

IREKA CORPORATION BERHAD

Condensed Consolidated Income Statements for the Quarter Ended 31 March 2008

	Unaudited Current Year Quarter 31.3.2008 RM'000	Unaudited Preceding Year Corresponding Quarter 31.3.2007 RM'000	Unaudited Current Year To Date 31.3.2008 RM'000	Unaudited Preceding Year Corresponding Period 31.3.2007 RM'000
Continuing Operations				
Revenue	80,886	62,712	330,610	185,630
Cost of sales	(76,691)	(81,603)	(295,607)	(207,409)
Gross profit	4,195	(18,891)	35,003	(21,779)
Other income	(4,891)	31,661	208,511	34,486
Expenses	(8,969)	(18,795)	(79,485)	(31,715)
Profit/(Loss) from operations	(9,665)	(6,025)	164,029	(19,008)
Share of profit/(loss) after tax of jointly controlled entities	(46)	(10)	(498)	10
Finance costs	3,137	(3,755)	(5,766)	(14,208)
Profit/(Loss) before tax	(6,574)	(9,790)	157,765	(33,206)
Income tax expense	446	1,948	(1,965)	1,559
Profit/(Loss) for the period from continuing operations	(6,128)	(7,842)	155,800	(31,647)
Discontinued Operations				
Profit/(Loss) for the period from discontinued operations	-	(898)	1,794	1,014

Profit/(Loss) for the period	(6,128)	(8,740)	157,594	(30,633)
Attributable to :				
Equity holders of the parent	(6,128)	(8,987)	157,594	(30,880)
Minority interest	-	247	-	247
(Loss)/Profit for the period	(6,128)	(8,740)	157,594	(30,633)
(Loss)/Earnings per share (sen) :				
- Basic, for profit for the period	(5.38)	(7.89)	138.34	(27.11)
- 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 2007 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Profit/(Loss) from operations	(9,665)	(6,025)	164,029	(19,008)
Gross interest income	8,005	214	11,129	1,101
Gross interest expense	4,868	3,755	16,895	14,208

IREKA CORPORATION BERHAD
Condensed Consolidated Balance Sheet as at 31 March 2008

	Unaudited As At 31.3.2008 RM'000	Audited As At 31.3.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,146	31,174
Land and development expenditure	1,089	-
Investment properties	20,066	4,272
Interest in jointly controlled entities	140	230
Other investments	150,361	5,741
Other intangibles	3,409	-
	<u>211,211</u>	<u>41,417</u>
Current assets		
Development properties	5,262	8,739
Inventories	13,529	9,341
Trade and other receivables	181,502	105,901
Amounts due from customers on contracts	15,506	59,224
Amounts due from jointly controlled entities	11,439	11,635
Taxation	1,932	-
Deposits, cash and cash equivalents	73,559	73,410
	<u>302,729</u>	<u>268,250</u>
Assets of disposal group classified as held for sale	-	256,742
	<u>302,729</u>	<u>524,992</u>
TOTAL ASSETS	<u><u>513,940</u></u>	<u><u>566,409</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	113,915	113,915
Reserves	127,225	(22,022)
	<u>241,140</u>	<u>91,893</u>
Minority interests	117	3,978
Total equity	<u>241,257</u>	<u>95,871</u>
Non-current Liabilities		
Borrowings	15,853	27,506
Deferred tax liabilities	3,197	3,197
	<u>19,050</u>	<u>30,703</u>
Current liabilities		
Trade and other payables	150,847	108,929
Borrowings	102,607	110,371
Overdrafts	179	22,922
Taxation	-	1,423
	<u>253,633</u>	<u>243,645</u>
Liabilities directly associated with the assets as held for sale	-	196,190
	<u>253,633</u>	<u>439,835</u>
Total liabilities	<u><u>272,683</u></u>	<u><u>470,538</u></u>

TOTAL EQUITY AND LIABILITIES	<u>513,940</u>	<u>566,409</u>
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(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	<u>2.12</u>	<u>0.84</u>
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IREKA CORPORATION BERHAD

Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 31 March 2008

	<----- Attributable to equity holders of the Company ----->					Minority Interests RM'000	Unaudited Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
12 months ended 31.3.2008							
Balance as at 1.4.2007	113,915	21,924	(185)	(43,760)	91,894	3,977	95,871
Dilution of equity shares	-	-	-	-	-	(3,860)	(3,860)
Profit for the period	-	-	-	157,594	157,594	-	157,594
Transaction costs	-	(32)	-	-	(32)	-	(32)
Dividends	-	(8,316)	-	-	(8,316)	-	(8,316)
Balance as at 31.3.2008	<u>113,915</u>	<u>13,576</u>	<u>(185)</u>	<u>113,834</u>	<u>241,140</u>	<u>117</u>	<u>241,257</u>

