

IREKA CORPORATION BERHAD
Condensed Consolidated Income Statements for the Quarter Ended 30 September 2008

	Unaudited Current Year Quarter 30.9.2008 RM'000	Audited Preceding Year Corresponding Quarter 30.9.2007 RM'000	Unaudited Current Year To Date 30.9.2008 RM'000	Audited Preceding Year Corresponding Period 30.9.2007 RM'000
Continuing Operations				
Revenue	88,790	91,929	151,652	159,773
Cost of sales	(85,538)	(80,900)	(137,307)	(142,688)
Gross profit	3,252	11,029	14,345	17,085
Other income	176	4,644	310	211,933
Expenses	(6,319)	(6,151)	(12,623)	(64,457)
Profit/(Loss) from operations	(2,891)	9,522	2,032	164,561
Share of loss after tax of jointly controlled entities	(4)	22	(5)	(439)
Finance costs	(1,578)	(4,259)	(2,738)	(5,790)
Profit/(Loss) before tax	(4,473)	5,285	(711)	158,332
Income tax expense	363	(891)	(442)	(1,190)
Profit/(Loss) for the period from continuing operations	(4,110)	4,394	(1,153)	157,142
Discontinued Operations				
Profit/(Loss) for the year from discontinued operations	-	-	-	1,794
Profit/(Loss) for the year	(4,110)	4,394	(1,153)	158,936
Attributable to :				
Equity holders of the parent	(4,110)	4,394	(1,153)	158,936
Minority interest	-	-	-	-
Profit/(Loss) for the period	(4,110)	4,394	(1,153)	158,936
Earnings/(Loss) per share (sen) :				
- Basic, for profit for the period	(3.61)	3.86	(1.01)	139.52
- 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 2008 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Profit/(Loss) from operations	(2,891)	9,522	2,032	164,561
Gross interest income	3,064	376	5,659	1,681
Gross interest expense	4,642	4,635	8,397	7,471

IREKA CORPORATION BERHAD
Condensed Consolidated Balance Sheet as at 30 September 2008

	Unaudited As At 30.9.2008 RM'000	Audited As At 31.3.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,094	51,940
Land and development expenditure	10,809	10,809
Investment properties	20,191	4,272
Interest in jointly controlled entities	140	183
Other investments	166,570	150,361
Other intangibles	5,147	-
	243,951	217,565
Current assets		
Development properties	5,503	5,515
Inventories	14,899	13,529
Trade and other receivables	135,216	182,965
Amounts due from customers on contracts	33,111	15,505
Amounts due from jointly controlled entities	11,440	11,396
Deposits, cash and cash equivalents	43,198	73,555
	243,367	302,465
Assets of disposal group classified as held for sale	-	115,789
	243,367	418,254
TOTAL ASSETS	487,318	635,819
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	113,915	113,915
Reserves	121,327	122,511
Amount recognised directly in equity relating to assets of disposal group classified as held for sale	-	(16)
	235,242	236,410
Minority interests	116	116
Total equity	235,358	236,526
Non-current Liabilities		
Borrowings	22,832	31,325
Deferred tax liabilities	3,223	3,223
	26,055	34,548
Current liabilities		
Trade and other payables	134,666	157,176
Borrowings	86,554	86,303
Overdrafts	2,951	-
Taxation	1,734	5,461
	225,905	248,940
Liabilities directly associated with the assets as held for sale	-	115,805
	225,905	364,745
Total liabilities	251,960	399,293
TOTAL EQUITY AND LIABILITIES	487,318	635,819

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)

2.07

2.08

IREKA CORPORATION BERHAD

Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 30 September 2008

	<----- 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
6 months ended 30.9.2008							
Balance as at 1.4.2008	113,915	21,892	(185)	100,788	236,410	116	236,526
Exchange difference on translation of :							
- financial statements of overseas subsidiaries	-	-	-	-	-	-	-
Dilution of equity shares	-	-	-	-	-	-	-
Loss for the period	-	-	-	(1,153)	(1,153)	-	(1,153)
Transaction costs	-	(15)	-	-	(15)	-	(15)
Dividends	-	-	-	-	-	-	-
Balance as at 30.9.2008	113,915	21,877	(185)	99,635	235,242	116	235,358

	<----- 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
6 months ended 30.9.2007							
Balance as at 1.4.2007	113,915	21,924	(185)	(43,761)	91,893	3,978	95,871
Exchange difference on translation of :							
- financial statements of overseas subsidiaries	-	-	-	-	-	-	-
Dilution of equity shares	-	-	-	-	-	(3,860)	(3,860)
Profit for the period	-	-	-	158,936	158,936	-	158,936
Transaction costs	-	(32)	-	-	(32)	-	(32)
Dividends	-	-	-	-	-	-	-
Balance as at 30.9.2007	113,915	21,892	(185)	115,175	250,797	118	250,915

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD**Condensed Consolidated Cash Flow Statement for the Quarter Ended 30 September 2008**

	Unaudited Current Year To Date 30.9.2008 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2007 RM'000
Net cash from operating activities	(27,265)	78,273
Net cash used in investing activities	(10,167)	(101,949)
Net cash used in financing activities	<u>20,125</u>	<u>54,443</u>
Net change in cash and cash equivalents	(17,307)	30,767
Cash and cash equivalents as at beginning of financial period	<u>57,554</u>	<u>50,488</u>
Cash and cash equivalents as at end of financial period	<u>40,247</u>	<u>81,255</u>

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

Deposits, cash and bank balances	43,198	109,954
Overdrafts	<u>(2,951)</u>	<u>(28,699)</u>
	<u>40,247</u>	<u>81,255</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008 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 2008. 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 2008.

