IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 June 2019

	Unaudited Current Year Quarter 30.6.2019 RM'000	Audited Preceding Year Corresponding Quarter 30.6.2018 RM'000	Unaudited Current Year To Date 30.6.2019 RM'000	Audited Preceding Year Corresponding Period 30.6.2018 RM'000
Revenue	**21,705**	82,874	**21,705**	82,874
Cost of sales	**(18,402)**	(74,113)	**(18,402)**	(74,113)
Gross profit	**3,303**	8,761	**3,303**	8,761
Other income	**509**	2,800	**509**	2,800
Expenses	**(8,437)**	(11,393)	**(8,437)**	(11,393)
Operating (loss)/profit	**(4,625)**	168	**(4,625)**	168
Finance costs	**(1,646)**	(930)	**(1,646)**	(930)
Share of (loss)/profit of associates	**(3,596)**	1,299	**(3,596)**	1,299
(Loss)/Profit before tax	**(9,867)**	537	**(9,867)**	537
Income tax expense	**(524)**	(35)	**(524)**	(35)
(Loss)/Profit for the period	**(10,391)**	502	**(10,391)**	502
Other comprehensive income/(loss):-				
Currency translation differences	**23**	(85)	**23**	(85)
Other comprehensive income/(loss) for the financial period, net of tax	**23**	(85)	**23**	(85)
Total comprehensive (loss)/profit for the period	**(10,368)**	417	**(10,368)**	417
(Loss)/Profit attributable to:-				
Owners of the Company	**(10,266)**	533	**(10,266)**	533
Non-controlling interest	**(125)**	(31)	**(125)**	(31)
	(10,391)	502	**(10,391)**	502
Total comprehensive (loss)/profit attributable to:-				
Owners of the Company	**(10,243)**	448	**(10,243)**	448
Non-controlling interest	**(125)**	(31)	**(125)**	(31)
	(10,368)	417	**(10,368)**	417
(Loss)/Profit per share attributable to owners of Company:-				
- basic (sen)	**(5.66)**	0.30	**(5.66)**	0.30
- 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 (loss)/profit	**(4,625)**	168	**(4,625)**	168
Gross interest income	**365**	191	**365**	191
Gross interest expense	**(1,646)**	(930)	**(1,646)**	(930)

IREKA CORPORATION BERHAD (Company No. 25882-A)
Condensed Consolidated Statement of Financial Position as at 30 June 2019

	Unaudited As At 30.6.2019 RM'000	Audited As At 31.3.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	**26,956**	26,515
Right-of-use assets	**1,041**	-
Investment properties	**17,420**	17,420
Investment in associates	**111,050**	114,646
Other investments	**34**	34
Inventories	**13,382**	13,071
Deferred tax asset	**48**	28
	169,931	171,714
Current assets		
Inventories	**136,123**	130,306
Trade and other receivables	**176,675**	135,094
Amounts due from associates	**8**	14,889
Cash and cash equivalents	**31,829**	33,207
	344,635	313,496
TOTAL ASSETS	**514,566**	485,210
EQUITY AND LIABILITIES		
Equity		
Share capital	**181,288**	181,288
Warrant reserves	**5,696**	5,696
Other reserves	**(5,696)**	(5,696)
Foreign currency translation reserve	**(1,929)**	(1,952)
Accumulated losses	**(71,969)**	(61,703)
Equity attributable to owners of the Company	**107,390**	117,633
Non-controlling interest	**27,038**	27,164
Total equity	**134,428**	144,797
Non-current liabilities		
Lease liabilities	**521**	-
Borrowings	**32,915**	29,081
Deferred tax liabilities	**3,222**	3,222
	36,658	32,303
Current liabilities		
Trade and other payables	**254,921**	237,955
Lease liabilities	**520**	-
Borrowings	**77,757**	61,425
Overdrafts	**9,572**	8,361
Tax payable	**710**	369
	343,480	308,110
Total liabilities	**380,138**	340,413
TOTAL EQUITY AND LIABILITIES	**514,566**	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)	**0.59**	0.63

