

IREKA CORPORATION BERHAD
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2011

	Unaudited Current Year Quarter 30.9.2011 RM'000	Unaudited Preceding Year Corresponding Quarter 30.9.2010 RM'000	Unaudited Current Year To Date 30.9.2011 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2010 RM'000
Revenue	112,694	108,027	211,730	209,736
Cost of sales	(104,120)	(97,333)	(192,262)	(186,495)
Gross profit	8,574	10,694	19,468	23,241
Other income	2,978	1,253	4,838	1,864
Expenses	(7,279)	(7,380)	(16,665)	(15,117)
Operating profit	4,273	4,567	7,641	9,988
Finance costs	(3,327)	(3,449)	(5,834)	(5,355)
Share of results of associates	621	(965)	7,625	(7,495)
Share of results of jointly controlled entity	-	(1)	(4)	(6)
Profit/(loss) before tax	1,567	152	9,428	(2,868)
Income tax expense	(420)	(239)	(830)	(250)
Profit/(loss) for the period	1,147	(87)	8,598	(3,118)
Other comprehensive income/(loss):-				
Currency translation differences	12	215	34	(21)
Total comprehensive income/(loss) for the period	1,159	128	8,632	(3,139)
Profit/(loss) attributable to:-				
Owners of the Company	1,147	(87)	8,598	(3,118)
Non-controlling interest	-	-	-	-
	1,147	(87)	8,598	(3,118)
Total comprehensive income/(loss) attributable to:-				
Owners of the Company	1,159	128	8,632	(3,139)
Non-controlling interest	-	-	-	-
	1,159	128	8,632	(3,139)
Earnings/(loss) per share attributable to owners of Company:-				
- basic (sen)	1.01	(0.08)	7.55	(2.74)
- 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 2011 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit	4,273	4,567	7,641	9,988
Gross interest income	244	220	476	640
Gross interest expense	3,327	3,029	5,834	5,355

IREKA CORPORATION BERHAD**Condensed Consolidated Statement of Financial Position as at 30 September 2011**

	Unaudited As At 30.9.2011 RM'000	Audited As At 31.3.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	76,981	76,571
Investment properties	4,272	4,272
Investment in associates	166,062	158,437
Investment in jointly controlled entity	-	-
Other investments	3,297	4,978
Land held for property development	12,995	10,840
Deferred tax assets	-	62
	<u>263,607</u>	<u>255,160</u>
Current assets		
Property development costs	24,510	-
Inventories	9,988	17,169
Trade and other receivables	227,988	175,952
Amounts due from customers on contracts	29,767	56,642
Amounts due from jointly controlled entity	9,509	9,513
Amounts due from associates	9,745	8,929
Cash and bank balances	61,089	48,368
	<u>372,596</u>	<u>316,573</u>
TOTAL ASSETS	<u>636,203</u>	<u>571,733</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	113,915	113,915
Reserves	114,923	106,291
	<u>228,838</u>	<u>220,206</u>
Non-controlling interest	-	-
Total equity	<u>228,838</u>	<u>220,206</u>
Non-current liabilities		
Borrowings	30,710	29,804
Deferred tax liabilities	3,252	3,252
	<u>33,962</u>	<u>33,056</u>
Current liabilities		
Provision	15,000	10,000
Trade and other payables	164,694	157,528
Borrowings	161,222	116,023
Overdrafts	31,645	33,631
Amounts due to customers on contracts	95	280
Tax payable	747	1,009
	<u>373,403</u>	<u>318,471</u>
Total liabilities	<u>407,365</u>	<u>351,527</u>
TOTAL EQUITY AND LIABILITIES	<u>636,203</u>	<u>571,733</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	<u>2.01</u>	<u>1.93</u>
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IREKA CORPORATION BERHAD

Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2011

	Attributable to equity holders of the Company		Non-distributable		Total Equity Attributable to Owners of the Company		(Unaudited) Total Equity	
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Retained Earnings	Share Premium	Non-Controlling Interest	Share Capital	Share Premium
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.4.2011	113,915	21,871	(251)	84,671	21,871	-	113,915	21,871
Total comprehensive income for the period	-	-	34	8,598	-	-	-	-
Balance as at 30.9.2011	113,915	21,871	(217)	93,269	21,871	-	228,838	228,838

6 months ended 30.9.2011 (Unaudited)

