IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2019

	Unaudited Current Year Quarter 31.3.2019 RM'000	Audited Preceding Year Corresponding Quarter 31.3.2018 RM'000 (Restated)	**Unaudited Current Year To Date 31.3.2019 RM'000**	Audited Preceding Year Corresponding Period 31.3.2018 RM'000 (Restated)
Revenue	**29,919**	37,380	**202,728**	268,767
Cost of sales	**(20,618)**	(51,424)	**(186,622)**	(259,968)
Gross profit/(loss)	**9,301**	(14,044)	**16,106**	8,799
Other income	**326**	2,145	**4,075**	6,848
Expenses	**(11,752)**	(8,489)	**(40,313)**	(28,621)
Operating loss	**(2,125)**	(20,388)	**(20,132)**	(12,974)
Finance costs	**(3,206)**	(3,330)	**(6,142)**	(6,777)
Share of (loss)/profit of associates	**(12,252)**	(380)	**(2,585)**	2,379
Loss before tax	**(17,583)**	(24,098)	**(28,859)**	(17,372)
Income tax (expense)/credit	**(283)**	59	**(413)**	(201)
Loss for the period	**(17,866)**	(24,039)	**(29,272)**	(17,573)
Other comprehensive (loss)/income:-				
Currency translation differences	**(4)**	137	**(125)**	257
Other comprehensive (loss)/income for the financial period, net of tax	**(4)**	137	**(125)**	257
Total comprehensive loss for the period	**(17,870)**	(23,902)	**(29,397)**	(17,316)
Loss attributable to:-				
Owners of the Company	**(17,606)**	(24,039)	**(28,677)**	(17,573)
Non-controlling interest	**(260)**	**-**	**(595)**	-
	(17,866)	(24,039)	**(29,272)**	(17,573)
Total comprehensive loss attributable to:-				
Owners of the Company	**(17,610)**	(23,902)	**(28,802)**	(17,316)
Non-controlling interest	**(260)**	-	**(595)**	-
	(17,870)	(23,902)	**(29,397)**	(17,316)
Loss per share attributable to owners of Company:-				
- basic (sen)	**(9.43)**	(12.88)	**(15.36)**	(10.01)
- 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 2018 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating loss	**(2,125)**	(20,388)	**(20,132)**	(12,974)
Gross interest income	**212**	97	**959**	482
Gross interest expense	**(3,206)**	(3,330)	**(6,142)**	(6,777)

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Financial Position as at 31 March 2019

	Unaudited As At 31.3.2019 RM'000	As At 31.3.2018 RM'000 (Restated)	As At 1.4.2017 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	**26,515**	28,912	33,532
Investment properties	**17,420**	6,352	11,098
Investment in associates	**114,646**	118,214	116,307
Other investments	**34**	42	42
Inventories	**13,071**	27,205	24,326
	171,686	180,725	185,305
Current assets			
Inventories	**130,306**	104,867	110,639
Trade and other receivables	**131,553**	151,197	132,250
Contract assets	**1,231**	-	58,340
Amounts due from associates	**14,889**	14,895	14,885
Cash and cash equivalents	**33,158**	25,503	12,428
	311,137	296,462	328,542
TOTAL ASSETS	**482,823**	477,187	513,847
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	**181,288**	180,049	170,872
Share premium	**-**	1,239	1,385
Warrant reserves	**5,696**	5,696	5,696
Other reserves	**(5,696)**	(5,696)	(5,696)
Foreign currency translation reserve	**(1,272)**	(1,147)	(1,404)
Accumulated losses	**(61,890)**	(32,720)	(11,729)
	118,126	147,421	159,124
Non-controlling interest	**27,163**	-	-
Total equity	**145,289**	147,421	159,124
Non-current liabilities			
Borrowings	**29,394**	33,665	30,110
Deferred tax liabilities	**3,194**	3,222	3,222
	32,588	36,887	33,332
Current liabilities			
Trade and other payables	**230,840**	224,310	224,278
Contract liabilities	**4,264**	3,825	-
Amounts due to associates	**-**	-	2
Borrowings	**61,112**	52,256	77,409
Overdrafts	**8,361**	11,804	18,699
Tax payable	**369**	684	1,003
	304,946	292,879	321,391
Total liabilities	**337,534**	329,766	354,723
TOTAL EQUITY AND LIABILITIES	**482,823**	477,187	513,847

