

**IREKA CORPORATION BERHAD**  
**Condensed Consolidated Income Statements for the Quarter Ended 31 December 2006**

	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
	<b>Current Year</b>	Preceding Year	<b>Current Year</b>	Preceding Year
	<b>Quarter</b>	Corresponding	<b>To Date</b>	Corresponding
	<b>31.12.2006</b>	Quarter	<b>31.12.2006</b>	Period
	<b>RM'000</b>	31.12.2005	<b>RM'000</b>	31.12.2005
		RM'000		RM'000
<b>Revenue</b>	<b>95,385</b>	103,384	<b>254,270</b>	312,385
Cost of sales	<b>(77,814)</b>	(85,014)	<b>(209,398)</b>	(247,839)
<b>Gross profit</b>	<b>17,571</b>	18,370	<b>44,872</b>	64,546
Other income	<b>1,480</b>	1,409	<b>3,302</b>	2,424
Expenses	<b>(16,445)</b>	(14,635)	<b>(44,389)</b>	(42,719)
<b>Profit from operations</b>	<b>2,606</b>	5,144	<b>3,785</b>	24,251
Share of profit/(loss) after tax of jointly controlled entities	<b>23</b>	(5)	<b>21</b>	(8)
Finance costs	<b>(7,914)</b>	(6,291)	<b>(23,222)</b>	(18,904)
<b>(Loss)/Profit before tax</b>	<b>(5,285)</b>	(1,152)	<b>(19,416)</b>	5,339
Income tax expense	<b>(1,792)</b>	(445)	<b>(2,477)</b>	(5,296)
<b>(Loss)/Profit for the period</b>	<b>(7,077)</b>	(1,597)	<b>(21,893)</b>	43
<b>Attributable to :</b>				
Equity holders of the parent	<b>(7,215)</b>	(2,345)	<b>(21,828)</b>	521
Minority interest	<b>138</b>	748	<b>(65)</b>	(478)
<b>Loss for the period</b>	<b>(7,077)</b>	(1,597)	<b>(21,893)</b>	43
<b>Earnings per share (sen) :</b>				
- Basic, for profit for the period	<b>(6.33)</b>	(0.75)	<b>(19.16)</b>	(0.38)
- Diluted, for profit for the period	<b>N/A</b>	N/A	<b>N/A</b>	N/A

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the Interim Statements)**

**Other information:-**

Profit from operations	<b>2,606</b>	5,144	<b>3,785</b>	24,251
Gross interest income	<b>64</b>	550	<b>1,054</b>	963
Gross interest expense	<b>(8,375)</b>	(6,290)	<b>(23,222)</b>	(18,904)

**IREKA CORPORATION BERHAD**  
**Condensed Consolidated Balance Sheet as at 31 December 2006**

	Unaudited As At 31.12.2006 RM'000	Audited As At 31.3.2006 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	434,205	442,481
Interest in jointly controlled entities	140	220
Other investments	6,012	5,829
Land and development expenditure	70,923	129,213
Goodwill on consolidation	12,580	12,580
	<b>523,860</b>	<b>590,323</b>
<b>Current assets</b>		
Inventories	20,562	8,215
Development properties	169,899	84,497
Trade and other receivables	113,231	135,169
Amounts due from customers on contracts	65,022	74,827
Amounts due from jointly controlled entities	11,735	11,632
Cash and cash equivalentsbank balances	32,622	5,517
	<b>413,071</b>	<b>319,857</b>
<b>TOTAL ASSETS</b>	<b>936,931</b>	<b>910,180</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	113,915	113,915
Reserves	2,821	25,475
	<b>116,736</b>	<b>139,390</b>
<b>Minority interests</b>	4,209	1,044
<b>Total equity</b>	<b>120,945</b>	<b>140,434</b>
<b>Non-current Liabilities</b>		
Interest-bearing borrowings	435,781	361,185
Obligations under finance leases	845	736
Other paybles	15,050	15,850
Deferred tax liabilities	3,285	3,285
	<b>454,961</b>	<b>381,056</b>
<b>Current liabilities</b>		
Trade and other payables	187,382	173,055
Interest-bearing borrowings	161,476	200,121
Obligations under finance leases	1,375	1,090
Current tax payable	10,792	14,424
	<b>361,025</b>	<b>388,690</b>
<b>Total liabilities</b>	<b>815,986</b>	<b>769,746</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>936,931</b>	<b>910,180</b>

