

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

	<b>Unaudited Current Year Quarter 30.06.2021 RM'000</b>	Unaudited Preceding Year Corresponding Quarter 30.06.2020 RM'000	<b>Unaudited Current Year To Date 30.06.2021 RM'000</b>	Unaudited Preceding Year Corresponding Year 30.06.2020 RM'000
<b>Revenue</b>	<b>20,862</b>	14,730	<b>20,862</b>	14,730
Cost of sales	<b>(16,266)</b>	(11,173)	<b>(16,266)</b>	(11,173)
<b>Gross profit</b>	<b>4,596</b>	3,557	<b>4,596</b>	3,557
Other income	<b>898</b>	525	<b>898</b>	525
Expenses	<b>(41,154)</b>	(5,382)	<b>(41,154)</b>	(5,382)
<b>Operating loss</b>	<b>(35,660)</b>	(1,300)	<b>(35,660)</b>	(1,300)
Finance costs	<b>(1,732)</b>	(3,104)	<b>(1,732)</b>	(3,104)
Share of loss of associates	-	(4,011)	-	(4,011)
Share of loss of joint venture	<b>(166)</b>	(41)	<b>(166)</b>	(41)
<b>Loss before tax</b>	<b>(37,558)</b>	(8,456)	<b>(37,558)</b>	(8,456)
Income tax (expense)/credit	<b>(228)</b>	(478)	<b>(228)</b>	(478)
<b>Loss for the period</b>	<b>(37,786)</b>	(8,934)	<b>(37,786)</b>	(8,934)
<b>Other comprehensive income/(loss):-</b>				
Currency translation differences	<b>2</b>	105	<b>2</b>	105
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	<b>2</b>	105	<b>2</b>	105
<b>Total comprehensive loss for the period</b>	<b>(37,784)</b>	(8,829)	<b>(37,784)</b>	(8,829)
<b>Loss attributable to:-</b>				
Owners of the Company	<b>(37,784)</b>	(8,807)	<b>(37,784)</b>	(8,807)
Non-controlling interest	<b>(2)</b>	(127)	<b>(2)</b>	(127)
	<b>(37,786)</b>	(8,934)	<b>(37,786)</b>	(8,934)
<b>Total comprehensive loss attributable to:-</b>				
Owners of the Company	<b>(37,782)</b>	(8,702)	<b>(37,782)</b>	(8,702)
Non-controlling interest	<b>(2)</b>	(127)	<b>(2)</b>	(127)
	<b>(37,784)</b>	(8,829)	<b>(37,784)</b>	(8,829)
<b>Loss per share attributable to owners of Company:-</b>				
- basic (sen)	<b>(20.24)</b>	(4.72)	<b>(20.24)</b>	(4.72)
- diluted (sen)	<b>N/A</b>	N/A	<b>N/A</b>	N/A

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

**Other information:-**

Operating profit/(loss)	<b>(35,660)</b>	(1,300)	<b>(35,660)</b>	(1,300)
Gross interest income	<b>311</b>	272	<b>311</b>	272
Gross interest expense	<b>(1,732)</b>	(3,104)	<b>(1,732)</b>	(3,104)

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

	Unaudited As At 30.06.2021 RM'000	Audited As At 31.3.2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	21,810	21,792
Right-of-use assets	9,509	10,812
Investment properties	13,508	13,508
Investment in associates	-	72,686
Investment in joint venture	6,977	7,144
Other investments	60,986	34
Inventories	14,602	14,343
Deferred tax asset	57	55
	<b>127,449</b>	<b>140,374</b>
<b>Current assets</b>		
Inventories	124,652	108,150
Trade and other receivables	150,702	209,346
Amounts due from associates	1,686	1,607
Amounts due from jointly controlled entities	98	68
Cash and cash equivalents	20,161	29,394
	<b>297,299</b>	<b>348,565</b>
<b>TOTAL ASSETS</b>	<b>424,748</b>	<b>488,939</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	181,288	181,288
Derecognise Share of loss in associate	14,172	-
Foreign currency translation reserve	(1,917)	(1,919)
Accumulated losses	(157,572)	(119,788)
Equity attributable to owners of the Company	<b>35,971</b>	<b>59,581</b>
Non-controlling interest	31,088	31,090
<b>Total equity</b>	<b>67,059</b>	<b>90,671</b>
<b>Non-current liabilities</b>		
Lease liabilities	3,110	8,987
Borrowings	16,112	-
Deferred tax liabilities	481	481
	<b>19,703</b>	<b>9,468</b>
<b>Current liabilities</b>		
Trade and other payables	254,772	280,682
Lease liabilities	6,489	1,848
Borrowings	64,635	93,772
Overdrafts	9,652	9,763
Tax payable	2,438	2,735
	<b>337,986</b>	<b>388,800</b>
<b>Total liabilities</b>	<b>357,689</b>	<b>398,268</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>424,748</b>	<b>488,939</b>

