

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2021

	Unaudited Current Period Quarter 30.09.2021 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2020 RM'000	Unaudited Current Period To Date 30.09.2021 RM'000	Unaudited Preceding Year Corresponding Period 30.09.2020 RM'000
Revenue	8,286	42,052	29,148	56,782
Cost of sales	(11,942)	(42,303)	(28,208)	(53,476)
Gross profit	(3,656)	(251)	940	3,306
Other income	1,471	1,544	2,369	2,069
Expenses	(10,538)	(6,666)	(51,692)	(12,048)
Operating loss	(12,723)	(5,373)	(48,383)	(6,673)
Finance costs	(1,815)	(1,059)	(3,547)	(4,163)
Share of loss of associates	-	(722)	-	(4,733)
Share of loss of a joint venture	(221)	(65)	(387)	(106)
Loss before taxation	(14,759)	(7,219)	(52,317)	(15,675)
Income tax expense	(150)	(715)	(377)	(1,193)
Loss for the period	(14,909)	(7,934)	(52,694)	(16,868)
Other comprehensive income/(loss):-				
Foreign currency translation differences	13	(145)	15	(40)
Other comprehensive income/(loss) for the financial period, net of tax	13	(145)	15	(40)
Total comprehensive loss for the period	(14,896)	(8,079)	(52,679)	(16,908)
Loss for the period attributable to:-				
Owners of the Company	(14,896)	(7,898)	(52,679)	(16,705)
Non-controlling interests	(13)	(36)	(15)	(163)
	(14,909)	(7,934)	(52,694)	(16,868)
Total comprehensive loss attributable to:-				
Owners of the Company	(14,883)	(8,043)	(52,664)	(16,745)
Non-controlling interests	(13)	(36)	(15)	(163)
	(14,896)	(8,079)	(52,679)	(16,908)
Loss per share attributable to owners of Company:-				
- basic (sen)	(7.59)	(4.23)	(26.84)	(8.95)
- 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 2021 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating loss	(12,723)	(5,373)	(48,383)	(6,673)
Gross interest income	26	323	337	595
Gross interest expense	(1,815)	(1,059)	(3,547)	(4,163)

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))
Condensed Consolidated Statement of Financial Position as at 30 September 2021

	Unaudited As At 30.09.2021 RM'000	Audited As At 31.3.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,156	21,793
Right-of-use assets	8,507	10,812
Investment properties	13,508	13,508
Investment in associates	-	72,686
Investment in a joint venture	6,757	7,144
Other investments	57,610	34
Inventories	14,959	14,343
Deferred tax assets	55	55
	<u>122,552</u>	<u>140,375</u>
Current assets		
Inventories	123,890	108,150
Trade and other receivables	161,529	209,346
Amount due from associate	1,686	1,607
Amount due from a joint venture	70	68
Cash and cash equivalents	16,232	29,394
	<u>303,407</u>	<u>348,565</u>
TOTAL ASSETS	<u>425,959</u>	<u>488,940</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	192,353	181,288
Derecognise share of loss in an associate	14,172	-
Foreign currency translation reserve	(1,904)	(1,919)
Accumulated losses	(172,186)	(119,789)
Equity attributable to owners of the Company	<u>32,435</u>	<u>59,580</u>
Non-controlling interests	30,794	31,091
Total equity	<u>63,229</u>	<u>90,671</u>
Non-current liabilities		
Lease liabilities	5,440	8,987
Borrowings	6,772	-
Deferred tax liabilities	481	481
	<u>12,693</u>	<u>9,468</u>
Current liabilities		
Trade and other payables	280,539	280,684
Lease liabilities	3,174	1,847
Borrowings	58,733	93,772
Bank overdrafts	5,507	9,763
Tax payable	2,084	2,735
	<u>350,037</u>	<u>388,801</u>
Total liabilities	<u>362,730</u>	<u>398,269</u>
TOTAL EQUITY AND LIABILITIES	<u>425,959</u>	<u>488,940</u>
(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the Interim Statements)		
Other Information:-		
Net assets per share (RM)	<u>0.16</u>	<u>0.32</u>

Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2021

	<-----Attributable to owners of the Company----->					
	<-----Non-distributable----->		<-Distributable->			
	Share	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	Capital RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30.09.2021 (Unaudited)						
Balance as at 1.4.2021	192,353	(1,919)	(119,789)	70,645	31,091	101,736
Derecognise share of loss in an associate	-	-	-	-	-	14,172
Total comprehensive loss for the period	-	15	(52,397)	(52,382)	(297)	(52,679)
Balance as at 30.09.2021	192,353	(1,904)	(172,186)	18,263	30,794	63,229

	<-----Attributable to owners of the Company----->					
	<-----Non-distributable----->		<-Distributable->			
	Share	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	Capital RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30.09.2020 (Unaudited)						
Balance as at 01.04.2020	181,288	(1,870)	(102,065)	77,353	35,586	112,939
Total comprehensive loss for the period	-	(40)	(16,705)	(16,745)	9,837	(6,908)
Balance as at 30.09.2020	181,288	(1,910)	(118,770)	60,608	45,423	106,031

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the Interim Statements)

**Condensed Consolidated Statement of Cash Flows for the financial period ended
30 September 2021**

	Unaudited Current Period To Date 30.09.2021 RM'000	Unaudited Preceding Year Corresponding Period 30.09.2020 RM'000
Cash flows from operating activities		
Loss before tax	(52,317)	(15,675)
Adjustments for:		
Depreciation of property, plant and equipment	1,178	1,314
Loss on disposal of property, plant and equipment	-	6
Share of loss of associates	-	4,733
Share of loss of a joint venture	387	106
Interest expense	3,547	4,163
Interest income	(339)	(595)
Unrealised (gain)/loss on foreign exchange	(433)	21
Depreciation Right-of-use assets	2,306	1,091
Impairment loss due to reclassification of associate to investment	25,905	-
Fair value loss on quoted investment	3,810	-
Operating loss before changes in working capital	(15,956)	(4,836)
Working capital changes:		
Inventories	(30,439)	49,273
Receivables	14,925	(23,581)
Contract assets/contract liabilities	54,216	(25,422)
Amount due from associates	(14,416)	(304)
Amount due from jointly-controlled entities	(2)	(2)
Payables	8,728	20,083
Cash from/(for) operations	17,056	(6,305)
Income tax (paid)/refund	(1,137)	1,102
Net cash from/(for) operating activities	15,919	(5,203)
Cash flows from investing activities		
Purchase of property, plant and equipment	(542)	(426)
Proceeds from disposal of property, plant and equipment	-	80
Uplift of fixed deposits with licensed banks	(382)	-
Addition to Right-of-use assets	(3,547)	-
Purchase of land held for property development	-	221
Interest received	338	595
Net cash (for)/from investing activities	(4,133)	470
Cash flows from financing activities		
Proceeds from issuance of new shares to non-controlling interests	-	10,000
Proceeds of issuance of ordinary shares	11,065	-
Drawdown of bank borrowings	-	21,362
Repayment of bank borrowings	(28,267)	(22,897)
Interest paid	(3,547)	(4,163)
Repayment of lease liabilities	-	8,011
Net cash (for)/from financing activities	(20,749)	12,313
Net (decrease)/increase in cash and cash equivalents	(8,963)	7,580
Effect of changes in exchange rates	15	(40)
Cash and cash equivalents as at beginning of financial period	8,990	11,496
Cash and cash equivalents as at end of financial period	42	19,036

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))
NOTES TO THE QUARTERLY RESULTS

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 2021. 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 2021.

The adoption of the below accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's Financial Statements

MFRS and/or IC Interpretations (Including the Consequential Amendments)

Description	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendment to MFRS 16	Covid-19 Related Rent Concessions
Amendment to MFRS 101 and MFRS 108	Definition of Material Amendments to References to the Conceptual Framework in MFRS Standards

The Group has not applied in advance the following accounting standards and/or 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 period:-

Description		Effective for annual period beginning on or after
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an investor and its associate or joint venture Deferred	

A1 Basis of Preparation (continued)

Description		Effective for annual period beginning on or after
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendment to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022

The adoption of the above MFRSs is not expected to have a material impact in the 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 2021.