**(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the Interim Statements)**

**Other Information:-**

Net assets per share (RM)	1.02	1.22
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**IREKA CORPORATION BERHAD**

**Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 31 December 2006**

	----- Attributable to equity holders of the Company ----- >					Minority Interests RM'000	Unaudited Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation RM'000	Retained Profits RM'000	Total RM'000		
<u>9 months ended 31.12.2006</u>							
Balance as at 1.4.2006	113,915	21,938	(57)	3,594	139,390	1,044	140,434
Exchange difference on translation of :							
- financial statements of overseas subsidiaries	-	-	(90)	-	(90)	-	(90)
Loss for the period	-	-	-	(21,950)	(21,950)	65	(21,885)
Expenses for Private Placement	-	(14)	-	-	(14)	-	(14)
Issuance of Rights Shares	-	-	-	-	-	2,500	2,500
Dividends	-	-	-	-	-	-	-
Balance as at 31.12.2006	<b>113,915</b>	<b>21,924</b>	<b>(147)</b>	<b>(18,356)</b>	<b>117,336</b>	<b>3,609</b>	<b>120,945</b>

	----- Attributable to equity holders of the Company ----- >					Minority Interests RM'000	Unaudited Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation RM'000	Retained Profits RM'000	Total RM'000		
<u>9 months ended 31.12.2005</u>							
Balance as at 1.4.2005	113,915	21,946	-	10,560	146,421	734	147,155
Profit for the period	-	-	-	521	521	(478)	43
Expenses for Private Placement	-	(8)	-	-	(8)	-	(8)
Balance as at 31.12.2005	<b>113,915</b>	<b>21,938</b>	<b>-</b>	<b>11,081</b>	<b>146,934</b>	<b>256</b>	<b>147,190</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 2006 and the accompanying explanatory notes attached to the Interim Statements)

**IREKA CORPORATION BERHAD****Condensed Consolidated Cash Flow Statement for the Quarter Ended 31 December 2006**

	<b>Unaudited Current Year To Date 31.12.2006 RM'000</b>	<b>Unaudited Preceding Year Corresponding Period 31.12.2005 RM'000</b>
Net cash from operating activities	107,162	116,420
Net cash used in investing activities	(84,883)	(97,205)
Net cash used in financing activities	(1,858)	(14,494)
Net change in cash and cash equivalents	20,421	4,721
Cash and cash equivalents as at beginning of financial period	(15,401)	(13,713)
Cash and cash equivalents as at end of financial period	<u>5,020</u>	<u>(8,992)</u>

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

Deposits, cash and bank balances	32,622	13,438
Bank overdrafts	(27,602)	(22,430)
	<u>5,020</u>	<u>(8,992)</u>

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2006 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 134 : 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 2006. 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 2006.

### A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2006 except for the adoption of the following new/revised Financial Reporting Standard (FRSs) which are effective for the financial year beginning 1 April 2006:

FRS101	Presentation of Financial Statements
FRS102	Inventories
FRS108	Accounting Policies, Changes in Estimates and Errors
FRS110	Events after the Balance Sheet Date
FRS116	Property, Plant and Equipment
FRS121	the Effects of Changes in Foreign Exchange Rates
FRS127	Consolidated and Separate Financial Statements
FRS131	Interests in Joint Ventures
FRS132	Financial Instruments : Disclosure and Presentation
FRS133	Earnings Per Share
FRS136	Impairment of Assets
FRS138	Intangible Assets

(a) FRS136 : Impairment of Assets and FRS138 : Intangible Assets

The adoption of these new FRSs resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually at the end of each financial year, or more frequently of events or circumstances indicated that it might be impaired. Any identified impairment loss is recognised in income statement and subsequent reversal is not allowed. Prior to 1 April 2006, the Group amortised goodwill on a straight line basis over 20 years.

The cessation of amortisation of goodwill on consolidation has no material impact on the results of the financial period ended 31 December 2006.

(b) FRS101 : Presentation of Financial Statements

The adoption of the revised FRS101 has affected the presentation of minority interest, share of results of associates and other disclosures.

In the consolidated balance sheet, minority interests are now presented within the equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

Share of results of jointly controlled entities are now reported net of tax prior to arriving at the Group's profit before taxation.

