

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 31 December 2011

	Unaudited Current Year Quarter 31.12.2011 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2010 RM'000	Unaudited Current Year To Date 31.12.2011 RM'000	Unaudited Preceding Year Corresponding Period 31.12.2010 RM'000
Revenue	116,568	99,073	328,298	308,809
Cost of sales	(101,747)	(97,065)	(294,009)	(283,560)
Gross profit	14,821	2,008	34,289	25,249
Other income	734	768	5,572	2,632
Expenses	(9,335)	(5,442)	(26,000)	(20,559)
Operating profit/(loss)	6,220	(2,666)	13,861	7,322
Finance costs	(3,265)	(3,105)	(9,099)	(8,460)
Share of results of associates	(50)	(31)	7,575	(7,526)
Share of results of jointly controlled entity	-	(1,594)	(4)	(1,600)
Profit/(loss) before tax	2,905	(7,396)	12,333	(10,264)
Income tax expense	119	(254)	(711)	(504)
Profit/(loss) for the period	3,024	(7,650)	11,622	(10,768)
Other comprehensive income/(loss):-				
Currency translation differences	(11)	1	23	(20)
Total comprehensive income/(loss) for the period	3,013	(7,649)	11,645	(10,788)
Profit/(loss) attributable to:-				
Owners of the Company	3,024	(7,650)	11,622	(10,768)
Non-controlling interest	-	-	-	-
	3,024	(7,650)	11,622	(10,768)
Total comprehensive income/(loss) attributable to:-				
Owners of the Company	3,013	(7,649)	11,645	(10,788)
Non-controlling interest	-	-	-	-
	3,013	(7,649)	11,645	(10,788)
Earnings/(loss) per share attributable to owners of Company:-				
- basic (sen)	2.65	(6.71)	10.20	(9.45)
- 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/(loss)	6,220	(2,666)	13,861	7,322
Gross interest income	248	113	724	753
Gross interest expense	3,265	3,105	9,099	8,460

IREKA CORPORATION BERHAD (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 31 December 2011**

	Unaudited As At 31.12.2011 RM'000	Audited As At 31.3.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,834	76,571
Investment properties	4,272	4,272
Investment in associates	166,012	158,437
Investment in jointly controlled entity	-	-
Other investments	2,225	4,978
Land held for property development	36,192	10,840
Deferred tax assets	-	62
	<u>283,535</u>	<u>255,160</u>
Current assets		
Property development costs	24,528	-
Inventories	10,539	17,169
Trade and other receivables	211,371	175,952
Amounts due from customers on contracts	24,689	56,642
Amounts due from jointly controlled entity	9,509	9,513
Amounts due from associates	10,316	8,929
Cash and bank balances	68,010	48,368
	<u>358,962</u>	<u>316,573</u>
TOTAL ASSETS	<u>642,497</u>	<u>571,733</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	113,915	113,915
Reserves	112,240	106,291
	<u>226,155</u>	<u>220,206</u>
Non-controlling interest	-	-
Total equity	<u>226,155</u>	<u>220,206</u>
Non-current liabilities		
Borrowings	30,059	29,804
Deferred tax liabilities	3,252	3,252
	<u>33,311</u>	<u>33,056</u>
Current liabilities		
Provision	15,000	10,000
Trade and other payables	191,680	157,528
Borrowings	145,206	116,023
Overdrafts	30,704	33,631
Amounts due to customers on contracts	131	280
Tax payable	310	1,009
	<u>383,031</u>	<u>318,471</u>
Total liabilities	<u>416,342</u>	<u>351,527</u>
TOTAL EQUITY AND LIABILITIES	<u>642,497</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>1.99</u>	<u>1.93</u>
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Condensed Consolidated Statement of Changes in Equity for the financial period ended 31 December 2011

	Attributable to equity holders of the Company		Attributable to equity holders of the Company		Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest 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			
9 months ended 31.12.2011 (Unaudited)							
Balance as at 1.4.2011	113,915	21,871	(251)	84,671	220,206	-	220,206
Total comprehensive income for the period	-	-	23	11,622	11,645	-	11,645
Dividends	-	-	-	(5,696)	(5,696)	-	(5,696)
Balance as at 31.12.2011	113,915	21,871	(228)	90,597	226,155	-	226,155

	Attributable to equity holders of the Company		Attributable to equity holders of the Company		Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest 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			
9 months ended 31.12.2010 (Unaudited)							
Balance as at 1.4.2010	113,915	21,871	(185)	102,109	237,710	-	237,710
Total comprehensive loss for the period	-	-	(20)	(10,768)	(10,788)	-	(10,788)
Dividends	-	-	-	(5,696)	(5,696)	-	(5,696)
Balance as at 31.12.2010	113,915	21,871	(205)	85,645	221,226	-	221,226

