

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 31 December 2012

	Unaudited Current Year Quarter 31.12.2012 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2011 RM'000	Unaudited Current Year To Date 31.12.2012 RM'000	Unaudited Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue	69,228	116,568	276,171	328,298
Cost of sales	(62,056)	(101,747)	(247,426)	(294,009)
Gross profit	7,172	14,821	28,745	34,289
Other income	682	734	2,695	5,572
Expenses	(7,148)	(9,335)	(24,733)	(26,000)
Operating profit	706	6,220	6,707	13,861
Finance costs	(2,260)	(3,265)	(6,252)	(9,099)
Share of results of associates	(2)	(50)	(2,586)	7,575
Share of results of jointly controlled entity	-	-	-	(4)
(Loss)/profit before tax	(1,556)	2,905	(2,131)	12,333
Income tax (expense)/income	(905)	119	(1,957)	(711)
(Loss)/profit for the period	(2,461)	3,024	(4,088)	11,622
Other comprehensive income/(loss):-				
Currency translation differences	16	(11)	(103)	23
Total comprehensive (loss)/income for the period	(2,445)	3,013	(4,191)	11,645
(Loss)/profit attributable to:-				
Owners of the Company	(2,461)	3,024	(4,088)	11,622
Non-controlling interest	-	-	-	-
	(2,461)	3,024	(4,088)	11,622
Total comprehensive (loss)/income attributable to:-				
Owners of the Company	(2,445)	3,013	(4,191)	11,645
Non-controlling interest	-	-	-	-
	(2,445)	3,013	(4,191)	11,645
(Loss)/earnings per share attributable to owners of Company:-				
- basic (sen)	(2.16)	2.65	(3.59)	10.20
- 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 2012 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit	706	6,220	6,707	13,861
Gross interest income	80	248	403	724
Gross interest expense	2,260	3,265	6,252	9,099

IREKA CORPORATION BERHAD (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 31 December 2012**

	Unaudited As At 31.12.2012 RM'000	Audited As At 31.3.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,933	55,732
Investment properties	25,170	25,162
Investment in associates	165,949	168,535
Investment in jointly controlled entity	-	-
Other investments	1,538	2,710
Land held for property development	38,790	37,047
	<u>290,380</u>	<u>289,186</u>
Current assets		
Property development costs	29,161	25,552
Inventories	11,868	11,042
Trade and other receivables	167,668	192,253
Amounts due from customers on contracts	32,646	24,063
Amounts due from jointly controlled entity	-	-
Amounts due from associates	13,976	11,516
Cash and cash equivalents	18,043	40,185
	<u>273,362</u>	<u>304,611</u>
TOTAL ASSETS	<u>563,742</u>	<u>593,797</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	113,915	113,915
Reserves	101,042	110,929
	<u>214,957</u>	<u>224,844</u>
Non-controlling interest	-	-
Total equity	<u>214,957</u>	<u>224,844</u>
Non-current liabilities		
Borrowings	51,757	38,017
Deferred tax liabilities	3,244	3,244
	<u>55,001</u>	<u>41,261</u>
Current liabilities		
Provision	14,000	14,000
Trade and other payables	170,558	175,346
Borrowings	87,659	130,590
Overdrafts	18,914	6,902
Amounts due to customers on contracts	9	56
Tax payable	2,644	798
	<u>293,784</u>	<u>327,692</u>
Total liabilities	<u>348,785</u>	<u>368,953</u>
TOTAL EQUITY AND LIABILITIES	<u>563,742</u>	<u>593,797</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	<u>1.89</u>	<u>1.97</u>
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Condensed Consolidated Statement of Changes in Equity for the financial period ended 31 December 2012

	Attributable to owners of the Company				Total Equity Attributable to Owners of the Company RM'000	(Unaudited) Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000		
9 months ended 31.12.2012 (Unaudited)						
Balance as at 1.4.2012	113,915	21,871	(319)	89,377	224,844	224,844
Total comprehensive loss for the period	-	-	(103)	(4,088)	(4,191)	(4,191)
Dividends	-	-	-	(5,696)	(5,696)	(5,696)
Balance as at 31.12.2012	113,915	21,871	(422)	79,593	214,957	214,957

	Attributable to owners of the Company				Total Equity Attributable to Owners of the Company RM'000	(Unaudited) Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000		
9 months ended 31.12.2011 (Unaudited)						
Balance as at 1.4.2011	113,915	21,871	(251)	84,671	220,206	220,206
Total comprehensive income for the period	-	-	23	11,622	11,645	11,645
Dividends	-	-	-	(5,696)	(5,696)	(5,696)
Balance as at 31.12.2011	113,915	21,871	(228)	90,597	226,155	226,155

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 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 31 December 2012

