

PRESS RELEASE



Ireka Corporation Berhad

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IREKA POSTS RM6.0M NET PROFIT FOR FY2009

Kuala Lumpur, 28 May 2009: Main-Board listed construction and property developer Ireka Corporation Berhad (Ireka) achieved a **net profit of RM6.02 million** for the **full financial year ended 31 March 2009 (FY2009)**, on the back of a **RM323.70 million** turnover. Its construction division remains the key driver for the Group, contributing over 80% of the Group's turnover during the year under review. The net profit has also included a one-off loss in IT investments totaling RM1.75 million. In the previous financial year (FY2008), **revenue** stood at **RM330.61 million**, with **net profit** at **RM153.84 million**. This net profit took into consideration a one-off gains on disposal of its subsidiaries.

Note: The floatation of Aseana Properties Limited ("Aseana") in London Stock Exchange, has paved way for Ireka to participate in property development activities, through its role as the exclusive development manager of Aseana. Ireka Development Management Sdn Bhd, IDM, (a wholly-owned subsidiary of Ireka Corporation Berhad), is currently undertaking development projects in Malaysia and Vietnam, on behalf of Aseana on a fee basis. Ireka Corporation Berhad has a 21.7% investment stake in Aseana.

As a **quarter-to-quarter** comparison (for the period ended 31 December), the Group's **net profit** increased 23% from RM3.22 million in the previous quarter (Q3 FY2009) to RM3.96 million in this quarter (Q4 FY2009). **Turnover** in the this quarter (Q4 FY2009) stood at RM76.21 million as compared to RM95.84 million recorded in the previous quarter (Q3 FY2009).

Group Managing Director of Ireka Corporation Berhad, Lai Siew Wah, said, "Despite most part of 2008 saw the surge in the costs of construction materials, it has dropped and stabilised in the last quarter of 2008. Bank Negara has forecast the construction industry to grow at 3% this year, and we expect to see more new jobs coming on-stream especially with the Government's stimulus package. We will continue to bid for viable construction projects – with the main focus in the Malaysia and Vietnam markets."

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Ireka is currently undertaking the construction of two high-end condominium projects (Tiffani by i-ZEN and SENI Mont' Kiara) and a shopping centre / office project (ONE Mont' Kiara) in Mont' Kiara, Kuala Lumpur. It is also involved in the construction of Phase Three and Four of Sandakan Harbour Square in Sabah, which encompasses a modern lifestyle mall and a hotel. Sandakan Harbour Square, an integrated urban renewal development, has recently won the much-coveted CNBC-Asia Pacific Property Awards 2009, in the Commercial Redevelopment/ Renovation category.

Lai added, "The Group remains resilient despite the current economic slowdown, and we will continue to sustain and further strengthen our financial position. As at end April, Ireka has a strong order book of RM1.14 billion, with RM722 million works still outstanding, which will see us through at least the next 2 years. Our gross gearing is at a comfortable level of under 0.5X, with shareholders' fund at RM233.99 million."

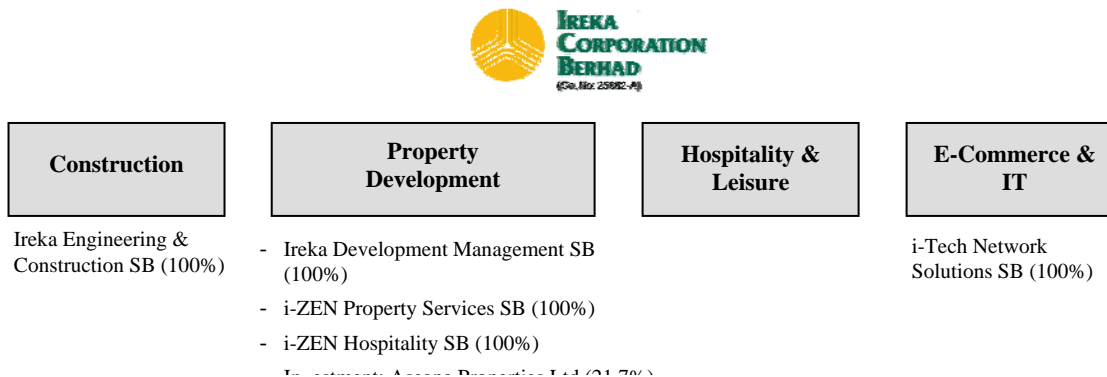
Ireka had beat several industry target for its full year financial results for the period ended 31 March 2009 (FY2009). In a research note dated 27 February 2009 by **Kenanga Research**, its earning estimates for Ireka Corporation Berhad was RM308.8 million for turnover and RM4.4 million for net profit. In the last quarter's results (3Q FY2009 ended 31 December 2009), Kenanga Research commented on the improved construction margins which was due to the lower building material cost, particularly steel bars. Ireka also surpassed **Affin Investment Bank's** net profit target of RM5.1 million (in its research note dated 27 February 2009), but fell short of its turnover target of RM331.2 million. Ireka also fell short of **Insider Asia's** estimated net profit of RM6.4 million, but surpassed its target of RM316.0 million revenue (as per research note dated 2 March 2009).