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	**0.63**	0.79	0.93

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 March 2019

	<----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 31.3.2019 (Unaudited)								
Balance as at 1.4.2018	**181,288**	**5,696**	**(5,696)**	**(1,147)**	**(22,754)**	**157,387**	**-**	**157,387**
Effect of adoption of MFRS	-	-	-	-	(9,966)	(9,966)	-	(9,966)
As restated	181,288	5,696	(5,696)	(1,147)	(32,720)	147,421	-	147,421
Dilution of equity interest	**-**	**-**	**-**	**-**	**-**	**-**	**25,000**	**25,000**
Partial disposal of a subsidiary	**-**	**-**	**-**	**-**	**3,242**	**3,242**	**2,758**	**6,000**
Incorporation of a new subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	*****	*****
Total comprehensive loss for the period	**-**	**-**	**-**	**(125)**	**(28,677)**	**(28,802)**	**(595)**	**(29,397)**
Dividends	**-**	**-**	**-**	**-**	**(3,735)**	**(3,735)**	**-**	**(3,735)**
Balance as at 31.3.2019	**181,288**	**5,696**	**(5,696)**	**(1,272)**	**(61,890)**	**118,126**	**27,163**	**145,289**

* RM49

	<----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	Total Equity RM'000
12 months ended 31.3.2018 (Restated)									
Balance as at 1.4.2017	170,872	1,385	5,696	(5,696)	(1,404)	(26,755)	144,098	-	144,098
Effect of adoption of MFRS	-	-	-	-	-	15,026	15,026	-	15,026
As restated	170,872	1,385	5,696	(5,696)	(1,404)	(11,729)	159,124	-	159,124
Issuance of shares	9,177	-	-	-	-	-	9,177	-	9,177
Shares issue expenses	-	(146)	-	-	-	-	(146)	-	(146)
Total comprehensive loss for the period (Restated)	-	-	-	-	257	(17,573)	(17,316)	-	(17,316)
Dividends	-	-	-	-	-	(3,418)	(3,418)	-	(3,418)
Balance as at 31.3.2018 (Restated)	180,049	1,239	5,696	(5,696)	(1,147)	(32,720)	147,421	-	147,421

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 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 2019

	Unaudited Current Year To Date 31.3.2019 RM'000	Audited Preceding Year Corresponding Period 31.3.2018 RM'000 (Restated)
Cash flows from operating activities		
Loss before tax	**(28,859)**	(17,372)
Adjustments for:		
Bad debt written off	**3,748**	19
Depreciation of property, plant and equipment	**3,243**	3,907
Property, plant and equipment written off	**48**	30
(Gain)/loss on disposal of property, plant and equipment	**(591)**	318
Gain on fair value changes of investment property	**(1,784)**	(1,805)
Gain on disposal of investment property	**-**	(1,043)
Other investment written down	**8**	-
Stock written down	**3**	1
Share of loss/(profit) of associates	**2,585**	(2,379)
Interest expense	**6,142**	6,777
Interest income	**(959)**	(482)
Unrealised loss on foreign exchange	**(149)**	411
Operating loss before changes in working capital	**(16,565)**	(11,618)
Working capital changes:		
Inventories	**(11,309)**	2,894
Receivables	**6,322**	(17,116)
Contract assets / contract liabilities	**(791)**	62,165
Amount due from associates	**5**	(12)
Payables	**7,512**	606
Cash (used in)/generated from operations	**(14,826)**	36,919
Income tax paid	**(311)**	(2,389)
Net cash (used in)/generated from operating activities	**(15,137)**	34,530
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,143)**	(290)
Proceeds from disposal of property, plant and equipment	**1,767**	933
Proceeds from disposal of investment property	**-**	7,595
Investment in associates	**-**	(105)
Interest received	**959**	482
Net cash generated from investing activities	**1,583**	8,615
Cash flows from financing activities		
Proceeds from disposal of subsidiary	**6,000**	-
Proceeds from issuance of new shares to non-controlling interest	**25,000**	-
Proceeds from issuance of new shares	**-**	9,031
Hire purchase principal repayments	**(3,017)**	(3,615)
Drawdown of bank borrowings	**84,302**	73,049
Repayment of bank borrowings	**(77,627)**	(91,313)
Dividend paid	**(3,735)**	(3,418)
Interest paid	**(6,142)**	(6,777)
Net cash generated from/(used in) financing activities	**24,781**	**(23,043)**
Net increase in cash and cash equivalents	**11,227**	20,102
Effect of changes in exchange rates	**(129)**	(132)
Cash and cash equivalents as at beginning of financial year	**13,699**	(6,271)
Cash and cash equivalents as at end of financial year	**24,797**	13,699
Cash and cash equivalents as at end of financial year comprise the followings:-		
Cash and bank balances	**33,158**	25,503
Overdrafts	**(8,361)**	(11,804)
	24,797	13,699

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 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 M*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 2018. 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 2018.

