

## Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 June 2013

	Unaudited Current Year Quarter 30.6.2013 RM'000	Unaudited Preceding Year Corresponding Quarter 30.6.2012 RM'000	Unaudited Current Year To Date 30.6.2013 RM'000	Unaudited Preceding Year Corresponding Period 30.6.2012 RM'000
Revenue	49,002	110,363	49,002	110,363
Cost of sales	(44,000)	(96,746)	(44,000)	(96,746)
<b>Gross profit</b>	<b>5,002</b>	<b>13,617</b>	<b>5,002</b>	<b>13,617</b>
Other income	1,413	1,137	1,413	1,137
Expenses	(7,453)	(7,633)	(7,453)	(7,633)
<b>Operating (loss)/profit</b>	<b>(1,038)</b>	<b>7,121</b>	<b>(1,038)</b>	<b>7,121</b>
Finance costs	(1,790)	(1,941)	(1,790)	(1,941)
Share of loss of associates	(4,661)	(3,233)	(4,661)	(3,233)
<b>(Loss)/profit before tax</b>	<b>(7,489)</b>	<b>1,947</b>	<b>(7,489)</b>	<b>1,947</b>
Income tax expense	(195)	(804)	(195)	(804)
<b>(Loss)/profit for the year</b>	<b>(7,684)</b>	<b>1,143</b>	<b>(7,684)</b>	<b>1,143</b>
<b>Other comprehensive income/(loss):-</b>				
Currency translation differences	53	(50)	53	(50)
<b>Total comprehensive (loss)/income for the year</b>	<b>(7,631)</b>	<b>1,093</b>	<b>(7,631)</b>	<b>1,093</b>
<b>(Loss)/profit attributable to:-</b>				
Owners of the Company	(7,684)	1,143	(7,684)	1,143
Non-controlling interest	-	-	-	-
	<b>(7,684)</b>	<b>1,143</b>	<b>(7,684)</b>	<b>1,143</b>
<b>Total comprehensive (loss)/income attributable to:-</b>				
Owners of the Company	(7,631)	1,093	(7,631)	1,093
Non-controlling interest	-	-	-	-
	<b>(7,631)</b>	<b>1,093</b>	<b>(7,631)</b>	<b>1,093</b>
<b>(Loss)/earnings per share attributable to owners of Company:-</b>				
- basic (sen)	(6.75)	1.00	(6.75)	1.00
- 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 2013 and the accompanying explanatory notes attached to the Interim Statements)**

**Other information:-**

Operating (loss)/profit	(1,038)	7,121	(1,038)	7,121
Gross interest income	77	209	77	209
Gross interest expense	1,790	1,941	1,790	1,941

**IREKA CORPORATION BERHAD** (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 30 June 2013**

	Unaudited As At 30.6.2013 RM'000	Audited As At 31.3.2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56,704	57,100
Investment properties	21,233	23,799
Investment in associates	144,158	148,819
Other investments	1,432	1,513
Land held for property development	39,559	39,124
Deferred tax assets	180	180
	<b>263,266</b>	<b>270,535</b>
<b>Current assets</b>		
Property development costs	32,827	30,780
Inventories	11,378	11,058
Trade and other receivables	119,406	130,683
Amounts due from customers on contracts	40,290	37,369
Amounts due from associates	14,876	14,876
Cash and cash equivalents	14,207	16,663
	<b>232,984</b>	<b>241,429</b>
<b>TOTAL ASSETS</b>	<b>496,250</b>	<b>511,964</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	113,915	113,915
Reserves	57,267	64,898
	<b>171,182</b>	<b>178,813</b>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<b>171,182</b>	<b>178,813</b>
<b>Non-current liabilities</b>		
Borrowings	51,445	47,471
Deferred tax liabilities	3,242	3,242
	<b>54,687</b>	<b>50,713</b>
<b>Current liabilities</b>		
Provision	14,000	14,000
Trade and other payables	155,327	161,809
Borrowings	69,678	77,557
Overdrafts	29,966	26,491
Tax payable	1,410	2,581
	<b>270,381</b>	<b>282,438</b>
<b>Total liabilities</b>	<b>325,068</b>	<b>333,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>496,250</b>	<b>511,964</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the Interim Statements)