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About Ireka Corporation Berhad

Ireka Corporation Berhad ('Ireka') www.ireka.com.my was founded in 1967. Ireka was listed on the Second Board of Bursa Malaysia on 12 July 1993, and transferred to the Main Board on 13 June 2002. Currently, the Group's activities are divided into four core businesses; namely **Construction, Property Development, Hospitality & Leisure, and E-Commerce & IT.**

Note: The diagram below indicates key entities only.



In its over four decades of operation in the **Construction** business, Ireka has distinguished itself by its involvement in the construction of some of the country's most notable projects; such as the Kuala Lumpur International Airport runway, Kuala Lumpur Middle-Ring Road II, North-South Expressway, Putrajaya Government Administrative Offices, Digi Corporate Office (D'House), Technology Park Malaysia and The Westin Kuala Lumpur.

In the **Property Development** business, Ireka began acquiring landbank in Mont' Kiara since 1990s, which enabled the Group to undertake property development activities throughout 1990s and 2000s. Ireka had successfully initiated the listing of a property company, Aseana Properties Limited ('Aseana') www.aseanaproperties.com, on the London Stock Exchange on 5 April 2007, and injected its two property subsidiaries into Aseana. Ireka currently holds a 19.6% stake in Aseana. This move has allowed Ireka to undertake property development activities in Malaysia and Vietnam through its wholly-owned subsidiary, Ireka Development Management Sdn Bhd ('IDM'), which is the exclusive Development Manager for Aseana. Current property development projects managed by IDM include Tiffani by i-ZEN, one Mont' Kiara, SENI Mont' Kiara, Sandakan Harbour Square (Phase 3 & 4) as well as several developments in Vietnam. Some of the completed projects undertaken by Ireka previously include i-ZEN@Villa Aseana, i-ZEN@Kiara II, i-ZEN@Kiara I, Luyang Perdana (Kota Kinabalu) and Sandakan Harbour Square (Phase 1 & 2).

Building on its much-celebrated **i-ZEN** (www.i-zen.com.my) brand of luxury properties in Malaysia, the Group's property development activities are also strongly supported by its property management arm, through i-ZEN Hospitality Sdn Bhd, which manages completed properties. i-ZEN Property Services Sdn Bhd undertakes sales and marketing as well as leasing services for completed i-ZEN properties.

Within the Group's **Hospitality & Leisure** business, it has previously developed, owned and managed The Westin Kuala Lumpur, an international 5-star award-winning hotel. The Westin Kuala Lumpur was opened in September 2003 and has won many highly coveted awards such as FIABCI Malaysia Property Awards 2005 (*Hotel Development category*), Prix d'Excellence Award 2006 (*Best Hotel & Resort category*) and Hospitality Asia Platinum Awards 2005 – 2006 (*The Award for Excellence – Best New Hotel*). Through The Westin Kuala Lumpur, Ireka has built on its expertise to manage serviced residences in the highest level of standards. The 443-room Westin Kuala Lumpur was sold in early 2007 for a record price of about RM1 million per room.

Ireka's **Information Technology** arm, i-Tech Network Solutions Sdn Bhd (i-Tech) www.itns.com.my, focuses on the provision of IT networking solutions, that enables business operations to be conducted in an efficient and optimum manner. Established since 2003, i-Tech has grown immensely throughout the years and formed strong alliances and partnerships with worldwide-recognised Software and Hardware principals. In recognition of these strategic partnerships, i-Tech has been conferred with numerous "Preferred Partner Award" status. With the support of its vast range of quality products and customer-centric services, i-Tech has also embarked into professional consultancy as the key business driver, providing network and security solutions that are customised to each customer's unique business requirements.