

Condensed Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2017

	Unaudited Current Year Quarter 31.3.2017 RM'000	Audited Preceding Year Corresponding Quarter 31.3.2016 RM'000	Unaudited Current Year To Date 31.3.2017 RM'000	Audited Preceding Year Corresponding Period 31.3.2016 RM'000
Revenue	124,114	58,915	327,438	263,122
Cost of sales	(111,013)	(63,695)	(295,933)	(249,856)
Gross profit/(loss)	13,101	(4,780)	31,505	13,266
Other income	3,910	1,694	5,346	3,931
Expenses	(14,007)	(6,880)	(33,259)	(30,634)
Operating profit/(loss)	3,003	(9,966)	3,591	(13,437)
Finance costs	(1,599)	(2,288)	(7,248)	(8,531)
Share of (loss)/profit of associates	(15,211)	1,568	7,985	(17,080)
(Loss)/Profit before tax	(13,807)	(10,686)	4,328	(39,048)
Income tax income/(expense)	4	(104)	248	(508)
(Loss)/Profit for the year	(13,802)	(10,790)	4,577	(39,556)
Other comprehensive (loss)/income:-				
Currency translation differences	(37)	115	(285)	(777)
Loss on fair value changes	(0)	(23)	(147)	(37)
Other comprehensive (loss)/income for the financial year, net of tax	(37)	92	(432)	(814)
Total comprehensive (loss)/income for the year	(13,840)	(10,698)	4,144	(40,370)
(Loss)/Profit attributable to:-				
Owners of the Company	(13,802)	(10,790)	4,577	(39,556)
Non-controlling interest	-	-	-	-
	(13,802)	(10,790)	4,577	(39,556)
Total comprehensive (loss)/income attributable to:-				
Owners of the Company	(13,840)	(10,698)	4,144	(40,370)
Non-controlling interest	-	-	-	-
	(13,840)	(10,698)	4,144	(40,370)
(Loss)/Earnings per share attributable to owners of Company:-				
- basic (sen)	(8.08)	(6.32)	2.68	(23.15)
- 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 2016 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit/(loss)	3,003	(9,966)	3,591	(13,437)
Gross interest income	87	822	676	822
Gross interest expense	(1,599)	(2,288)	(7,248)	(8,531)

IREKA CORPORATION BERHAD (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 31 March 2017**

	Unaudited As At 31.3.2017 RM'000	Audited As At 31.3.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,532	55,028
Investment properties	11,099	11,842
Investment in associates	101,280	104,374
Other investments	42	189
Land held for property development	24,326	58,439
	<u>170,279</u>	<u>229,872</u>
Current assets		
Property development costs	96,544	32,262
Inventories	14,095	15,809
Trade and other receivables	132,015	122,525
Amounts due from customers on contracts	58,340	41,040
Amounts due from associates	14,883	14,893
Cash and cash equivalents	12,428	27,248
	<u>328,305</u>	<u>253,777</u>
TOTAL ASSETS	<u>498,584</u>	<u>483,649</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	170,872	170,872
Reserves	(26,392)	(30,536)
	<u>144,480</u>	<u>140,336</u>
Non-controlling interest	-	-
Total equity	<u>144,480</u>	<u>140,336</u>
Non-current liabilities		
Borrowings	45,852	12,853
Deferred tax liabilities	3,222	3,222
	<u>49,074</u>	<u>16,075</u>
Current liabilities		
Provision	7,584	1,742
Trade and other payables	216,102	194,090
Borrowings	61,667	88,454
Overdrafts	18,699	41,748
Tax payable	978	1,204
	<u>305,030</u>	<u>327,238</u>
Total liabilities	<u>354,104</u>	<u>343,313</u>
TOTAL EQUITY AND LIABILITIES	<u>498,584</u>	<u>483,649</u>
(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the Interim Statements)		
Other Information:-		
Net assets per share (RM)	<u>0.85</u>	<u>0.82</u>

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 March 2017

←-----Attributable to owners of the Company-----→

	←-Distributable-→				←-Distributable-→					
	Non-distributable				Total Equity Attributable to Owners of the Company					
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings/(Accumulated Losses) RM'000	Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
Balance as at 1.4.2016	170,872	1,385	5,696	(5,696)	(1,119)	147	(30,949)	140,336	-	140,336
Total comprehensive income for the year	-	-	-	-	(285)	(147)	4,577	4,144	-	4,144
Balance as at 31.3.2017	170,872	1,385	5,696	(5,696)	(1,404)	(0)	(26,372)	144,480	-	144,480

12 months ended 31.3.2017 (Unaudited)