A2 Changes in Accounting Policies

The Group is adopting the Malaysian Financial Reporting Standards ("MFRSs") framework for the first time in the current financial year beginning 1 April 2018. In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS framework, as if these policies had always been in effect.

The accounting policies and presentation adopted for this interim report are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2018, except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial year ending 31 March 2019 as disclosed below:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014 – 2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Classifications to MFRS 15
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014 – 2016 Cycle
Amendments to MFRS 140	Transfer of Investment property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

A2 Changes in Accounting Policies (continued)

The effects of first-time adoption of MFRS are primarily from the following:

(a) MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Optional exemption for cumulative translation differences
The assets and liabilities of subsidiaries, joint ventures and associates which had adopted the MFRS framework or International Financial Reporting Standards earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments

(b) MFRS 9 Financial Instruments

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 expected lifetime losses to be recognised on initial recognition of the trade receivables.

(c) MFRS 15 Revenue from Contracts with Customers

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 are 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 customers.

The adoption of MFRS 15 has an impact on the timing of recognition of revenue and profit for the Group's construction segment, property development segment and share of results of associates.

A2 Changes in Accounting Policies (continued)

The impact of the adoption of MFRS on the Group's financial statements is as follows:

Reconciliation of consolidated statement of comprehensive income

	Quarter ended 31.3.2018			Year-to-date ended 31.3.2018		
	As previously reported RM'000	Effects of transition to MFRS RM'000	As restated RM'000	As previously reported RM'000	Effects of transition to MFRS RM'000	As restated RM'000
Revenue	69,273	(31,893)	37,380	300,660	(31,893)	268,767
Cost of sales	(59,334)	7,910	(51,424)	(267,878)	7,910	(259,968)
Gross profit/(loss)	9,939	(23,983)	(14,044)	32,782	(23,983)	8,799
Finance costs *	(1,135)	(2,195)	(3,330)	(4,582)	(2,195)	(6,777)
Share of (loss)/profit of associates	(1,567)	1,187	(380)	1,192	1,187	2,379
Profit/(loss) before tax	893	(24,991)	(24,098)	7,619	(24,991)	(17,372)
Profit/(loss) for the period	952	(24,991)	(24,039)	7,418	(24,991)	(17,573)
Total comprehensive income/(loss) for the financial year	1,090	(24,991)	(23,901)	7,676	(24,991)	(17,315)
Earnings/(loss) per share attributable to owners of Company:-						
- basic (sen)	0.51		(12.88)	4.23		(10.01)

* The Group has made prior year adjustment of RM2.195 million to finance costs. These finance costs are not eligible for capitalisation as the development of the ASTA Enterprise Park is not qualifying assets. Accordingly, the 2018 financial information was re-stated to comply with MFRS 15.

A2 Changes in Accounting Policies (continued)

The impact of the adoption of MFRS on the Group's financial statements is as follows (continued):

Reconciliation of consolidated statement of financial position

	As at 31.3.2018			As at 1.4.2017		
	As previously reported RM'000	Effects of transition to MFRS RM'000	As restated RM'000	As previously reported RM'000	Effects of transition to MFRS RM'000	As restated RM'000
ASSETS						
Non-current assets						
Investment in associates	102,001	16,213	118,214	101,281	15,026	116,307
Land held for property development	27,205	(27,205)	-	24,326	(24,326)	-
Inventories	-	27,205	27,205	-	24,326	24,326
Current assets						
Properties development cost	95,927	(95,927)	-	96,544	(96,544)	-
Inventories	13,350	91,517	104,867	14,095	96,544	110,639
Trade and other receivables	160,925	(9,728)	151,197	132,250	-	132,250
Contract assets	8,678	(8,678)	-	58,340	-	58,340
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Accumulated losses	(22,754)	(9,966)	(32,720)	(26,755)	15,026	(11,729)
LIABILITIES						
Current liabilities						
Contract liabilities	462	3,363	3,825	-	-	-
Net assets per share (RM)	0.84		0.79	0.84		0.93

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2018 was not subject to any qualification.

