

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2020

	Unaudited Current Year Quarter 30.09.2020 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2019 RM'000	Unaudited Current Year To Date 30.09.2020 RM'000	Unaudited Preceding Year Corresponding Year 30.09.2019 RM'000
Revenue	42,052	66,325	56,782	88,030
Cost of sales	(42,303)	(48,872)	(53,476)	(67,274)
Gross profit/(loss)	(251)	17,453	3,306	20,756
Other income	1,544	633	2,069	1,142
Expenses	(6,666)	(7,276)	(12,048)	(15,713)
Operating profit/(loss)	(5,373)	10,810	(6,673)	6,185
Finance costs	(1,059)	(2,256)	(4,163)	(3,902)
Share of loss of associates	(722)	(4,023)	(4,733)	(7,619)
Share of loss of joint venture	(65)	(16)	(106)	(16)
Profit/(Loss) before tax	(7,219)	4,515	(15,675)	(5,352)
Income tax (expense)/credit	(715)	(1,599)	(1,193)	(2,123)
Profit/(Loss) for the period	(7,934)	2,916	(16,868)	(7,475)
Other comprehensive income/(loss):-				
Currency translation differences	(145)	13	(40)	36
Other comprehensive income/(loss) for the financial period, net of tax	(145)	13	(40)	36
Total comprehensive loss for the period	(8,079)	2,929	(16,908)	(7,439)
Loss attributable to:-				
Owners of the Company	(7,898)	2,834	(16,705)	(7,432)
Non-controlling interest	(36)	82	(163)	(43)
	(7,934)	2,916	(16,868)	(7,475)
Total comprehensive loss attributable to:-				
Owners of the Company	(8,043)	2,847	(16,745)	(7,396)
Non-controlling interest	(36)	82	(163)	(43)
	(8,079)	2,929	(16,908)	(7,439)
Loss per share attributable to owners of Company:-				
- basic (sen)	(4.23)	1.52	(8.95)	(3.98)
- 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 2020 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit/(loss)	(5,373)	10,810	(6,673)	6,185
Gross interest income	323	317	595	682
Gross interest expense	(1,059)	(2,256)	(4,163)	(3,902)

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))**Condensed Consolidated Statement of Financial Position as at 30 September 2020**

	Unaudited As At 30.09.2020 RM'000	Audited As At 31.3.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,737	25,011
Right-of-use assets	7,434	2,538
Investment properties	17,039	17,039
Investment in associates	77,582	82,331
Investment in joint venture	7,437	7,543
Other investments	6,469	34
Inventories	13,913	14,134
Deferred tax asset	216	180
	153,827	148,810
Current assets		
Inventories	124,933	174,206
Trade and other receivables	188,054	157,093
Amounts due from associates	304	-
Amounts due from jointly controlled entities	2	-
Cash and cash equivalents	28,257	27,603
	341,550	358,902
TOTAL ASSETS	495,377	507,712
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	(1,910)	(1,870)
Accumulated losses	(118,770)	(102,065)
Equity attributable to owners of the Company	60,608	77,353
Non-controlling interest	45,423	35,586
Total equity	106,031	112,939
Non-current liabilities		
Lease liabilities	147	708
Borrowings	24,532	35,783
Deferred tax liabilities	3,582	3,581
	28,261	40,072
Current liabilities		
Trade and other payables	244,096	252,460
Lease liabilities	13,731	2,877
Borrowings	91,292	81,576
Overdrafts	9,221	16,106
Tax payable	2,745	1,682
	361,085	354,701
Total liabilities	389,346	394,773
TOTAL EQUITY AND LIABILITIES	495,377	507,712

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	0.32	0.41
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Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2020

	<-----Attributable to owners of the Company----->							
	<----- Non-distributable----->				<-Distributable->			
	Share Capital	Warrant Reserve	Other Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total Equity Attributable to Owners of the Company	Non-Controlling Interest	(Unaudited) Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30.09.2020 (Unaudited)								
Balance as at 1.4.2020	181,288	5,696	(5,696)	(1,870)	(102,065)	77,353	35,586	112,939
Warrant expired and delisted	-	(5,696)	5,696	-	-	-	-	-
Non controlling interest contribution	-	-	-	-	-	-	10,000	10,000
Total comprehensive profit/(loss) for the period	-	-	-	(40)	(16,705)	(16,745)	(163)	(16,908)
Balance as at 30.09.2020	181,288	-	-	(1,910)	(118,770)	60,608	45,423	106,031

