limited to, inter alia, declarations of Final Account in the amount of over RM29 million, further extension of time or time at large, loss & expense awards, interest, costs and further relief or relieves.

ANALYSIS OF SHAREHOLDINGS
as at 28 June 2019

Total number of issued shares	:	186,708,050 Ordinary Shares
Voting rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of shareholders	% of shareholders	No. of shares	% of shareholdings
less than 100	70	2.52	1,093	0.00
100 – 1,000	700	25.22	632,157	0.34
1,001 – 10,000	1,453	52.34	6,607,050	3.54
10,001 – 100,000	471	16.97	13,603,541	7.29
100,001 – less than 5% of issued shares	76	2.74	53,427,840	28.61
5% and above of issued shares	6	0.21	112,436,369	60.22
Total	**2,776**	**100.00**	**186,708,050**	**100.00**

DIRECTORS' SHAREHOLDINGS

	Direct		Indirect	
Directors	No. of shares	%	No. of shares	%
Datuk Lai Siew Wah	–	–	73,502,997*	39.37
Datuk Lai Jaat Kong @ Lai Foot Kong	9,000,000	4.82	–	–
Datuk Lai Voon Hon	18,000	0.01	73,502,997*	39.37
Lai Voon Huey, Monica	9,000	0.00#	73,502,997*	39.37
Tan Thiam Chai	29,250	0.02	–	–
Chan Chee Kian	–	–	–	–
Haji Mohd. Sharif bin Haji Yusof	–	–	–	–
Hoe Kah Soon	–	–	–	–
Dato' Azmi bin Abdullah	–	–	–	–

SUBSTANTIAL SHAREHOLDERS' HOLDINGS

	Direct		Indirect	
Substantial Shareholders	No. of shares	%	No. of shares	%
Ideal Land Holdings Sdn Bhd	73,502,997	39.37	–	–
Magnipact Resources Sdn Bhd	23,097,372	12.37	–	–
CRRC Urban Traffic (Europe) Co. Ltd.	15,836,000	8.48	–	–
Green Rivervale Holdings Sdn Bhd	–	–	23,097,372^	12.37
Chan Soo Har @ Chan Kay Chong	3,277,125	1.76	23,097,372**	12.37
Lai Man Moi	2,161,125	1.16	23,097,372**	12.37
Datuk Lai Siew Wah	–	–	73,502,997*	39.37
Datuk Lai Voon Hon	18,000	0.01	73,502,997*	39.37
Lai Voon Keat	–	–	73,502,997*	39.37
Lai Voon Wai	–	–	73,502,997*	39.37
Liw Yoke Yin	18,000	0.01	73,502,997*	39.37

Notes:
- * Deemed interests through Ideal Land Holdings Sdn Bhd
- ** Deemed interests through Green Rivervale Holdings Sdn Bhd
- ^ Deemed interests through Magnipact Resources Sdn Bhd
- \# Negligible

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ideal Land Holdings Sdn Bhd)	31,000,000	16.60
2	Ideal Land Holdings Sdn Bhd	28,002,997	15.00
3	DB (Malaysia) Nominee (Asing) Sdn Bhd (Exempt An for Bank of Singapore Limited)	15,836,000	8.48
4	AMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account– Ambank (M) Berhad for Ideal Land Holdings Sdn Bhd)	14,500,000	7.77
5	Magnipact Resources Sdn Bhd	13,097,372	7.01
6	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Magnipact Resources Sdn Bhd)	10,000,000	5.36
7	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Jaat Kong @ Lai Foot Kong)	6,524,050	3.49
8	Thong Kok Cheong	5,072,150	2.72
9	Koon Woh	4,289,700	2.30
10	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Soo Har @ Chan Kay Chong)	2,765,625	1.48
11	Lai Jaat Kong @ Lai Foot Kong	2,475,950	1.33
12	Lim Sow Mun	2,300,000	1.23
13	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lai Man Moi)	1,920,375	1.03
14	CIMB Group Nominees (Asing) Sdn Bhd (Exempt An for DBS Bank LTD (SFS))	1,920,000	1.03
15	Sapiah @ Safiah binti Hussin	1,800,000	0.96
16	JF Apex Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for GV Asia Fund Limited (STA 1))	1,728,100	0.93
17	Abdullah bin Yusof	1,500,000	0.80
18	Kwok Yoke How	1,166,600	0.62
19	Lim Jit Hai	1,109,200	0.59
20	Ang Yook Chu @ Ang Yoke Fong	1,108,100	0.59
21	Choon Siew & Sons Sdn Berhad	1,030,000	0.55
22	Chan Lin Yau	1,015,700	0.54