	Unaudited Current Year To Date 31.12.2012 RM'000	Unaudited Preceding Year Corresponding Period 31.12.2011 RM'000
Cash flows from operating activities		
(Loss)/profit before tax	(2,131)	12,333
Adjustments for:		
Bad debts written off	2	-
Depreciation of property, plant and equipment	3,888	4,331
Gain on disposal of property, plant and equipment	(567)	(3,309)
Property, plant and equipment written off	-	342
Impairment loss on other investments	1,172	2,622
Loss on disposal of other investments	-	123
Share of loss/(profit) from associates	2,586	(7,575)
Share of loss of jointly controlled entities	-	4
Interest expense	6,252	9,099
Interest income	(403)	(724)
Operating profit before changes in working capital	10,799	17,246
Working capital changes:		
Inventories	(826)	6,630
Receivables	24,526	(35,660)
Property development costs	(3,609)	(24,528)
Amount due from customers on contracts	(8,630)	31,804
Amount due from jointly controlled entity	-	-
Amount due from associates	(2,460)	(1,387)
Payables	(4,888)	39,152
Cash generated from operations	14,912	33,257
Income tax paid	(60)	(1,088)
Net cash generated from operating activities	14,852	32,169
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,221)	(1,178)
Purchase of investment properties	(8)	-
Proceeds from disposal of property, plant and equipment	717	5,302
Land held for property development	(1,743)	(25,352)
Proceeds from disposal of other investments	-	8
Interest received	403	724
Net cash used in investing activities	(3,852)	(20,496)
Cash flows from financing activities		
Dividends paid to shareholders	(5,696)	(5,696)
Hire purchase principal repayments	(4,147)	(3,563)
Interest paid	(6,252)	(9,099)
Drawdown of bank borrowings	71,891	94,241
Repayment of bank borrowings	(100,950)	(64,987)
Net cash (used in)/generated from financing activities	(45,154)	10,896
Net (decrease)/increase in cash and cash equivalents	(34,154)	22,569
Cash and cash equivalents as at beginning of financial period	33,283	14,737
Cash and cash equivalents as at end of financial period	(871)	37,306
Cash and cash equivalents as at end of financial period comprise the followings:-		
Cash and bank balances	18,043	68,010
Overdrafts	(18,914)	(30,704)
	(871)	37,306

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 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 2012. 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 2012.

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 2012.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2012 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

The Company has paid a first and final single-tier dividend of 5% (5 sen net per ordinary share) for the financial year ended 31 March 2012 on 20 December 2012.

A9 Segmental Information

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Segment Revenue				
Revenue				
Construction	63,288	108,445	255,592	307,176
Property development	-	10	-	1,578
Property investment	329	155	776	466
Trading and services	8,535	6,643	25,958	18,250
Investment holding and other	3,114	4,662	9,341	11,002
Total	75,266	119,915	291,667	338,472
Elimination of inter-segment sales	(6,038)	(3,347)	(15,496)	(10,174)
Total	69,228	116,568	276,171	328,298

	Group revenue and results including Share of JVs			
	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Segment Results				
(Loss)/profit before tax				
Construction	(1,466)	1,959	3,173	4,198
Property development	142	(21)	(183)	1
Property investment	(235)	(435)	(955)	(1,474)
Trading and services	(241)	150	(503)	126
Investment holding and other	244	1,252	(3,663)	9,482
Total	(1,556)	2,905	(2,131)	12,333

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

Save for the following, 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:-

- (i) The Company has made a capital contribution of USD20,000 (equivalent to approximately RM61,664) to i-Tech Network Solutions (Vietnam) Company Limited on 27 December 2012, the business name granted by the People's Committee of Ho Chi Minh City for the Company to carry out services of import and distribution of computer hardware, computer programming, consultancy and computer system management in Vietnam.

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 31.12.2012 RM	Financial Year Ended 31.3.2012 RM
(i) Corporate guarantees for credit facilities granted to the Group	17,023,071	3,250,671

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 31 December 2012, the Group has recorded revenue of RM276.171 million as compared to RM328.298 million for the preceding year. The current year revenue is mainly attributable to the construction segment of the Group.

The construction segment has achieved lower revenue of RM255.592 million in the current period, compared to RM307.176 million in the preceding period, due to completion of major contracts and slow start of its new projects. Contribution comes from its local and Vietnam operations. The Group is currently constructing a private hospital project in Ho Chi Minh City, which contributes to about 26% of the Group's construction revenue in the current period under review.

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 31 December 2012, the Group recorded a pre-tax loss of RM2.131 million, as compared to a pre-tax profit of RM12.333 million in the preceding year. The lower revenue achieved by the construction segment has affected its profit margin due to higher fixed costs; and the profit contribution by the construction segment is lowered by unexpected costs incurred in certain project. The current results are affected by a share of loss of Aseana Properties Limited ("ASPL") (a 23.07% associate of Ireka) of RM2.518 million (31 December 2011: Profit of RM7.580 million); and a mark-to-market loss on share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM1.172 million (31 December 2011: RM2.622 million). In the preceding year corresponding period, the Group has recorded a gain of RM3.154 million on disposal of an office shplot.

