

**IREKA CORPORATION BERHAD**

**Condensed Consolidated Income Statements for the Quarter Ended 31 December 2009**

	Unaudited Current Year Quarter 31.12.2009 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2008 RM'000	Unaudited Current Year To Date 31.12.2009 RM'000	Unaudited Preceding Year Corresponding Period 31.12.2008 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	113,867	95,835	288,477	247,487
Cost of sales	(101,029)	(85,717)	(252,208)	(223,024)
<b>Gross profit</b>	<b>12,838</b>	10,118	<b>36,269</b>	24,463
Other income	452	374	1,479	684
Expenses	(8,897)	(5,797)	(24,290)	(18,420)
<b>Profit/(Loss) from operations</b>	<b>4,393</b>	4,695	<b>13,458</b>	6,727
Share of profit/(loss) after tax of jointly controlled entities	(9)	76	(28)	71
Finance costs	(2,013)	(1,234)	(5,270)	(3,972)
<b>Profit/(Loss) before tax</b>	<b>2,371</b>	3,537	<b>8,160</b>	2,826
Income tax expense	(130)	(322)	(315)	(764)
	<b>2,241</b>	3,215	<b>7,845</b>	2,062
<b>DISCONTINUED OPERATION</b>				
Loss/(Profit) for the year from discontinued operation	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>2,241</b>	3,215	<b>7,845</b>	2,062
<b>Attributable to :</b>				
Equity holders of the parent	2,241	3,215	7,845	2,062
Minority interest	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>2,241</b>	<b>3,215</b>	<b>7,845</b>	<b>2,062</b>
<b>Earnings/(Loss) per share (sen) :</b>				
- Basic, for profit for the period	1.97	2.82	6.89	1.81
- Diluted, for profit for the period	N/A	N/A	N/A	N/A

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the Interim Statements)**

**Other information:-**

Profit from operations	4,393	4,695	13,458	6,727
Gross interest income	219	2,861	333	8,520
Gross interest expense	2,232	4,095	5,603	12,492

**IREKA CORPORATION BERHAD**  
**Condensed Consolidated Balance Sheet as at 31 December 2009**

	<b>Unaudited As At 31.12.2009 RM'000</b>	<b>Audited As At 31.3.2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	73,664	65,021
Land and development expenditure	10,819	10,819
Investment properties	4,272	4,272
Interest in jointly controlled entities	140	185
Other investments	180,717	185,698
Other intangibles	1,025	-
	<u>270,637</u>	<u>265,995</u>
<b>Current assets</b>		
Development properties	3,551	3,253
Inventories	17,535	14,424
Trade and other receivables	225,641	144,135
Amounts due from customers on contracts	26,554	31,328
Amounts due from jointly controlled entities	11,543	11,422
Deposits, cash and cash equivalents	41,135	27,139
	<u>325,959</u>	<u>231,701</u>
<b>TOTAL ASSETS</b>	<u>596,596</u>	<u>497,696</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	113,915	113,915
Reserves	123,014	120,086
	<u>236,929</u>	<u>234,001</u>
<b>Minority interests</b>	-	-
<b>Total equity</b>	<u>236,929</u>	<u>234,001</u>
<b>Non-current Liabilities</b>		
Borrowings	31,773	37,695
Deferred tax liabilities	3,252	3,252
	<u>35,025</u>	<u>40,947</u>
<b>Current liabilities</b>		
Trade and other payables	163,029	149,410
Borrowings	123,470	71,530
Overdrafts	38,143	-
Taxation	-	1,808
	<u>324,642</u>	<u>222,748</u>
<b>Total liabilities</b>	<u>359,667</u>	<u>263,695</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>596,596</u>	<u>497,696</u>

**(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the Interim Statements)**

**Other Information:-**

Net assets per share (RM)	2.08	2.05
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**IREKA CORPORATION BERHAD**

**Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 31 December 2009**

<----- Attributable to equity holders of the Company ----->

<----- Non-distributable-----> <-Distributable->

	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Unaudited Total Equity RM'000
<b><u>9 months ended 31.12.2009 (Unaudited)</u></b>							
Balance as at 1.4.2009	113,915	21,876	(185)	98,395	234,001	-	234,001
Disposal of subsidiary	-	-	-	43	43	-	43
Profit for the period	-	-	-	7,845	7,845	-	7,845
Transaction costs	-	(5)	-	-	(5)	-	(5)
Dividends	-	-	-	(4,955)	(4,955)	-	(4,955)
Balance as at 31.12.2009	<b>113,915</b>	<b>21,871</b>	<b>(185)</b>	<b>101,328</b>	<b>236,929</b>	-	<b>236,929</b>

