

Condensed Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2020

	Unaudited Current Year Quarter 31.03.2020 RM'000	Audited Preceding Year Corresponding Quarter 31.03.2019 RM'000	Unaudited Current Year To Date 31.03.2020 RM'000	Audited Preceding Year Corresponding Year 31.03.2019 RM'000
Revenue	20,918	27,325	157,021	200,134
Cost of sales	(19,683)	(18,249)	(124,223)	(184,254)
Gross profit/loss	1,235	9,076	32,798	15,880
Other income	437	903	3,871	4,652
Expenses	(7,656)	(11,916)	(31,359)	(40,475)
Operating profit/(loss)	(5,984)	(1,937)	5,310	(19,943)
Finance costs	(3,074)	(3,206)	(8,966)	(6,142)
Share of (loss)/profit of associates	(19,723)	(12,253)	(32,237)	(2,586)
Share of profit/(loss) of joint venture	(105)	-	(107)	-
Loss before tax	(28,886)	(17,396)	(36,000)	(28,671)
Income tax (expense)/credit	(756)	(283)	(3,777)	(413)
Loss for the year	(29,642)	(17,679)	(39,777)	(29,084)
Other comprehensive income/(loss):-				
Currency translation differences	64	(683)	82	(805)
Other comprehensive income/(loss) for the financial year, net of tax	64	(683)	82	(805)
Total comprehensive loss for the year	(29,578)	(18,362)	(39,695)	(29,889)
Loss attributable to:-				
Owners of the Company	(29,869)	(17,419)	(40,202)	(28,489)
Non-controlling interest	229	(260)	425	(595)
	(29,640)	(17,679)	(39,777)	(29,084)
Total comprehensive loss attributable to:-				
Owners of the Company	(29,805)	(18,362)	(40,120)	(29,294)
Non-controlling interest	229	-	425	(595)
	(29,576)	(18,362)	(39,695)	(29,889)
Loss per share attributable to owners of Company:-				
- basic (sen)	(16.00)	(9.33)	(21.53)	(15.26)
- diluted (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit/(loss)	(5,982)	(1,937)	5,310	(19,943)
Gross interest income	286	212	1,281	960
Gross interest expense	(3,074)	(3,206)	(8,966)	(6,142)

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))
Condensed Consolidated Statement of Financial Position as at 31 March 2020

	Unaudited As At 31.03.2020 RM'000	Audited As At 31.3.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,908	26,515
Right-of-use assets	1,621	-
Investment properties	17,201	17,420
Investment in associates	82,331	114,646
Investment in joint venture	7,543	-
Other investments	1,037	34
Inventories	14,134	13,071
Deferred tax asset	180	28
	149,955	171,714
Current assets		
Inventories	174,206	130,306
Trade and other receivables	144,385	135,094
Amounts due from associates	-	14,889
Amounts due from jointly controlled entities	-	-
Cash and cash equivalents	27,603	33,207
	346,194	313,496
TOTAL ASSETS	496,149	485,210
EQUITY AND LIABILITIES		
Equity		
Share capital	181,288	181,288
Warrant reserves	-	5,696
Other reserves	-	(5,696)
Foreign currency translation reserve	(1,870)	(1,952)
Accumulated losses	(101,904)	(61,703)
Equity attributable to owners of the Company	77,514	117,634
Non-controlling interest	35,588	27,163
Total equity	113,102	144,797
Non-current liabilities		
Lease liabilities	-	-
Borrowings	43,097	29,081
Deferred tax liabilities	3,577	3,222
	46,674	32,303
Current liabilities		
Trade and other payables	240,854	237,955
Lease liabilities	2,644	-
Borrowings	74,275	61,425
Overdrafts	16,912	8,361
Tax payable	1,688	369
	336,373	308,110
Total liabilities	383,047	340,413
TOTAL EQUITY AND LIABILITIES	496,149	485,210

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	0.42	0.63
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Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 March 2020