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of shares	%
23	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ang Yook Chu @ Ang Yoke Fong (8076574))	861,200	0.46
24	Tan Hwa Ling @ Tan Siew Leng	834,800	0.45
25	Maybank Nominees (Tempatan) Sdn Bhd (Nomura Singapore Limited for Lim Lian Hock (410242))	631,500	0.34
26	HSBC Nominees (Asing) Sdn Bhd (Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C))	577,800	0.31
27	Kwok Yoke How	576,003	0.31
28	Yap Ai Synn @ Yap Ai Chin	545,000	0.29
29	Chan Soo Har @ Chan Kay Chong	511,500	0.27
30	Leow Peng Seong	495,500	0.27

LIST OF MATERIAL PROPERTIES
as at 31 March 2019

No.	Location	Tenure	Approximate Land Area/ Built-up Area (sq. ft.)	Description	Age (years)	Net Book Value (RM)	Year of Acquisition
1.	Lot PT 4048, Lot PT 4050 to PT 4053 Bandar Nilai Utama Putra Nilai Daerah Seremban	Freehold	999,424	Residential land for development	N/A	16,538,867	2011
2.	Lot PT17741, Mukim Batu Kuala Lumpur, Level 30 & 31 1 Mont' Kiara, Mont' Kiara Kuala Lumpur	Freehold	18,406	Office suites for investment	9	11,411,992	2007
3.	Lot PT17741, 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	12	8,484,514	2007
4.	Lot 20008, Section 95A A-55-3A, Residensi Vogue 1 No. 3, Jalan Bangsar, KL Eco City 59200 Kuala Lumpur	Leasehold (99 years) expiring on 5 December 2113	3,993	Service apartment for investment	1	5,957,556	2019
5.	Lot 8850, Mukim of Kajang Daerah Ulu Langat Selangor Darul Ehsan	Freehold	220,790	Agricultural land for future development	N/A	2,097,653	2011
6.	GRN 280415, Lot 3911 Mukim Sungai Gumut Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	44,476	Homesteads for investment	N/A	439,570	1995
7.	GRN 280622, Lot 4019 Mukim Sungai Gumut Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	46,368	Homesteads for investment	N/A	278,208	2002
8.	Lot No. 2, Sector 1 Lembah Beringin Mukim Kuala Kelumpang Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	7,185	Bungalow lot for investment	N/A	179,625	2002
9.	Geran 42276/M2/2/44 Lot 32432 Mukim of Plentong Johor Darul Takzim	Freehold	824	Walk-up flat for investment	32	38,546	1987

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting of Ireka Corporation Berhad (the '**Company**') will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 29 August 2019 at 10.00 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 31 March 2019 together with the reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*

2 To approve the payment of Audit Committee fees of RM26,000.00 and Directors' fees of RM370,000.00 for the financial year ended 31 March 2019. **Ordinary Resolution 1** *(Please refer to Explanatory Note 2)*

3 To re-elect the following Directors who retire in accordance with Article 91 of the Company's Constitution and, being eligible, offer themselves for re-election:

a. Datuk Lai Siew Wah **Ordinary Resolution 2**
b. Datuk Lai Jaat Kong @ Lai Foot Kong **Ordinary Resolution 3**
c. Dato' Azmi bin Abdullah **Ordinary Resolution 4**

(Please refer to Explanatory Note 3)

4 To re-appoint Messrs. RSL 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 5**

AS SPECIAL BUSINESS

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

5 **Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 6** *(Please refer to Explanatory Note 4)*

'**THAT** subject to the Companies Act 2016, Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company's Constitution and approvals of any other relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and **THAT** the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and **THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held, whichever is earlier, unless such approval be revoked or varied by the Company at a general meeting.'

6 **Proposed Renewal of General Mandate for Recurrent Related Party Transactions** **Ordinary Resolution 7**
(Please refer to Explanatory Note 5)

'**THAT** subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ('the Group') to enter into and give effect to specified recurrent transactions of a revenue or trading nature with specified classes of Related Parties (as set out in Section 2.2.2 of the Circular to Shareholders dated 31 July 2019) which are necessary for the Group's day-to-day operations in the ordinary course of business and are carried out at arm's length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company ('Proposed General Mandate') and such approval shall continue to be in force until:

a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

b) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier, and that for the avoidance of doubt, all such transactions entered into by the Group prior to the date of this resolution be and are hereby approved and ratified.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the Proposed General Mandate.'

7 **Proposed Renewal of Share Buy-back Authority** **Ordinary Resolution 8**
(Please refer to Explanatory Note 6)

'**THAT**, subject to the Companies Act 2016 ('the Act'), Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company's Constitution and approvals of any other relevant governmental/regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ('Proposed Share Buy–Back') as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company and the amount allocated shall not exceed the latest audited retained profits of the Company.

