

# IREKA CORPORATION BERHAD

## Condensed Consolidated Income Statements for the Quarter Ended 31 December 2008

	Unaudited Current Year Quarter 31.12.2008 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2007 RM'000	Unaudited Current Year To Date 31.12.2008 RM'000	Unaudited Preceding Year Corresponding Period 31.12.2007 RM'000
<b>Continuing Operations</b>				
Revenue	95,835	89,951	247,487	249,724
Cost of sales	(85,717)	(76,228)	(223,024)	(218,916)
<b>Gross profit</b>	<b>10,118</b>	13,723	<b>24,463</b>	30,808
Other income	374	1,469	684	213,402
Expenses	(5,797)	(6,059)	(18,420)	(70,516)
<b>Profit/(Loss) from operations</b>	<b>4,695</b>	9,133	<b>6,727</b>	173,694
Share of loss after tax of jointly controlled entities	76	(13)	71	(452)
Finance costs	(1,234)	(3,113)	(3,972)	(8,903)
<b>Profit/(Loss) before tax</b>	<b>3,537</b>	6,007	<b>2,826</b>	164,339
Income tax expense	(322)	(1,221)	(764)	(2,411)
<b>Profit/(Loss) for the period from continuing operations</b>	<b>3,215</b>	<b>4,786</b>	<b>2,062</b>	<b>161,928</b>
<b>Discontinued Operations</b>				
Profit/(Loss) for the year from discontinued operations	-	-	-	1,794
<b>Profit/(Loss) for the year</b>	<b>3,215</b>	4,786	<b>2,062</b>	163,722
<b>Attributable to :</b>				
Equity holders of the parent	3,215	4,786	2,062	163,722
Minority interest	-	-	-	-
<b>(Loss)/Profit for the period</b>	<b>3,215</b>	<b>4,786</b>	<b>2,062</b>	<b>163,722</b>
<b>(Loss)/Earnings per share (sen) :</b>				
- Basic, for profit for the period	2.82	4.20	1.81	143.72
- 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 from operations	4,695	9,133	6,727	173,694
Gross interest income	2,861	1,443	8,520	3,124
Gross interest expense	4,095	4,556	12,492	12,027

**IREKA CORPORATION BERHAD**

Condensed Consolidated Balance Sheet as at 31 December 2008

	<b>Unaudited As At 31.12.2008 RM'000</b>	<b>Audited As At 31.3.2008 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	45,457	51,940
Land and development expenditure	10,819	10,809
Investment properties	20,191	4,272
Interest in jointly controlled entities	140	183
Other investments	186,345	150,361
Other intangibles	1,681	-
	<b>264,633</b>	<b>217,565</b>
<b>Current assets</b>		
Development properties	4,454	5,515
Inventories	11,199	13,529
Trade and other receivables	127,714	182,965
Amounts due from customers on contracts	36,512	15,505
Amounts due from jointly controlled entities	11,521	11,396
Deposits, cash and cash equivalents	32,559	73,555
	<b>223,959</b>	<b>302,465</b>
Assets of disposal group classified as held for sale	-	115,789
	<b>223,959</b>	<b>418,254</b>
<b>TOTAL ASSETS</b>	<b>488,592</b>	<b>635,819</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	113,915	113,915
Reserves	116,111	122,511
Amount recognised directly in equity relating to assets of disposal group classified as held for sale	-	(16)
	<b>230,026</b>	<b>236,410</b>
<b>Minority interests</b>	<b>116</b>	<b>116</b>
<b>Total equity</b>	<b>230,142</b>	<b>236,526</b>
<b>Non-current Liabilities</b>		
Borrowings	22,556	31,325
Deferred tax liabilities	3,223	3,223
	<b>25,779</b>	<b>34,548</b>
<b>Current liabilities</b>		
Trade and other payables	152,284	157,176
Borrowings	74,552	86,303
Overdrafts	5,835	-
Taxation	-	5,461
	<b>232,671</b>	<b>248,940</b>
Liabilities directly associated with the assets as held for sale	-	115,805
	<b>232,671</b>	<b>364,745</b>
<b>Total liabilities</b>	<b>258,450</b>	<b>399,293</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>488,592</b>	<b>635,819</b>

(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)

**2.02**

**2.08**

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**IREKA CORPORATION BERHAD**
**Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 31 December 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
<b>9 months ended 31.12.2008</b>							
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	-	-	-	2,062	2,062	-	2,062
Transaction costs	-	(16)	-	-	(16)	-	(16)
Dividends	-	-	-	(8,430)	(8,430)	-	(8,430)
Balance as at 31.12.2008	<b>113,915</b>	<b>21,876</b>	<b>(185)</b>	<b>94,420</b>	<b>230,026</b>	<b>116</b>	<b>230,142</b>

<----- 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
<b>9 months ended 31.12.2007</b>							
Balance as at 1.4.2007	113,915	21,924	(185)	(43,760)	91,894	3,977	95,871
Exchange difference on translation of :							
- financial statements of overseas subsidiaries	-	-	-	-	-	-	-
Dilution of equity shares	-	-	-	-	-	(3,860)	(3,860)
Profit for the period	-	-	-	163,722	163,722	-	163,722
Transaction costs	-	(32)	-	-	(32)	-	(32)
Dividends	-	(8,316)	-	-	(8,316)	-	(8,316)
Balance as at 31.12.2007	<b>113,915</b>	<b>13,576</b>	<b>(185)</b>	<b>119,962</b>	<b>247,268</b>	<b>117</b>	<b>247,385</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 2008 and the accompanying explanatory notes attached to the Interim Statements)**

