

**IREKA CORPORATION BERHAD**  
**Condensed Consolidated Income Statements for the Quarter Ended 31 March 2010**

	<b>Unaudited</b> <b>Current Year</b> <b>Quarter</b> <b>31.3.2010</b> <b>RM'000</b>	Unaudited Preceding Year Corresponding Quarter 31.3.2009 RM'000	<b>Unaudited</b> <b>Current Year</b> <b>To Date</b> <b>31.3.2010</b> <b>RM'000</b>	Unaudited Preceding Year Corresponding Period 31.3.2009 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	104,599	76,212	393,076	323,699
Cost of sales	(96,911)	(64,451)	(349,119)	(287,475)
<b>Gross profit</b>	<b>7,688</b>	<b>11,761</b>	<b>43,957</b>	<b>36,224</b>
Other income	1,017	1,216	2,496	1,900
Expenses	(2,120)	(7,303)	(26,411)	(25,723)
<b>Profit/(Loss) from operations</b>	<b>6,585</b>	<b>5,674</b>	<b>20,042</b>	<b>12,401</b>
Finance costs	(2,627)	(1,529)	(7,897)	(5,501)
Share of profit/(loss) after tax of associate	(2,914)	-	(2,914)	-
Share of profit/(loss) after tax of jointly controlled entity	(4)	2	(32)	73
<b>Profit/(Loss) before tax</b>	<b>1,040</b>	<b>4,147</b>	<b>9,199</b>	<b>6,973</b>
Income tax expense	(220)	(175)	(535)	(939)
	<b>820</b>	<b>3,972</b>	<b>8,664</b>	<b>6,034</b>
<b>DISCONTINUED OPERATION</b>				
Profit/(Loss) for the year from discontinued operation	-	(13)	-	(13)
<b>Profit/(Loss) for the period</b>	<b>820</b>	<b>3,959</b>	<b>8,664</b>	<b>6,021</b>
<b>Attributable to :</b>				
Equity holders of the parent	820	3,959	8,664	6,021
Minority interest	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>820</b>	<b>3,959</b>	<b>8,664</b>	<b>6,021</b>
<b>Earnings/(Loss) per share (sen) :</b>				
- Basic, for profit for the period	0.72	3.48	7.61	5.29
- 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 2009 and the accompanying explanatory notes attached to the Interim Statements)**

**Other information:-**

Profit from operations	6,585	5,674	20,042	12,401
Gross interest income	14	(7,452)	347	1,068
Gross interest expense	2,641	(5,923)	8,244	6,569

**IREKA CORPORATION BERHAD**  
**Condensed Consolidated Balance Sheet as at 31 March 2010**

	Unaudited As At 31.3.2010 RM'000	Audited As At 31.3.2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56,302	65,021
Land and development expenditure	10,819	10,819
Investment properties	20,190	4,272
Investment in associate	165,838	-
Investment in jointly controlled entity	70	185
Other investments	9,374	185,698
Other intangibles	2	-
	<u>262,595</u>	<u>265,995</u>
<b>Current assets</b>		
Development properties	94,127	3,253
Inventories	16,857	14,424
Trade and other receivables	186,521	144,135
Amounts due from customers on contracts	24,457	31,328
Amounts due from jointly controlled entities	11,114	11,422
Deposits, cash and cash equivalents	40,978	27,139
	<u>374,054</u>	<u>231,701</u>
<b>TOTAL ASSETS</b>	<u>636,649</u>	<u>497,696</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	113,915	113,915
Reserves	123,833	120,086
	<u>237,748</u>	<u>234,001</u>
<b>Minority interests</b>	-	-
<b>Total equity</b>	<u>237,748</u>	<u>234,001</u>
<b>Non-current Liabilities</b>		
Borrowings	37,539	37,695
Deferred tax liabilities	3,252	3,252
	<u>40,791</u>	<u>40,947</u>
<b>Current liabilities</b>		
Trade and other payables	206,464	149,410
Borrowings	113,465	71,530
Overdrafts	38,181	-
Taxation	-	1,808
	<u>358,110</u>	<u>222,748</u>
<b>Total liabilities</b>	<u>398,901</u>	<u>263,695</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>636,649</u>	<u>497,696</u>