	<----- Attributable to equity holders of the Company ----->					Minority Interests RM'000	Audited Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
12 months ended 31.3.2007							
Balance as at 1.4.2006	113,915	21,938	(57)	3,594	139,390	1,044	140,434
Addition to equity interest	-	-	-	-	-	2,500	2,500
Profit for the period	-	-	-	(33,717)	(33,717)	434	(33,283)
Foreign currency translation	-	-	(128)	-	(128)	-	(128)
Transaction costs	-	(14)	-	-	(14)	-	(14)
Dividends	-	-	-	(8,548)	(8,548)	-	(8,548)
Distribution to holder of preference shares	-	-	-	(5,090)	(5,090)	-	(5,090)
Balance as at 31.3.2007	<u>113,915</u>	<u>21,924</u>	<u>(185)</u>	<u>(43,761)</u>	<u>91,893</u>	<u>3,978</u>	<u>95,871</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the Interim Statements)

IREKA CORPORATION BERHAD

Condensed Consolidated Cash Flow Statement for the Quarter Ended 31 March 2008

	Unaudited Current Year To Date 31.3.2008 RM'000	Audited Preceding Year Corresponding Period 31.12.2007 RM'000
Net cash from operating activities	105,343	(47,644)
Net cash used in investing activities	(157,860)	185,973
Net cash used in financing activities	<u>75,409</u>	<u>(66,075)</u>
Net change in cash and cash equivalents	22,892	72,254
Cash and cash equivalents as at beginning of financial period	<u>50,488</u>	<u>(15,350)</u>
Cash and cash equivalents as at end of financial period	<u><u>73,380</u></u>	<u><u>56,904</u></u>

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

Deposits, cash and bank balances	73,559	79,826
Overdrafts	<u>(179)</u>	<u>(22,922)</u>
	<u><u>73,380</u></u>	<u><u>56,904</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007 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 2007. 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 2007.

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 2007.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2007 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 2007.

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 31 March 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 31 March 2008.

A9 Segmental Information

Group revenue and results including share of JVs 12 months ended

	31.3.2008	31.3.2007
	RM'000	RM'000
Segment Revenue		
Revenue		
Construction	288,893	165,302
Property development	6,826	16,365
Property investment	788	-
Trading and services	36,740	11,067
Investment holding and other	10,904	7,210
Total	344,151	199,944
Elimination of inter-segment sales	(13,541)	(14,314)
Total	330,610	185,630

Segment Results

(Loss)/Profit before taxation		
Construction	(27,239)	(34,261)
Property development	469	(9,157)
Property investment	(88)	-
Trading and services	6,300	440
Investment holding and other	178,323	9,772
Total	157,765	(33,206)

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

On 3 March 2008, the Company announced that its wholly owned subsidiary, Ireka Venture Capital Limited has on 29 February 2008 entered into a Share Subscription Agreement with KinhBac City Development Shareholding Corporation (“KBC”), a company incorporated in Socialist Republic of Vietnam and listed on the Hanoi Securities Trading Centre for the acquisition of a strategic stake in KBC. The share acquisition represents 722,000 of new ordinary shares, out of an enlarged share base of 100,000,000 shares, at Vietnam Dong (“VND”) 110,000 per share. KCB is involved in the development, construction and operation of industrial and urban zones, and related infrastructure in Vietnam. The Board of Directors is of the opinion that the share acquisition in KBC is a strategic investment that will provide the Group with an avenue of venturing into the infrastructure development and construction market in Vietnam.

The share acquisition consideration of VND79.42 billion or equivalent to USD 5.011 million was paid to KBC on 10 April 2008.

There were no other material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

Save as 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:-

- (a) Incorporation of two new wholly-owned subsidiary companies, i-ZEN Property Services Sdn Bhd (formerly known as Visi Kembar Sdn Bhd) and i-ZEN Commercial Sdn Bhd (formerly known as Metropolitan Synergies Sdn Bhd).

A13 Contingent Liabilities

- (a) Contingent Liabilities

	Financial Quarter Ended 31.3.2008 RM	Financial Year Ended 31.3.2007 RM
(i) Corporate guarantees for credit facilities granted to the Group	141,362,915	8,527,729

The increase in contingent liabilities was due to corporate guarantees granted to financiers of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd totalling RM89.644 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

The amount of capital commitments not provided in the financial statements as at 31 March 2008 is as follows:-

	RM
Approved and contracted for	15,800,000
Approved and not contracted for	-
	<u>15,800,000</u>

BURSA SECURITIES LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of Performance

On 15 May 2007, the Group has completed the disposal of its subsidiaries, Ireka Land and ICSD Ventures, resulting in the results of these two companies to date of disposal being classified under “Discontinued Operations”.