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 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
3 months ended 30.6.2019 (Unaudited)								
Balance as at 1.4.2019	**181,288**	**5,696**	**(5,696)**	**(1,952)**	**(61,703)**	**117,633**	**27,163**	**144,796**
Total comprehensive loss for the period	**-**	**-**	**-**	**23**	**(10,266)**	**(10,243)**	**(125)**	**(10,368)**
Balance as at 30.6.2019	**181,288**	**5,696**	**(5,696)**	**(1,929)**	**(71,969)**	**107,390**	**27,038**	**134,428**

	<---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
3 months ended 30.6.2018 (Unaudited)									
Balance as at 1.4.2018	180,049	1,239	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	180,049	1,239	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
Total comprehensive income for the period	-	-	-	-	(85)	533	448	(31)	417
Balance as at 30.6.2018	180,049	1,239	5,696	(5,696)	(1,232)	(28,945)	151,111	27,727	178,838

(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)

IREKA CORPORATION BERHAD **(Company No. 25882-A)**

Condensed Consolidated Statement of Cash Flows for the financial period ended 30 June 2019

	Unaudited **Current Year To Date** **30.6.2019** **RM'000**	Audited Preceding Year Corresponding Period 30.6.2018 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	**(9,867)**	537
Adjustments for:		
Depreciation of property, plant and equipment	**744**	790
(Gain)/loss on disposal of property, plant and equipment	**1**	(565)
Gain on fair value changes of investment property	**-**	(1,784)
Share of loss/(profit) of associates	**3,596**	(1,299)
Interest expense	**1,646**	930
Interest income	**(365)**	(191)
Operating loss before changes in working capital	**(4,245)**	(1,582)
Working capital changes:		
Property development costs	**(5,840)**	(14,596)
Inventories	**24**	1,089
Receivables	**(37,401)**	(18,377)
Contract assets / contract liabilities	**10,810**	(728)
Amount due from associates	**14,882**	7
Payables	**1,975**	4,349
Cash used in operations	**(19,795)**	(29,838)
Income tax paid	**(203)**	(181)
Net cash used in operating activities	**(19,998)**	(30,019)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,218)**	(65)
Proceeds from disposal of property, plant and equipment	**31**	1,503
Land held for property development	**(312)**	16,349
Interest received	**365**	191
Net cash (used in)/generated from investing activities	**(1,134)**	17,978
Cash flows from financing activities		
Proceeds from disposal of subsidiary	**-**	6,000
Proceeds from issuance of new shares to non-controlling interest	**-**	25,000
Hire purchase principal repayments	**(239)**	(844)
Drawdown of bank borrowings	**45,533**	28,756
Repayment of bank borrowings	**(25,129)**	(17,063)
Interest paid	**(1,646)**	(930)
Net cash generated from financing activities	**18,519**	**40,919**
Net (decrease)/increase in cash and cash equivalents	**(2,613)**	28,878
Effect of changes in exchange rates	**23**	(91)
Cash and cash equivalents as at beginning of financial year	**24,847**	13,700
Cash and cash equivalents as at end of financial year	**22,257**	42,487
Cash and cash equivalents as at end of financial year comprise the followings:-		
Cash and bank balances	**31,829**	49,374
Overdrafts	**(9,572)**	(6,887)
	22,257	42,487

(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 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 2019. 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 2019.

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 had adopted MFRS 16 which replaces 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.

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 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 period ended 30 June 2019.

A8 Dividend Paid

No dividend was paid during the financial quarter ended 30 June 2019.

A9 Segmental Information

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.6.2019 RM'000	**30.6.2018 RM'000**	**30.6.2019 RM'000**	**30.6.2018 RM'000**
Segment Revenue				
Revenue				
Construction	**11,044**	76,720	**11,044**	76,720
Property development	**15,702**	8,910	**15,702**	8,910
Property investment	**127**	230	**127**	230
Trading and services	**3,273**	5,448	**3,273**	5,448
Investment holding and other	**3,102**	4,105	**3,102**	4,105
Total	**33,248**	95,413	**33,248**	95,413
Elimination of inter-segment sales	**(11,543)**	(12,539)	**(11,543)**	(12,539)
Total	**21,705**	82,874	**21,705**	82,874