**Other Information:-**

Net assets per share (RM)	1.50	1.57
---------------------------	------	------

Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2013

	Attributable to owners of the Company		Non-distributable		Total Equity Attributable to Owners of the Company		(Unaudited) Total Equity	
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Retained Earnings	Share Capital	Share Premium	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.6.2013 (Unaudited)								
Balance as at 1.4.2013	113,915	21,871	(442)	43,469	113,915	21,871	-	178,813
Total comprehensive loss for the period	-	-	53	(7,684)	-	-	-	(7,631)
Balance as at 30.6.2013	113,915	21,871	(389)	35,785	113,915	21,871	-	171,182

	Attributable to owners of the Company		Non-distributable		Total Equity Attributable to Owners of the Company		(Unaudited) Total Equity	
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Retained Earnings	Share Capital	Share Premium	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.6.2012 (Unaudited)								
Balance as at 1.4.2012	113,915	21,871	(319)	89,377	113,915	21,871	-	224,844
Total comprehensive income for the period	-	-	(50)	1,143	-	-	-	1,093
Balance as at 30.6.2012	113,915	21,871	(369)	90,520	113,915	21,871	-	225,937

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 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 June 2013**

	Unaudited Current Year To Date 30.6.2013 RM'000	Unaudited Preceding Year Corresponding Period 30.6.2012 RM'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(7,489)	1,947
Adjustments for:		
Depreciation of property, plant and equipment	1,301	1,210
Gain on disposal of property, plant and equipment	(30)	(127)
Gain on disposal of investment properties	(762)	-
Impairment loss on other investments	81	326
Share of loss of associates	4,661	3,233
Interest expense	1,790	1,941
Interest income	(77)	(209)
Operating (loss)/profit before changes in working capital	(525)	8,321
Working capital changes:		
Inventories	(320)	(925)
Receivables	11,310	7,098
Property development costs	(2,047)	(415)
Amount due from customers on contracts	(2,921)	3,500
Amount due from associates	-	(975)
Payables	(6,411)	(19,496)
Cash used in operations	(914)	(2,892)
Income tax paid	(1,420)	(61)
Net cash used in operating activities	(2,334)	(2,953)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(862)	(1,511)
Purchase of investment properties	-	(5)
Proceeds from disposal of property, plant and equipment	84	171
Proceeds from disposal of investment properties	3,328	-
Land held for property development	(435)	(508)
Interest received	77	209
Net cash generated from/(used in) investing activities	2,192	(1,644)
<b>Cash flows from financing activities</b>		
Hire purchase principal repayments	(725)	(930)
Interest paid	(1,790)	(1,764)
Drawdown of bank borrowings	24,021	39,168
Repayment of bank borrowings	(27,295)	(39,050)
Net cash used in financing activities	(5,789)	(2,576)
<b>Net decrease in cash and cash equivalents</b>	(5,931)	(7,173)
<b>Cash and cash equivalents as at beginning of financial period</b>	(9,828)	33,283
<b>Cash and cash equivalents as at end of financial period</b>	(15,759)	26,110
<b>Cash and cash equivalents as at end of financial period comprise the followings:-</b>		
<b>Cash and bank balances</b>	14,207	31,407
<b>Overdrafts</b>	(29,966)	(5,297)
	(15,759)	26,110

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 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 2013. 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 2013.

The Malaysian Accounting Standard Board has given the Transitioning Entities the option to continue to apply the Financial Reporting Standards framework until 31 December 2013. The Group is a Transitioning Entities due to its involvement in the development and construction of real estate. The Group shall adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standards from financial year beginning 1 April 2014.

**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 2013.

**A3 Audit Report**

The auditors' report on the financial statements for the financial year ended 31 March 2013 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 June 2013.