THAT such authority shall commence immediately upon passing of this ordinary resolution until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever occurs earlier.

THAT upon completion of the purchases of the shares of the Company, the Directors of the Company be and are hereby authorised to cancel the shares so purchased or to retain the shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the shares so purchased as treasury shares and cancel the remainder or in any other manners as may be permitted by the relevant legislations and regulations.

7 **Proposed Renewal of Share Buy-back Authority (cont'd)**

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and in the best interest of the Company.'

8 **Proposed Adoption of New Constitution of the Company** **Special Resolution**
(Please refer to Explanatory Note 7)

'**THAT** approval be and is hereby given for the Company to adopt the new Constitution in the form and manner as set out in Part C of the Circular to Shareholders dated 31 July 2019, in place of the existing Constitution of the Company ('Proposed New Constitution').

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to give full effect to the Proposed New Constitution with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit.'

9 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

WONG YIM CHENG
Company Secretary

Kuala Lumpur
31 July 2019

EXPLANATORY NOTES

1 Item 1 of the Agenda – Audited Financial Statements for the Financial Year Ended 31 March 2019

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 Audit Committee Fees and Directors' Fees

Approval is sought from the shareholders for the payment of the Audit Committee's fees of RM10,000 for the chairman of the Audit Committee and RM8,000 for each member; and Directors' fees of RM50,000 for the Chairman of the Board and RM40,000 for each of the other board members for the financial year ended 31 March 2019. The details of which are set out in the Corporate Governance Overview Statement of this Annual Report.

3 Ordinary Resolutions 2 to 4 – Re-election of Directors

Article 91 of the Company's Constitution provides that an election of Directors shall take place each year and all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

Datuk Lai Siew Wah, Datuk Lai Jaat Kong @ Lai Foot Kong and Dato' Azmi bin Abdullah are retiring pursuant to Article 91 of the Company's Constitution, and being eligible, have offered themselves for re-election at this Annual General Meeting.

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 Annual General Meeting. To assist the shareholders in their decision, information on their personal profiles are provided on pages 12 to 15 of the Annual Report.

4 Ordinary Resolution 6 – Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 6, if passed, will empower the Directors to issue and allot shares not exceeding 10% of the total number of issued shares of the Company for the time being without convening further general meetings for such purposes. This authority is a renewal of the general mandate which will expire at the conclusion of forthcoming 43rd Annual General Meeting.

This new general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to placing of shares, for the purposes of funding future investment project(s), working capital, acquisitions or such other applications as the Directors deem fit. This would avoid any delay and cost involved in convening a general meeting to approve such issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this notice, no new shares were issued by the Company pursuant to the general mandate granted last year, which will lapse at the conclusion of the 43rd Annual General Meeting.

5 Ordinary Resolution 7 – Proposed Renewal of General Mandate for Recurrent Related Party Transactions

The Ordinary Resolution 7, if passed, will enable the Group to enter into recurrent transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Further information on this resolution is set out in Part A of the Circular to Shareholders dated 31 July 2019.

6 Ordinary Resolution 8 – Proposed Renewal of Share Buy-back Authority

The Ordinary Resolution 8, if passed, will empower the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the latest audited retained profits of the Company. Further information on this resolution is set out in Part B of the Circular to Shareholders dated 31 July 2019.

7 Special Resolution – Proposed Adoption of New Constitution of the Company

The proposed Special Resolution, if passed, will render the Constitution of the Company to be in line with the amendments that arise from the Companies Act 2016, which came into force on 31 January 2017, the revised Main Market Listing Requirements of Bursa Malaysia Securities Berhad and will enhance administrative efficiency. In view of the substantial amount of amendments to be made, the Board proposed that the existing Constitution be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution which incorporated all the proposed amendments. Further information on this resolution is set out in Part C of the Circular to Shareholders dated 31 July 2019.

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 a proxy 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 a proxy 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 original signed Proxy Form or the power of attorney or other authority (if any), must be deposited at the Company's Registered Office at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or at any adjournment thereof.

6 Only members whose names appear in the Record of Depositors on 23 August 2019 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) to attend, speak and vote at the Annual General Meeting ('AGM') and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the 'Purposes'); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

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

1. **Details of individuals who are standing for election (excluding directors standing for re-election) as Directors**

   No individual is seeking for election as a Director at the 43rd Annual General Meeting of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

   Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note 4 of the Notice of 43rd Annual General Meeting.

PROXY FORM

No. of Shares Held	CDS Account No.