	←-----Attributable to owners of the Company----->					←-----Non-distributable-----> <-Distributable->		
	Share Capital RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000	(Accumulated Losses) RM'000	Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
12 months ended 31.03.2020 (Unaudited)								
Balance as at 1.4.2019	181,288	5,696	(5,696)	(1,952)	(61,703)	117,633	27,163	144,796
Warrant expired and delisted	-	(5,696)	5,696	-	-	-	-	-
Non controlling interest contribution	-	-	-	-	-	-	8,000	8,000
Total comprehensive profit/(loss) for the year	-	-	-	82	(40,202)	(40,120)	425	(39,695)
Balance as at 31.03.2020	181,288	-	-	(1,870)	(101,905)	77,513	35,588	113,101

	←-----Attributable to owners of the Company----->					←-----Non-distributable-----> <-Distributable->			
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000	(Accumulated Losses) RM'000	Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
12 months ended 31.03.2019 (Audited)									
Balance as at 01.04.2018	181,288	-	5,696	(5,696)	(1,147)	(32,721)	147,421	-	147,421
Dilution of equity interest	-	-	-	-	-	-	-	25,000	25,000
Partial disposal of a subsidiary	-	-	-	-	-	3,241	3,241	2,758	5,999
Total comprehensive income for the year	-	-	-	-	(805)	(28,489)	(29,294)	(595)	(29,889)
Dividends	-	-	-	-	-	(3,734)	(3,734)	-	(3,734)
Balance as at 31.03.2019	181,288	-	5,696	(5,696)	(1,952)	(61,703)	117,634	27,163	144,797

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the Interim Statements)

**Condensed Consolidated Statement of Cash Flows for the financial year ended
31 March 2020**

	Unaudited	Audited
	Current Year	Preceding Year
	To Date	Corresponding
	31.03.2020	Year
	RM'000	31.03.2019
		RM'000
Cash flows from operating activities		
Loss before tax	(36,000)	(28,671)
Adjustments for:		
Bad debt written off	-	3,768
Impairment allowances made for trade receivables	-	256
Depreciation of property, plant and equipment	3,243	3,242
Property, plant and equipment written off	57	48
Gain on disposal of other investments	-	2
Loss/(Gain) on disposal of property, plant and equipment	203	(590)
Gain on fair value changes of investment property	-	(1,784)
Gain on disposal of investment property	-	-
Other investment written down	-	2
Stock written down	3	2
Share of loss/(profit) of associates	32,237	2,585
Share of loss of joint venture	107	-
Interest expense	8,966	6,141
Interest income	(1,281)	(959)
Unrealised (gain)/loss on foreign exchange	-	-
Operating profit/(loss) before changes in working capital	7,535	(15,958)
Working capital changes:		
Property development costs	(46,173)	(29,427)
Inventories	2,271	3,984
Receivables	16,634	16,147
Contract assets/contract liabilities	(21,759)	(895)
Amount due from associates	14,888	5
Amount due from jointly controlled entities	-	-
Payables	(950)	(2,094)
Cash used in operations	(27,554)	(28,238)
Income tax refunded	-	65
Income tax paid	(2,255)	(376)
Net cash used in operating activities	(29,809)	(28,549)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,995)	(1,062)
Proceeds from disposal of property, plant and equipment	99	1,773
Land held for property development	(1,063)	14,133
Investment in joint venture	(7,650)	-
Interest received	1,281	959
Net cash (used in)/generated from investing activities	(10,328)	15,803
Cash flows from financing activities		
Proceeds from disposal of subsidiary	-	-
Proceeds from issuance of new shares to non-controlling interest	8,000	-
Proceeds from issuance of new shares	-	31,000
Hire purchase principal repayments	(627)	(3,097)
Drawdown of bank borrowings	89,509	84,301
Repayment of bank borrowings	(62,016)	(77,626)
Dividend paid	-	(3,735)
Interest paid	(8,966)	(6,141)
Net cash generated from financing activities	25,900	24,702
Net (decrease)/increase in cash and cash equivalents	(14,237)	11,956
Effect of changes in exchange rates	82	(810)
Cash and cash equivalents as at beginning of financial year	24,846	13,700
Cash and cash equivalents as at end of financial year	10,691	24,846
Cash and cash equivalents as at end of financial year comprise the followings:-		
Cash and bank balances	27,603	33,207
Overdrafts	(16,912)	(8,361)
	10,691	24,846

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the Interim Statements)

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *MFRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2020. The explanatory notes attached to the unaudited interim financial report provide explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2020.

