

IREKA CORPORATION BERHAD
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2010

	Unaudited Current Year Quarter 30.9.2010 RM'000	Unaudited Preceding Year Corresponding Quarter 30.9.2009 RM'000	Unaudited Current Year To Date 30.9.2010 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2009 RM'000
Revenue	108,027	89,008	209,736	174,610
Cost of sales	(97,333)	(77,860)	(186,495)	(151,179)
Gross profit	10,694	11,148	23,241	23,431
Other income	1,253	573	1,864	1,027
Expenses	(7,380)	(7,718)	(15,117)	(15,393)
Profit from operations	4,567	4,003	9,988	9,065
Finance costs	(3,449)	(1,688)	(5,355)	(3,257)
Share of results of associates	(965)	-	(7,495)	-
Share of results of jointly controlled entity	(1)	(15)	(6)	(19)
Profit/ (loss) before taxation	152	2,300	(2,868)	5,789
Income tax expense	(239)	(165)	(250)	(185)
(Loss)/ profit for the period	(87)	2,135	(3,118)	5,604
Other comprehensive income				
Exchange differences on translating foreign operations	215	-	(21)	-
Total comprehensive income for the period	128	2,135	(3,139)	5,604
(Loss)/ profit attributable to:-				
Equity holders of the Company	(87)	2,135	(3,118)	5,604
Non-controlling interest	-	-	-	-
	(87)	2,135	(3,118)	5,604
Total comprehensive income attributable to:-				
Equity holders of the Company	128	2,135	(3,139)	5,604
Non-controlling interest	-	-	-	-
	128	2,135	(3,139)	5,604
(Loss)/ earnings per share attributable to equity holders of Company:-				
- basic (sen)	(0.08)	1.87	(2.74)	4.92
- 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 2010 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Profit from operations	4,567	4,003	9,988	9,065
Gross interest income	220	10	640	114
Gross interest expense	3,029	1,698	5,355	3,371

IREKA CORPORATION BERHAD**Condensed Consolidated Statement of Financial Position as at 30 September 2010**

	Unaudited As At 30.9.2010 RM'000	Audited As At 31.3.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,302	72,220
Land and development expenditure	10,827	10,819
Investment properties	4,272	4,272
Investment in associates	158,632	166,127
Investment in jointly controlled entity	-	-
Available-for-sale investments	7,350	9,336
	<u>256,383</u>	<u>262,774</u>
Current assets		
Development properties	1,777	3,611
Inventories	17,678	16,857
Trade and other receivables	247,245	185,589
Amounts due from customers on contracts	16,945	24,457
Amounts due from jointly controlled entities	11,108	11,112
Current tax assets	1,723	-
Deposits, cash and cash equivalents	38,403	40,675
	<u>334,879</u>	<u>282,301</u>
TOTAL ASSETS	<u>591,262</u>	<u>545,075</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	113,915	113,915
Reserves	120,656	123,795
	<u>234,571</u>	<u>237,710</u>
Non-controlling interest	-	-
Total equity	<u>234,571</u>	<u>237,710</u>
Non-current liabilities		
Borrowings	33,786	32,573
Deferred tax liabilities	3,253	3,253
	<u>37,039</u>	<u>35,826</u>
Current liabilities		
Trade and other payables	146,751	115,955
Borrowings	143,577	116,681
Overdrafts	29,324	38,181
Current tax liabilities	-	722
	<u>319,652</u>	<u>271,539</u>
Total liabilities	<u>356,691</u>	<u>307,365</u>
TOTAL EQUITY AND LIABILITIES	<u>591,262</u>	<u>545,075</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	<u>2.06</u>	<u>2.09</u>
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IREKA CORPORATION BERHAD
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2010

	Attributable to equity holders of the Company		Non-distributable		Total Equity Attributable to Equity Holders of the Parent		Non-Controlling Interest		Total Equity (Unaudited)	
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profits	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profits	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months ended 30.9.2010 (Unaudited)</u>										
Balance as at 1.4.2010	113,915	21,871	(185)	102,109	237,710	-	-	-	-	237,710
Total comprehensive income for the period	-	-	(21)	(3,118)	(3,139)	-	-	-	-	(3,139)
Dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 30.9.2010	113,915	21,871	(206)	98,991	234,571	-	-	-	-	234,571