<----- Attributable to equity holders of the Company ----->

<----- Non-distributable-----> <-Distributable->

	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Unaudited Total Equity RM'000
<b><u>9 months ended 31.12.2008 (Unaudited)</u></b>							
Balance as at 1.4.2008	113,915	21,892	(185)	100,788	236,410	116	236,526
Profit for the period	-	-	-	2,062	2,062	-	2,062
Transaction costs	-	(16)	-	-	(16)	-	(16)
Dividends	-	-	-	(8,430)	(8,430)	-	(8,430)
Balance as at 31.12.2008	<b>113,915</b>	<b>21,876</b>	<b>(185)</b>	<b>94,420</b>	<b>230,026</b>	<b>116</b>	<b>230,142</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 2009 and the accompanying explanatory notes attached to the Interim Statements)**

**IREKA CORPORATION BERHAD****Condensed Consolidated Cash Flow Statement for the Quarter Ended 31 December 2009**

	<b>Unaudited Current Year To Date 31.12.2009 RM'000</b>	<b>Unaudited Preceding Year Corresponding Period 31.12.2008 RM'000</b>
Net cash from operating activities	<b>(48,589)</b>	(7,870)
Net cash used in investing activities	<b>(8,847)</b>	(33,299)
Net cash used in financing activities	<b>51,469</b>	10,317
Net change in cash and cash equivalents	<b>(5,967)</b>	(30,852)
Cash and cash equivalents as at beginning of financial period	<b>8,959</b>	57,576
Cash and cash equivalents as at end of financial period	<b>2,992</b>	26,724

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

Deposits, cash and bank balances	<b>41,135</b>	32,559
Overdrafts	<b>(38,143)</b>	(5,835)
	<b>2,992</b>	26,724

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the Interim Statements)**

## **NOTES TO THE QUARTERLY RESULTS**

### **A1 Basis of Preparation**

The unaudited financial report has been prepared in accordance with *FRS 13 : Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad*.

The unaudited financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2009. 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 2009.

### **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 2009.

### **A3 Audit Report**

The auditors' report on the financial statements for the financial year ended 31 March 2009 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 31 December 2009.

### **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 ended 31 December 2009 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 current quarter results.

### **A7 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the quarter under review.

### **A8 Dividend Paid**

The Company has paid a final dividend of 4.35% net per share comprising franked dividend of 2.6% less 25% taxation and single tier dividend of 2.4%, in respect of the financial year ended 31 March 2009, on 5 November 2009.

### **A9 Segmental Information**

<b>Group revenue and results including Share of JVs 9 months ended</b>
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	<b>31.12.2009 RM'000</b>	<b>31.12.2008 RM'000</b>
<b>Segment Revenue</b>		
Revenue		
Construction	268,067	218,126
Property development	-	5,191
Property investment	760	726
Trading and services	18,029	24,561
Investment holding and other	10,959	8,553
Total	<u>297,815</u>	<u>257,157</u>
Elimination of inter-segment sales	(9,338)	(9,670)
Total	<u><u>288,477</u></u>	<u><u>247,487</u></u>

**Segment Results**

Profit/(Loss) before taxation		
Construction	6,044	2,695
Property development	(198)	(114)
Property investment	28	131
Trading and services	567	1,641
Investment holding and other	1,719	(1,527)
	<u>8,160</u>	<u>2,826</u>
Elimination of inter-segment profit	-	-
Total	<u><u>8,160</u></u>	<u><u>2,826</u></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 acquisition of a shelf company by the name of World Trade Frontier Sdn Bhd with a paid up capital of RM2.00 on 3 December 2009, 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 Liabilities**

(a) Contingent Liabilities

	<b>Financial Quarter Ended 31.12.2009 RM</b>	<b>Financial Year Ended 31.3.2009 RM</b>
(i) Corporate guarantees for credit facilities granted to the Group	48,839,131	15,487,336
(ii) Claims by former lorry subcontractors pertaining to deposits forfeited	843,395	843,395
(b) Contingent Assets		

There were no contingent assets as at the end of the current quarter or at preceding annual balance sheet date.

#### **A14 Capital Commitments**

The Company has, via its wholly owned subsidiary, World Trade Frontier Sdn Bhd (“WTFSB”), entered into a sale and purchase agreement to acquire a piece of property bearing the postal address of No. 7, Jalan Kia Peng, 50450 Kuala Lumpur, for a total cash consideration of RM87,120,000 on 11 December 2009. WTFSB has to-date paid a total cash deposit of RM8,712,000, representing 10% of the purchase consideration. The balance of RM78,408,000 will be paid to the vendors within three(3) months from the date of the sale and purchase agreement and after shareholders’ approval has been obtained by the Company (Please refer to B8 for further information).

Save for the aforesaid, there were no other capital commitments as at the end of the current quarter.