**(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the Interim Statements)**

**Other Information:-**

Net assets per share (RM)	<u>2.09</u>	<u>2.05</u>
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**IREKA CORPORATION BERHAD**  
**Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 31 March 2010**

	<----- 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><u>12 months ended 31.3.2010 (Unaudited)</u></b>							
Balance as at 1.4.2009	113,915	21,876	(185)	98,395	234,001	-	234,001
Profit for the period	-	-	-	8,664	8,664	-	8,664
Transaction costs	-	(5)	-	-	(5)	-	(5)
Dividends	-	-	-	(4,955)	(4,955)	-	(4,955)
Amount recognised directly in equity relating to assets classified as held for sale	-	-	-	43	43	-	43
Balance as at 31.3.2010	<b>113,915</b>	<b>21,871</b>	<b>(185)</b>	<b>102,147</b>	<b>237,748</b>	<b>-</b>	<b>237,748</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><u>12 months ended 31.3.2009 (Unaudited)</u></b>							
Balance as at 1.4.2008	113,915	21,892	(185)	100,788	236,410	116	236,526
Profit for the period	-	-	-	6,021	6,021	-	6,021
Transaction costs	-	(16)	-	-	(16)	-	(16)
Dividends	-	-	-	(8,430)	(8,430)	-	(8,430)
Balance as at 31.3.2009	<b>113,915</b>	<b>21,876</b>	<b>(185)</b>	<b>98,379</b>	<b>233,985</b>	<b>116</b>	<b>234,101</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 2009 and the accompanying explanatory notes attached to the Interim Statements)**

**IREKA CORPORATION BERHAD****Condensed Consolidated Cash Flow Statement for the Quarter Ended 31 March 2010**

	<b>Unaudited Current Year To Date 31.3.2010 RM'000</b>	<b>Unaudited Preceding Year Corresponding Period 31.3.2009 RM'000</b>
Net cash from operating activities	42,325	28,078
Net cash used in investing activities	(93,016)	(37,379)
Net cash used in financing activities	44,529	(39,350)
Net change in cash and cash equivalents	(6,162)	(48,651)
Cash and cash equivalents as at beginning of financial period	8,959	57,578
Cash and cash equivalents as at end of financial period	2,797	8,927

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

Deposits, cash and bank balances	40,978	27,107
Overdrafts	(38,181)	(18,180)
	2,797	8,927

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 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 2009. 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 2009.

### 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 2009, except for the adoption of the following new and revised FRSs and amendments to FRSs as described below, which are relevant to the Group's operations with effect from 1 January 2010:-

(i) FRS139 – Financial Instruments: Recognition and Measurement

The Group has adopted FRS 139 in respect of recognition and measurement of the Group's financial instruments as follows:-

(i) Investments

Prior to 1 January 2010, investment in other non-current unquoted investments and marketable securities are stated at cost less allowance for diminution in value which was other than temporary in nature.

With the adoption of FRS 139, other non-current unquoted investments and marketable securities are now categorised as available-for-sale investments and financial assets held for trading and measured as follows:-

- (a) Unquoted investments – at cost
- (b) Marketable securities - at fair value through profit and loss

(ii) Amendment to FRS116 – Property, Plant and Equipment and FRS 140 – Investment Property

Prior to 1 January 2010, property being constructed or developed for future use as investment property is classified as property, plant and equipment until construction or development is completed.

Upon the adoption of the Amendments to FRS 116 and FRS 140, such property is accounted for as investment property rather than property, plant and equipment.

The effects arising from the adoption of the Amendments to FRS 116 and FRS

140 are as follows:-

- (a) Effect on statement of financial position as at 31 March 2010

	<b>Increase/(decrease)</b> <b>RM'000</b>
Property, plant and equipment	(15,919)
Investment properties	15,919

- (b) Since Amendments to FRS 116 and FRS 140 are applied prospectively, no re-statement of comparative figures is required for statement of financial position as at 31 December 2009.

