

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2014

	Unaudited Current Year Quarter 30.9.2014 RM'000	Unaudited Preceding Year Corresponding Quarter 30.9.2013 RM'000	Unaudited Current Year To Date 30.9.2014 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2013 RM'000
Revenue	105,678	62,316	201,881	111,318
Cost of sales	(99,158)	(52,451)	(183,210)	(96,451)
Gross profit	6,520	9,865	18,671	14,867
Other income	5,226	1,150	5,881	2,563
Expenses	(8,935)	(9,105)	(17,683)	(16,558)
Operating profit	2,811	1,910	6,869	872
Finance costs	(2,382)	(2,138)	(4,791)	(3,928)
Share of profit/(loss) of associates	6,595	(6,739)	3,124	(11,400)
Profit/(loss) before tax	7,024	(6,967)	5,202	(14,456)
Income tax expense	(3)	(625)	(33)	(820)
Profit/(loss) for the period	7,021	(7,592)	5,169	(15,276)
Other comprehensive income/(loss):-				
Currency translation differences	134	152	(93)	205
Other comprehensive income/(loss) for the financial period, net of tax	134	152	(93)	205
Total comprehensive income/(loss) for the period	7,155	(7,440)	5,076	(15,071)
Profit/(loss) attributable to:-				
Owners of the Company	7,021	(7,592)	5,169	(15,276)
Non-controlling interest	-	-	-	-
	7,021	(7,592)	5,169	(15,276)
Total comprehensive income/(loss) attributable to:-				
Owners of the Company	7,155	(7,440)	5,076	(15,071)
Non-controlling interest	-	-	-	-
	7,155	(7,440)	5,076	(15,071)
Earnings/(loss) per share attributable to owners of Company:-				
- basic (sen)	4.87	(6.66)	3.59	(13.41)
- 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 2014 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit	2,811	1,910	6,869	872
Gross interest income	259	67	409	144
Gross interest expense	2,382	2,138	4,791	3,928

IREKA CORPORATION BERHAD (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 30 September 2014**

	Unaudited As At 30.9.2014 RM'000	Audited As At 31.3.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	60,810	59,339
Investment properties	19,903	19,903
Investment in associates	133,931	131,987
Other investments	2,470	2,378
Land held for property development	45,957	43,721
	<u>263,071</u>	<u>257,328</u>
Current assets		
Property development costs	25,994	34,946
Inventories	19,586	16,429
Trade and other receivables	152,074	141,118
Amounts due from customers on contracts	60,074	42,679
Amounts due from associates	14,879	14,877
Cash and cash equivalents	33,975	36,375
	<u>306,582</u>	<u>286,424</u>
TOTAL ASSETS	<u>569,653</u>	<u>543,752</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	170,872	113,915
Reserves	22,421	37,831
	<u>193,293</u>	<u>151,746</u>
Non-controlling interest	-	-
Total equity	<u>193,293</u>	<u>151,746</u>
Non-current liabilities		
Borrowings	38,450	47,704
Deferred tax liabilities	3,241	3,241
	<u>41,691</u>	<u>50,945</u>
Current liabilities		
Provision	14,000	14,000
Trade and other payables	178,537	183,880
Borrowings	83,247	88,689
Overdrafts	57,682	52,734
Amounts due to customers on contracts	100	156
Tax payable	1,103	1,602
	<u>334,669</u>	<u>341,061</u>
Total liabilities	<u>376,360</u>	<u>392,006</u>
TOTAL EQUITY AND LIABILITIES	<u>569,653</u>	<u>543,752</u>
(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Statements)		
Other Information:-		
Net assets per share (RM)	1.13	1.33

IREKA CORPORATION BERHAD (Company No. 25882-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2014