**A9 Segmental Information**

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
<b>Segment Revenue</b>				
Revenue				
Construction	41,670	104,197	41,670	104,197
Property development	1,128	-	1,128	-
Property investment	284	207	284	207
Trading and services	9,268	8,293	9,268	8,293
Investment holding and other	3,171	3,114	3,171	3,114
Total	55,521	115,811	55,521	115,811
Elimination of inter-segment sales	(6,519)	(5,448)	(6,519)	(5,448)
Total	49,002	110,363	49,002	110,363

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
<b>Segment Results</b>				
(Loss)/profit before tax				
Construction	(3,921)	4,894	(3,921)	4,894
Property development	227	(228)	227	(228)
Property investment	121	(352)	121	(352)
Trading and services	413	728	413	728
Investment holding and other	(4,329)	(3,095)	(4,329)	(3,095)
Total	(7,489)	1,947	(7,489)	1,947

**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 following, there were no other changes in the composition of the Group during the current quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations:-

- (i) A subsidiary company, Ireka Corporation (HK) Limited was deregistered on 26 April 2013.

**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

	<b>Financial Quarter Ended 30.6.2013 RM</b>	<b>Financial Year Ended 31.3.2013 RM</b>
(i) Corporate guarantees for credit facilities granted to the Group	31,933,685	23,679,920

**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 June 2013, the Group recorded revenue of RM49.002 million as compared to RM110.363 million for the preceding year. Revenue for the current year quarter is mainly attributable to the construction segment of the Group.

The revenue achieved by the construction segment is significantly lower at RM41.670 million in the current period, compared to RM104.197 million in the preceding year corresponding period, due to completion of major contracts and slow start of its new projects. Contribution for the current year quarter came solely from its local operations, after completion of its only contract in Vietnam.

The property development segment recorded revenue of RM1.128 million (30 June 2012: RM Nil) for the current year quarter which is attributable to Kasia Green, a residential development consisting of 142 units of 2-storey and 3-storey terrace and superlink landed houses located at Nilai.

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 June 2013, the Group recorded a pre-tax loss of RM7.489 million, as compared to a pre-tax profit of RM1.947 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 RM4.241 million (30 June 2012: Loss of RM3.225 million), losses incurred by the construction segment and a mark-to-market loss on share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM0.081 million (30 June 2012: RM0.326 million).

ASPL recorded a loss of US\$5.817 million for the period 1 April to 30 June 2013, largely due to operating losses of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, and pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel which commenced operation in March 2013.

The construction segment recorded a loss of RM3.921 million (30 June 2012: Profit of RM4.894 million) due to 60% drop in revenue of RM62.527 million. Fixed costs, in particularly salaries and wages, have not reduced proportionately resulting in losses in the construction subsidiaries.



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

The Group achieved lower revenue of RM49.002 million in the current quarter as compared to RM110.363 million in the preceding year corresponding quarter. This is mainly due to much lower contribution by its construction segment in the current quarter due to completion of major contracts and slow start of its new projects.

For the financial quarter ended 30 June 2013, the Group recorded a pre-tax loss of RM7.489 million, as compared to a pre-tax profit of RM1.947 million in the preceding year corresponding quarter. The loss is attributable to reasons as stated in Note B1 (a) above.

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

The Group recorded a lower revenue of RM49.002 million in the first quarter of financial year ending 31 March 2014, compared to RM55.625 million in the immediate preceding quarter; and a pre-tax loss of RM7.489 million compared to a pre-tax loss RM33.526 million in the last quarter.

The lower revenue achieved in the current quarter is mainly due to lower construction works achieved due to slow start of new projects. Pre-tax loss for the last quarter is significantly higher mainly due to a share of loss of ASPL of RM16.555 million, bad debts written off by the Group of RM6.004 million and losses incurred by the construction segment.

**B3 Prospects for the Current Financial Year**

On the construction front, the Group has tendered for about RM4.7 billion worth of contracts over the last twelve months. As at end 30 June 2013, the Group's order book stood at about RM734 million, of which about RM545 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. Two projects, namely The RuMa Hotel and Residences, KLCC and Kasia Greens, Nilai were launched for sale in March and June 2013 respectively. Both projects have achieved encouraging sales and are expected to 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 2014.