A3 Audit Report

External auditors, Messrs Crowe Malaysia PLT have issued a qualified opinion in respect of Ireka's audited financial statements for the financial year ended 31 March 2021. The basis of the qualified opinion is:-

- (1) The auditors were unable to obtain sufficient appropriate audit evidence on the carrying amount of the Group's investment in ASPL because we were not able to obtain access to the financial information, management and the auditors of ASPL Group within the audit time period; and
- (2) As a result of the movement restrictions imposed throughout Malaysia due to the COVID-19 pandemic, the management was unable to provide the documentary evidence required for certain trade and other receivables, trade and other payables of a subsidiary as they were not able to operate during that period. As such, the auditors were unable to obtain sufficient appropriate audit evidence in those balances relating to the financial statements of a subsidiary.

Consequently, the auditors were unable to determine whether any adjustments might have to been found necessary to the above balances.

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

Except for the financial impact of the reclassification of the investment in ASPL from an associated company to an investment, 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 period ended 30 September 2021.

A8 Dividend Paid

No dividend was paid or declared during the financial period ended 30 September 2021.

A9 Segmental Information

Group revenue and results including Share of Associates and Joint Venture					
		Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
		RM'000	RM'000	RM'000	RM'000
Segment Revenue					
Revenue					
Construction		4,022	32,551	16,624	40,050
Property development		4,881	21,603	17,548	32,283
Property investment		126	124	252	251
Trading and services		2,332	2,119	4,851	3,731
Investment holding and other		-	3,102	2,537	6,204
Total		11,361	59,499	41,812	82,519
Elimination of inter-segment sales		(3,075)	(17,447)	(12,664)	(25,737)
Total		8,286	42,052	29,148	56,782

		Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
		RM'000	RM'000	RM'000	RM'000
Segment Results					
Profit/(Loss) before tax					
Construction		(3,270)	(5,217)	(10,725)	(6,912)
Property development		(577)	3,725	(115)	4,284
Property investment		(70)	(62)	(114)	(106)
Trading and services		(1,162)	(3,145)	(2,708)	(5,858)
Investment holding and other		(6,652)	(1,348)	(107,948)	(4,636)
Total		(11,731)	(6,047)	(121,610)	(13,228)
Elimination of inter-segment items		(3,028)	(1,172)	69,293	(2,447)
Total		(14,759)	(7,219)	(52,317)	(15,675)

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 Significant Event during the Financial Year and Subsequent Events

On 5 July 2021, the Board of Ireka announced that the Company had received a letter for the non-binding offer dated 5 July 2021 from the substantial shareholder of the Company, Ideal Land Holdings Sdn Bhd (“ILHSB”) to purchase all of the Group’s equity interest in subsidiaries and associated companies involved in property development, property management, urban transportation and information technology business for an indicative offer price of RM40 million (“Offer”). The Offer is subject to ILHSB or its nominee entering into a binding definitive conditional sale and purchase agreement with the Group within 30 days of the Letter of Offer, which on 4 August 2021 was extended by a further 30 days. On 29 October 2021, the Board announced that the Company and ILHSB mutually agreed to further extend the Offer Period to 31 December 2021. The Board (save for the Interested Directors) will deliberate on the Offer and decide on the next course of action.

On 22 July 2021, the Board of Ireka announced that the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company to third party investor(s) to be identified later and at an issue price to be determined later. On 28 July 2021, the first tranche of the private placement was fixed at RM0.6357 per placement share and the exercise was completed thereafter. Subsequently, on 19 August 2021, the second tranche of the private placement was fixed at RM0.5746 per placement share and the exercise was completed thereafter.

On 6 October 2021, the Board of Ireka further announced that the Company proposed to undertake another round of private placement of up to approximately 11% of the total enlarged number of issued shares of the Company to third party investor(s) to be identified later and at an issue price to be determined later. On 12 October 2021, the first tranche of this private placement was fixed at RM0.70 per placement share and the exercise was completed thereafter.