	<-----Attributable to owners of the Company----->								
	<----- Non-distributable----->				<-Distributable->				
	Share Capital	Share Premium	Warrant Reserve	Other Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total Equity Attributable to Owners of the Company	Non-Controlling Interest	(Unaudited) Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30.09.2019 (Audited)									
Balance as at 01.04.2019	181,288	-	5,696	(5,696)	(1,952)	(61,703)	117,633	27,163	144,796
Dilution of equity interest	-	-	-	-	-	-	-	-	-
Partial disposal of a subsidiary	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	36	(7,432)	(7,396)	(43)	(7,439)
Balance as at 30.09.2019	181,288	-	5,696	(5,696)	(1,916)	(69,135)	110,237	27,120	137,357

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the Interim Statements)

**Condensed Consolidated Statement of Cash Flows for the financial period ended
30 September 2020**

	Unaudited Current Year To Date 30.09.2020 RM'000	Unaudited Preceding Year Corresponding Year 30.09.2019 RM'000
Cash flows from operating activities		
Loss before tax	(15,675)	(5,352)
Adjustments for:		
Depreciation of property, plant and equipment	1,314	1,561
Loss/(Gain) on disposal of property, plant and equipment	6	27
Share of loss/(profit) of associates	4,733	7,619
Share of loss of joint venture	106	16
Interest expense	4,163	3,902
Interest income	(595)	(682)
Unrealised (gain)/loss on foreign exchange	21	-
Right-of-use asset	1,091	-
Operating profit/(loss) before changes in working capital	<u>(4,836)</u>	7,091
Working capital changes:		
Property development costs	47,931	1,289
Inventories	1,342	(480)
Receivables	(45,097)	(21,318)
Contract assets/contract liabilities	(25,422)	(47,967)
Amount due from associates	(304)	14,749
Amount due from jointly controlled entities	(2)	-
Payables	20,083	16,360
Cash used in operations	<u>(6,305)</u>	(30,276)
Income tax paid	1,102	(234)
Net cash used in operating activities	<u>(5,203)</u>	(30,510)
Cash flows from investing activities		
Purchase of property, plant and equipment	(426)	(2,881)
Proceeds from disposal of property, plant and equipment	80	99
Land held for property development	221	(554)
Investment in joint venture	-	(32)
Interest received	595	682
Net cash (used in)/generated from investing activities	<u>470</u>	(2,686)
Cash flows from financing activities		
Proceeds from issuance of new shares to non-controlling interest	10,000	-
Hire purchase principal repayments	-	(377)
Drawdown of bank borrowings	21,362	67,317
Repayment of bank borrowings	(22,897)	(43,746)
Dividend paid	-	-
Interest paid	(4,163)	(3,902)
Repayments of lease liabilities	8,011	-
Net cash generated from financing activities	<u>12,313</u>	19,292
Net (decrease)/increase in cash and cash equivalents	7,580	(13,904)
Effect of changes in exchange rates	(40)	36
Cash and cash equivalents as at beginning of financial period	11,496	24,847
Cash and cash equivalents as at end of financial period	19,036	10,979
Cash and cash equivalents as at end of financial period comprise the followings:-		
Cash and bank balances	28,257	24,902
Overdrafts	(9,221)	(13,923)
	19,036	10,979

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the Interim Statements)

A1 Basis of Preparation

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

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

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

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

MFRS 16 “Leases” (“MFRS 16”)

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

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

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

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

A1 Basis of Preparation (continued)

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

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

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

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2020.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2020 was not subject to any qualification.

A4 Seasonality or Cyclicity of Operations

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

A5 Unusual Significant Items

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

A6 Material Changes in Estimates

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

A7 Changes in Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and financial period ended 30 September 2020.

A8 Dividend Paid

No dividend was paid during the financial quarter ended 30 September 2020.