**B5 (Loss)/Profit for the Year**

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

	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Depreciation of property, plant and equipment	1,301	1,210	1,301	1,210
Impairment loss on other investments	81	326	81	326
Interest expenses	1,790	1,941	1,790	1,941
Net foreign exchange gain	(116)	(294)	(116)	(294)
Gain on disposal of property, plant and equipment	(30)	(127)	(30)	(127)
Gain on disposal of investment properties	(762)	-	(762)	-
Interest income	(77)	(209)	(77)	(209)

Other than the above items, there were no exceptional items for the current quarter and financial period ended 30 June 2013.

**B6 Taxation**

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

	Individual Quarter 3 Months Ended		Cumulative Period 3 Months Ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Malaysian income tax	(175)	(455)	(175)	(455)
Overseas income tax	(20)	(349)	(20)	(349)
	(195)	(804)	(195)	(804)

The effective tax rates of the Group for the current quarter and for the period 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**

On 14 June 2013, the Board of Directors of the Company had received a letter from Olymvest Sdn Bhd, on behalf of the major shareholders of the Company and parties in concert, requesting the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Proposed SCR"). The Proposed SCR entails a capital repayment of the proposed cash amount of RM0.90 per ordinary share of RM1.00 each in the Company held by the non-interested shareholders of the Company.

On 27 June 2013, the Board had decided to present the Proposed SCR to the shareholders of the Company for their consideration.

Subsequently, on behalf of the Board of Directors of the Company, RHB Investment Bank Berhad announced the following:-

- (a) The application in relation to the Proposed SCR has been submitted to the Securities Commission Malaysia on 10 July 2013; and
- (b) The Securities Commission Malaysia had vide its letter dated 30 July 2013 approved the proposed exemption under paragraph 1.1 of Practice Note ("PN") 44 of the Malaysian Code on Take-Overs and Mergers 2010 ("Code") in relation to the Proposed SCR ("Proposed Exemption"). The approval on the Proposed Exemption is subject to Ireka complying with the requirements under Paragraph 1.2 of PN44 of the Code.

**B8 Group Borrowings and Debt Securities**

The Group's borrowings as at 30 June 2013 are as follows:-

	<b>RM'000</b>
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	3,122
Project loans and revolving credit	29,343
Hire purchase/leasing	4,082
Trade finance	20,131
Bank overdraft	29,201
Revolving credit	12,000
	-----
	97,879
	-----
<i>Unsecured:-</i>	
Bank overdraft	765
Revolving credit	1,000
	-----
	99,644
	-----

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

(b)	Long term borrowings	
	<i>Secured:-</i>	
	Term loans	31,940
	Project loans	16,845
	Hire purchase/leasing	2,660
		<hr/>
		51,445
		<hr/>
(c)	Total borrowings	<u>151,089</u>

Bank borrowings of the Group are denominated in Malaysian Ringgit.

**B9 Realised and Unrealised Profits/(Losses) Disclosure**

The breakdown of the retained earnings/(accumulated losses) of the Group as at 30 June 2013, into realised and unrealised profits/(losses) is as follows:-

	30.6.2013 RM'000	31.3.2013 RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	63,741	66,733
- Unrealised	(3,062)	(3,031)
	<hr/>	<hr/>
	60,679	63,702
	<hr/>	<hr/>
	30.6.2013 RM'000	31.3.2013 RM'000
The share of accumulated losses of its associates:-		
- Realised	(27,816)	(20,109)
- Unrealised	2,922	(124)
	<hr/>	<hr/>
	(24,894)	(20,233)
	<hr/>	<hr/>
<b>Total retained earnings</b>	<u>35,785</u>	<u>43,469</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 23 August 2013.

**B11 Dividend Proposed**

The Board of Directors has not proposed any payment of dividend for the current quarter ended 30 June 2013.

**B12 (Loss)/Earnings per Share**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>30.6.2013</b>	<b>30.6.2012</b>	<b>30.6.2013</b>	<b>30.6.2012</b>
(a) Basic				
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(7,684)	1,143	(7,684)	1,143
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic (loss)/earnings per share (sen)	(6.75)	1.00	(6.75)	1.00
(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  
30 August 2013