Excluding the two disposed subsidiaries above, the Group has achieved for the financial year ended 31 March 2008 a revenue amount of RM330.610 million as compared to RM185.630 million for preceding year, representing a jump of 78%. This was due to an increase in size of the order book and a number of construction projects operating at full swing during the financial year under review.

For the financial year ended 31 March 2007, the Group has recorded a net-tax profit for the year of RM157.594 million, after taking into consideration losses from completed projects and gains on disposal of its subsidiaries, Ireka Land and ICSD Ventures of about RM206 million. The Company has also provided for an impairment loss of RM2.2 million on the Subordinated Secured Variable Rate Bonds of RM4 million, which were acquired as part of the Collateralised Loan Obligations facility (“CLO”) of RM40 million granted to the Company in November 2002. The CLO was fully repaid on its due date of 26 November 2007.

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

The Group has recorded a higher revenue of RM80.886 million and a loss of RM6.128 million in the fourth quarter of financial year ended 31 March 2008, compared with a revenue of RM89.951 million and a pre-tax profit of RM6.007 million in the preceding quarter. Losses for the quarter are mainly contributed by construction subsidiary due to revision in profit forecasts of on-going projects arising from significant increase in construction material prices, especially steel bars; and also due to the provision for impairment loss on the Subordinated Secured Variable Rate Bonds of RM2.2 million as stated in B 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 works on hand and expected new contracts. The Group is currently working to secure some projects under the 9th Malaysian Plan and from Aseana Properties Limited (“ASPL”), and expects its order book to exceed RM1 billion within the next three months. However, profit margins of on-going contracts undertaken by construction subsidiary, although still healthy, have been eroded by the recent hike in construction material prices, especially steel bars. Despite the lower profit margins, the Group is still expecting these projects to contribute positively to the results of the Group in the current financial year.

On the property development front, the Group has disposed of its Ireka Land and ICSD Ventures to ASPL on 15 May 2007 and the results of the two companies have ceased to be included in the Group’s from thereon.

ASPL is a company listed on the Main Market of the London Stock Exchange, which focuses on property development in Malaysia and Vietnam. The Group has retained a 19.6% stake in ASPL which the Board is confident will generate healthy capital gain and dividend income to the Group in the coming years.

Together with the disposal of Ireka Land and ICSD Ventures, Ireka Development Management (“IDM”) has commenced its role as the property development manager under a management agreement with ASPL, effective 16 May 2007. IDM expects to earn stable and healthy income in terms of management fee from this new business operation going forward.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ended 31 March 2008.

B5 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2008 RM'000	31.3.2007 RM'000	31.3.2008 RM'000	31.3.2007 RM'000
Malaysian income tax	446	(1,948)	(1,965)	(1,559)
Overseas taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>208</u>	<u>(1,948)</u>	<u>(2,203)</u>	<u>(1,559)</u>

The effective tax rates of the Group for the current quarter and year-to-date are lower than the statutory tax rate due to gains on disposal of 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 has acquired 42,987,884 number of shares in ASPL at US\$1.00 each during the financial period ended 31 December 2007, being part of the share consideration paid for the acquisition of Ireka Land and ICSD Ventures by ASPL. The balance of the share consideration of 5,925,739 number of shares currently held in escrow by the administrator of ASPL shall be acquired by the Company upon fulfilment of certain conditions under the Acquisition Agreement. The shares are intended to be held as long term investment.

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 31 March 2008 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured :-</i>	
Project finance	19,929
Hire Purchase/Leasing	2,146

	22,075
<i>Unsecured :-</i>	
Bank overdraft	179
Revolving credit	35,382
Trade finance	43,662

	101,298

(b) Long term borrowings	
<i>Secured :-</i>	
Term loan	11,487
Hire Purchase/Leasing	5,853

	17,340

(c) Total borrowings	118,638

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 May 2008.

B11 Material Litigations

The Group is not engaged in any material litigation as at 26 May 2008.

B12 Dividend

The Board of Directors shall consider recommendation of dividend payment in respect of the financial year ended 31 March 2008 upon finalisation of the audited accounts.

B13 Earnings Per Share

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
(a) Basic				
Profit/(Loss) for the period attributable to equity holders of the parent (RM'000)	(6,128)	(8,987)	157,594	(30,880)
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings per share (sen)	(5.38)	(7.89)	138.34	(27.11)

(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
27 May 2008