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

**Other Information:-**

Net assets per share (RM)	<b>0.19</b>	<b>0.32</b>
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Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2021

	<-----Attributable to owners of the Company----->					
	<----- Non-distributable----->			<-Distributable->		
	Share Capital RM'000	Translation Reserve RM'000	(Accumulated Losses) RM'000	Foreign Currency Owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity Attributable to (Unaudited) Total Equity RM'000
<b>3 months ended 30.06.2021 (Unaudited)</b>						
Balance as at 1.4.2021	181,288	(1,919)	(119,788)	59,581	31,088	90,669
Derecognise Share of Loss in Associate	-	-	-	-	-	14,172
Total comprehensive profit/(loss) for the period	-	2	(37,784)	(37,782)	-	(37,782)
Balance as at 30.06.2021	<b>181,288</b>	<b>(1,917)</b>	<b>(157,572)</b>	<b>21,799</b>	<b>31,088</b>	<b>67,059</b>

	<-----Attributable to owners of the Company----->					
	<----- Non-distributable----->			<-Distributable->		
	Share Capital RM'000	Translation Reserve RM'000	(Accumulated Losses) RM'000	Foreign Currency Owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity Attributable to (Unaudited) Total Equity RM'000
<b>3 months ended 30.06.2020 (Unaudited)</b>						
Balance as at 01.04.2020	181,288	(1,870)	(100,093)	79,325	19,233	98,559
Total comprehensive profit/(loss) for the period	-	105	(8,807)	(8,702)	5,373	(3,329)
Balance as at 30.06.2020	<b>181,288</b>	<b>(1,765)</b>	<b>(108,900)</b>	<b>70,623</b>	<b>24,606</b>	<b>95,230</b>

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

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

	<b>Unaudited Current Period To Date  30.06.2021 RM'000</b>	<b>Unaudited Preceding Year Corresponding Period 30.06.2020 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(37,558)	(8,457)
Adjustments for:		
Depreciation of property, plant and equipment	349	687
(Loss)/Gain on disposal of property, plant and equipment	-	15
(Gain)/Loss on disposal of investment property	(2)	-
Stock written down	-	3
Share of loss/(profit) of associates	-	4,011
Share of loss of joint venture	166	41
Interest expense	1,731	3,103
Interest income	(364)	(272)
Unrealised (gain)/loss on foreign exchange	-	19
Right-of-use asset	409	498
Operating profit/(loss) before changes in working capital	<u>(35,269)</u>	<u>(352)</u>
Working capital changes:		
Property development costs	1,415	46,131
Inventories	(18,174)	(832)
Receivables	(6,825)	(23,581)
Contract assets/contract liabilities	75,161	(11,465)
Amount due from associates	(14,405)	(188)
Amount due from jointly controlled entities	(29)	(38)
Payables	<u>(18,763)</u>	<u>(18,095)</u>
Cash used in operations	<u>(16,889)</u>	<u>(8,420)</u>
Income tax paid	(688)	1,219
Net cash used in operating activities	<u>(17,577)</u>	<u>(7,201)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,059)	(29)
Proceeds from disposal of property, plant and equipment	-	236
Uplift of deposits with licensed banks	10,640	-
Proceeds from disposal of investment property	2	-
Land held for property development	-	(231)
Investment in associates	25,905	-
Interest received	<u>364</u>	<u>272</u>
Net cash (used in)/generated from investing activities	<u>33,852</u>	<u>248</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares to non-controlling interest	-	5,500
Drawdown of bank borrowings	-	15,834
Repayment of bank borrowings	(13,025)	(13,075)
Dividend paid	-	-
Interest paid	(1,732)	(3,103)
Repayments of lease liabilities	-	8,060
Net cash generated from financing activities	<u>(14,757)</u>	<u>13,216</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>1,518</u>	<u>6,263</u>
<b>Effect of changes in exchange rates</b>	<u>2</u>	<u>105</u>
<b>Cash and cash equivalents as at beginning of financial period</b>	<u>8,989</u>	<u>11,496</u>
<b>Cash and cash equivalents as at end of financial period</b>	<u>10,509</u>	<u>17,864</u>
<b>Cash and cash equivalents as at end of financial period comprise the followings:-</b>		
<b>Cash and bank balances</b>	<u>20,161</u>	<u>26,616</u>
<b>Overdrafts</b>	<u>(9,652)</u>	<u>(8,752)</u>
	<u>10,509</u>	<u>17,864</u>

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

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

**A1 Basis of Preparation**

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

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2021. The explanatory notes attached to the unaudited interim financial report provide explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2021.