Except for MFRS 16 “Leases”, the adoption of the following applicable amendments and improvements to MFRS that came into effect 1 January 2019 did not have any significant impact on the Group upon the initial application.

Description	
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures
MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments

MFRS 16 “Leases” (“MFRS 16”)

Effective 1 January 2019, the Group adopted MFRS 16 which replaced the guidance in MFRS 117 “Leases” (“MFRS 17”) on the recognition, measurement, presentation and disclosure of leases. The adoption of MFRS 16 from 1 January 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial report. The Group applied the simplified transition approach and in accordance with the transitional provision in MFRS 16, comparative figures for the period prior to first adoption have not been restated.

All right-of-use (“ROU”) assets were measured at the present values as if the standard had been applied since the commencement date while all lease liabilities will be measured at the present value of the remaining lease payments. The ROU assets is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income.

In applying MFRS 16 for the first time, the Group had used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristic;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

A1 Basis of Preparation (continued)

The Group will be adopting the following MFRSs when they become effective in the respective financial periods.

Description		Effective for annual period beginning on or after
Amendments to MFRS 3	Definition of a business	1 January 2020
Amendments to MFRS 101 and 108	Definition of material	1 January 2020

The adoption of the above MFRSs are not expected to have a material impact in financial statements of the Group.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2019.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2019 was not subject to any qualification.

A4 Seasonality or Cyclicity of Operations

The Group's business operations are not materially affected by seasonal or cyclical factors for the current quarter under review.

A5 Unusual Significant Items

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period-to-date that are unusual because of their nature, size or incidence.

A6 Material Changes in Estimates

There were no significant changes in estimates that have had a material effect in the financial period-to-date results.

A7 Changes in Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and financial year ended 31 March 2020.

A8 Dividend Paid

No dividend was paid during the financial year ended 31 March 2020.

A9 Segmental Information

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Segment Revenue				
Revenue				
Construction	30,022	21,626	99,145	172,033
Property development	(2,363)	7,168	82,651	38,115
Property investment	127	127	508	771
Trading and services	3,106	7,541	11,756	20,295
Investment holding and other	3,102	3,101	12,407	13,487
Total	33,994	39,563	206,467	244,702
Elimination of inter-segment sales	(13,076)	(12,238)	(49,446)	(44,567)
Total	20,918	27,325	157,021	200,134

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Segment Results				
Profit/(Loss) before tax				
Construction	1,619	(862)	2,893	(10,731)
Property development	(3,691)	(1,629)	13,919	(262)
Property investment	(296)	(98)	(442)	580
Trading and services	(2,613)	2,013	(10,012)	(4,422)
Investment holding and other	(22,082)	(14,463)	(37,141)	(2,763)
Total	(27,060)	(15,039)	(30,783)	(17,598)
Elimination of inter-segment items	(1,823)	(2,357)	(5,217)	(11,073)
Total	(28,886)	(17,396)	(36,000)	(28,671)

A10 Carrying Amount of Revalued Property, Plant and Equipment

The Group does not state any assets based on valuation of its property, plant and equipment.

A11 Material Subsequent Events

On 7 May 2020, Aseana Properties Limited (“ASPL”), the 23.07% associate of Ireka which is listed on the Main Market of the London Stock Exchange, announced its plan to undertake a demerger of certain assets held by ASPL in exchange for buy-back and cancellation of shares held by certain participating shareholders.

On even date, Ireka announced the Company’s consideration in participating in the Proposed ASPL Demerger, which would be formalised through a definitive agreement to be entered into between both parties. As of the date of this announcement, the definitive agreements have not been finalized and signed.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A13 Contingent Assets and Liabilities

(a) Contingent Assets

There were no contingent assets as at the end of the current quarter or at the preceding annual statement of financial position date.

(b) Contingent Liabilities

	Financial Quarter Ended 31.03.2020 RM	Financial Year Ended 31.3.2019 RM
(i) Corporate guarantees for credit facilities granted to the Group	19,931,619	45,288,018

A14 Capital Commitments

There were no capital commitments as at the end of the current quarter.

