

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

	Unaudited Current Year Quarter 30.6.2011 RM'000	Unaudited Preceding Year Corresponding Quarter 30.6.2010 RM'000	Unaudited Current Year To Date 30.6.2011 RM'000	Unaudited Preceding Year Corresponding Period 30.6.2010 RM'000
Revenue	99,036	101,709	99,036	101,709
Cost of sales	(88,142)	(89,162)	(88,142)	(89,162)
Gross profit	10,894	12,547	10,894	12,547
Other income	1,860	611	1,860	611
Expenses	(9,386)	(7,973)	(9,386)	(7,973)
Profit from operations	3,368	5,185	3,368	5,185
Finance costs	(2,507)	(1,906)	(2,507)	(1,906)
Share of results of associates	7,004	(6,530)	7,004	(6,530)
Share of results of jointly controlled entity	(4)	(5)	(4)	(5)
Profit/(loss) before taxation	7,861	(3,256)	7,861	(3,256)
Income tax expense	(410)	(11)	(410)	(11)
Profit/(loss) for the period	7,451	(3,267)	7,451	(3,267)
Other comprehensive income				
Exchange differences on translating foreign operations	22	-	22	-
Total comprehensive income for the period	7,473	(3,267)	7,473	(3,267)
Profit/(loss) attributable to:-				
Equity holders of the Company	7,451	(3,267)	7,451	(3,267)
Non-controlling interest	-	-	-	-
	7,451	(3,267)	7,451	(3,267)
Total comprehensive income attributable to:-				
Equity holders of the Company	7,473	(3,267)	7,473	(3,267)
Non-controlling interest	-	-	-	-
	7,473	(3,267)	7,473	(3,267)
Earnings/(loss) per share attributable to equity holders of Company:-				
- basic (sen)	6.54	(2.87)	6.54	(2.87)
- 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:-

Profit from operations	3,368	5,185	3,368	5,185
Gross interest income	232	420	232	420
Gross interest expense	2,507	2,326	2,507	2,326

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

	Unaudited As At 30.6.2011 RM'000	Audited As At 31.3.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	78,557	76,571
Land and development expenditure	12,995	10,840
Investment properties	4,272	4,272
Investment in associates	165,441	158,437
Other investments	3,334	4,978
Deferred tax assets	-	62
	<u>264,599</u>	<u>255,160</u>
Current assets		
Inventories	11,255	17,169
Trade and other receivables	182,640	175,952
Amounts due from customers on contracts	44,587	56,642
Amounts due from jointly controlled entities	9,509	9,513
Amounts due from associates	9,295	8,929
Deposits, cash and cash equivalents	85,411	48,368
	<u>342,697</u>	<u>316,573</u>
TOTAL ASSETS	<u>607,296</u>	<u>571,733</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	113,915	113,915
Reserves	113,764	106,291
	<u>227,679</u>	<u>220,206</u>
Non-controlling Interest	-	-
Total equity	<u>227,679</u>	<u>220,206</u>
Non-current liabilities		
Borrowings	31,660	29,804
Deferred tax liabilities	3,252	3,252
	<u>34,912</u>	<u>33,056</u>
Current liabilities		
Provision	10,000	10,000
Trade and other payables	158,913	157,528
Borrowings	148,482	116,023
Overdrafts	26,517	33,631
Amounts due to customers on contracts	33	280
Current tax liabilities	760	1,009
	<u>344,705</u>	<u>318,471</u>
Total liabilities	<u>379,617</u>	<u>351,527</u>
TOTAL EQUITY AND LIABILITIES	<u>607,296</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>2.00</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 June 2011

	←----- Attributable to equity holders of the Company ----->		←----- Attributable to equity holders of the Company ----->		←----- Attributable to equity holders of the Company ----->	
	Non-distributable		Distributable		Total Equity Attributable to Equity Holders of the Parent	
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
3 months ended 30.6.2011 (Unaudited)						
Balance as at 1.4.2011	113,915	21,871	(251)	84,671	-	220,206
Total comprehensive income for the period	-	-	22	7,451	-	7,473
Balance as at 30.6.2011	113,915	21,871	(229)	92,122	-	227,679

	←----- Attributable to equity holders of the Company ----->		←----- Attributable to equity holders of the Company ----->		←----- Attributable to equity holders of the Company ----->	
	Non-distributable		Distributable		Total Equity Attributable to Equity Holders of the Parent	
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
3 months ended 30.6.2010 (Unaudited)						
Balance as at 1.4.2010	113,915	21,871	(185)	102,109	-	237,710
Total comprehensive income for the period	-	-	-	(3,267)	-	(3,267)
Balance as at 30.6.2010	113,915	21,871	(185)	98,842	-	234,443

(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 June 2011**

	Unaudited Current Year To Date 30.6.2011 RM'000	Unaudited Preceding Year Corresponding Period 30.6.2010 RM'000
Net cash from/(used In) operating activities	17,522	(509)
Net cash used In investing activities	(2,065)	(2,572)
Net cash from financing activities	<u>28,700</u>	13,581
Net change in cash and cash equivalents	44,157	10,500
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>58,894</u>	12,994

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

Deposits, cash and bank balances	85,411	44,638
Overdrafts	<u>(26,517)</u>	(31,644)
	<u>58,894</u>	12,994

(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 June 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 June 2011.