A9 Segmental Information

Group revenue and results including Share of Associates					
		Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
		30.09.2020	30.09.2019	30.09.2020	30.09.2019
		RM'000	RM'000	RM'000	RM'000
Segment Revenue					
Revenue					
Construction		32,551	25,705	40,050	36,749
Property development		21,603	46,625	32,283	62,327
Property investment		124	127	251	254
Trading and services		2,119	1,793	3,731	5,067
Investment holding and other		3,102	3,102	6,204	6,203
Total		59,499	77,352	82,519	110,600
Elimination of inter-segment sales		(17,447)	(11,027)	(25,737)	(22,570)
Total		42,052	66,325	56,782	88,030

		Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
		30.09.2020	30.09.2019	30.09.2020	30.09.2019
		RM'000	RM'000	RM'000	RM'000
Segment Results					
Profit/(Loss) before tax					
Construction		(5,217)	5,247	(6,912)	2,382
Property development		3,725	7,977	4,284	9,922
Property investment		(62)	(77)	(106)	(133)
Trading and services		(3,145)	(3,252)	(5,858)	(5,509)
Investment holding and other		(1,348)	(5,046)	(4,636)	(9,356)
Total		(6,047)	4,849	(13,228)	(2,694)
Elimination of inter-segment items		(1,172)	(334)	(2,447)	(2,658)
Total		(7,219)	4,515	(15,675)	(5,352)

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 Event

On 15 July 2020, Ireka Corporation Berhad (“Ireka”) entered into a conditional Share Buyback Agreement with Aseana Properties Limited (“ASPL”). In accordance with the Share Buyback Agreement, Ireka agrees to sell and ASPL agrees to purchase all the 45,837,504 ordinary shares of ASPL held by Ireka in consideration for an equivalent number of ordinary shares in NewCo, which will hold mainly The RuMa Hotel and Residences (“The RuMa”) in Kuala Lumpur and a parcel of land in Kota Kinabalu, both located in Malaysia. Ireka has also agreed with ASPL that adjustments should be made, where appropriate, to reflect the settlement of potential claims that ASPL may have against Ireka Group in connection with Ireka Group’s projects, including the settlement of amounts owing by Ireka Group to ASPL relating to the development and construction of The RuMa. This demerger transaction was approved by the shareholders of ASPL and Ireka on 18 August 2020 and 27 November 2020 respectively; and now pending ASPL obtaining final consents from certain of its financiers.

Pursuant thereto, UOB Kay Hian Securities (M) Sdn Bhd announced on behalf of the Board of Directors of Ireka, that Ireka and ASPL had on 27 November 2020 mutually agreed to extend the Long Stop Date to 11 December 2020 in order to fulfill the remaining conditions precedent as set out in the Share Buyback Agreement.

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 30.09.2020 RM	Financial Year Ended 31.3.2020 RM
(i) Corporate guarantees for credit facilities granted to the Group	24,546,271	19,931,619

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 operation of the Group, and affected the performance and results of the Group during the period under review.

For the financial period ended 30 September 2020, the Group recorded revenue of RM56.782 million (after elimination of inter-segment sales of RM25.737 million) as compared to RM88.030 million (after elimination of inter-segment sales of RM22.570 million) for the preceding year corresponding period, representing a decrease of approximately 35%.

The revenue achieved by the construction segment is higher at RM40.050 million in the current period, compared to RM36.749 million in the preceding year corresponding period, representing an increase of approximately 9%. Inter-segment sale for current period has increased to RM17.511 million, from RM13.631 million in preceding year corresponding period. All construction activities were halted since 18 March 2020 due to the imposition of MCO and activities on site only resumed progressively in late June 2020. Full rate of production has yet to fully achieved in certain projects as of end of the quarter under review.

The property development segment recorded a lower revenue of RM32.283 million in the current period compared to RM62.327 million in the preceding year corresponding period, representing a decrease of 48%. Business activities in this segment has dropped significantly too during the period under review, for the same reason of COVID-19 Pandemic and MCO/Controlled MCO/Recovery MCO. With the resumption of sales activities, revenue for the property development segment has picked up during the quarter under review and the Group still expects this segment to grow its contribution to the revenue of the Group going forward. To date, the segment has unbilled sales of about RM210 million which will be billed as works progress over the next two years. The revenue recorded for the year was attributable to the ASTA Enterprise Park located at Bukit Angkat Kajang, KaMi Mont Kiara development and DWI @ Rimbun Kasia, Nilai.