B1 Review of Performance

(a) Performance of Current Period against the Preceding Year Corresponding Period

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 impact on the timing of recognition of revenue and profit for the Group’s construction segment, property development segment and other segment.

The Coronavirus Disease 2019 Pandemic (“COVID-19”) and the subsequent Movement Control Orders (“MCO”) imposed by the Government of Malaysia from March 2020 has disrupted business activities of the Group, and affected the performance and results of the Group during the quarter under review and the year.

For the financial year ended 31 March 2020, the Group recorded revenue of RM157.021 million (after elimination of inter-segment sales of RM49.446 million) as compared to RM200.134 million (after elimination of inter-segment sales of RM44.567 million) for the preceding year corresponding period, representing a decrease of approximately 22%.

The revenue achieved by the construction segment is significantly lower at RM99.145 million in the current year, compared to RM172.033 million in the preceding year corresponding period, representing a decrease of approximately 42%. The Construction Division was slow in replenishing its order book due to slowdown in construction activities post General Election (GE14) in 2018. However, the Division was able to increase its internally generated works over the last two years and has successfully secured a new external contract of about RM163.9 million this year. Inter-segment sale for current period has increased to RM31.073 million, from RM20.165 million in preceding year corresponding period.

The property development segment has, however, recorded a higher revenue of RM82.651 million in the current year compared to RM38.115 million in the preceding year corresponding period. This represents an increase in revenue of 112%. The Group expects the Property Division to continue to grow in its contribution to the revenue of the Group going forward. To date, the division has unbilled sales of about RM250 million which will be billed as works progress over the next two years. The revenue recorded for the year was attributable to the industrial park development at ASTA Enterprise Park Kajang located at Bukit Angkat Kajang, KaMi Mont Kiara development and DWI @ Rimbun Kasia, Nilai. Business activities in this segment has dropped significantly during the quarter under review, due to COVID-19 and MCO.

The trading and services segment comprised mainly IT solutions, property development management and services divisions. Revenue for the current year decreased to RM11.756 million, from RM20.295 million in the preceding year corresponding period, mainly due to lower contribution from iTech ELV Solutions Sdn Bhd and Ireka Development Management Sdn Bhd (“IDM”). IDM has officially exited as the manager of Aseana Properties Limited (“ASPL”) on 30 June 2019 and no longer earn any management fee beyond this date.

B1 Review of Performance (continued)

(a) Performance of Current Period against the Preceding Year Corresponding Period (continued)

For the financial year ended 31 March 2020, the Group recorded pre-tax loss of RM3.656 million (after elimination of inter-segment items of RM5.217 million) before share of losses of associates and joint venture, compared to the preceding year corresponding period of pre-tax loss of RM26.085 million (after elimination of inter-segment items of RM11.073 million). Pre-tax loss after share of losses of associates and joint venture is RM36.000 million, compared to RM28.671 million in the preceding year corresponding period. The share of loss from associates of RM32.237 million, made up mainly of a share of loss of ASPL (a 23.07% associate of Ireka) of RM26.970 million (31 March 2019: Loss of RM5.872 million); and a share of loss of The RuMa Hotel KL Sdn Bhd (“The RuMa”) (a 30% associate of Ireka) of RM4.428 million (31 March 2019: Loss of RM5.085 million). ASPL’s loss is mainly due to impairment loss on its Sandakan assets and also operating losses and finance costs of its four operating assets, being The RuMa Hotel, Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and City International Hospital HCMC. As a result of the uncertainties arising from COVID-19 and MCO, the Four Points by Sheraton Sandakan Hotel was de-flagged by Marriott International and permanently closed for business from June. The RuMa Hotel was also temporarily closed for business given the travel restriction imposed on foreign travellers into Malaysia. All four operating assets have been adversely affected by the COVID-19 and lockdown of business activities in Malaysia and Vietnam. However, we would like to highlight that losses recorded by ASPL during the year have no impact on the Group’s cashflow in the short and medium term, and also on the operation of the various divisions within the Group.