A4 Seasonality or Cyclicality 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 2019.

A8 Dividend Paid

On 28 November 2018, the Company paid a first and final single-tier dividend of 2 sen per share in respect of financial year ended 31 March 2018.

A9 Segmental Information

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		**Cumulative Period 12 Months Ended**	
	31.3.2019 RM’000	**31.3.2018 RM’000 (Restated)**	**31.3.2019 RM’000**	**31.3.2018 RM’000 (Restated)**
Segment Revenue				
Revenue				
Construction	**23,493**	25,384	**173,899**	235,529
Property development	**7,168**	5,363	**38,115**	16,378
Property investment	**127**	210	**771**	775
Trading and services	**7,437**	8,646	**20,192**	32,917
Investment holding and other	**3,102**	3,246	**13,488**	11,896
Total	**41,327**	42,849	**246,465**	297,495
Elimination of inter-segment sales	**(11,408)**	(5,469)	**(43,737)**	(28,728)
Total	**29,919**	37,380	**202,728**	268,767

	Individual Quarter 3 Months Ended		**Cumulative Period 12 Months Ended**	
	31.3.2019 RM’000	**31.3.2018 RM’000 (Restated)**	**31.3.2019 RM’000**	**31.3.2018 RM’000 (Restated)**
Segment Results				
(Loss)/profit before tax				
Construction	**(1,005)**	(20,690)	**(10,873)**	(16,081)
Property development	**(1,629)**	(2,841)	**(262)**	(1,041)
Property investment	**(78)**	1,682	**600**	2,459
Trading and services	**709**	(148)	**(5,727)**	(141)
Investment holding and other	**(13,223)**	(2,390)	**(1,524)**	(1,833)
Total	**(15,226)**	(24,387)	**(17,786)**	(16,637)
Elimination of inter-segment items	**(2,357)**	289	**(11,073)**	(735)
Total	**(17,583)**	(24,098)	**(28,859)**	(17,372)

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.

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 31.3.2019 RM	Financial Year Ended 31.3.2018 RM
(i) Corporate guarantees for credit facilities granted to the Group	45,288,018	35,872,223

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 share of results of associates.

For the financial year ended 31 March 2019, the Group recorded revenue of RM202.728 million (after elimination of inter-segment sales of RM43.737 million) as compared to RM268.767 million (restated) (after elimination of inter-segment sales of RM28.728 million) for the preceding year, representing a decrease of approximately 25%. Revenue for the current year is substantially attributable to the construction segment of the Group.

The revenue achieved by the construction segment is lower at RM173.899 million in the current year, compared to RM235.529 million (restated) in the preceding year. This represents a reduction of approximately 26% due to completion of certain major projects during the year and new projects still at their early stages of construction. Inter-segment work for current year has increased to RM20.165 million, from RM4.239 million in preceding year.

The property development segment recorded a higher revenue of RM38.115 million in the current year compared to RM16.378 million (restated) in the preceding year. The revenue was mostly attributable to the industrial park development at ASTA Enterprise Park Kajang located at Bukit Angkat Kajang and The KaMi Residences, Mont Kiara development. No revenue has been recognised for DWI @ Rimbun Kasia, which was launched in December 2018.

The trading and services segment comprised mainly IT solutions, property development management and services divisions. Revenue for the current year decreased to RM20.192 million, from RM32.917 million in the preceding year, mainly due to lower contribution from iTech ELV, and reduction in management fees earned from Aseana Properties Limited ("ASPL") subsequent to a restructuring of the management agreement between ASPL and Ireka Development Management Sdn Bhd ("IDM"). The revised fee structure which comprises a basic fee, a realisation fee and an incentive fee better aligns IDM's interests with those of shareholders of ASPL by incentivising IDM to maximise sales proceeds and achieve the current disposal schedule for realisation of ASPL's remaining assets. The basic fee is fixed at US$75,000, reducing to US$50,000 from 1 May 2019, and payable on a monthly basis, while the realisation fee and incentive fee are only payable upon achieving targets set by the shareholders of ASPL.