The trading and services segment comprised mainly IT solutions, property development management and services divisions. Revenue for the current period decreased to RM3.731 million, from RM5.067 million in the preceding year corresponding period, mainly due to lower contribution from i-Tech Network Solutions Sdn Bhd as result of disruption to its operation, and from Ireka Development Management Sdn Bhd, given that the management agreement with ASPL ended 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 September 2020, the Group recorded pre-tax loss of RM10.836 million (after elimination of inter-segment items of RM2.447 million) before share of losses of associates and joint venture, compared to the preceding year corresponding period of pre-tax profit of RM2.283 million (after elimination of inter-segment items of RM2.658 million). Pre-tax loss after share of losses of associates and joint venture is RM15.675 million, compared to RM5.352 million in the preceding year corresponding period. The share of loss from associates of RM4.733 million are attributable to, a share of loss of ASPL (a 23.07% associate of Ireka) of RM1.602 million (30 September 2019: Loss of RM3.905 million); and a share of loss of The RuMa Hotel KL Sdn Bhd (“The RuMa”) (a 30% associate of Ireka) of RM2.150 million (30 September 2019: Loss of RM2.893 million). 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. All these assets have been adversely affected by the COVID-19 and lockdown of business activities in Malaysia and Vietnam. The Four Points by Sheraton Sandakan Hotel was de-flagged by Marriott International and permanently closed for business from 1 June 2020. The RuMa Hotel was also temporarily closed for business since March 2020, given the travel restriction imposed on foreign travellers into Malaysia, and was only re-opened on 4 October 2020. However, we would like to highlight that losses recorded by ASPL during the period have no impact on the Group’s cashflow in the short and medium term, and also on the operation of the various divisions within the Group.

The construction segment recorded a loss of RM6.912 million (30 September 2019: Profit of RM2.382 million) before elimination of inter-segment items of RM3.030 million (30 June 2019: RM1.930 million). Although construction activities resumed in late June 2020, but the rate of production took time to pick up and full rate was still not achieved during the quarter under review. Profit elimination arising from internal works is higher at RM3.030 million, compared to RM1.930 million in preceding year corresponding period.

The property development segment recorded a profit of RM4.284 million (30 September 2019: Profit of RM9.922 million), before elimination of inter-segment items of RM1.679 million (30 September 2019: RM1.090 million). Sales activities and work progress still have not fully resumed, as stated above.

The trading and services segment recorded a loss of RM5.858 million (30 September 2019: Loss of RM5.509 million), before elimination of inter-segment items of RM1.111 million (30 September 2019: RM1.819 million).

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

The Group achieved revenue of RM42.052 million in the current quarter as compared to RM66.325 million in the preceding year corresponding quarter, representing a decrease of approximately 37%. This was due to lower contribution from property development segment during the current quarter, as a result of COVID-19 Pandemic and Controlled MCO/Recovery MCO during the quarter under review.

B1 Review of Performance (continued)

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

For the financial period ended 30 September 2020, the Group recorded a pre-tax loss of RM7.219 million as compared to a pre-tax profit of RM4.515 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 higher revenue of RM42.052 million in the second quarter of financial year ending 31 March 2021, compared to RM14.730 million in the immediate preceding quarter, due to increased activities as a result of Government's directive from MCO to Controlled MCO/Recovery MCO.

The Group recorded a pre-tax loss of RM7.219 million (after accounted for share of loss of associates of RM0.722 million) compared to a pre-tax loss of RM8.456 million (after accounted for share of loss of associates of RM4.011 million) in the last quarter. The share of loss from associates in immediate preceding quarter was mainly attributable to ASPL arising from impairment loss on its Sandakan assets.