(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 (Company No. 25882-A)
Condensed Consolidated Statement of Cash Flows for the financial period ended 31 December 2011

	Unaudited Current Year To Date 31.12.2011 RM'000	Unaudited Preceding Year Corresponding Period 31.12.2010 RM'000
Cash flows from operating activities		
Profit/(loss) before tax	12,333	(10,264)
Adjustments for:		
Depreciation of property, plant and equipment	4,331	4,794
(Gain)/loss on disposal of property, plant and equipment	(3,309)	46
Property, plant and equipment written off	342	-
Impairment loss on other investments	2,622	1,604
Loss on disposal of other investments	123	-
Share of (profit)/loss from associates	(7,575)	7,526
Share of loss of jointly controlled entities	4	1,600
Interest expense	9,099	8,460
Interest income	(724)	(753)
Operating profit before changes in working capital	17,246	13,013
Working capital changes:		
Inventories	6,630	(50)
Receivables	(35,660)	(50,895)
Property development costs	(24,528)	1,834
Amount due from customers on contracts	31,804	19,702
Amount due from jointly controlled entities	-	(1)
Amount due from associates	(1,387)	-
Payables	39,152	30,260
Cash generated from operations	33,257	13,863
Income tax paid	(1,088)	(3,079)
Net cash generated from operating activities	32,169	10,784
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,178)	(5,655)
Proceeds from disposal of property, plant and equipment	5,302	266
Land held for property development	(25,352)	(21)
Proceeds from disposal of other investments	8	-
Interest received	724	753
Net cash used in investing activities	(20,496)	(4,657)
Cash flows from financing activities		
Dividend paid to shareholders	(5,696)	(5,696)
Hire purchase principal repayments	(3,563)	(2,487)
Interest paid	(9,099)	(8,460)
Drawdown of bank borrowings	94,241	112,031
Repayment of bank borrowings	(64,987)	(86,250)
Net cash generated from financing activities	10,896	9,138
Net increase in cash and cash equivalents	22,569	15,265
Cash and cash equivalents as at beginning of financial period	14,737	2,494
Cash and cash equivalents as at end of financial period	37,306	17,759
Cash and cash equivalents as at end of financial period comprise the followings:-		
Cash and bank balances	68,010	41,189
Overdrafts	(30,704)	(23,430)
	37,306	17,759

(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)

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 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 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

The Company has paid a first and final single-tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2011 on 15 December 2011.

A9 Segmental Information

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Segment Revenue				
Revenue				
Construction	108,445	94,067	307,176	291,740
Property development	10	25	1,578	767
Property investment	155	229	466	690
Trading and services	6,643	5,135	18,250	16,652
Investment holding and other	4,662	3,028	11,002	9,115
Total	119,915	102,484	338,472	318,964
Elimination of inter-segment sales	(3,347)	(3,411)	(10,174)	(10,155)
Total	116,568	99,073	328,298	308,809

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Segment Results				
Profit/(Loss) before tax				
Construction	1,959	(7,862)	4,198	(1,913)
Property development	(21)	(8)	1	826
Property investment	(435)	(39)	(1,474)	(357)
Trading and services	150	3	126	360
Investment holding and other	1,252	510	9,482	(9,180)
Total	2,905	(7,396)	12,333	(10,264)

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 31.12.2011 RM	Financial Year Ended 31.3.2011 RM
(i) Corporate guarantees for credit facilities granted to the Group	5,591,552	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. IECSB has fully paid the balance purchase price to the Vendor on 16 January 2012.

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 Labu, 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”). The Vendor agrees to grant extension of 1 month from 20 February 2012 to Meadowfield 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.

B1 Review of Performance

(a) Performance of Current Period against the Corresponding Period

For the financial period ended 31 December 2011, the Group has recorded revenue of RM328.298 million as compared to RM308.809 million for the preceding year. This is mainly attributable to the construction segment.

The construction segment has achieved higher revenue due to higher volume of works completed during the current period. Contribution came from its local and Vietnam operations. The Group is currently constructing a private hospital project in Ho Chi Minh City and contributed to about 8% of the Group's construction revenue in the current period.

The trading and services segment consists of property development management and IT Solutions divisions. The later has contributed to the higher revenue recorded for the current period.

The higher revenue recorded by the investment holding segment is attributable to a dividend income of RM1.548 million received from Aseana Properties Limited ("ASPL") (a 23.02% associate of Ireka) in December 2011.

For the financial period ended 31 December 2011, the Group recorded a pre-tax profit of RM12.333 million, as compared to a pre-tax loss of RM10.264 million in the preceding year.