IREKA CORPORATION BERHAD
(Company No. 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:

Proxy 1	Full name	NRIC/Passport No.	No. of shares to be represented	Percentage
	Address			%
Proxy 2	Full name	NRIC/Passport No.	No. of shares to be represented	Percentage
	Address			%

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 43rd Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on **Thursday**, **29 August 2019** at **10.00 a.m.** and at any adjournment thereof, in the manner as indicated below:-

Resolutions		For	Against
Ordinary Resolution 1	To approve the payment of Audit Committee fees of RM26,000.00 and Directors' fees of RM370,000.00		
Ordinary Resolution 2	To re-elect Datuk Lai Siew Wah as a Director of the Company		
Ordinary Resolution 3	To re-elect Datuk Lai Jaat Kong @ Lai Foot Kong as a Director of the Company		
Ordinary Resolution 4	To re-elect Dato' Azmi bin Abdullah as a Director of the Company		
Ordinary Resolution 5	To re-appoint Messrs. RSL PLT as Auditors of the Company		
Ordinary Resolution 6	To propose the renewal of authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 7	To propose the renewal of general mandate for Recurrent Related Party Transactions		
Ordinary Resolution 8	To propose the renewal of Share Buy-back Authority		
Special Resolution	To propose the adoption of new Constitution of the Company		

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/Seal of Member

Dated this__________day of_______________2019

Notes:

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5 The original signed Proxy Form or the power of attorney or other authority (if any), must be deposited at the Company's Registered Office at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or at any adjournment thereof.
6 Only members whose names appear in the Record of Depositors on 23 August 2019 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 July 2019.

Please fold here to seal

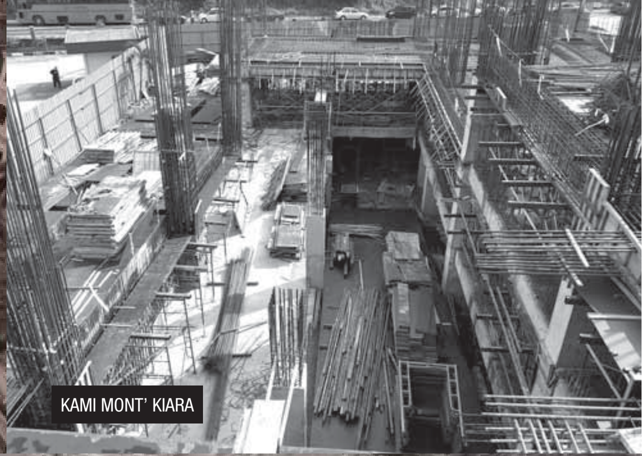
STAMP

IREKA CORPORATION BERHAD (Co. No. 25882-A)
LEVEL 18, WISMA MONT' KIARA
NO. 1, JALAN KIARA
MONT' KIARA
50480 KUALA LUMPUR

ATTN: THE COMPANY SECRETARY

Please fold here to seal


KAMI MONT' KIARA


KAMI MONT' KIARA

DWI@RIMBUN KASIA


PANTAI HOSPITAL AYER KEROH

IREKA CORPORATION BERHAD 25882-A
Level 18, Wisma Mont' Kiara
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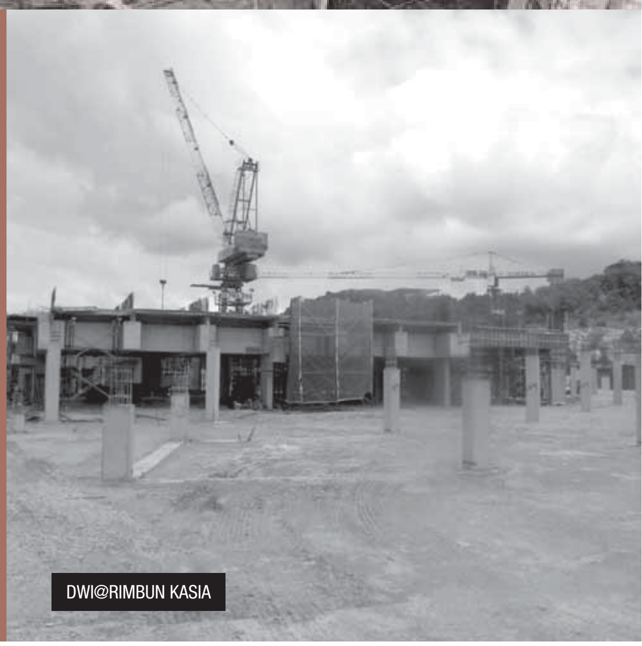
W : www.ireka.com.my


DWI@RIMBUN KASIA


PANTAI HOSPITAL AYER KEROH


ASTA ENTERPRISE PARK