Balance as at 1.4.2016

Total comprehensive income for the year

Balance as at 31.3.2017

←-----Attributable to owners of the Company-----→

	←-Distributable-→				←-Distributable-→					
	Non-distributable				Total Equity Attributable to Owners of the Company					
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Audited) Total Equity RM'000
Balance as at 1.4.2015	170,872	1,385	5,696	(5,696)	(342)	183	13,732	185,830	-	185,830
Total comprehensive loss for the year	-	-	-	-	(777)	(36)	(39,555)	(40,368)	-	(40,368)
Dividends	-	-	-	-	-	-	(5,126)	(5,126)	-	(5,126)
Balance as at 31.3.2016	170,872	1,385	5,696	(5,696)	(1,119)	147	(30,949)	140,336	-	140,336

12 months ended 31.3.2016 (Audited)

Balance as at 1.4.2015

Total comprehensive loss for the year

Dividends

Balance as at 31.3.2016

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Cash Flows for the financial year ended 31 March 2017

	Unaudited Current Year To Date 31.3.2017 RM'000	Audited Preceding Year Corresponding Period 31.3.2016 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	4,328	(39,048)
Adjustments for:		
Bad debts written off	1	-
Stock written off	1	-
Depreciation of property, plant and equipment	5,091	6,288
Property, plant and equipment written off	15	13
Gain on disposal of investment properties	(248)	-
Gain on disposal of other investments	(185)	(26)
Gain on disposal of property, plant and equipment	(66)	(534)
Loss on disposal of investments in associates	2,653	-
Share of (profit)/loss of associates	(7,519)	17,080
Interest expense	7,248	8,531
Interest income	(676)	(822)
Unrealised gain on foreign exchange	(2,753)	(222)
Operating profit/(loss) before changes in working capital	7,890	(8,740)
Working capital changes:		
Property development costs	(8,070)	(1,391)
Inventories	1,712	5,343
Receivables	(9,999)	22,056
Amount due from customers on contracts	(17,300)	16,202
Amount due from associates	10	(14)
Payables	27,785	(7,083)
Cash generated from operations	2,028	26,373
Income tax paid	524	(269)
Net cash generated from operating activities	2,552	26,104
Cash flows from investing activities		
Dividend paid	-	(5,126)
Purchase of property, plant and equipment	(438)	(1,356)
Purchase of investment properties	-	(79)
Proceeds from disposal of property, plant and equipment	1,378	2,144
Proceeds from disposal of investment properties	1,000	-
Proceeds from disposal of other investments	332	522
Proceed from disposal of investment in associates	10,278	-
Land held for property development	(6,493)	(5,319)
Interest received	676	822
Net cash generated from/(used in) investing activities	6,733	(8,392)
Cash flows from financing activities		
Hire purchase principal repayments	(4,099)	(3,173)
Drawdown of bank borrowings	74,782	102,556
Repayment of bank borrowings	(64,491)	(116,339)
Interest paid	(7,248)	(8,531)
Net cash used in financing activities	(1,056)	(25,487)
Net increase/(decrease) in cash and cash equivalents	8,229	(7,775)
Cash and cash equivalents as at beginning of financial year	(14,500)	(6,725)
Cash and cash equivalents as at end of financial year	(6,271)	(14,500)
Cash and cash equivalents as at end of financial year comprise the followings:-		
Cash and bank balances	12,428	27,248
Overdrafts	(18,699)	(41,748)
	(6,271)	(14,500)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the Interim Statements)

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

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *FRS 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 2016. 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 2016.

The Malaysian Accounting Standard Board has given the Transitioning Entities the option to continue to apply the Financial Reporting Standards framework until 31 December 2017. The Group is a Transitioning Entities due to its involvement in the development and construction of real estate. The Group shall adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standards from financial year beginning 1 April 2018.

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 2016.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2016 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 year-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 year-to-date results.

A7 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter under review.

A8 Dividend Paid

No dividend was paid during the financial quarter ended 31 March 2017.

A9 Segmental Information

**Group revenue and results including
Share of Associates**

	Individual Quarter		Cumulative Period	
	3 Months Ended		12 Months Ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue				
Construction	65,525	59,533	270,220	253,207
Property development	37,703	660	42,776	5,481
Property investment	167	199	730	821
Trading and services	8,772	5,498	24,649	20,900
Investment holding and other	3,329	4,342	12,674	18,151
Total	115,496	70,232	351,049	298,560
Elimination of inter-segment sales	8,618	(11,317)	(23,611)	(35,438)
Total	124,114	58,915	327,438	263,122

	Individual Quarter		Cumulative Period	
	3 Months Ended		12 Months Ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Segment Results				
Profit/(loss) before tax				
Construction	(10,901)	(8,327)	(8,134)	(14,038)
Property development	10,897	(710)	9,569	(5,203)
Property investment	(129)	339	(166)	(188)
Trading and services	961	(842)	(942)	(1,482)
Investment holding and other	(17,511)	(1,013)	5,527	(15,607)
Total	(16,683)	(10,553)	5,854	(36,518)
Elimination of inter-segment items	2,876	(133)	(1,526)	(2,530)
Total	(13,807)	(10,686)	4,328	(39,048)