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

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

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

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

Description		Effective for annual period beginning on or after
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an investor and its associate or joint venture Deferred	
Amendment to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023

**A1 Basis of Preparation (continued)**

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

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

**A2 Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2021.

**A3 Audit Report**

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

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

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

**A4 Seasonality or Cyclicity of Operations**

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

**A5 Unusual Significant Items**

Except for the reclassification of the investment in ASPL from an associated company to an investment, there were no items affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period-to-date that are unusual because of their nature, size or incidence.

**A6 Material Changes in Estimates**

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

**A7 Changes in Debt and Equity Securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and financial period ended 30 June 2021.

**A8 Dividend Paid**

No dividend was paid during the financial period ended 30 June 2021.

**A9 Segmental Information**

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

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>				
Revenue				
Construction	12,602	7,499	12,602	7,499
Property development	12,667	10,680	12,667	10,680
Property investment	126	127	126	127
Trading and services	2,519	1,611	2,519	1,611
Investment holding and other	2,537	3,102	2,537	3,102
Total	30,451	23,019	30,451	23,019
Elimination of inter-segment sales	(9,589)	(8,289)	(9,589)	(8,289)
Total	20,862	14,730	20,862	14,730

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Results</b>				
Profit/(Loss) before tax				
Construction	(7,455)	(1,695)	(7,455)	(1,695)
Property development	461	559	461	559
Property investment	(44)	(44)	(44)	(44)
Trading and services	(1,546)	(2,713)	(1,546)	(2,713)
Investment holding and other	(101,296)	(3,288)	(101,296)	(3,288)
Total	(109,880)	(7,181)	(109,880)	(7,181)
Elimination of inter-segment items	72,322	(1,275)	72,322	(1,275)
Total	(37,558)	(8,456)	(37,558)	(8,456)

## **A10 Carrying Amount of Revalued Property, Plant and Equipment**

The Group does not state any assets based on valuation of its property, plant and equipment.

## **A11 Significant Event during the Financial Period and Subsequent Events**

On 5 July 2021, the Board of Ireka announced that the Company had received a letter for the non-binding offer dated 5 July 2021 from the substantial shareholder of the Company, Ideal Land Holdings Sdn Bhd (“ILHSB”) to purchase all of the Group’s equity interest in subsidiaries and associated companies involved in property development, property management, urban transportation and information technology business for an indicative offer price of RM40 million (“Offer”). The Offer is subject to ILHSB or its nominee entering into a binding definitive conditional sale and purchase agreement with the Group within 30 days of the Letter of Offer, which on 4 August 2021 was extended by a further 30 days. On 3 September 2021, the Board announced that the Company and ILHSB mutually agreed to extend the Offer Period to 31 October 2021. The Board (save for the Interested Directors) will deliberate on the Offer and decide on the next course of action.

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

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

## **A12 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

## **A13 Contingent Assets and Liabilities**

### **(a) Contingent Asset**

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**

	<b>Financial Period Ended 30.06.2021</b>	<b>Financial Year Ended 31.3.2021</b>
(i) Corporate guarantees for credit facilities granted to the Group	<b>RM</b> 24,651,801	<b>RM</b> 24,251,801

## **A13 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. During the quarter under review, both the COVID-19 pandemic and restrictions of the MCO have continued affect the performance and results of the Group.

For the financial period ended 30 June 2021, the Group recorded revenue of RM20.862 million (after elimination of inter-segment sales of RM9.589 million) as compared to RM14.730 million (after elimination of inter-segment sales of RM8.289 million) for the preceding year corresponding period, representing an increase of approximately 42%.

The revenue achieved by the construction segment is higher at RM12.602 million in the current period, compared to RM7.499 million in the preceding year corresponding period, representing an increase of approximately 68%. Inter-segment sale for current period has increased to RM5.370 million, from RM4.015 million in preceding year corresponding period. Construction and business activities continued to be restrictive during the period under review as operations were halted from 1 June 2021 following the re-imposition of Full Movement Control Order by the Government following a drastic increase in COVID-19 cases across Malaysia, in particular in Klang Valley.