The current period's presentation of the Group's financial statements presentation is based on the revised requirements of FRS101, with comparatives restated to conform to the current period's presentation.

- (c) FRSs 102, 108, 110, 116, 121, 127, 131, 132 and 133

The adoption of the above FRSs does not have significant financial impact on the Group.

### **A3 Audit Report**

The auditors' report on the financial statements for the financial year ended 31 March 2006 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 2006.

### **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 2006 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**

No dividend was paid during the financial period ended 31 December 2006.

### **A9 Segmental Information**

	<b>Group revenue and results including share of JVs</b>	
	<b>9 months ended</b>	
	<b>31.12.2006</b>	<b>30.12.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Revenue		
Construction	113,025	146,074
Property development	70,977	98,727
Hotel and leisure	63,452	55,781
Others	12,218	17,222
Total	259,672	317,804
Elimination of inter-segment sales	(5,402)	(5,419)
Total	254,270	312,385

#### **Segment Results**

(Loss)/Profit before taxation		
Construction	(20,965)	283
Property development	8,266	14,883
Hotel and leisure	(3,390)	(11,054)
Others	(3,327)	1,227
Total	(19,416)	5,339

#### **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 except for the following:-

Ireka Sdn Bhd (“ISB”), a wholly owned subsidiary of Ireka Corporation Berhad, had on 28 August 2006, entered into a conditional Share Sales Agreement with Newwood Assets Limited for the disposal of 228 million ordinary shares of RM1.00 each in Ireka Hotels Sdn Bhd (“IHSB”), representing the entire issued and paid up share capital of IHSB. IHSB is a wholly owned subsidiary of ISB.

The total disposal consideration for the shares is determined on a willing-buyer, willing seller basis after taking into account the adjusted net tangible assets of IHSB as at completion date, including amongst others, the value of the land and building comprising The Westin Kuala Lumpur and its associated fixed assets of RM455.0 million.

The disposal was completed on 10 January 2007 and the corresponding borrowings of RM237 million were repaid on the same day. As a result of the said completion, IHSB has ceased to be a subsidiary of ISB.

## **A12 Changes in the Composition of the Group**

Save as disclosed in A11 above, there were no 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 31.12.2006 RM</b>	<b>Financial Year Ended 31.3.2006 RM</b>
(i) Corporate guarantees for credit facilities granted to the Group	25,931,891	13,625,069

### (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 amount of capital commitments not provided in the financial statements as at 31 December 2006 is as follows:-

	<b>RM</b>
Approved and contracted for	-
Approved but not contracted	36,645,000
	<u>36,645,000</u>



## **B1 Review of Performance**

For the financial period ended 31 December 2006, the Group has achieved revenue of RM254.270 million as compared to RM312.385 million for preceding year, representing a drop of about 18.6%. This is due to the significantly lower volume of construction works completed during the period of RM113.025 million, compared to RM146.074 million in the preceding year; and also lower billings by property subsidiaries of RM70.977 million against RM98.727 million in the preceding year.

For the financial period ended 31 December 2006, the Group has recorded a loss before tax of RM19.416 million, contributed mainly by the construction subsidiaries. The construction profitability has been adversely affected by shortages and higher prices of construction materials and fuel during the financial period. The property division has also recorded lower profit due to completion of a few projects during the period and lower billings from new projects. On the other hand, Ireka Hotels Sdn Bhd has improved on earnings and recorded a lower loss of RM3.390 million compared to preceding year, and is inclusive of a non-cash depreciation charge of RM9.004 million.

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

The Group has recorded a lower turnover of RM95.385 million and a pre-tax loss of RM5.285 million in the third quarter of financial year ending 31 March 2007, compared with a turnover of RM90.009 million and a pre-tax loss of RM7.178 million in the preceding quarter. The losses are attributed to generally poorer performance by the construction and property subsidiaries compared to the previous quarter, as stated in Note B1 above.

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

Based on the balance of works on hand and expected new contracts, the Board expects the construction turnover to increase in the current financial year. The Group is also working to secure some projects under the 9<sup>th</sup> Malaysian Plan, which will further boost the construction turnover. However, the Board expects the construction business to continue to make losses until the accounts of loss-making projects are finalised, expected to be by the end of this financial year.

On the property development front, the Group has successfully launched another of its high-end condominium projects in July 2006, named “Tiffani by i-zen, Mont Kiara”, and has recorded over 70% sales to-date. The Group has also successfully sold about 50% of an office suite project known as b z - hub @ One Mont Kiara in late December last year.