On 30 August 2021, the Company announced that its wholly owned subsidiary, Ireka Engineering & Construction Sdn Bhd (“IECSB”) entered into a Joint Venture Agreement (“JVA”) with Wanland Metro Sdn Bhd (“WMSB”) to establish an unincorporated joint venture for IECSB to be involved as a partner with WMSB as a co-developer and as an exclusive main contractor for the construction jobs of WMSB’s current and future development and construction projects.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review except for an incorporation of an 80% subsidiary, namely Ireka Development (Terengganu) Sdn Bhd (“IDTSB”) on 6 September 2021. The principal activity of IDTSB is to be involved in the construction of motorways, streets, roads, other vehicular and pedestrian ways, construction of refineries and residential buildings.

A13 Contingent Assets and Liabilities

(a) Contingent Assets

There were no contingent assets as at the end of the current quarter or at the end of the previous financial year.

(b) Contingent Liabilities

	Financial Quarter Ended 30.09.2021 RM	Financial Year Ended 31.3.2021 RM
(i) Corporate guarantees for credit facilities granted to the Group	93,582,933	112,194,448

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 Coronavirus Disease 2019 (“COVID-19”) pandemic and the subsequent Movement Control Orders (“MCO”) imposed by the Government of Malaysia from March 2020 has disrupted business activities and operations of the Group. During the quarter under review, both the COVID-19 pandemic and restrictions of the MCO have continued to affect the performance and results of the Group.

For the financial period ended 30 September 2021, the Group recorded revenue of RM29.148 million (after elimination of inter-segment sales of RM12.664 million) as compared to RM56.782 million (after elimination of inter-segment sales of RM25.737 million) for the preceding year corresponding period, representing a drop of approximately 49%.

Following the re-imposition of Full Movement Control Order by the Government and a drastic increase in COVID-19 cases across Malaysia, especially in Klang Valley, the revenue achieved by both the construction and property development segments are lower at RM16.624 million and RM17.548 million for the current period year to date, compared to RM40.050 million and RM32.283 million, respectively, in the preceding year corresponding period, representing a total reduction of approximately 53%. The property development business was similarly affected by restrictions of movements across districts and states borders, and closure of sales galleries from 1 June 2021. Inter segment sale for the current period has also dropped by 51% to RM12.664 million, from RM25.737 million in preceding year corresponding period.

The trading and services segment comprised mainly IT solutions, property development management and services divisions. Revenue for the current period increased to RM4.851 million, from RM3.731 million in the preceding year corresponding period.

For the financial period ended 30 September 2021, the Group recorded pre-tax loss RM52.317 million (after elimination of inter-segment items of RM69.292 million), compared to RM15.675 million in the preceding year corresponding period (after elimination of inter-segment items of RM2.447 million). The loss consists of a one-off impairment loss arising from reclassification of investment in Aseana Properties Limited (“ASPL”) from an associated company to an investment of RM25.905 million; retirement benefits of certain ex-directors of about RM3.527 million; marked-to-market fair value loss on investment in ASPL of RM3.810 million; and various losses incurred by business segments due to COVID-19 pandemic resulting in the halting/disruption of business and operations.

As previously reported, in June 2021, the Board has decided to re-classify the investment in ASPL from an associated company to an investment as the Company no longer has significant influence on ASPL.

B1 Review of Performance (continued)

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

The construction segment recorded a loss of RM10.725 million (30 September 2020: Loss of RM6.912 million) before elimination of inter-segment items of RM8.398 million (30 September 2020: RM3.030 million). Profit elimination arising from internal works is higher at RM8.398 million, compared to RM3.030 million in preceding year corresponding period.

The property development segment recorded a loss of RM0.115 million (30 September 2020: Profit of RM4.284 million), before elimination of inter-segment items of RM0.215 million (30 September 2020: RM1.679 million).

The trading and services segment recorded a loss of RM2.708 million (30 September 2020: Loss of RM5.858 million), before elimination of inter-segment items of RM1.514 million (30 September 2020: RM1.111 million).