The property development segment recorded a higher revenue of RM12.667 million in the current period compared to RM10.680 million in the preceding year corresponding period, representing an increase of 18%. The property development business was similarly affected by restrictions of movements across districts and states borders, and closure of sales galleries from 1 June 2021.

The trading and services segment comprised mainly IT solutions, property development management and services divisions. Revenue for the current period increased to RM2.519 million, from RM1.611 million in the preceding year corresponding period.

For the financial period ended 30 June 2021, the Group recorded pre-tax loss RM37.558 million (after elimination of inter-segment items of RM72.322 million), compared to RM8.456 million in the preceding year corresponding period (after elimination of inter-segment items of RM1.275 million). The loss consists of an impairment loss arising from reclassification of investment in ASPL as an associated company to an investment of RM25.912 million; retirement benefits of certain ex-directors of about RM3.527 million; and losses incurred by business segments due to COVID-19 pandemic resulting in the halting/disruption of business and operations.

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

**B1 Review of Performance (continued)**

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

The construction segment recorded a loss of RM7.455 million (30 June 2020: Loss of RM1.695 million) before elimination of inter-segment items of RM2.974 million (30 June 2020: RM0.963 million). Profit elimination arising from internal works is lower at RM2.974 million, compared to RM0.963 million in preceding year corresponding period.

The property development segment recorded a profit of RM0.462 million (30 June 2020: Profit of RM0.559 million), before elimination of inter-segment items of RM0.454 million (30 June 2020: RM0.406 million).

The trading and services segment recorded a loss of RM1.546 million (30 June 2020: Loss of RM2.713 million), before elimination of inter-segment items of RM1.480 million (30 June 2020: RM0.733 million).

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

The Group achieved revenue of RM20.862 million in the current quarter as compared to RM14.730 million in the preceding year corresponding quarter, representing an increase of approximately 42%.

For the financial period ended 30 June 2021, the Group recorded a pre-tax loss of RM37.558 million as compared to pre-tax loss of RM8.456 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 RM20.862 million in the first quarter of financial year ending 31 March 2022, compared to RM76.493 million in the immediate preceding quarter, due to decreased contribution from property development.

The Group recorded a pre-tax loss of RM37.558 million (after accounting for impairment loss arising from reclassification of ASPL as an associated company to an investment of RM25.912 million) compared to a pre-tax loss of RM10.125 million (after accounted for share of loss of associates of RM4.690 million) in the last quarter. The share of loss from associates in immediate preceding quarter was mainly attributable to ASPL.

### **B3 Prospects for the Current Financial Year**

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

The construction industry continued to be disrupted throughout 2020 and 2021 due to the various iterations of the MCO and rise COVID-19 infection levels related to the workforce in the industry. On a positive note, the Government has acknowledged the need to pump prime and to support the construction industry as the industry has one of the highest multiplying effects to the overall economy due to the large number of related industries, high rate of employment and the impact on the banking industry.

At current date, the Group's construction order book stood at about RM670 million, of which about RM385 million remained outstanding. On 15 July 2021, the Company announced that its wholly owned subsidiary Ireka Engineering & Construction Sdn. Bhd. has accepted a Conditional Letter of Award from Wanland Metro Sdn Bhd for the proposed construction and completion of 2 blocks of 16-storey apartment, single storey terrace houses, double storey terrace houses, double storey shophouses, including facilities, infrastructure, and ancillary works at Dendong, Mukim Tembila, Terengganu Darul Iman, for a contract sum of RM124.39 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 in the near future, following the announcement of plans by the Government under the upcoming 12<sup>th</sup> Malaysia Plan.

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

On the property development front, the Group has 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 9 parcels of land, of which all 36 industrial units and 8 parcels of land were sold/booked. The third project is KaMi Mont' Kiara consisting of 168 units of residences under the I-Zen brand, of which 100% sale has been recorded. The final project is DWI@ Rimbun Kasia, Nilai, which is undertaken jointly with Hankyu Hanshin Properties Corp., comprising 382 units of mid-market courtyard condominiums under the Group's mid-market zenZ brand. To-date, about 43% of the units were sold.