In view of the strong interest in the project, we believe that the remaining units will be taken up by the public when they are released next month.

With the completion of the sale of The Westin Kuala Lumpur, the Group’s results will no longer be affected by the operating results of the Hotel after the completion date of 10 January 2006.

## **B4 Profit Forecast**

The Group did not issue any profit forecast for the financial year ending 31 March 2007.

## B5 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2006 RM'000	31.12.2005 RM'000	31.12.2006 RM'000	31.12.2005 RM'000
Malaysian income tax	1,792	445	2,477	4,596
Overseas taxation	-	-	-	-
Deferred taxation	-	-	-	700
	<u>1,792</u>	<u>445</u>	<u>2,477</u>	<u>5,296</u>

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

## B6 Unquoted Investments and/or Properties

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

## B7 Quoted Investments

- (i) There were no purchases or disposal of quoted securities for the current quarter and financial year-to-date.
- (ii) There was no investment in quoted securities as at the end of the current quarter and financial year-to-date.

## B8 Status of Corporate Proposals

- (i) The Securities Commission has on 4 January 2007 approved an extension of time to 31 May 2008 for the Company to issue 4,119,286 new ordinary shares of RM1.00 each in the Company to Bumiputra investors.
- (ii) The Company ("ICB") has on 1 December 2006 announced the proposed listing of Ireka Land Sdn Bhd ("ILSB") and ICSD Ventures Sdn Bhd ("ICSB") on The Alternative Investment Market of the London Stock Exchange ("AIM Market") via the following proposals:-
  - (a) The proposed disposal by ICB via its wholly-owned subsidiary, Ireka Sdn Bhd ("ISB"), of its entire shareholding stake in ILSB, representing 100% of ILSB's issued and paid-up ordinary share capital to Aseana Properties Limited ("APL"); and
  - (b) The proposed disposal by ICB of its entire shareholding stake in ICSD, representing 60% of ICSD's issued and paid-up ordinary share capital, to APL.(collectively referred to as the "Proposals").

The Proposals have been approved by the Securities Commission on 8 February 2007 and is now pending approval from shareholders of the Company.

## B9 Group Borrowings and Debt Securities

The Group borrowings as at 31 December 2006 are as follows:-

	<b>RM'000</b>
(a) Short term borrowings	
<i>Secured :-</i>	
Collateralised Loan Obligation facility	298
Term loans/Project loans	63,061
Hire purchase/Leasing	1,375
	<hr/> 64,734
<i>Unsecured :-</i>	
Bank overdraft	27,602
Revolving credit	42,489
Trade finance	28,026
	<hr/> 162,851
(b) Long term borrowings	
<i>Secured :-</i>	
Syndicated term loans (Note 1 below)	237,000
Collateralised Loan Obligation facility	40,000
Term loans/Bridging loans	158,781
Hire purchase/Leasing	845
	<hr/> 436,626
(c) Total borrowings	<hr/> 599,477

Note 1           The Syndicated Term Loans were secured to finance The Westin Kuala Lumpur located at Jalan Bukit Bintang.

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 26 February 2007.

## B11 Material Litigations

The Group is not engaged in any material litigation as at 26 February 2007.

## B12 Dividend

The Board of Directors has announced the entitlement and payment of interim dividend of 8.8% per share comprising (i) tax-exempt interim dividend of 4.0% per share; and (ii) interim dividend of 4.8% less income tax of 27% per share in respect of the financial year ending 31 March 2007, for the following:-

- (a) shares transferred into Depositors Account before 4.00 p.m. on 28 February 2007 in respect of transfer; and
- (b) shares bought on the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on a cum entitlement basis according to the rules of Bursa Malaysia.

The interim dividend will be paid out to the shareholders on 8 March 2007.

### **B13 Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>	<b>3 Months Ended</b>	<b>9 Months Ended</b>	<b>9 Months Ended</b>
	<b>31.12.2006</b>	<b>31.12.2005</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
(a) Basic				
(Loss)/Profit for the period attributable to equity holders of the parent (RM'000)	(7,215)	(2,345)	(21,828)	521
Weighted average number of ordinary Shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings per share (sen)	(6.33)	(2.06)	(19.16)	0.46

#### (b) Diluted Earnings

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 2007