B1 Review of Performance (continued)

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

For the financial year ended 31 March 2019, the Group recorded pre-tax loss of RM28.859 million (after elimination of inter-segment items of RM11.073 million), compared to the preceding year corresponding period of pre-tax loss of RM17.372 million (restated) (after elimination of inter-segment items of RM0.735 million). The main reasons are losses incurred by the construction unit as explained below; and losses incurred by IDM due to the significant reduction in management fee from ASPL as previously highlighted, from RM12.248 million to RM4.554 million. The current results also included a share of loss from associates of RM2.585 million, made up of a share of loss of ASPL (a 23.07% associate of Ireka) of RM5.871 million (31 March 2018: Profit of RM4.321 million (restated)); a share of profit of Urban DNA Sdn Bhd ("Urban DNA") (a 30% associate of Ireka) of RM8.371 million (31 March 2018: Loss of RM1.377 million (restated)) and a share of loss of The RuMa Hotel KL Sdn Bhd ("The RuMa") (a 30% associate of Ireka) of RM5.085 million (31 March 2018: Loss of RM0.565 million), attributable mostly to pre-opening expenses of The RuMa Hotel. Urban DNA has adopted IFRS 15 Revenue from Contracts with Customers with a date of initial application of 1 January 2018. ASPL's loss is mainly due to operating losses and finance costs of its three operating assets, being City International Hospital HCMC, Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan.

The construction segment recorded a loss of RM10.873 million (31 March 2018: Loss of RM16.081 million (restated)) before elimination of inter-segment items of RM3.454 million (31 March 2018: RM0.397 million). This was mainly attributable to significant reduction in construction revenue as mentioned earlier, and hence disproportionately high operating costs; and a bad debt expense of RM3.744 million. Profit elimination arising from internal works is higher at RM3.454 million, compared to only RM0.397 million in preceding year.

The property development segment recorded a loss of RM0.262 million (31 March 2018: Loss of RM1.041 million (restated)), before elimination of inter-segment items of RM0.540 million (31 March 2018: RM0.755 million), despite good sales recorded by ASTA and KaMi. MFRS 15 has resulted in a slower recognition of profit, and charge out of finance cost instead of capitalisation. Marketing expenses for property developments recorded for the year are high at RM4.851 million due to new launches, which were charged out as incurred.

The trading and services segment recorded a loss of RM5.727 million (31 March 2018: Loss of RM0.141 million), before elimination of inter-segment items of RM4.465 million (31 March 2018: RM1.094 million). The loss is mainly due to lower management fee income received by IDM as stated above.

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

The Group achieved lower revenue of RM29.919 million in the current quarter as compared to RM37.380 million (restated) in the preceding year corresponding quarter, representing a reduction of approximately 20%. This was substantially due to lower contribution from construction segment.

B1 Review of Performance (continued)

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

For the financial quarter ended 31 March 2019, the Group recorded a pre-tax loss of RM17.583 million as compared to a pre-tax loss of RM24.098 million (restated) in the preceding year corresponding quarter. The reasons for the loss were as mentioned in Item B1(a) above.

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

The Group recorded lower revenue of RM29.919 million in the fourth quarter of financial year ended 31 March 2019, compared to RM41.386 million in the immediate preceding quarter. This is mainly due to lower turnover achieved by the construction segment.

The Group recorded a pre-tax loss of RM17.583 million (included a share of loss of associates of RM12.252 million) compared to a pre-tax loss of RM9.530 million (included a share of profit of associates of RM7.883 million) in the last quarter. The reasons for the loss were as mentioned in Item B1(a) above.

B3 Prospects for the Current Financial Year

As at 31 March 2019, the Group's construction order book stood at about RM685 million, of which about RM280 million remained outstanding. In April 2018, the Group secured a contract from Pantai Medical Centre Sdn Bhd to construct a new medical block at Pantai Hospital Ayer Keroh for a contract sum of about RM92 million. In August 2018, the Group secured a contract from Meadowfield Sdn Bhd to construct a block of 9-storey building consisting of 382 condominium units at DWI@Rimbun Kasia, Nilai for a contract sum of RM78.396 million. The Group continues to actively tender for external construction contracts to replenish its order book and also expects 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. The second project is ASTA Enterprise Park comprising 36 units of multi-functional industrial units and 8 parcels of land. The third is The KaMi Residences consisting of 168 units of residences which was launched in June 2018 under the I-Zen brand. Lastly, the Group launched DWI@ Rimbun Kasia, Nilai in December 2018. The latter, undertaken jointly with Hankyu Hanshin Properties Corp., comprises 382 units of mid-market courtyard condominiums under the Group's mid-market zenZ brand.