**B3 Prospects for the Current Financial Year (continued)**

The performance of the Group for the current financial year will be affected by COVID-19 Pandemic and MCO/Conditional MCO/Recovery MCO, given the disruption to its business activities and operation. However, the Board is hopeful that activities in the various segments to pick up in the last quarter of this 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 later part 2021, in line with the projected global recovery. With the increase in rate of COVID-19 vaccination, and the prospect of the country achieving 'herd-immunity' by the end of year 2021, it is hoped that business activities will start to normalize in the early parts of year 2022.

In line with the changes of the controlling shareholders and the appointment of new executive management team of the Company in July 2021, the Board is taking important steps to turn the Group around and to steer it on track for a better future. The new Group Managing Director, Encik Mohd Hasnul Ismar and the senior management have made strengthening Ireka's foundation and bringing new projects into the Group priority; whilst at the same time transforming the Group to be ready for the future. The experienced team will also help to deliver the turnaround that is necessary to address the requirement of shareholders, employees, stakeholders as well as the communities in which the Group operate and leave the Group legacy.

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

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

**B4 Profit Forecast**

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

**B5 Profit/(Loss) for the Period**

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

	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Depreciation of property, plant and Equipment	(349)	(687)	(349)	(687)
Gain/(Loss) on disposal of property, plant and equipment	112	(14)	112	(14)
Property, plant and equipment written off	-	-	-	-
Interest expense	(1,732)	(3,104)	(1,732)	(3,104)
Net foreign exchange Loss	(2)	(19)	(2)	(19)
Impairment loss on reclassification of associated company to an investment	(25,905)	-	(25,905)	-
Interest income	311	272	311	272

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

**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	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Malaysian income tax (expense)/credit	(227)	(478)	(227)	(478)
	(227)	(478)	(227)	(478)

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 million and the status of utilisation is as follows :-

	<b>Estimated timeframe for utilisation</b>	<b>Proposed utilisation (RM'000)</b>	<b>Actual utilisation (RM'000)</b>	<b>Balance (RM'000)</b>
Working Capital	Within 12 months from receipt of funds	9,026	* 8,750	276

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

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

<b>Utilisation of proceeds</b>	<b>Estimated timeframe for utilisation</b>	<b>Proposed utilisation (RM'000)</b>	<b>Actual utilisation (RM'000)</b>	<b>Balance unutilised (RM'000)</b>
Working capital	Within 12 months	11,041	10,062	979
Estimated expenses	Immediate	268	268	-
<b>Total</b>		<b>11,309</b>	<b>11,330</b>	<b>979</b>

**B8 Group Borrowings and Debt Securities**

	<b>Financial Quarter Ended 30.06.2021 RM'000</b>	<b>Financial Quarter Ended 30.06.2020 RM'000</b>
(a) Short term borrowings		
<i>Secured:-</i>		
Term loans	23,914	41,756
Finance lease liabilities/Hire purchase	6,489	14,513
Trade finance	17,223	25,502
Bank overdrafts	9,652	8,752
Revolving credit	23,498	23,015
	-----	-----
	<b>80,776</b>	<b>113,538</b>
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(b) Long term borrowings		
<i>Secured:-</i>		
Term loans	16,112	29,845
Finance lease liabilities/Hire purchase	3,110	147
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	<b>19,222</b>	<b>29,992</b>
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(c) Total borrowings	<b>99,998</b>	<b>143,530</b>
	=====	=====

For the financial quarter ended 30 June 2021, the Group's total borrowings have decreased by RM43.532 million as compared to the preceding year financial quarter ended 30 June 2020.

**B9 Material Litigations**

The Group was not engaged in any material litigation as at 24 September 2021.

**B10 Dividend Proposed**

The Directors do not recommend payment of any dividend in respect of the financial year ended 31 March 2021 and financial period ended 30 June 2021.

**B11 Loss per Share**

	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Period 3 Months Ended</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
(a) Basic				
Loss for the period attributable to owners of the Company (RM'000)	<b>(37,784)</b>	(8,807)	<b>(37,784)</b>	(8,807)
Weighted average number of ordinary shares	<b>186,708,050</b>	186,708,050	<b>186,708,050</b>	186,708,050
Basic loss per share (sen)	<b>(20.24)</b>	(4.72)	<b>(20.24)</b>	(4.72)
(b) Diluted Earnings	<b>N/A</b>	N/A	<b>N/A</b>	N/A

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

**By Order of the Board**  
**IREKA CORPORATION BERHAD**  
**MOHD. SHAH BIN HASHIM**  
Company Secretary  
Kuala Lumpur  
30 September 2021