Balance as at 1.4.2011

Total comprehensive income for the period

Balance as at 30.9.2011

	Attributable to equity holders of the Company		Non-distributable		Total Equity Attributable to Owners of the Company		(Unaudited) Total Equity	
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Retained Earnings	Share Premium	Non-Controlling Interest	Share Capital	Share Premium
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.4.2010	113,915	21,871	(185)	102,109	21,871	-	113,915	21,871
Total comprehensive loss for the period	-	-	(21)	(3,118)	-	-	-	-
Balance as at 30.9.2010	113,915	21,871	(206)	98,991	21,871	-	234,571	234,571

6 months ended 30.9.2010 (Unaudited)

Balance as at 1.4.2010

Total comprehensive loss for the period

Balance as at 30.9.2010

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 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 2011**

	Unaudited Current Year To Date 30.9.2011 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2010 RM'000
Net cash flow generated from/(used in) operating activities	950	(14,425)
Net cash flow used in investing activities	(23,327)	(3,578)
Net cash flow generated from financing activities	<u>37,084</u>	24,588
Net increase in cash and cash equivalents	14,707	6,585
Cash and cash equivalents as at beginning of financial period	<u>14,737</u>	2,494
Cash and cash equivalents as at end of financial period	<u>29,444</u>	<u>9,079</u>

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

Cash and bank balances	61,089	38,403
Overdrafts	<u>(31,645)</u>	<u>(29,324)</u>
	<u>29,444</u>	<u>9,079</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 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 2011. 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 2011.

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 2011.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2011 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 2011.

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

No dividend was paid during the financial quarter ended 30 September 2011.

A9 Segmental Information

	Group revenue and results including Share of JVs	
	6 months ended	
	30.9.2011	30.9.2010
	RM'000	RM'000
Segment Revenue		
Revenue		
Construction	198,731	197,673
Property development	1,568	742
Property investment	311	461
Trading and services	11,607	11,517
Investment holding and other	6,340	6,087
Total	218,557	216,480
Elimination of inter-segment sales	(6,827)	(6,744)
Total	211,730	209,736

	Group revenue and results including Share of JVs	
	6 months ended	
	30.9.2011	30.9.2010
	RM'000	RM'000
Segment Results		
Profit/(Loss) before tax		
Construction	2,239	5,949
Property development	22	834
Property investment	(1,039)	(318)
Trading and services	(24)	357
Investment holding and other	8,230	(9,690)
Total	9,428	(2,868)

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) Acquisition of a shelf company named Meadowfield Sdn Bhd with an issued and paid up capital of RM2.00 on 13 September 2011.

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 30.9.2011 RM	Financial Year Ended 31.3.2011 RM
(i) Corporate guarantees for credit facilities granted to the Group	15,381,049	23,516,485

A14 Capital Commitments

The Company has, via its wholly-owned subsidiary, Ireka Engineering & Construction Sdn Bhd (“IECSB”), entered into a sale and purchase agreement to acquire a parcel of freehold land under Geran 53316, Lot 1084 Mukim of Kajang, Daerah Ulu Langat, Negeri Selangor Darul Ehsan, for a total cash consideration of RM22,426,558 on 8 September 2011. As at 30 September 2011, IECSB has paid a total cash deposit of RM2,242,655.80, representing 10% of the purchase consideration. The balance of RM20,183,902.20 will be paid within 3 months from the date of the sale and purchase agreement (the “Completion Period”), or extension of 45 days from the Completion Period’s expiry date (“Extended Completion Period”), subject to an interest rate of 8% per annum on the balance purchase price (or any unpaid balance) until the date of full payment.

The Company has, via its wholly-owned subsidiary, Meadowfield Sdn Bhd (“Meadowfield”), entered into a sale and purchase agreement to acquire freehold lands located in Bandar Nilai Utama/ Mukim Setul/ Mukim Labul, Daerah Seremban, Negeri Sembilan, for a total cash consideration of RM24,500,000 on 21 September 2011. As at 30 September 2011, Meadowfield has paid a total cash deposit of RM2,450,000 representing 10% of the purchase consideration. The balance of RM22,050,000 will be paid within 3 months from the date of the sale and purchase agreement (the “Completion Period”), or extension of 60 days from the Completion Period’s expiry date (“Extended Completion Period”), subject to an interest rate of 8% per annum on such part of the balance purchase price outstanding on daily basis from the day next after the Completion Period until the date of full payment.