- (iii) FRS128 – Investment in Associates

The Directors have re-assessed the accounting policy for the Company's investment in Aseana Properties Limited ("ASPL"), such that it is now re-classified as an investment in associate.

### **A3 Audit Report**

The auditors' report on the financial statements for the financial year ended 31 March 2009 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 March 2010.

### **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 March 2010 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 2010.

### **A9 Segmental Information**

<b>Group revenue and results including Share of JVs 12 months ended</b>
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	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Revenue		
Construction	365,853	286,488
Property development	378	5,191
Property investment	993	963
Trading and services	25,394	32,341
Investment holding and other	18,849	13,073
Total	411,467	338,056
Elimination of inter-segment sales	(18,391)	(14,357)
Total	<u>393,076</u>	<u>323,699</u>

**Segment Results**

Profit/(Loss) before taxation		
Construction	9,399	7,466
Property development	106	(36)
Property investment	84	92
Trading and services	998	1,667
Investment holding and other	2,941	(1,466)
	13,528	7,723
Elimination of inter-segment profit	(4,125)	(750)
Total	<u>9,403</u>	<u>6,973</u>

**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) Acquisition of a shelf company named World Trade Frontier Sdn Bhd (“WTF”) with an issued and paid up capital of RM2.00 on 3 December 2009. The Company has subscribed for an additional 299,998 ordinary shares of RM1.00 each in WTF on 19 March 2010; and
- (ii) Incorporation of iTech EVL Solutions Sdn Bhd by the Company’s wholly-owned subsidiary, iCapital Sdn Bhd, with an issued and paid up share capital of RM2.00

on 23 March 2010.

### **A13 Contingent Liabilities**

(a) Contingent Liabilities

	<b>Financial Quarter Ended 31.3.2010 RM</b>	<b>Financial Year Ended 31.3.2009 RM</b>
(i) Corporate guarantees for credit facilities granted to the Group	49,051,731	15,487,336
(ii) Claims by former lorry subcontractors pertaining to deposits forfeited	843,395	843,395

(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 Company has, via its wholly owned subsidiary, World Trade Frontier Sdn Bhd (“WTF”), entered into a sale and purchase agreement to acquire a piece of land bearing the postal address of No. 7, Jalan Kia Peng, 50450 Kuala Lumpur, for a total cash consideration of RM87,120,000 on 11 December 2009. As at 31 March 2010, WTF has paid a total cash deposit of RM8,712,000, representing 10% of the purchase consideration. The balance of RM78,408,000 was paid on 2 April 2010.

Save for the aforesaid, there were no other 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 year ended 31 March 2010, the Group has achieved higher revenue of RM393.076 million as compared to RM323.699 million for the preceding year. This is mainly due to higher volume of construction works being completed during the year.

For the financial year ended 31 March 2010, the Group has recorded a pre-tax profit of RM9.199 million as compared to RM6.973 million in preceding year. The lower prices for steel bars and other construction materials during the year have contributed to improved profit margins for construction projects. The results were also attributable to gains from sale of shares in Kinh Bac City Development Shareholding Corporation (“KBC”), offset by share of loss of Aseana Properties Limited (“ASPL”), which was re-classified as an associate in the current quarter.

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



The Group has recorded slightly lower revenue of RM104.599 million in the fourth quarter of financial year ended 31 March 2010, compared with RM113.867 million in the preceding quarter, and a pre-tax profit of RM0.820 million, compared to RM2.371 million in the last quarter. The drop in profit was mainly due to the share of loss of ASPL as mentioned in B1 above.

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

On the construction front, basing on existing works on hand, the Board expects turnover to increase in the current financial year. As at end April 2010, the Group's order book stood at about RM1.02 billion, of which about RM440 million remained outstanding. Barring any unforeseen significant increase in the prices of construction materials, the Company expects the on-going projects to continue to contribute positively to the results of the Group.

The Board expects the management fee income from property development management to continue declining, due to the lower Net Tangible Assets of ASPL, mainly as a result of the cancellation of 37.475 million shares in ASPL during the year 2009. The current global economic crisis has affected the performance of real estate markets in Malaysia and Vietnam, the two countries where ASPL operates in, although the Board expects the condition in both markets to continue to improve going forward.