B3 Prospects for the Current Financial Year

As at 30 September 2020, the Group's construction order book stood at about RM550 million, of which about RM350 million remained outstanding. This includes a new contract awarded by Regency Specialist Hospital Sdn Bhd on 23 June 2020, for main building works to construct and complete a 10-storey hospital extension block at Bandar Baru Seri Alam, Daerah Johor Bahru for a contract sum of RM163.9 million. The construction segment has been slow in replenishing its order book due to COVID-19 and MCO, but is hopeful that tender activities will pick up over the next few months. The Group continue to actively tender for external construction contracts to replenish its order book and also expects more construction works to be generated internally from its property development division.

On the property development front, the Group has four on-going projects. The first project is The RuMa Hotel and Residences, KLCC ("The RuMa"), 70% owned by ASPL and 30% by the Group, where sale of completed units are on-going. The second project is ASTA Enterprise Park comprising 36 units of multi-functional industrial units and 8 parcels of land, of which all 18 units of Phase 1, 2 units of Phase 2 and 2 parcels of land were sold. The third is KaMi Mont' Kiara consisting of 168 units of residences under the I-Zen brand, of which about 92% sale was 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 42% of the project were sold.

B3 Prospects for the Current Financial Year (continued)

Going forward, the Property Division is also actively reviewing its sales and marketing activities including launching new phases of its current projects should the property market normalise during the current financial year. In the short term, the performance of the Group for the current financial year will be affected by COVID-19 Pandemic and MCO/Controlled MCO/Recovery MCO, given the disruption to its business activities and operation. However, the Board expect activities in the various segments to pick up over the next 6 months, and performance to improve in the last quarter of the current financial year. The full impact of the COVID-19 crisis will depend on the effectiveness of the Government's stimulus measures and the successful containment of the COVID-19 Pandemic. Bank Negara Malaysia expects the Malaysian economy to rebound in 2021, in line with the projected global recovery.

The Company is also progressing with the demerger plan with ASPL, and will explore options to strengthen the capital base of the Group over the next 12 months.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2021.

B5 Profit/(Loss) for the Period

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

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(623)	(817)	(1,314)	(1,561)
Gain/(Loss) on disposal of property, plant and equipment	8	(26)	(6)	(27)
Property, plant and equipment written off	-	-	-	-
Interest expense	(1,059)	(2,256)	(4,163)	(3,902)
Net foreign exchange (Loss)/Gain	(3)	2	(21)	-
Interest income	323	316	595	682

Other than the above items, there were no exceptional items for the current quarter and financial period ended 30 September 2020.

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	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Malaysian income tax (expense)/credit	(715)	(1,599)	(1,193)	(2,123)
	(715)	(1,599)	(1,193)	(2,123)

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

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	* 8,750,282	276,680

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

B8 Group Borrowings and Debt Securities

	Financial Quarter Ended 30.09.2020 RM'000	Financial Quarter Ended 30.09.2019 RM'000
(a) Short term borrowings		
<i>Secured:-</i>		
Term loans	44,543	16,727
Finance lease liabilities/Hire purchase	13,731	933
Trade finance	23,749	26,365
Bank overdrafts	9,221	13,922
Revolving credit	23,000	24,200
	-----	-----
	114,244	82,147
	-----	-----
(b) Long term borrowings		
<i>Secured:-</i>		
Term loans	24,532	45,239
Finance lease liabilities/Hire purchase	147	236
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	24,679	45,475
	-----	-----
(c) Total borrowings	138,923	127,622
	=====	=====

For the financial quarter ended 30 September 2020, the Group's total borrowings have increased by RM11.301 million as compared to the preceding year financial quarter ended 30 September 2019. This increase is due to drawdown of bridging/working capital loan for a property development project, offset by repayment of certain construction loans.

B9 Material Litigations

The Group was not engaged in any material litigation as at 27 November 2020.

B10 Dividend Proposed

The Directors do not recommend payment of any dividend in respect of the financial period ended 30 September 2020.

B11 Earning/(Loss) per Share

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
(a) Basic				
Earning/(Loss) for the period attributable to owners of the Company (RM'000)	(7,898)	2,834	(16,705)	(7,432)
Weighted average number of ordinary shares	186,708,050	186,708,050	186,708,050	186,708,050
Basic earning/(loss) per share (sen)	(4.23)	1.52	(8.95)	(3.98)
(b) Diluted Earnings	N/A	N/A	N/A	N/A

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

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