### **BURSA SECURITIES LISTING REQUIRMENTS (PART A OF APPENDIX 9B)**

#### **B1 Review of Performance**

For the 9-month financial period ended 31 December 2009, the Group has achieved higher revenue of RM288.477 million as compared to RM247.487 million for same period in the preceding year. This is mainly due to higher volume of construction works being completed during the period.

For the financial period ended 31 December 2009, the Group has recorded a pre-tax profit of RM8.160 million as compared to RM2.826 in the previous year corresponding period. The lower prices for steel bars and other construction materials during the period have contributed to better profit margins for current construction projects.

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

The Group has recorded higher revenue of RM113.867 million in the third quarter of financial year ending 31 March 2010, compared with RM89.008 million in the preceding quarter, and a pre-tax profit of RM2.371 million, compared to RM2.301 million in the last quarter.

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

On the construction front, basing on existing works on hand, the Board expects turnover to increase in the current financial year. As at end January 2010, the Group's order book stood at about RM1.02 billion, of which about RM496 million remained outstanding. Barring any unforeseen significant increase in the prices of construction materials, the Company expects the on-going projects to continue to contribute positively to the results of the Group.

The Board expects the management fee income from property development management to continue declining, due to the lower Net Tangible Assets of Aseana Properties Limited ("ASPL"). The current global economic crisis has affected the performance of real estate markets in Malaysia and Vietnam, the two countries where ASPL operates in, although directors expect the condition in both markets to improve going forward.

### **B4 Profit Forecast**

The Group did not issue any profit forecast for the financial year ending 31 March 2010.

### **B5 Taxation**

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

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	130	322	315	764
Overseas taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>130</u>	<u>322</u>	<u>315</u>	<u>764</u>

The effective tax rates of the Group for the current quarter and for the year-to-date are lower than the statutory tax rate due to 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**

During the quarter under review, the Company has disposed off 560,000 number of shares in Kinh Bac City Development Shareholding Corporation ("KBC") at an average



net price of about VND73,433 per share, leaving a balance of 1,124,500 ordinary shares.

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

## **B8 Status of Corporate Proposals**

On 19 February 2010, the Company announced that an Extraordinary General Meeting of the Company will be convened on 9 March 2010 to seek shareholders' approvals for the following proposals:-

- (i) The Proposed Acquisition of a piece of property held under Geran 36590, Lot 201, Section 63, Town and District of Kuala Lumpur, Wilayah ("Property") by World Trade Frontier Sdn Bhd ("WTFSB"), a wholly-owned subsidiary of Ireka Corporation Berhad ("ICB"), from Kuok Chiu Hoon Selina, Farah Binti Azman and Kim Kuok Strickland (Formerly known as Kuok King Hoon Kim) for a cash consideration of RM87,120,000 ("Proposed Acquisition");
- (ii) The Proposed Subscription by ASPL M9 Limited ("ASPL"), a wholly-owned subsidiary of Aseana Properties Limited, of a total of 700,000 new ordinary shares of RM1.00 each at par in WTF, representing a shareholding interest of 70% of WTF's enlarged share capital, for a total subscription amount of RM700,000 to be satisfied entirely in cash ("Proposed Subscription"); and
- (iii) The proposed Joint Venture between ICB, WTF and ASPL in connection with the ownership and development of the property ("Proposed Joint Venture")

Save for the aforesaid, there are no other on-going corporate proposals announced but pending completion as at 22 February 2010.

## **B9 Group Borrowings and Debt Securities**

The Group's borrowings as at 31 December 2009 are as follows:-

	<b>RM'000</b>
(a) Short term borrowings	
<i>Secured :-</i>	
Project loans	29,551
Hire Purchase/Leasing	2,893
Trade finance	40,858
Bank overdraft	36,208
Revolving credit	22,939
	-----
	132,449
<i>Unsecured :</i>	
Bank overdraft	1,935
Revolving credit	3,000
	-----
	137,384
	-----
 (b) Long term borrowings	
<i>Secured :-</i>	
Term loan	20,942

	Hire Purchase/Leasing	10,831
		-----
		31,773
		-----
(c)	Total borrowings	169,157
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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 22 February 2010.

#### **B11 Material Litigations**

The Group is not engaged in any material litigation as at 22 February 2010.

#### **B12 Dividend Proposed**

The Board of Directors do not propose any payment of dividend for the current financial quarter ended 31 December 2009.

#### **B13 Earnings Per Share**

	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Period 9 Months Ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
(a) Basic				
Profit for the period attributable to equity holders of the parent (RM'000)	2,241	(4,110)	7,845	(1,153)
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings per share (sen)	1.97	(3.61)	6.89	(1.01)
(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 February 2010**