	Attributable to equity holders of the Company		Non-distributable		Total Equity Attributable to Equity Holders of the Parent		Non-Controlling Interest		Total Equity (Unaudited)	
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profits	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profits	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months ended 30.9.2009 (Unaudited)</u>										
Balance as at 1.4.2009	113,915	21,876	(185)	98,395	234,001	-	-	-	-	234,001
Disposal of subsidiary	-	-	-	43	43	-	-	-	-	43
Total comprehensive income for the period	-	-	-	5,604	5,604	-	-	-	-	5,604
Transaction costs	-	(5)	-	-	(5)	-	-	-	-	(5)
Dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 30.9.2009	113,915	21,871	(185)	104,042	239,643	-	-	-	-	239,643

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD**Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2010**

	Unaudited Current Year To Date 30.9.2010 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2009 RM'000
Net cash used in operating activities	(14,425)	(21,969)
Net cash used in investing activities	(3,578)	(6,152)
Net cash from financing activities	24,588	28,415
Net change in cash and cash equivalents	6,585	294
Cash and cash equivalents as at beginning of financial period	2,494	8,959
Cash and cash equivalents as at end of financial period	9,079	9,253

Cash and cash equivalents at the end of the financial period comprise the followings:-

Deposits, cash and bank balances	38,403	46,127
Overdrafts	(29,324)	(36,874)
	9,079	9,253

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the Interim Statements)

NOTES TO THE QUARTERLY RESULTS

A1 Basis of Preparation

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

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2010. 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 2010.

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 2010, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), amendments to FRSs and IC Interpretations as described below, which are relevant to the Group's operations with effect from 1 January 2010:-

(i) FRS 101 – Presentation of Financial Statements (Revised)

Prior to 1 January 2010, the components of a set financial statements consisted of a balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

Upon the adoption of the revised FRS101, a set of financial statements shall now comprise a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in the statement of comprehensive income as components in other comprehensive income.

The adoption of other new and revised FRSs, IC Interpretations and amendments to FRSs, and IC Interpretations has no financial impact on the current financial statements or consolidated financial statements of the previous financial year.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2010 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 financial period ended 30 September 2010.

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 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the financial period-to-date.

A8 Dividend Paid

The Company has not paid any dividend during the financial quarter ended 30 September 2010.

A9 Segmental Information

	Group revenue and results including Share of JVs	
	6 months ended	
	30.9.2010	30.9.2009
	RM'000	RM'000
Segment Revenue		
Revenue		
Construction	197,673	162,820
Property development	742	-
Property investment	461	471
Trading and services	11,517	11,352
Investment holding and other	6,087	6,042
Total	<u>216,480</u>	<u>180,685</u>
Elimination of inter-segment sales	(6,744)	(6,075)
Total	<u>209,736</u>	<u>174,610</u>
	Group revenue and results including Share of JVs	
	6 months ended	
	30.9.2010	30.9.2009
	RM'000	RM'000
Segment Results		
Profit/(Loss) before taxation		
Construction	5,949	6,912
Property development	834	(90)
Property investment	(318)	(15)
Trading and services	357	36
Investment holding and other	(9,690)	(1,054)
Total	<u>(2,868)</u>	<u>5,789</u>
Elimination of inter-segment profit	-	-
Total	<u>(2,868)</u>	<u>5,789</u>

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

Save for the following, there were no other changes in the composition of the Group during the financial period under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations:-

- (i) The subscription by ASPL M9 Limited (“ASPL”), a wholly-owned subsidiary of Aseana Properties Limited, of 700,000 new ordinary shares of RM1.00 each at par in Urban DNA Sdn Bhd (formerly World Trade Frontier Sdn Bhd) on 20 April 2010, representing a shareholding interest of 70% of Urban DNA’s enlarged share capital, for a total subscription amount of RM700,000 to be satisfied entirely in cash. This resulted in Urban DNA ceasing to be a subsidiary of the Company and accounted as an associate from the said date.

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 30.9.2010 RM	Financial Year Ended 31.3.2010 RM
(i) Corporate guarantees for credit facilities granted to the Group	70,574,845	49,051,731

A14 Capital Commitments

There were no capital commitments as at the end of the current quarter.