	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.6.2019 RM'000	**30.6.2018 RM'000**	**30.6.2019 RM'000**	**30.6.2018 RM'000**
Segment Results				
(Loss)/profit before tax				
Construction	**(2,865)**	3,760	**(2,865)**	3,760
Property development	**1,945**	(334)	**1,945**	(334)
Property investment	**(56)**	47	**(56)**	47
Trading and services	**(2,257)**	(1,550)	**(2,257)**	(1,550)
Investment holding and other	**(4,309)**	4,449	**(4,309)**	4,449
Total	**(7,542)**	6,372	**(7,542)**	6,372
Elimination of inter-segment items	**(2,325)**	(5,835)	**(2,325)**	(5,835)
Total	**(9,867)**	537	**(9,867)**	537

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 except for the following.

On 21 August 2019, a joint venture company named Mobilus Sdn Bhd ("Mobilus") was incorporated with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares at an issue price of RM1.00 each. The shareholders are Ireka Corporation Berhad and CRRC Urban Traffic (Europe) Co. Ltd. with shareholdings of 50% respectively.

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 30.6.2019 RM	Financial Year Ended 31.3.2019 RM
(i) Corporate guarantees for credit facilities granted to the Group	26,772,240	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.

For the financial period ended 30 June 2019, the Group recorded revenue of RM21.705 million (after elimination of inter-segment sales of RM11.543 million) as compared to RM82.874 million (after elimination of inter-segment sales of RM12.539 million) for the preceding year corresponding period, representing a decrease of approximately 74%.

The revenue achieved by the construction segment is lower at RM11,044 million in the current period, compared to RM76.720 million in the preceding year corresponding period. The revenue for the current quarter were contributed by new building projects which are in early stage of construction, hence the low value of work done. The revenue for the preceding year corresponding period was attributable to two major projects which were in full swing during the period. Inter-segment sale for current period has increased to RM6.924 million, from RM5.479 million in preceding year corresponding period.

The property development segment recorded a higher revenue of RM15.702 million in the current period compared to RM8.910 million in the preceding year corresponding period. 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.

The trading and services segment comprised mainly IT solutions, property development management and services divisions. Revenue for the current period decreased to RM3.273 million, from RM5.448 million in the preceding year corresponding period, mainly due to lower contribution from iTech ELV, and reduction in management fees earned from Aseana Properties Limited ("ASPL") subsequent to a reduction of basic monthly fee from US$75,000 to US$50,000 commencing 1 May 2019. Ireka Development Management Sdn Bhd ("IDM") officially exited as the manager of ASPL on 30 June 2019.

B1 Review of Performance (continued)

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

For the financial period ended 30 June 2019, the Group recorded pre-tax loss of RM9.867 million (after elimination of inter-segment items of RM2.325 million), compared to the preceding year corresponding period of pre-tax profit of RM0.537 million (after elimination of inter-segment items of RM5.835 million). The main reasons are losses incurred by the construction unit as explained below; and losses incurred by IDM due to the reduction in management fee from ASPL as previously highlighted, from RM1.463 million to RM0.725 million. The current results also included a share of loss from associates of RM3.596 million, made up of a share of loss of ASPL (a 23.07% associate of Ireka) of RM1.090 million (30 June 2018: Profit of RM2.409 million); a share of loss of Urban DNA Sdn Bhd ("Urban DNA") (a 30% associate of Ireka) of RM0.274 million (30 June 2018: Loss of RM0.578 million) and a share of loss of The RuMa Hotel KL Sdn Bhd ("The RuMa") (a 30% associate of Ireka) of RM2.232 million (30 June 2018: Loss of RM0.532 million), attributable mostly to operating losses 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 four operating assets, being The RuMa Hotel, Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and City International Hospital HCMC.

The construction segment recorded a loss of RM2.865 million (30 June 2018: Profit of RM3.760 million) before elimination of inter-segment items of RM1.567 million (30 June 2018: RM1.792 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 RM1.567 million, compared to RM1.792 million in preceding year corresponding period.

The property development segment recorded a profit of RM1.945 million (30 June 2018: Loss of RM0.334 million), before elimination of inter-segment items of RM0.257 million (30 June 2018: RM0.006 million). 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 period are high at RM1.175 million due to new launches, which were charged out as incurred.