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

There were no material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

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 31.3.2017 RM	Financial Year Ended 31.3.2016 RM
(i) Corporate guarantees for credit facilities granted to the Group	45,869,975	53,920,824

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

For the financial year ended 31 March 2017, the Group recorded revenue of RM327.438 million (after elimination of inter-segment sales of RM23.611 million) as compared to RM263.122 million (after elimination of inter-segment sales of RM35.438 million) for the preceding year corresponding year, representing an increase of approximately 24%. Revenue for the current year is substantially attributable to the construction and property segments of the Group.

The revenue achieved by the construction segment is slightly higher at RM270.220 million in the current year, compared to RM253.207 million in the preceding year. The major contributors to the revenue in construction segment are the two building contracts at KL-Eco City, and The RuMa Hotel and Residences, since Solstice Project was completed and MRT V7 Contract is nearing completion.

The property development segment recorded a higher revenue of RM42.776 million in the current year compared to RM5.481 million in the preceding year. The revenue was mainly attributable to sale of an industrial factory lot at ASTA Enterprise Park Kajang ("ASTA") for RM39.204 million.

The trading and services segment comprised mainly IT Solutions and property development management and services divisions. Revenue for the current year improved by approximately 18% mainly from the IT Solutions and property services division.

For the financial year ended 31 March 2017, the Group recorded pre-tax profit of RM4.328 million (after elimination of inter-segment items of RM1.526 million), compared to the preceding year of pre-tax loss RM39.048 million (after elimination of inter-segment items of RM2.530 million). The current result included a share of profit of Aseana Properties Limited ("ASPL") (a 23.07% associate of Ireka) of RM9.461 million (31 December 2016: Loss of RM29.467 million); and a share of loss of Urban DNA Sdn Bhd ("Urban DNA") (a 30% associate of Ireka) of RM1.474 million (31 December 2016: Loss of RM1.012 million). For the purpose of this announcement, the Share of Associates and Investment in Associates are based on ASPL's latest published results for financial year ended 31 December 2016.

ASPL's profit is attributable to the gain on disposal of Aloft Kuala Lumpur Sentral Hotel of RM144 million, offset by losses and financing cost of its three operating assets, being City International Hospital, Harbour Mall Sandakan and Four Points by Sheraton Sandakan, as well as unrealised foreign exchange loss of approximately RM9.54 million due to depreciation of Ringgit against United States Dollars.

B1 Review of Performance (continued)

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

The construction segment recorded a loss of RM8.134 million (31 March 2016: Loss of RM14.038 million) before elimination of inter-segment items of RM1.309 million (31 March 2016: RM2.377 million) which are attributable to internal projects. Losses reduced due to higher contribution from its on-going projects.

The property development segment recorded a profit of RM9.569 million (31 March 2016: Loss of RM5.203 million), before elimination of inter-segment items of RM0.978 million (31 March 2016: RM0.967 million). The profit was mainly derived from the disposal of an industrial factory lot at ASTA as earlier mentioned.

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

The Group achieved a higher revenue of RM124.114 million in the current quarter as compared to RM58.915 million in the preceding year corresponding quarter. This was substantially due to higher contributions from its construction and property development segments during the current quarter.

For the financial quarter ended 31 March 2017, the Group recorded a pre-tax loss of RM13.807 million as compared to a pre-tax loss of RM10.686 million in the preceding year corresponding quarter. Pre-tax loss for the current quarter was substantially attributable to share of losses in ASPL of RM14.225 million (31 March 2016: Profit of RM1.887 million) which was mainly due to unrealised foreign exchange loss as mentioned above. This loss was partly mitigated by improved profit from property development during the current quarter.

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

The Group recorded higher revenue of RM124.114 million in the fourth quarter of financial year ended 31 March 2017, compared to RM78.785 million in the immediate preceding quarter. This was due to higher contribution from its property development segment which recorded an increase in revenue of RM35.928 million.

The Group recorded a pre-tax loss of RM13.807 million compared to a pre-tax loss of RM0.471 million in the last quarter. The loss for the current quarter attributable to reasons as mentioned in B1 above.

B3 Prospects for the Current Financial Year

On the construction front, the Group has tendered for about RM3.92 billion worth of contracts over the last twelve months. On 24 February 2017, the Group secured a construction contract from Malaysia Packaging Industry Berhad to undertake a fixed price lump sum design-build contract for industrial facilities for production, warehousing and storage of goods with commercial office facilities and car parking space at an industrial factory lot situated in ASTA Enterprise Park Kajang at a contract sum of RM60.796 million.