The construction segment recorded a profit of RM2.893 million (31 March 2019: Loss of RM10.731 million) before elimination of inter-segment items of RM3.372 million (31 March 2019: RM3.454 million). This was mainly attributable to significant reduction in construction revenue as mentioned earlier, while fixed overhead costs were not reduced proportionately. Profit elimination arising from internal works is lower at RM3.372 million, compared to RM3.454 million in preceding year corresponding period.

The property development segment recorded a profit of RM13.919 million (31 March 2019: Loss of RM0.262 million), before elimination of inter-segment items of RM1.520 million (31 March 2019: RM0.540 million). The increase is mainly due to contribution from ASTA and KaMi Mont’ Kiara.

The trading and services segment recorded a loss of RM10.012 million (31 March 2019: Loss of RM4.422 million), before elimination of inter-segment items of RM3.365 million (31 March 2019: RM4.465 million). The loss is mainly due to termination of the IDM management agreement and hence lower management fee income earned for the year.

(b) Performance of Current Quarter against the Preceding Year Corresponding Quarter

The Group achieved revenue of RM20.918 million in the current quarter as compared to RM27.325 million in the preceding year corresponding quarter, representing a drop of approximately 23%. This was due to lower contribution from property development and trading and services segment during the current quarter.

B1 Review of Performance (continued)

(c) Performance of Current Quarter against the Preceding Year Corresponding Quarter (continued)

For the financial year ended 31 March 2020, the Group recorded a pre-tax loss of RM28.886 million as compared to a pre-tax loss of RM17.396 million in the preceding year corresponding quarter mainly due to increased share of loss of ASPL as mentioned in B1(a) above.

B2 Material Change in the Quarterly Results compared to the Results of Immediate Preceding Quarter

The Group recorded lower revenue of RM20.918 million in the fourth quarter of financial year ended 31 March 2020, compared to RM48.072 million in the immediate preceding quarter. This is mainly due to effects of COVID-19 and MCO during the quarter under review.

The Group recorded a pre-tax loss of RM28.886 million (after accounted for share of loss of associates of RM19.722 million) compared to a pre-tax loss of RM1.764 million (after accounted for share of loss of associates of RM4.895 million) in the last quarter. The share of loss from associates of RM19.722 million, made up mainly of a share of loss of ASPL (a 23.07% associate of Ireka) of RM19.834 million (31 December 2019: Loss of RM3.231million); and a share of loss of The RuMa Hotel KL Sdn Bhd (“The RuMa”) (a 30% associate of Ireka) of RM0.395 million (31 December 2019: Loss of RM1.140 million).

B3 Prospects for the Current Financial Year

As at 31 March 2020, the Group’s construction order book stood at approximately RM488 million, of which about RM360 million remained outstanding. This includes a new contract awarded by Regency Specialist Hospital Sdn Bhd on 23 June 2020, for main building works to construct and complete a 10-storey hospital extension block at Bandar Baru Seri Alam, Daerah Johor Bahru for a contract sum of RM163.9 million. The Construction Division will continue to actively tender for external construction contracts to replenish its order book and also expects more construction works to be generated internally from its property development division.

On the property development front, the Group has four on-going projects. The first project is The RuMa Hotel and Residences, KLCC (“The RuMa”), 70% owned by ASPL and 30% by the Group, which has obtained Certificate of Completion and Compliance on 28 September 2018, and sale of completed units are on-going. The second project is ASTA Enterprise Park comprising 36 units of multi-functional industrial units and 8 parcels of land, of which all 18 units of Phase 1 and 2 units of Phase 2 were sold. The third is KaMi Mont’ Kiara consisting of 168 units of residences which was launched in June 2018 under the I-Zen brand. To-date, KaMi Mont’ Kiara recorded about 92% sale. Lastly, the Group launched DWI@ Rimbun Kasia, Nilai in December 2018. DWI is undertaken jointly with Hankyu Hanshin Properties Corp., comprising 382 units of mid-market courtyard condominiums under the Group’s mid-market zenZ brand. To-date, about 42% of the project have been sold.