It is expected that the Group will benefit from the profit and cash realisation from ASPL as and when the company successfully divest its portfolio of assets.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ended 31 March 2019.

B5 Loss for the Period

Included in loss for the period are:-

	Individual Quarter 3 Months Ended		**Cumulative Period 12 Months Ended**	
	31.3.2019 RM'000	**31.3.2018 RM'000 (Restated)**	**31.3.2019 RM'000**	**31.3.2018 RM'000 (Restated)**
Bad debt written off	**(3,748)**	(19)	**(3,748)**	(19)
Depreciation of property, plant and Equipment	**(833)**	(969)	**(3,243)**	(3,907)
Gain/(loss) on disposal of property, plant and equipment	**56**	(1,772)	**591**	(318)
Property, plant and equipment written off	**-**	(7)	**(48)**	(30)
Gain/(loss) on disposal of investment property	**-**	(119)	**-**	1,043
Gain on fair value changes of investment Property	**-**	1,805	**1,784**	1,805
Incorporation of new Subsidiary	**(1)**	-	**(1)**	-
Other investments written down	**(8)**	-	**(8)**	-
Stock written down	**(3)**	(1)	**(3)**	(1)
Interest expense	**(3,206)**	(3,330)	**(6,142)**	(6,777)
Net foreign exchange gain/(loss)	**35**	(181)	**149**	(411)
Interest income	**212**	97	**959**	482

Other than the above items, there were no exceptional items for the current quarter and financial year ended 31 March 2019.

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	
	31.3.2019 RM'000	**31.3.2018 RM'000**	**31.3.2019 RM'000**	**31.3.2018 RM'000**
Malaysian income tax (expense)/credit	**(283)**	59	**(413)**	(201)
	(283)	59	**(413)**	(201)

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	311,135	8,715,827
Related Expenses	Within 1 month from receipt of funds	150,000	150,000	-
Total		9,176,962	461,135	8,715,827

The actual related expenses exceeded the estimated amount by RM103,049 and the shortfall was taken from the amount allocated for working capital.

B8 Group Borrowings and Debt Securities

		Financial Quarter Ended 31.3.2019 RM'000	Financial Quarter Ended 31.3.2018 RM'000
(a)	Short term borrowings		
	Secured:-		
	Term loans	**11,227**	2,000
	Hire purchase/leasing	**1,310**	3,430
	Trade finance	**23,944**	23,701
	Bank overdrafts	**8,361**	11,804
	Revolving credit	**24,631**	23,125
		69,473	64,060
(b)	Long term borrowings		
	Secured:-		
	Term loans	**29,158**	33,460
	Hire purchase/leasing	**236**	205
		29,394	33,665
(c)	Total borrowings	**98,867**	97,725

For the financial quarter ended 31 March 2019, the Group's total borrowings have increased by RM1.142 million as compared to the preceding year financial quarter ended 31 March 2018. This increase is due to drawdown of a new loan for working capital, offset by repayment of certain project financing loans on the construction segment.

B9 Material Litigations

The Group was not engaged in any material litigation as at 27 May 2019.

B10 Dividend Proposed

The Board of Directors shall consider recommendation of dividend payment in respect of the financial year ended 31 March 2019 upon finalisation of the audited accounts.

B11 Loss per Share

		Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
		31.3.2019	**31.3.2018 (Restated)**	**31.3.2019**	**31.3.2018 (Restated)**
(a)	Basic				
	Loss for the period attributable to owners of the Company (RM'000)	**(17,606)**	(24,039)	**(28,677)**	(17,573)
	Weighted average number of ordinary shares	**186,708,050**	186,708,050	**186,708,050**	175,514,384
	Basic loss per share (sen)	**(9.43)**	(12.88)	**(15.36)**	(10.01)
(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.

B12 Review of Unaudited Interim Financial Information

The external auditors reported to the Board that nothing had come to their attention to cause them to believe that the Condensed Report was not prepared, in all material respects, in accordance with MFRS. The report was made to the Board in accordance to the terms of the engagement letter with the external auditors and for no other purpose.

By Order of the Board
IREKA CORPORATION BERHAD
WONG YIM CHENG
Company Secretary
Kuala Lumpur
31 May 2019