The trading and services segment recorded a loss of RM2.257 million (30 June 2018: Loss of RM1.550 million), before elimination of inter-segment items of RM1.014 million (30 June 2018: RM0.343 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 RM21.705 million in the current quarter as compared to RM82.874 million in the preceding year corresponding quarter, representing a reduction of approximately 74%. This was substantially due to lower contribution from construction segment as mentioned above.

B1 Review of Performance (continued)

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

For the financial quarter ended 30 June 2019, the Group recorded a pre-tax loss of RM9.867 million as compared to a pre-tax profit of RM0.537 million in the preceding year corresponding quarter.

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

The Group recorded lower revenue of RM21.705 million in the first quarter of financial year ending 31 March 2020, compared to RM27.325 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 RM9.867 million (including share of loss of associates of RM3.596 million) compared to a pre-tax loss of RM17.395 million (including share of loss of associates of RM12.253 million) in the last quarter.

B3 Prospects for the Current Financial Year

As at 30 June 2019, the Group's construction order book stood at about RM324 million, of which about RM250 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 about RM78 million. The Group continues to actively tender for external construction contracts to replenish its order book and 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, 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 17 units of Phase 1 were sold. The third is The KaMi Residences consisting of 168 units of residences which was launched in June 2018 under the I-Zen brand and recorded about 81% sale to-date. 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. About 30% of the units offered for sale were sold.

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 ending 31 March 2020.

B5 (Loss)/Profit for the Period

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

	Individual Quarter 3 Months Ended		**Cumulative Period 3 Months Ended**	
	30.6.2019 RM'000	**30.6.2018 RM'000**	**30.6.2019 RM'000**	**30.6.2018 RM'000**
Depreciation of property, plant and equipment	**(744)**	(790)	**(744)**	(790)
Gain/(loss) on disposal of property, plant and equipment	**(1)**	565	**(1)**	565
Gain on fair value changes of investment property	**-**	1,784	**-**	1,784
Interest expense	**(1,646)**	(930)	**(1,646)**	(930)
Net foreign exchange gain/(loss)	**(2)**	117	**(2)**	117
Interest income	**365**	191	**365**	191

Other than the above items, there were no exceptional items for the current quarter and financial period ended 30 June 2019.

B6 Taxation

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

	Individual Quarter 3 Months Ended		**Cumulative Period 3 Months Ended**	
	30.6.2019 RM'000	**30.6.2018 RM'000**	**30.6.2019 RM'000**	**30.6.2018 RM'000**
Malaysian income tax expense	**(524)**	(35)	**(524)**	(35)
	(524)	(35)	**(524)**	(35)

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 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 period 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	377,565	8,649,397

B8 Group Borrowings and Debt Securities

		Financial Quarter Ended 30.6.2019 RM'000	**Financial Quarter Ended 30.6.2018 RM'000**
(a)	Short term borrowings		
	Secured:-		
	Term loans	**25,383**	4,580
	Hire purchase/leasing	**1,071**	2,542
	Trade finance	**26,803**	26,939
	Bank overdrafts	**9,572**	6,887
	Revolving credit	**24,500**	23,000
		87,329	63,948
(b)	Long term borrowings		
	Secured:-		
	Term loans	**32,679**	39,460
	Hire purchase/leasing	**236**	249
		32,915	39,709
(c)	Total borrowings	**120,244**	103,657

For the financial quarter ended 30 June 2019, the Group's total borrowings have increased by RM16.587 million as compared to the preceding year financial quarter ended 30 June 2018. 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 23 August 2019.

B10 Dividend Proposed

The Directors do not recommend payment of any dividend in respect of the financial year ended 31 March 2019 and financial period ended 30 June 2019 .

B11 (Loss)/Earnings per Share

		Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
		30.6.2019	**30.6.2018**	**30.6.2019**	**30.6.2018**
(a)	Basic				
	(Loss)/Earnings for the period attributable to owners of the Company (RM'000)	**(10,266)**	533	**(10,266)**	533
	Weighted average number of ordinary shares	**181,288,393**	180,049,012	**181,288,393**	180,049,012
	Basic (loss)/earnings per share (sen)	**(5.66)**	0.30	**(5.66)**	0.30
(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
28 August 2019