A9 Segmental Information

	Group revenue and results including Share of JVs	
	3 months ended	
	30.6.2011	30.6.2010
	RM'000	RM'000
Segment Revenue		
Revenue		
Construction	92,031	96,098
Property development	1,526	16
Property investment	161	235
Trading and services	5,592	5,552
Investment holding and other	3,225	3,047
Total	102,535	104,948
Elimination of inter-segment sales	(3,499)	(3,239)
Total	99,036	101,709

	Group revenue and results including Share of JVs	
	3 months ended	
	30.6.2011	30.6.2010
	RM'000	RM'000
Segment Results		
Profit/(Loss) before taxation		
Construction	3,284	4,978
Property development	33	(50)
Property investment	(474)	(459)
Trading and services	179	(168)
Investment holding and other	4,839	(7,557)
Total	7,861	(3,256)

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 30.6.2011 RM	Financial Year Ended 31.3.2011 RM
(i) Corporate guarantees for credit facilities granted to the Group	25,963,579	23,516,485

A14 Capital Commitments

There were no 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 June 2011, the Group has achieved revenue of RM99.036 million as compared to RM101.709 million for the preceding year. This is mainly due to lower volume of construction works completed during the period.

For the financial period ended 30 June 2011, the Group recorded a pre-tax profit of an operation profit of RM7.861 million, as compared to a pre-tax loss of RM3.256 million in the preceding year. This has included a share of profit in Aseana Properties Limited ("ASPL") (a 23.02% associate of Ireka) of RM7.004 million (30 June 2010: Loss of RM6.528 million) and a mark-to-market loss for share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM1.644 million (30 June 2010: RM0.595 million). The results were also affected by lower construction margins achieved during this period.

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

The Group has recorded a lower revenue of RM99.036 million in the first quarter of financial year ending 31 March 2012, compared with RM135.695 million in the preceding quarter; and a post-tax profit of RM7.451 million compared to post-tax loss of RM0.937 million in the last quarter. The reasons are as stated in Note 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 July 2011, the Group's order book stood at about RM1.22 billion, of which about RM414 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 this current financial year. The Group also expects its management fees from Aseana Properties Limited to be maintained. 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 3 Months Ended	
	30.6.2011 RM'000	30.6.2010 RM'000	30.6.2011 RM'000	30.6.2010 RM'000
Malaysian income tax	(164)	(11)	(164)	(11)
Overseas taxation	(184)	-	(184)	-
Deferred taxation	(62)	-	(62)	-
	<u>(410)</u>	<u>(11)</u>	<u>(410)</u>	<u>(11)</u>

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 June 2011 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	6,695
Project loans	25,197
Hire Purchase/Leasing	4,465
Trade finance	29,686
Bank overdraft	25,919
Revolving credit	81,439
	<u>173,401</u>
<i>Unsecured:-</i>	
Bank overdraft	598
Revolving credit	1,000
	<u>174,999</u>

	RM'000
(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	25,037
Hire Purchase/Leasing	6,623
	<u>31,660</u>
(c) Total borrowings	<u>206,659</u>

All bank borrowings of the Group are denominated in Malaysian Ringgit and United State Dollars.

B10 Realised and Unrealised Profits/Losses Disclosure

	30.6.2011 RM'000
Total retained profits/(accumulated losses) of Group	
- Realised	101,141
- Unrealised	(3,252)
	<u>97,889</u>
Total share of retained profits/(accumulated losses) from associates	
- Realised	(8,870)
- Unrealised	5,259
	<u>(3,611)</u>
Total share of accumulated losses from jointly controlled entity	
- Realised	(2,156)
- Unrealised	
	<u>(2,156)</u>
Total group retained profit as per consolidated accounts	<u>92,122</u>

B11 Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 20 August 2011.

B12 Material Litigations

The Group was not engaged in any material litigation as at 20 August 2011.

B13 Dividend Proposed

The Board of Directors has recommended a final single-tier dividend of 5.00% per share for approval by the shareholders of the Company at the forthcoming Annual General Meeting.

B14 Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended		3 Months Ended	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
(a) Basic				
Profit/(loss) for the period attributable to equity holders of the parent (RM'000)	7,451	(3,267)	7,451	(3,267)
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings/(loss) per share (sen)	6.54	(2.87)	6.54	(2.87)
(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 August 2011