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

The Group achieved revenue of RM8.286 million in the current quarter as compared to RM42.052 million in the preceding year corresponding quarter, representing a decrease of approximately 80%.

For the current quarter ended 30 September 2021, the Group recorded a pre-tax loss of RM14.759 million as compared to pre-tax loss of RM7.219 million in the preceding year corresponding quarter, mainly due to significant drop in revenue predominantly caused by COVID-19 and MCO-related business and operational disruptions as explained above.

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

The Group recorded lower revenue of RM8.286 million in the second quarter of financial year ending 31 March 2022, compared to RM20.862 million in the immediate preceding quarter, due to significant drop in revenue by both the construction and property development segments caused by factors described earlier.

The Group recorded a lower pre-tax loss of RM14.759 million during the current quarter compared to a pre-tax loss of RM37.558 million in the immediate preceding quarter. The higher pre-tax loss during that quarter was caused by a one-off, non-recurring impairment loss arising from reclassification of ASPL as an associated company to an investment of RM25.905 million.

B3 Prospects for the Current Financial Year

As the Group entered the year 2021, the COVID-19 Pandemic continued to weigh on the global and Malaysian economy.

The construction industry continued to be disrupted throughout 2020 and 2021 due to the various iterations of the MCO and rising COVID-19 infection levels related to the workforce in the industry. On a positive note, the Government has acknowledged the need to pump prime and to support the construction industry as the industry has one of the highest multiplying effects to the overall economy due to the large number of related industries, high rate of employment and the impact on the banking industry. This is evidenced by the Government's decision to roll out various mega infrastructure and construction projects in year 2022, as announced by the Finance Minister during the tabling of Malaysian Budget 2022 on 29 October 2021.

At current date, the Group's construction order book stood at about RM504 million, of which about RM478 million remained outstanding. On 30 August 2021, the Company announced that its wholly-owned subsidiary, Ireka Engineering & Construction Sdn Bhd ("IECSB") had entered into a joint venture agreement with Wanland Metro Sdn Bhd ("WMSB"). Under this joint venture, IECSB will act as a co-developer as well as an exclusive main contractor for WMSB's current and future development and construction projects. The joint venture is expected to improve the Ireka Group's financial performance through increasing IECSB's project pipeline.

The property development industry too was disrupted throughout 2020 and 2021, with halting and restrictions on physical sales activities resulting from the MCO/Conditional MCO measures.

On the property development front, the Group has three on-going projects. The first project is ASTA Enterprise Park comprising 36 units of multi-functional industrial units and 9 parcels of land, of which all 36 industrial units and 8 parcels of land were sold/booked. The second project is KaMi Mont' Kiara consisting of 168 units of residences under the I-Zen brand, of which 100% sale has been recorded. The final project is DWI@ Rimbun Kasia, Nilai, which 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 44% of the units were sold.

B3 Prospects for the Current Financial Year (continued)

On 5 July 2021, the Company received an offer from ILHSB (a company owned by previous controlling shareholder of the Company) to purchase all of Ireka Corporation Berhad's equity in Ireka's subsidiaries and associate companies involved in the non-construction businesses such as property development, property management, urban transportation and information technology. The Board is still studying this offer in detail with the appointed independent advisors; and will seek the shareholders' and the relevant authorities' approval in due course.

Following the successful private placements exercises, the Board will also continue to explore additional fund-raising activities in the capital markets to strengthen the cash-flow and balance sheet of the Company in order to support its on-going and future business expansion.

Business activities across the construction and property segment experienced disruptions since the onset of the COVID-19 pandemic and lockdown measures imposed by the Government. The Group had not been spared from the impact arising from this pandemic and experienced a slowdown in the progress of its construction and development projects.

Nonetheless, the Board and the management of the Group are of the view that the COVID-19 pandemic will be contained in the near future following the Government's ongoing National COVID-19 Immunisation Programme. Following this, economic activities across various sectors are expected to recover gradually in the months to come.

Premised on the above and after considering the overview and outlook of the construction and property sectors in Malaysia in the longer term, the Board remains cautiously optimistic of the future prospects of the Ireka Group.

