

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2012

	Unaudited Current Year Quarter 30.9.2012 RM'000	Unaudited Preceding Year Corresponding Quarter 30.9.2011 RM'000	Unaudited Current Year To Date 30.9.2012 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2011 RM'000
Revenue	96,580	112,694	206,943	211,730
Cost of sales	(88,624)	(104,120)	(185,370)	(192,262)
Gross profit	7,956	8,574	21,573	19,468
Other income	876	2,978	2,013	4,838
Expenses	(9,952)	(7,279)	(17,585)	(16,665)
Operating (loss)/profit	(1,120)	4,273	6,001	7,641
Finance costs	(2,051)	(3,327)	(3,992)	(5,834)
Share of results of associates	649	621	(2,584)	7,625
Share of results of jointly controlled entity	-	-	-	(4)
(Loss)/profit before tax	(2,522)	1,567	(575)	9,428
Income tax expense	(248)	(420)	(1,052)	(830)
(Loss)/profit for the period	(2,770)	1,147	(1,627)	8,598
Other comprehensive (loss)/Income:-				
Currency translation differences	(69)	12	(119)	34
Total comprehensive (loss)/income for the period	(2,839)	1,159	(1,746)	8,632
(Loss)/profit attributable to:-				
Owners of the Company	(2,770)	1,147	(1,627)	8,598
Non-controlling interest	-	-	-	-
	(2,770)	1,147	(1,627)	8,598
Total comprehensive (loss)/income attributable to:-				
Owners of the Company	(2,839)	1,159	(1,746)	8,632
Non-controlling interest	-	-	-	-
	(2,839)	1,159	(1,746)	8,632
(Loss)/earnings per share attributable to owners of Company:-				
- basic (sen)	(2.43)	1.01	(1.43)	7.55
- 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 2012 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Operating (loss)/profit	(1,120)	4,273	6,001	7,641
Gross interest income	114	244	323	476
Gross interest expense	2,051	3,327	3,992	5,834

IREKA CORPORATION BERHAD (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 30 September 2012**

	Unaudited As At 30.9.2012 RM'000	Audited As At 31.3.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	57,429	55,732
Investment properties	25,170	25,162
Investment in associates	165,951	168,535
Investment in jointly controlled entity	-	-
Other investments	1,522	2,710
Land held for property development	38,234	37,047
	<u>288,306</u>	<u>289,186</u>
Current assets		
Property development costs	27,165	25,552
Inventories	12,080	11,042
Trade and other receivables	174,837	192,253
Amounts due from customers on contracts	28,129	24,063
Amounts due from jointly controlled entity	-	-
Amounts due from associates	13,571	11,516
Cash and cash equivalents	21,275	40,185
	<u>277,057</u>	<u>304,611</u>
TOTAL ASSETS	<u>565,363</u>	<u>593,797</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	113,915	113,915
Reserves	109,183	110,929
	<u>223,098</u>	<u>224,844</u>
Non-controlling interest	-	-
Total equity	<u>223,098</u>	<u>224,844</u>
Non-current liabilities		
Borrowings	52,830	38,017
Deferred tax liabilities	3,244	3,244
	<u>56,074</u>	<u>41,261</u>
Current liabilities		
Provision	14,000	14,000
Trade and other payables	164,714	175,346
Borrowings	96,028	130,590
Overdrafts	9,483	6,902
Amounts due to customers on contracts	74	56
Tax payable	1,892	798
	<u>286,191</u>	<u>327,692</u>
Total liabilities	<u>342,265</u>	<u>368,953</u>
TOTAL EQUITY AND LIABILITIES	<u>565,363</u>	<u>593,797</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	<u>1.96</u>	<u>1.97</u>
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Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2012

	Attributable to owners of the Company		Non-distributable		Total Equity Attributable to Owners of the Company RM'000	(Unaudited) Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000		
6 months ended 30.9.2012 (Unaudited)						
Balance as at 1.4.2012	113,915	21,871	(319)	89,377	224,844	224,844
Total comprehensive loss for the period	-	-	(119)	(1,627)	(1,746)	(1,746)
Balance as at 30.9.2012	113,915	21,871	(438)	87,750	223,098	223,098

	Attributable to owners of the Company		Non-distributable		Total Equity Attributable to Owners of the Company RM'000	(Unaudited) Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000		
6 months ended 30.9.2011 (Unaudited)						
Balance as at 1.4.2011	113,915	21,871	(251)	84,671	220,206	220,206
Total comprehensive income for the period	-	-	34	8,598	8,632	8,632
Balance as at 30.9.2011	113,915	21,871	(217)	93,269	228,838	228,838

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD (Company No. 25882-A)

Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2012

	Unaudited Current Year To Date 30.9.2012 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2011 RM'000
Cash flows from operating activities		
(Loss)/profit before tax	(575)	9,428
Adjustments for:		
Bad debts written off	2	-
Depreciation of property, plant and equipment	2,502	2,877
Gain on disposal of property, plant and equipment	(553)	(3,170)
Property, plant and equipment written off	-	339
Impairment loss on other investments	1,188	1,681
Share of loss/(profit) from associates	2,584	(7,625)
Share of loss of jointly controlled entities	-	4
Interest expense	3,992	5,834
Interest income	(323)	(476)
Operating profit before changes in working capital	8,817	8,892
Working capital changes:		
Inventories	(1,038)	7,181
Receivables	17,360	(52,200)
Property development costs	(1,613)	(24,510)
Amount due from customers on contracts	(4,048)	26,690
Amount due from jointly controlled entities	-	-
Amount due from associates	(2,055)	(816)
Payables	(10,751)	12,196
Cash generated from/(used in) operations	6,672	(22,567)
Income tax refund/(paid)	96	(869)
Net cash generated from/(used in) operating activities	6,768	(23,436)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,309)	(510)
Purchase of investment properties	(8)	-
Proceeds from disposal of property, plant and equipment	670	3,850
Land held for property development	(1,187)	(2,155)
Interest received	323	476
Net cash (used in)/generated from investing activities	(2,511)	1,661
Cash flows from financing activities		
Hire purchase principal repayments	(2,469)	(2,559)
Interest paid	(3,992)	(5,834)
Drawdown of bank borrowings	59,465	110,625
Repayment of bank borrowings	(78,752)	(65,750)
Net cash (used in)/generated from financing activities	(25,748)	36,482
Net (decrease)/increase in cash and cash equivalents	(21,491)	14,707
Cash and cash equivalents as at beginning of financial period	33,283	14,737
Cash and cash equivalents as at end of financial period	11,792	29,444
Cash and cash equivalents as at end of financial period comprise the followings:-		
Cash and bank balances	21,275	61,089
Overdrafts	(9,483)	(31,645)
	11,792	29,444

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD (Company No. 25882-A)
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 2012. 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 2012.

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 2012.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2012 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 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 2012.

A9 Segmental Information

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Segment Revenue				
Revenue				
Construction	88,107	106,700	192,304	198,731
Property development	-	42	-	1,568
Property investment	240	150	447	311
Trading and services	9,130	6,015	17,423	11,607
Investment holding and other	3,113	3,115	6,227	6,340
Total	100,590	116,022	216,401	218,557
Elimination of inter-segment sales	(4,010)	(3,328)	(9,458)	(6,827)
Total	96,580	112,694	206,943	211,730

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Segment Results				
(Loss)/profit before tax				
Construction	(255)	(1,045)	4,639	2,239
Property development	(97)	(11)	(325)	22
Property investment	(368)	(565)	(720)	(1,039)
Trading and services	(990)	(203)	(262)	(24)
Investment holding and other	(812)	3,391	(3,907)	8,230
Total	(2,522)	1,567	(575)	9,428

A10 Carrying Amount of Revalued Property, Plant and Equipment

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

A11 Material Subsequent Events

There were no material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no 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.

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 30.9.2012 RM	Financial Year Ended 31.3.2012 RM
(i) Corporate guarantees for credit facilities granted to the Group	4,153,071	3,250,671

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

For the financial period ended 30 September 2012, the Group has recorded revenue of RM206.943 million as compared to RM211.730 million for the preceding year. The current year revenue is mainly attributable to the construction segment of the Group.

The construction segment has achieved lower revenue of RM192.304 million in the current period, compared to RM198.731 million in the preceding period, due to lower volume of works completed. Contribution comes from its local and Vietnam operations. The Group is currently constructing a private hospital project in Ho Chi Minh City, which contributes to about 23% of the Group's construction revenue in the current period under review.

The trading and services segment consists mainly of property development management and IT Solutions divisions. The latter has contributed to the higher revenue recorded in the current period under review.

For the financial period ended 30 September 2012, the Group recorded a pre-tax loss of RM0.575 million, as compared to a pre-tax profit of RM9.428 million in the preceding year. The current results are affected by a share of loss of Aseana Properties Limited ("ASPL") (a 23.07% associate of Ireka) of RM2.518 million (30 September 2011: Profit of RM7.628 million). The result is also inclusive of a mark-to-market loss on share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM1.188 million (30 September 2011: RM1.681 million). In the preceding year corresponding period, the Group has recorded a gain of RM3.159 million on disposal of an office shoplot.

The profit from construction segment has included a payment for Liquidated and Ascertained Damages arising from late in delivery of a project of RM0.427 million (30 September 2011: RM5.000 million).

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

The Group has achieved lower revenue of RM96.580 million in the current quarter as compared to RM112.694 million in the preceding year corresponding quarter. This is mainly due to lower contribution by its construction division in the current quarter.