BURSA SECURITIES LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of Performance

For the financial period ended 30 September 2010, the Group has achieved revenue of RM209.736 million as compared to RM174.610 million for the preceding year's corresponding period. This is mainly due to higher volume of construction works being completed during the period.

For the financial period ended 30 September 2010, the Group has recorded a pre-tax loss of RM2.868 million, as compared to a pre-tax profit of RM5.789 million in preceding year. The loss is after accounting for the share of loss in Aseana Properties Limited ("ASPL") of RM7.503 million (2009 : NIL) and also a mark-to-market loss for share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM1.986 million (2009 : NIL). Excluding these two items, the Group's pre-tax results would be positive at RM6.613 million.

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

The Group has recorded slightly higher revenue of RM108.027 million in the second quarter of financial year ending 31 March 2011, compared with RM101.709 million in the preceding quarter; and a post-tax loss of RM0.087 million compared to RM3.031 million in the last quarter. The loss of RM0.087 million is after accounting for the share of loss of ASPL and mark-to-market loss as mentioned in B1 above.

B3 Prospects for the Current Financial Year

On the construction front, basing on existing works on hand, the Board expects turnover to at least be maintained in the current financial year. The Group's order book currently stood at about RM1.06 billion, of which about RM460 million remained outstanding. Over the last 6 months, the Group has tendered for jobs totalling about RM1 billion and will endeavour to replenish its order book over the course of the year. Barring any unforeseen significant increase in the prices of construction materials, the Company expects the on-going construction projects to continue to contribute positively to the results of the Group.

The Board expects the fee income from property development management to further decline due to expected lower Net Tangible Assets of ASPL and weakening of US Dollars against Ringgit. The current global economic crisis has affected the performance of real estate markets in Malaysia and Vietnam, although the Directors expect the condition in both markets to continue to improve in the current financial year.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2011.

B5 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2010 RM'000	30.9.2009 RM'000	30.9.2010 RM'000	30.9.2009 RM'000
Malaysian income tax	239	165	250	185
Overseas taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>239</u>	<u>165</u>	<u>250</u>	<u>185</u>

The effective tax rates of the Group for the current quarter and for the period-to-date are 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 subsidiaries.

B6 Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties in the current quarter.

B7 Quoted Investments

On 20 August 2010, the Company was allotted 172,900 bonus shares in Kinh Bac City Development Shareholding Corporation ("KBC") via a 5:1 bonus share payout and 259,350 dividend shares via a 10:3 dividend share payout respectively to its shareholders. As at 30 September 2010, the Company held 1,296,750 ordinary shares in KBC.

Save for the aforesaid, there were no other purchases, disposal or investment of quoted securities for the current quarter and financial period-to-date.

B8 Status of Corporate Proposals

There are no on-going corporate proposals during the financial period under review.

B9 Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2010 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	4,669
Project loans	65,524
Hire Purchase/Leasing	4,728
Trade finance	39,717
Bank overdraft	28,434
Revolving credit	27,939

	171,011

<i>Unsecured:-</i>	
Bank overdraft	890
Revolving credit	1,000

	172,901

	RM'000
(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	26,177
Hire Purchase/Leasing	7,609
	33,786
(c) Total borrowings	206,687

All bank borrowings of the Group are denominated in Malaysian Ringgit.

B10 Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 19 November 2010.

B11 Material Litigations

The Group is not engaged in any material litigation as at 19 November 2010.

B12 Dividend Proposed

At the Company's Annual General Meeting held on 23 September 2010, the shareholders of the Company have approved the declaration of a single-tier final dividend of 5% net per share in respect of the financial year ended 31 March 2010. Dividend payment will be made on 15 December 2010 to shareholders whose names appeared on the Record of Depositors as at 25 November 2010.

B13 (Loss)/ Earnings Per Share

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2010	30.9.2009	30.9.2010	30.9.2009
(a) Basic				
(Loss)/ profit for the period attributable to equity holders of the parent (RM'000)	(87)	2,135	(3,118)	5,604
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic (loss)/ earnings per share (sen)	(0.08)	1.87	(2.74)	4.92
(b) Diluted Earnings	N/A	N/A	N/A	N/A

The Company has not issued any Employees Share Options or convertible instruments that have effects on its basic earnings.

By Order of the Board
IREKA CORPORATION BERHAD
WONG YIM CHENG
 Company Secretary
 Kuala Lumpur
 26 November 2010