B3 Prospects for the Current Financial Year (continued)

Going forward, the Property Division is also actively reviewing its sales and marketing activities including launching new phases of its current projects should the property market normalise during the current financial year. However, in the short term, the performance of the Group for the current financial year will be adversely affected by COVID-19 and MCO/Conditional MCO/Recovery MCO during the period March to August, given that the business activities were halted/disrupted during this period. However, the Board expects activities in the various segment to pick up and normalise over the next 6 months. The full impact of the COVID-19 will depend on the effectiveness of the Government's stimulus measures and the successful containment of the COVID-19. Bank Negara Malaysia expects the Malaysian economy to rebound in 2021, in line with the projected global recovery.

The Company hopes to be able to implement the demerger plan with ASPL, and also look various options to strengthen the balance sheet of the Group during this financial year.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ended 31 March 2020.

B5 Profit/(Loss) for the Period

Included in profit/(loss) for the period are:-

	Individual Quarter		Cumulative Period	
	3 Months Ended		12 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(840)	(833)	(3,244)	(3,243)
(Loss)/gain on disposal of property, plant and equipment	(6)	55	(33)	(590)
Property, plant and equipment written off	(65)	(0)	(122)	(48)
Interest expense	(3,074)	(3,206)	(8,966)	(6,142)
Net foreign exchange Gain/(loss)	(5)	(35)	(5)	149
Interest income	286	212	1,281	960

Other than the above items, there were no exceptional items for the current quarter and financial year ended 31 March 2020.

B6 Taxation

The taxation for the current quarter and period-to-date are as follows:-

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Malaysian income tax (expense)/credit	(756)	(283)	(3,777)	(413)
	(756)	(283)	(3,777)	(413)

The effective tax rates of the Group for the current quarter and for the year were lower than the statutory tax rate due to losses suffered by certain subsidiaries and also utilisation of tax losses brought forward by the Company and its subsidiaries.

B7 Status of Corporate Proposals

There were no on-going corporate proposals during the financial year under review.

The issuance of new shares under the Subscription Agreement dated 4 December 2017 raised a total proceeds of RM9,176,962 and the status of utilisation 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	* 8,750,219	276,743

- * Includes a capital injection of RM7,649,999 into Mobilus Sdn Bhd, a company jointly owned by Ireka Corporation Berhad and CRRC Urban Traffic (Europe) Co. Ltd. ("CRRC UT") on a 51:49 basis. Mobilus Sdn Bhd was set up mainly to sell urban transportation products and special purpose vehicle from CRRC UT and to explore urban transportation projects in Malaysia.

B8 Group Borrowings and Debt Securities

	Financial Quarter Ended 31.03.2020 RM'000	Financial Quarter Ended 31.03.2019 RM'000
(a) Short term borrowings		
<i>Secured:-</i>		
Term loans	28,263	12,227
Hire purchase	755	622
Trade finance	22,242	23,944
Bank overdrafts	16,912	8,361
Revolving credit	23,015	24,632
	-----	-----
	91,187	69,786
	-----	-----
(b) Long term borrowings		
<i>Secured:-</i>		
Term loans	42,933	28,158
Hire purchase	164	923
	-----	-----
	43,097	29,081
	-----	-----
(c) Total borrowings	134,284	98,867
	=====	=====

For the financial quarter ended 31 March 2020, the Group's total borrowings have increased by RM35.417 million as compared to the preceding year financial quarter ended 31 March 2019. This increase is due to drawdown of bridging loan for a property development project and also a new working capital loan, offset by repayment of certain construction loans.

B9 Material Litigations

The Group was not engaged in any material litigation as at 24 June 2020.

B10 Dividend Proposed

The Board of Directors shall consider recommendation of dividend payment in respect of the financial year ended 31 March 2020 upon finalisation of the audited accounts.

B11 Loss per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended		12 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
(a) Basic				
Loss for the period attributable to owners of the Company (RM'000)	(29,869)	(17,419)	(40,202)	(28,489)
Weighted average number of ordinary shares	186,708,050	186,708,050	186,708,050	186,708,050
Basic loss per share (sen)	(16.00)	(9.33)	(21.53)	(15.26)
(b) Diluted Earnings	N/A	N/A	N/A	N/A

The diluted earnings per share of the Group is similar to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

By Order of the Board
IREKA CORPORATION BERHAD
WONG YIM CHENG
Company Secretary
Kuala Lumpur
30 June 2020