B4 Variation of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee

Not applicable.

B5 Loss for the Period

Loss for the period is arrived at after charging/(crediting): -

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Depreciation of property, plant and equipment	829	623	1,178	1,314
Loss on disposal of property, plant and equipment	-	8	-	6
Interest expense	1,815	1,059	3,547	4,163
Net foreign exchange (gain)/loss	(172)	3	1,904	21
Impairment loss on reclassification of associated company to an investment	25,905	-	25,905	-
Fair value loss of a quoted investment	3,810	-	3,810	-
Interest income	(26)	(323)	(337)	(595)

Other than the above items, there were no exceptional items for the current quarter and financial period ended 30 September 2021.

B6 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Malaysian income tax (expense)/credit	(150)	(715)	(377)	(1,193)
	(150)	(715)	(377)	(1,193)

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

B7 Status of Corporate Proposals

The issuance of new shares under the Subscription Agreement dated 4 December 2017 raised a total proceeds of RM9.176 million 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	* 8,750	276

* Includes a capital injection of RM7.649 million into Mobilus Sdn Bhd, a company jointly owned by Ireka and Greenway Urban Traffic (Europe) Co. Ltd [formally known as 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.

On 22 July 2021, Ireka has proposed to undertake the private placement of up to 10% of the total number of ordinary shares of Ireka to independent third-party investors. On 27 July 2021, Bursa Securities has vide its letter dated the same, approved the listing and quotation of up to 18.67 million placement shares to be issued. On 30 August 2021, Ireka completed the private placement exercise, which raised total proceeds of RM11.31 million. As of the date of this report, the said proceeds have been fully utilised as follows: -

Utilisation of proceeds	Estimated timeframe for utilisation	Actual proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance unutilised (RM'000)
Working capital	Within 12 months	11,041	11,041	-
Estimated expenses	Immediate	268	268	-
Total		11,309	11,309	-

On 6 October 2021, Ireka has further proposed to undertake another round of private placement of up to approximately 11% of the total enlarged number of issued shares of the Company to independent third party investors. On 18 October 2021, Ireka completed the first tranche of this private placement exercise, which raised total proceeds of RM14 million. As of the date of this report, the said proceeds have also been fully utilised as follows:-

Utilisation of proceeds	Estimated timeframe for utilisation	Actual proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance unutilised (RM'000)
Working capital	Within 12 months	13,869	13,869	-
Estimated expenses	Immediate	131	131	-
Total		14,000	14,000	-

B8 Group Borrowings and Debt Securities

	Financial Quarter Ended 30.09.2021 RM'000	Financial Quarter Ended 30.09.2020 RM'000
(a) Short term borrowings		
<i>Secured:-</i>		
Term loans	21,532	44,543
Finance lease liabilities/Hire purchase	3,174	13,731
Trade finance	15,202	23,749
Bank overdrafts	5,507	9,221
Revolving credit	22,000	23,000
	-----	-----
	67,415	114,244
	-----	-----
(b) Long term borrowings		
<i>Secured:-</i>		
Term loans	6,772	24,532
Finance lease liabilities/Hire purchase	5,440	147
	-----	-----
	12,212	24,679
	-----	-----
(c) Total borrowings	79,627	138,923
	=====	=====

For the financial quarter ended 30 September 2021, the Group's total borrowings have decreased by RM59.296 million as compared to the preceding year financial quarter ended 30 September 2020.

B9 Material Litigations

The Group was not engaged in any material litigation as at 29 November 2021.

B10 Dividend Proposed

No dividend was proposed during the period under review.

B11 Loss per Share

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
(a) Basic				
Loss for the period attributable to owners of the Company (RM'000)	(14,896)	(7,898)	(52,679)	(16,705)
Weighted average number of ordinary shares	196,289,333	186,708,050	196,289,333	186,708,050
Basic loss per share (sen)	(7.59)	(4.23)	(26.84)	(8.95)
(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
MOHD. SHAH BIN HASHIM
 Company Secretary
 Kuala Lumpur
 29 November 2021