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 2008.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2008 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 September 2008.

A5 Unusual Significant Items

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial year ended 30 September 2008 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 not paid any dividend during the financial quarter ended 30 September 2008.

A9 Segmental Information

	Group revenue and results including share of JVs 6 months ended	
	30.9.2008 RM'000	30.9.2007 RM'000
Segment Revenue		
Revenue		
Construction	134,130	145,131
Property development	99	495
Property investment	488	0
Trading and services	18,158	14,145
Investment holding and other	5,719	4,002
Total	158,594	163,773
Elimination of inter-segment sales	(6,942)	(4,000)
Total	151,652	159,773
Segment Results		
(Loss)/Profit before taxation		
Construction	(952)	(22,659)
Property development	(164)	253
Property investment	70	0
Trading and services	1,235	1,824
Investment holding and other	(900)	178,915
Total	(711)	158,333

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 Liabilities

(a) Contingent Liabilities

	Financial Quarter Ended 30.9.2008 RM	Financial Year Ended 31.3.2008 RM
(i) Corporate guarantees for credit facilities granted to the Group	73,302,372	136,362,915

The contingent liabilities include corporate guarantees granted to financiers of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd totalling RM47.960 million, which are currently in the process of being released.

(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

There were no 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 financial period ended 30 September 2008, the Group has achieved a revenue of RM151.652 million as compared to RM159.773 million for same period the preceding year. The 5.08% decrease in revenue was mainly attributable to a comparatively lower volume of construction works completed during the period.

For the financial period ended 30 September 2008, the Group has recorded a pre-tax loss of RM0.711 million. In line with construction peers, profit margins of the construction subsidiary were eroded due to the surge in the costs of construction materials, especially steel bars which exceeded RM4,000/tonne during this period.

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

The Group has recorded a higher revenue of RM88.790 million and a pre-tax loss of RM4.110 million in the second quarter of financial year ending 31 March 2009, compared with a revenue of RM62.862 million and a pre-tax profit of RM3.762 million in the preceding quarter. Losses for the current quarter are mainly attributable to the construction subsidiary as stated in Note B1 above.

B3 Prospects for the Current Financial Year

On the construction front, the Board expects the turnover to increase in the current

financial year, basing on existing works on hand. As at 30 September 2008, the Group's order book stood at about RM1.1 billion, of which about RM890 million remained outstanding. Overall profit margins of on-going contracts undertaken by the construction subsidiary will stay healthy, despite the higher costs of construction material during the first half of this financial year. Going forward, the Group expects prices of construction materials to ease, against a slowdown in the local and global construction markets. This will improve the profitability of the on-going projects which will contribute positively to the results of the Group in the future.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2009.

B5 Taxation

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

	Individual Quarter 6 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
Malaysian income tax	(363)	891	442	1,190
Overseas taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>5</u>	<u>891</u>	<u>810</u>	<u>1,190</u>

The effective tax rates of the Group for the current quarter and year to-date are higher than the statutory tax rate mainly due to losses incurred by certain subsidiaries.

B6 Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties in the current quarter.

B7 Quoted Investments

The Company had been allotted 722,000 new ordinary shares in KinhBac City Development Shareholding Corporation ("KBC") at Vietnam Dong ("VND") 110,000 per share on 10 April 2008 pursuant to a Share Subscription Agreement dated 29 February 2008. On 20 August 2008, 361,000 bonus and dividend shares were allotted to the Company. As of to-date, the Company holds 1,083,000 ordinary shares in KBC.

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

There are no on-going corporate proposals during the financial year under review.

B9 Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2008 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured :-</i>	
Project finance	9,660
Hire Purchase/Leasing	2,589

	12,249
<i>Unsecured :-</i>	
Bank overdraft	2,951
Revolving credit	31,619
Trade finance	42,687

	89,506

(b) Long term borrowings	
<i>Secured :-</i>	
Term loan	14,351
Hire Purchase/Leasing	8,481

	22,832

(c) Total borrowings	112,338
	=====

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 24 November 2008.

B11 Material Litigations

The Group is not engaged in any material litigation as at 24 November 2008.

B12 Dividend

The shareholders of the Company have approved a final dividend of 10% per share less income tax of 26% for the financial year ended 31 March 2008. The dividend payment was made on 22 October 2008 to shareholders whose names appear on the Record of Depositors at the close of business on 8 October 2008.

B13 Earnings Per Share

	Individual Quarter 6 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
(a) Basic				
(Loss)/Profit for the period attributable to equity holders of the parent (RM'000)	(4,110)	4,394	(1,153) 6	158,93
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,70 0	113,914,70 0
Basic earnings per share (sen)	(3.61)	3.86	(1.01) 2	139.5
(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 November 2008