As at end 31 March 2017, the Group's order book stood at about RM925 million, of which about RM240 million remained outstanding. The Group is actively tendering for construction contracts and also expects construction works to be generated internally from its property development division over the next few months.

On the property development front, construction of The RuMa Hotel and Residences, KLCC ("The RuMa") which is 70% owned by ASPL and 30% by the company, is progressing well after experiencing some delays during early stage of construction. The project is expected to complete at end of 2017. ASPL adopted IFRIC 15– Agreements for Construction of Real Estate, which prescribes that revenue and profit be recognised only when the properties are completed and occupancy permits are issued. Hence, we expect The RuMa to contribute positively to the results of the Group only in FY2018. The Group launched Phase 1 of its ASTA Enterprise Park Kajang, comprising multifunctional industrial units in September 2016. Phase 1 consists of 18 units and the company achieved 55% sales as to-date.

In 2017, the Group is planning to launch two projects, being a serviced residence project in Mont' Kiara under the I-Zen brand and dwi@Rimbun Kasia, Nilai, comprising 382 units of mid-market courtyard condominiums ranging from 650sf-980sf, under the Group's mid-market zenZ brand.

On 4 January 2017, ASPL announced that a resolution to return the first capital distribution of US\$10.0 million or US\$0.75 per share to shareholders has been passed. The capital distribution was completed on 10 January 2017 and Ireka received RM10.278 million (about US\$2.307 million). It is expected that the Group will continue to benefit from the profit and cash realisation from ASPL as the company successfully divest its portfolio of assets over the next two years.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ended 31 March 2017.

B5 Profit/(loss) for the Period

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

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Bad debt written off	(1)	-	(1)	-
Stock written off	(1)	-	(1)	-
Depreciation of property, plant and equipment	(1,260)	(1,601)	(5,092)	(6,288)
Property, plant and equipment written off	(5)	(7)	(15)	(14)
Interest expense	(1,599)	(2,291)	(7,248)	(8,531)
Loss on disposal of investments in associate	(2,653)	-	(2,653)	-
Gain on disposal of other investments	-	-	185	-
Gain on disposal of property, plant and equipment	407	757	66	945
Gain on disposal of investment properties	-	-	248	-
Net foreign exchange gain/(loss)	241	(244)	2,753	1,296
Interest income	228	255	676	822

Other than the above items, there were no exceptional items for the current quarter and financial year ended 31 March 2017.

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	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Malaysian income tax income/(expense)	4	(104)	248	(508)
	4	(104)	248	(508)

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.

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2017 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Hire purchase/leasing	3,634
Trade finance	24,749
Bank overdraft	17,699
Revolving credit	32,284

	78,366

<i>Unsecured:-</i>	
Bank overdraft	1,000
Revolving credit	1,000

	80,366

(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	42,518
Hire purchase/leasing	3,334

	45,852

(c) Total borrowings	126,218
	=====

Bank borrowings of the Group are denominated in Malaysian Ringgit.

B9 Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the retained earnings/(accumulated losses) of the Group as at 31 March 2017, into realised and unrealised profits/(losses) is as follows:-

	31.3.2017	31.3.2016
	RM'000	RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	34,008	36,729
- Unrealised	(9,608)	(8,921)
	<u>24,400</u>	<u>27,808</u>
The share of accumulated losses of its associates:-		
- Realised	(48,340)	(61,582)
- Unrealised	(2,432)	2,825
	<u>(50,772)</u>	<u>(58,757)</u>
Total accumulated losses	<u>(26,372)</u>	<u>(30,949)</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matters No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia's Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely to comply with the disclosure requirement stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B10 Material Litigations

The Group was not engaged in any material litigation as at 19 May 2017.

B11 Dividend Proposed

The Board of Directors shall consider recommendation of dividend payment in respect of the financial year ended 31 March 2017 upon finalisation of the audited accounts.

B12 (Loss)/earnings per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended		12 Months Ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
(a) Basic				
Profit/(loss) for the period attributable to owners of the Company (RM'000)	(13,802)	(11,707)	4,577	(39,556)
Weighted average number of ordinary shares	170,872,050	170,872,050	170,872,050	170,872,050
Basic earnings/(loss) per share (sen)	(8.08)	(6.86)	2.68	(23.15)
(b) Diluted Earnings	N/A	N/A	N/A	N/A

Diluted earnings are not applicable as the Company has not issued any Employees Share Options and the exercise price of the warrants is higher than the average market price of the Company's ordinary shares.

By Order of the Board
IREKA CORPORATION BERHAD
WONG YIM CHENG
 Company Secretary
 Kuala Lumpur
 25 May 2017