Save for the aforesaid, there were no other 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 2011, the Group has achieved revenue of RM211.730 million as compared to RM209.736 million for the preceding year. This is mainly due to marginally higher volume of construction works completed during the period.

For the financial period ended 30 September 2011, the Group recorded a pre-tax profit of RM9.428 million, as compared to a pre-tax loss of RM2.868 million in the preceding year. This is attributable to a share of profit in Aseana Properties Limited ("ASPL") (a 23.02% associate of Ireka) of RM7.628 million (30 September 2010: Loss of RM7.503 million) and a gain on disposal of a property of RM3.159 million, offset by a mark-to-market loss for share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM1.681 million (30 September 2010: RM1.986 million). Operational profit has also been affected by a provision for Liquidated and Ascertained Damages arising from late in delivery of a major project of RM5 million during the period under review.

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

The Group has recorded a higher revenue of RM112.694 million in the second quarter of financial year ending 31 March 2012, compared with RM99.036 million in the preceding quarter; and a post-tax profit of RM1.147 million compared to post-tax profit of RM7.451 million in the last quarter. The main reason for the lower profit achieved during the current quarter is due to the provision for Liquidated and Ascertained Damages 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 be maintained in the current financial year. As at end October 2011, the Group's order book stood at about RM1.20 billion, of which about RM400 million remained outstanding. Over the last 12 months, the Group has tendered for jobs totalling over RM1 billion and has successfully secured three projects with total contract sum of about RM400 million. The Group has intensified its efforts to replenish its order book over the course of the year, in an increasingly competitive market. The Group expects prices of construction materials to increase and the labour situation to remain tight, but will endeavour to maintain the profitability of its on-going construction projects.

On the property development front, we expect Aseana Properties Limited to contribute positively to the Group in the current financial year. The Group expects its management fees from Aseana Properties Limited to increase, in line with the higher Net Asset Value of Aseana Properties Limited. In view of the current global economic issues which may weigh on the Group's activities in Malaysia and Vietnam, the directors will continue to be cautious in its business approach.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2012.

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	
	30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
Malaysian income tax	(131)	(239)	(295)	(250)
Overseas tax	(289)	-	(473)	-
Deferred tax	-	-	(62)	-
	(420)	(239)	(830)	(250)

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

B6 Unquoted Investments and/or Properties

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

B7 Quoted Investments

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 were 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 2011 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	4,735
Project loans	36,711
Hire Purchase/Leasing	3,563
Trade finance	33,774
Bank overdraft	30,829
Revolving credit	81,439

	191,051

<i>Unsecured:-</i>	
Bank overdraft	816
Revolving credit	1,000

	192,867

	RM'000
(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	24,070
Hire Purchase/Leasing	6,640

	30,710

(c) Total borrowings	223,577
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All bank borrowings of the Group are denominated in Malaysian Ringgit and United State Dollars.

B10 Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the retained earnings of the Group as at 30 September 2011, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:-

	30.9.2011 RM'000	31.3.2011 RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	101,667	100,628
- Unrealised	(3,252)	(3,190)
	-----	-----
	98,415	97,438
	=====	=====
 The share of accumulated losses of its associates:-		
- Realised	(9,481)	(23,435)
- Unrealised	6,491	12,820
	-----	-----
	(2,990)	(10,615)
	=====	=====
 The share of accumulated losses of its jointly controlled entity:-		
- Realised	(2,156)	(2,152)
- Unrealised	-	-
	-----	-----
	(2,156)	(2,152)
	=====	=====
 Total retained earnings	 93,269	 84,671
	=====	=====

The determination of realised and unrealised profits is based on the Guidance of Special Matters No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia's Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirement stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B11 Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at 21 November 2011.

B12 Material Litigations

The Group was not engaged in any material litigation as at 21 November 2011.

B13 Dividend Proposed

At the Company's Annual General Meeting held on 22 September 2011, the shareholders of the Company have approved the declaration of a first and final single-tier dividend of 5% (5 sen net per ordinary share) in respect of the financial year ended 31 March 2011. Dividend payment will be made on 15 December 2011 to shareholders whose names appeared on the Record of Depositors as at 5 December 2011.

B14 Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
(a) Basic				
Profit/(loss) for the period attributable to owners of the Company (RM'000)	1,147	(87)	8,598	(3,118)
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings/(loss) per share (sen)	1.01	(0.08)	7.55	(2.74)
(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
25 November 2011