The pre-tax profit of the Group for the current period is mainly attributable to the investment holding segment, being a share of profit of ASPL of RM7.580 million (31 December 2010: Loss of RM7.503 million), a dividend income of RM1.548 million from ASPL and a gain on disposal of a property of RM3.154 million. The profits are offset by a mark-to-market loss on share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM2.622 million (31 December 2010: RM1.604 million).

Construction segment has under-performed during the period due to a provision for Liquidated and Ascertained Damages arising from late in delivery of a major project of RM5 million.

(b) Performance of Current Quarter against the Corresponding Quarter

The Group has achieved a higher revenue of RM116.568 million in the current quarter as compared to RM99.073 million for the preceding year corresponding quarter. This is mainly due to contribution by its construction and investment holding segments.

For the financial period ended 31 December 2011, the Group recorded a pre-tax profit of RM2.905 million, as compared to a pre-tax loss of RM7.396 million in the preceding year corresponding quarter.

Construction segment has incurred losses in the preceding year corresponding quarter, while profit was recorded in the current quarter. Performance in the current quarter was also attributable to a dividend income received from ASPL.

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

The Group has recorded a higher revenue of RM116.568 million in the third quarter of financial year ending 31 March 2012, compared with RM112.694 million in the preceding quarter; and a post-tax profit of RM3.024 million compared to post-tax profit of RM1.147 million in the last quarter.

The higher revenue and profit achieved during the current quarter is contributed by the construction, trading and services and investment holding segments as stated in Note B1(a) above.

B3 Prospects for the Current Financial Year

On the construction front, basing on existing works on hand, the Board expects turnover to improve in the current financial year. As at end December 2011, the Group's order book stood at about RM651 million, of which about RM312 million remained outstanding. The construction unit has intensified its efforts to replenish its order book over the course of the year, in an increasingly competitive market. It is also expected to receive some boost in turnover from internally generated works from the Group's property development activities this year. 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, the Group is currently working on four projects, two of which are expected to commence launching during the second half of this year. However, these projects will not contribute to the revenue and earnings of the Group in the current financial year.

In respect of Aseana Properties Limited, the Board expects the company 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 Profit/(Loss) for the Period

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

	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Depreciation of property, plant and equipment	1,454	1,680	4,331	4,794
Impairment loss/(reversal of impairment loss) on other investments	941	(382)	2,622	1,604
Interest expenses	3,265	3,105	9,099	8,460
Loss on disposal of other investments	123	-	123	-
Net foreign exchange loss/(gain)	2	(8)	6	100
Property, plant and equipment written off	3	-	342	-
(Gain)/loss on disposal of property, plant and equipment	(139)	45	(3,309)	46
Interest income	(248)	(113)	(724)	(753)
Dividend income	(1,548)	-	(1,548)	-

Other than the above items, there were no allowance for impairment and write off of receivables, allowance for and write off of inventories and exceptional items for the current quarter and financial period ended 31 December 2011.

B6 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Malaysian income tax	(213)	(254)	(508)	(504)
Overseas income tax	332	-	(141)	-
Deferred tax	-	-	(62)	-
	119	(254)	(711)	(504)

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.

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 31 December 2011 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	3,442
Project loans	27,925
Hire Purchase/Leasing	2,611
Trade finance	32,361
Bank overdraft	29,978
Revolving credit	77,867

	174,184

<i>Unsecured:-</i>	
Bank overdraft	726
Revolving credit	1,000

	175,910

(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	23,513
Hire Purchase/Leasing	6,546

	30,059

(c) Total borrowings	205,969
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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 31 December 2011, into realised and unrealised profits/(losses) is as follows:-

	31.12.2011	31.3.2011
	RM'000	RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	99,045	100,628
- Unrealised	(3,252)	(3,190)
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	95,793	97,438
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IREKA CORPORATION BERHAD (Company No. 25882-A)

	31.12.2011	31.3.2011
	RM'000	RM'000
The share of accumulated losses of its associates:-		
- Realised	(9,531)	(23,435)
- Unrealised	6,491	12,820
	<u>(3,040)</u>	<u>(10,615)</u>
The share of accumulated losses of its jointly controlled entity:-		
- Realised	(2,156)	(2,152)
- Unrealised	-	-
	<u>(2,156)</u>	<u>(2,152)</u>
Total retained earnings	<u>90,597</u>	<u>84,671</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 24 February 2012.

B11 Dividend Proposed

The Board of Directors do not propose any payment of dividend for the current financial quarter ended 31 December 2011.

B12 Earnings/(Loss) per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended		9 Months Ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
(a) Basic				
Profit/(loss) for the period attributable to owners of the Company (RM'000)	3,024	(7,650)	11,622	(10,768)
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings/(loss) per share (sen)	2.65	(6.71)	10.20	(9.45)
(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 February 2012