### **B4 Profit Forecast**

The Group did not issue any profit forecast for the financial year ended 31 March 2010.

### **B5 Taxation**

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

	Individual Quarter 3 Months Ended		Cumulative Period 12 Months Ended	
	31.3.2010 RM'000	31.3.2009 RM'000	31.3.2010 RM'000	31.3.2009 RM'000
Malaysian income tax	220	145	535	909
Overseas taxation	-	-	-	-
Deferred taxation	-	30	-	30
	<u>220</u>	<u>175</u>	<u>535</u>	<u>939</u>

The effective tax rates of the Group for the current quarter and for the year-to-date are lower than the statutory tax rate due to utilisation of tax losses brought forward by the Company and subsidiaries.

### **B6 Unquoted Investments and/or Properties**

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

### **B7 Quoted Investments**

During the quarter under review, the Company has disposed off 260,000 number of shares in KBC at an average net price of about VND64,230 per share, bringing the total of shares sold during the year to 760,000 shares. A balance of 864,500 ordinary shares is

available for sale as to-date.

In accordance with FRS139 which became effective from 1 January 2010, marketable securities are valued basing on quoted market prices. Based on the closing price as at 31 March 2010, the fair value of the remaining KBC shares is about RM8.574 million. Compared to the cost of about RM8.612 million, the impairment on investment is about RM38,000 which is considered as immaterial and no adjustment is made to the cost of the investment.

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**

At the Extraordinary General Meeting held on 9 March 2010, the shareholders of the Company approved the following proposals, which were completed in April 2010:-

- (i) The Proposed Acquisition of a piece of property held under Geran 36590, Lot 201, Section 63, Town and District of Kuala Lumpur, Wilayah (“Property”) by World Trade Frontier Sdn Bhd (“WTF”), a wholly-owned subsidiary of Ireka Corporation Berhad (“ICB”), from Kuok Chiu Hoon Selina, Farah Binti Azman and Kim Kuok Strickland (Formerly known as Kuok King Hoon Kim) for a Cash consideration of RM87,120,000 (“Proposed Acquisition”);
- (ii) The Proposed Subscription by ASPL M9 Limited (“ASPL”), a wholly-owned subsidiary of Aseana Properties Limited, of a total of 700,000 new ordinary shares of RM1.00 each at par in WTF, representing a shareholding interest of 70% of WTF’s enlarged share capital, for a total subscription amount of RM700,000 to be satisfied entirely in cash (“Proposed Subscription”); and
- (iii) The proposed Joint Venture between ICB, WTF and ASPL in connection with the ownership and development of the property (“Proposed Joint Venture”)

There are no other on-going corporate proposals announced but pending completion.

## **B9 Group Borrowings and Debt Securities**

The Group’s borrowings as at 31 March 2010 are as follows:-

	<b>RM’000</b>
(a) Short term borrowings	
<i>Secured :-</i>	
Term loans	1,275
Project loans	42,187
Hire Purchase/Leasing	4,728
Trade finance	39,161
Bank overdraft	36,227
Revolving credit	23,072
	-----
	146,650
<i>Unsecured :</i>	
Bank overdraft	1,954
Revolving credit	3,042
	-----
	151,646
	-----

(b)	Long term borrowings	
	<i>Secured :-</i>	
	Term loans	29,929
	Hire Purchase/Leasing	7,610
		-----
		37,539
		-----
(c)	Total borrowings	189,185
		=====

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 25 May 2010.

#### **B11 Material Litigations**

The Group is not engaged in any material litigation as at 25 May 2010.

#### **B12 Dividend Proposed**

The Board of Directors shall consider recommendation of dividend payment in respect of the financial year ended 31 March 2010 upon finalisation of the audited accounts.

#### **B13 Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
(a) Basic				
Profit for the period attributable to equity holders of the parent (RM'000)	820	3,959	8,664	6,021
Weighted average number of ordinary shares	113,914,700	113,914,700	113,914,700	113,914,700
Basic earnings per share (sen)	0.72	3.48	7.61	5.29
(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**  
**31 May 2010**