The profit from construction segment has included a payment for Liquidated and Ascertained Damages arising from late in delivery of a project of RM0.427 million (31 December 2011: RM5.000 million).

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

The Group has achieved lower revenue of RM69.228 million in the current quarter as compared to RM116.568 million in the preceding year corresponding quarter. This is mainly due to lower contribution by its construction segment in the current quarter.

For the financial quarter ended 31 December 2012, the Group recorded a pre-tax loss of RM1.556 million, as compared to a pre-tax profit of RM2.905 million in the preceding year corresponding quarter and this is mainly due to losses suffered by its construction segment.

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

The Group has recorded a lower revenue of RM69.228 million in the third quarter of financial year ending 31 March 2013, compared to RM96.580 million in the immediate preceding quarter; and a pre-tax loss of RM1.556 million compared to a pre-tax loss RM2.522 million in the last quarter.

The lower revenue achieved in the current quarter is mainly due to lower construction works achieved due to completion of old contracts and slow start of the new projects. This has adversely affected the profit margin due to higher fixed costs. Pre-tax loss has reduced to RM1.556 million, as compared to a pre-tax loss of RM2.522 million in last quarter, mainly due to a reversal of impairment in the share investment in KBC of RM0.016 million in the current quarter, compared to RM0.862 million in the immediate preceding quarter.

B3 Prospects for the Current Financial Year

On the construction front, the Group has tendered for about RM6 billion worth of contracts over the last twelve months. In November 2012, the Group has secured two contracts for the construction and completion of main structural, civil, sub-structure and other related works under Package V7 of the MRT project: Construction and Completion of Viaduct Guideway and other associated works from Bandar Tun Hussein Onn to Taman Mesra with a combined contract sum of RM134.14 million. As at end December 2012, the Group's order book stood at about RM609 million, of which about RM464 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. We expect to launch two of the projects in March 2013. These projects will 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 2013.

B5 (Loss)/Profit for the Period

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

	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Bad debts written off	-	-	2	-
Depreciation of property, plant and equipment	1,386	1,454	3,888	4,331
(Reversal of impairment)/impairment loss on other investments	(16)	941	1,172	2,622
Interest expenses	2,260	3,265	6,252	9,099
Loss on disposal of other investments	-	123	-	123
Net foreign exchange loss/(gain)	25	2	(22)	6
Property, plant and equipment written off	-	3	-	342
Gain on disposal of property, plant and equipment	(14)	(139)	(567)	(3,309)
Interest income	(80)	(248)	(403)	(724)
Dividend income	-	(1,548)	-	(1,548)

Other than the above items, there were no allowance for and write off of inventories and exceptional items for the current quarter and financial period ended 31 December 2012.

B6 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Malaysian income tax	(189)	(213)	(586)	(508)
Overseas income tax	(716)	332	(1,371)	(141)
Deferred tax	-	-	-	(62)
	(905)	119	(1,957)	(711)

The effective tax rates of the Group for the current quarter and for the period were higher than the statutory tax rate due to effect of share of losses of associates and the losses of certain subsidiaries cannot be set off against taxable profit made by certain subsidiaries.

B7 Status of Corporate Proposals

There were no on-going corporate proposals during the financial period under review.

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2012 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	7,022
Project loans and revolving credit	46,421
Hire purchase/leasing	4,298
Trade finance	16,918
Bank overdraft	17,955
Revolving credit	12,000

	104,614

<i>Unsecured:-</i>	
Bank overdraft	959
Revolving credit	1,000

	106,573

(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	31,180
Project loans	16,693
Hire purchase/leasing	3,884

	51,757

(c) Total borrowings	<u>158,330</u>

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

B9 Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the retained earnings/(accumulated losses) of the Group as at 31 December 2012, into realised and unrealised profits/(losses) is as follows:-

	31.12.2012	31.3.2012
	RM'000	RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	85,940	93,138
- Unrealised	(3,244)	(3,244)
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	<u>82,696</u>	<u>89,894</u>

IREKA CORPORATION BERHAD (Company No. 25882-A)

	31.12.2012	31.3.2012
	RM'000	RM'000
The share of accumulated losses of its associates:-		
- Realised	(7,410)	(4,780)
- Unrealised	4,307	4,263
	-----	-----
	(3,103)	(517)
	=====	=====
Total retained earnings	79,593	89,377
	=====	=====

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 22 February 2013.

B11 Dividend Proposed

The Board of Directors has not proposed any payment of dividend for the current quarter ended 31 December 2012.

B12 (Loss)/Earnings per Share

	Individual Quarter 3 Months Ended		Cumulative Period 9 Months Ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
(a) Basic				
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(2,461)	3,024	(4,088)	11,622
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic (loss)/earnings per share (sen)	(2.16)	2.65	(3.59)	10.20
(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 February 2013