**IREKA CORPORATION BERHAD****Condensed Consolidated Cash Flow Statement for the Quarter Ended 31 December 2008**

	<b>Unaudited Current Year To Date 31.12.2008 RM'000</b>	<b>Unaudited Preceding Year Corresponding Period 31.12.2007 RM'000</b>
Net cash from operating activities	(7,870)	92,767
Net cash used in investing activities	(33,299)	(150,553)
Net cash used in financing activities	10,317	44,818
Net change in cash and cash equivalents	(30,852)	(12,968)
Cash and cash equivalents as at beginning of financial period	57,576	50,488
Cash and cash equivalents as at end of financial period	26,724	37,520

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

Deposits, cash and bank balances	32,559	46,246
Overdrafts	(5,835)	(8,726)
	26,724	37,520

(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 31 December 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 period ended 31 December 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 paid a final dividend of 10% less income tax of 26% in respect of the financial year ended 31 March 2008 on 22 October 2008.

## A9 Segmental Information

	<b>Group revenue and results including share of JVs</b>	
	<b>9 months ended</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Revenue		
Construction	218,126	224,172
Property development	5,191	495
Property investment	726	0
Trading and services	24,561	24,524
Investment holding and other	8,553	4,534
Total	257,157	253,725
Elimination of inter-segment sales	(9,670)	(4,000)
Total	247,487	249,725
<b>Segment Results</b>		
(Loss)/Profit before taxation		
Construction	2,695	(18,758)
Property development	(114)	277
Property investment	131	0
Trading and services	1,641	4,428
Investment holding and other	(1,527)	178,392
Total	2,826	164,339

## 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.

## 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

	<b>Financial Quarter Ended 31.12.2008 RM</b>	<b>Financial Year Ended 31.3.2008 RM</b>
(i) Corporate guarantees for credit facilities granted to the Group	15,912,516	136,362,915
(ii) Claims by former lorry subcontractors pertaining to deposits forfeited	843,395	0

(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 31 December 2008, the Group has achieved a revenue of RM247.487 million as compared to RM249.724 million for same period the preceding year.

For the financial period ended 31 December 2008, the Group has recorded a pre-tax profit of RM2.826 million. In line with the other construction companies, profit margins of the construction subsidiary were eroded due to surge in the costs of construction materials, especially steel bars which exceeded RM4,000 per tonne during most part of 2008. However, steel bar prices have since late November 2008 dropped to below RM2,500 per tonne, and this is expected to improve the future profit of the on-going construction projects.

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

The Group has recorded a higher revenue of RM95.835 million and a pre-tax profit of RM3.537 million in the third quarter of financial year ending 31 March 2009, compared with a revenue of RM88.790 million and a pre-loss loss of RM4.110 million in the preceding quarter. Profits for the current quarter are mainly due to better results achieved by the construction subsidiary arising from a drop in the prices of construction materials , especially steel bars, 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 end Jan 2008, the Group's order book stood at about RM1.14 billion, of which about RM800 million remained outstanding. The prices for steel bars have since late November 2008 dropped significantly to below RM2,500 per tonne and the Group expects this to be maintained over the next 1 to 2 years, against a slowdown in the local and global construction markets. The other construction material prices are also expected to ease in the coming months. This will improve the profitability of the on-going projects which will contribute positively to the results of the Group in the future.

On the front of property development management, the Board expects the quantum of management fee to decline, in line with the lower Net Tangible Assets of Aseana Properties Limited ("ASPL"). The current global economic crisis has adversely affected the real estate markets in Malaysia and Vietnam, the two countries where ASPL operates.

### 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 period to date are as follows:-

	Individual Quarter 9 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Malaysian income tax	322	1,221	764	2,411
Overseas taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>46</u>	<u>1,221</u>	<u>764</u>	<u>2,411</u>

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due to utilisation of tax losses brought forward by a subsidiary; and the effective tax rate of the Group for the year to-date is slightly higher 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.

On 14 January 2009, KBC’s shareholders have approved a 2:1 bonus share/dividend payout to shareholders. The Company will be allocated 541,500 bonus shares/dividend payout, expected to be in first quarter of 2009.

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 period under review.

## B9 Group Borrowings and Debt Securities

The Group’s borrowings as at 31 December 2008 are as follows:-

	<b>RM’000</b>
(a) Short term borrowings	
<i>Secured :-</i>	
Project finance	7,527
Hire Purchase/Leasing	4,945
	-----
	12,472
<i>Unsecured :-</i>	
Bank overdraft	5,835
Revolving credit	28,652
Trade finance	33,428
	-----
	80,387
	-----
(b) Long term borrowings	
<i>Secured :-</i>	
Term loan	14,075
Hire Purchase/Leasing	8,481
	-----
	22,556
	-----
(c) Total borrowings	<u><u>102,943</u></u>

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 23 February 2009.

**B11 Material Litigations**

The Group is not engaged in any material litigation as at 23 February 2009.

**B12 Dividend**

The Board of Directors has not declared any interim dividend for the financial period ended 31 December 2008.

**B13 Earnings Per Share**

	Individual Quarter 9 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
(a) Basic				
Profit for the period attributable to equity holders of the parent (RM'000)	3,215	4,786	2,062	163,722
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings per share (sen)	2.82	4.20	1.81	143.72
(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  
 26 February 2009