For the financial quarter ended 30 September 2012, the Group recorded a pre-tax loss of RM2.522 million, as compared to a pre-tax profit of RM1.567 million in the preceding year corresponding quarter. The loss for this quarter has included a mark-to-market loss on share investment in KBC of RM0.862 million (30 September 2011: RM0.037 million). In the preceding year corresponding quarter, the Group has recorded a gain of RM3.159 million on disposal of an office shoplot.

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

The Group has recorded a lower revenue of RM96.580 million in the second quarter of financial year ending 31 March 2013, compared to RM110.363 million in the immediate preceding quarter; and a pre-tax loss of RM2.522 million compared to a pre-tax profit RM1.947 million in the last quarter.

The lower revenue achieved in the current quarter is mainly due to lower construction works achieved. The construction segment has contributed significant lower profit to the current quarter due to unexpected costs incurred in certain project. The results are also affected by a further impairment in the share investment in KBC of RM0.862 million in the current quarter, compared to RM0.326 million in the immediate preceding quarter.

B3 Prospects for the Current Financial Year

On the construction front, the Group has tendered for about RM6 billion worth of contracts over the last twelve months. In November 2012, the Group has secured two contracts for the construction and completion of main structural, civil, sub-structure and other related works under Package V7 of the MRT project: Construction and Completion of Viaduct Guideway and other associated works from Bandar Tun Hussein Onn to Taman Mesra with a combined contract sum of RM134.14 million. As at end September 2012, the Group's order book stood at about RM900 million, of which about RM480 million remained outstanding. Barring unforeseen circumstances, the Group is hopeful that it will secure more construction contracts in the coming few months.

On the property development front, the Group is actively working on four projects comprising residential, mixed commercial and industrial developments. We expect to launch two of the projects towards end of this year. These projects will contribute positively to the revenue and earnings of the Group in the current financial year.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2013.

B5 (Loss)/Profit for the Period

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

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Bad debts written off	2	-	2	-
Depreciation of property, plant and equipment	1,292	1,440	2,502	2,877
Impairment loss on other investments	862	37	1,188	1,681
Interest expenses	2,051	3,327	3,992	5,834
Net foreign exchange loss/(gain)	247	2	(47)	5
Property, plant and equipment written off	-	306	-	339
Gain on disposal of property, plant and equipment	(426)	(3,171)	(553)	(3,170)
Interest income	(114)	(244)	(323)	(476)

Other than the above items, there were no allowance for and write off of inventories and exceptional items for the current quarter and financial period ended 30 September 2012.

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	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Malaysian income tax	58	(131)	(397)	(295)
Overseas income tax	(306)	(289)	(655)	(473)
Deferred tax	-	-	-	(62)
	(248)	(420)	(1,052)	(830)

The effective tax rates of the Group for the current period were higher than the statutory tax rate due to effect of share of losses of associates and the losses of certain subsidiaries cannot be set off against taxable profit made by certain subsidiaries.

B7 Status of Corporate Proposals

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

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2012 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	7,032
Project loans	17,919
Hire purchase/leasing	4,469
Trade finance	22,311
Bank overdraft	8,644
Revolving credit	43,297

	103,672

<i>Unsecured:-</i>	
Bank overdraft	839
Revolving credit	1,000

	105,511

(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	32,348
Project loans	17,100
Hire purchase/leasing	3,382

	52,830

(c) Total borrowings	158,341
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Bank borrowings of the Group are denominated in Malaysian Ringgit and United State Dollars.

B9 Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the retained earnings/(accumulated losses) of the Group as at 30 September 2012, into realised and unrealised profits/(losses) is as follows:-

	30.9.2012	31.3.2012
	RM'000	RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	94,095	93,138
- Unrealised	(3,244)	(3,244)
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	90,851	89,894
	=====	=====

	30.9.2012	31.3.2012
	RM'000	RM'000
The share of accumulated losses of its associates:-		
- Realised	(7,408)	(4,780)
- Unrealised	4,307	4,263
	<u>(3,101)</u>	<u>(517)</u>
Total retained earnings	<u>87,750</u>	<u>89,377</u>

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.

B10 Material Litigations

The Group was not engaged in any material litigation as at 22 November 2012.

B11 Dividend Proposed

At the Company's Annual General Meeting held on 26 September 2012, 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 2012. Dividend payment will be made on 20 December 2012 to shareholders whose names appeared on the Record of Depositors as at 5 December 2012.

B12 (Loss)/Earnings per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended		6 Months Ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
(a) Basic				
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(2,770)	1,147	(1,627)	8,598
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic (loss)/earnings per share (sen)	(2.43)	1.01	(1.43)	7.55
(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
28 November 2012