	Attributable to owners of the Company				Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserve RM'000			
Balance as at 1.4.2014	113,915	21,871	-	-	151,746	-	151,746
Issuance of share	56,957	(20,466)	-	-	36,471	-	36,471
Issuance of warrant	-	-	5,696	(5,696)	-	-	-
Total comprehensive income for the period	-	-	-	(93)	5,169	-	5,076
Balance as at 30.9.2014	170,872	1,385	5,696	(5,696)	193,293	-	193,293

6 months ended 30.9.2014 (Unaudited)

	Attributable to owners of the Company				Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	(Unaudited) Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserve RM'000			
Balance as at 1.4.2013	113,915	21,871	-	-	178,813	-	178,813
Total comprehensive loss for the period	-	-	-	-	(15,071)	-	(15,071)
Balance as at 30.9.2013	113,915	21,871	-	-	163,742	-	163,742

6 months ended 30.9.2013 (Unaudited)

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 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 30 September 2014

	Unaudited Current Year To Date 30.9.2014 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2013 RM'000
Cash flows from operating activities		
Profit/(loss) before tax	5,202	(14,456)
Adjustments for:		
Depreciation of property, plant and equipment	3,233	2,641
Property, plant and equipment written off	2	-
Gain on disposal of investment properties	-	(996)
Gain on disposal of other investments	(156)	-
Gain on disposal of property, plant and equipment	(104)	(279)
Reversal of impairment loss on other investments	(292)	(122)
Share of (profit)/loss of associates	(3,124)	11,400
Interest expense	4,791	3,928
Interest income	(409)	(144)
Operating profit before changes in working capital	9,143	1,972
Working capital changes:		
Property development costs	8,952	(3,571)
Inventories	(3,157)	(4,203)
Receivables	(10,545)	11,412
Amount due from customers on contracts	(17,451)	(11,828)
Amount due from associates	(2)	(1)
Payables	(4,256)	(13,702)
Cash used in operations	(17,316)	(19,921)
Income tax paid	(943)	(1,715)
Net cash used in operating activities	(18,259)	(21,636)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,212)	(2,284)
Purchase of investment properties	-	(57)
Proceeds from disposal of property, plant and equipment	436	436
Proceeds from disposal of investment properties	-	4,963
Proceeds from disposal of other investments	356	-
Land held for property development	(2,236)	(811)
Interest received	409	144
Net cash (used in)/generated from investing activities	(3,247)	2,391
Cash flows from financing activities		
Proceeds from issuance of share	36,471	-
Hire purchase principal repayments	(2,529)	(2,207)
Drawdown of bank borrowings	33,172	63,807
Repayment of bank borrowings	(48,165)	(46,454)
Interest paid	(4,791)	(3,928)
Net cash generated from financing activities	14,158	11,218
Net decrease in cash and cash equivalents	(7,348)	(8,027)
Cash and cash equivalents as at beginning of financial period	(16,359)	(9,828)
Cash and cash equivalents as at end of financial period	(23,707)	(17,855)
Cash and cash equivalents as at end of financial period comprise the followings:-		
Cash and bank balances	33,975	15,785
Overdrafts	(57,682)	(33,640)
	(23,707)	(17,855)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 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 2014. 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 2014.

The Malaysian Accounting Standard Board has given the Transitioning Entities the option to continue to apply the Financial Reporting Standards framework until 31 December 2016. The Group is a Transitioning Entities due to its involvement in the development and construction of real estate. The Group shall adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standards from financial year beginning 1 April 2017.

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 2014.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2014 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 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter under review.

A8 Dividend Paid

No dividend was paid during the financial quarter ended 30 September 2014.

A9 Segmental Information

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Segment Revenue				
Revenue				
Construction	97,537	55,837	181,467	97,507
Property development	14,736	6,806	34,271	7,934
Property investment	274	304	549	588
Trading and services	6,624	6,083	12,296	15,351
Investment holding and other	3,212	3,171	6,424	6,342
Total	122,383	72,201	235,007	127,722
Elimination of inter-segment sales	(16,705)	(9,885)	(33,126)	(16,404)
Total	105,678	62,316	201,881	111,318

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Segment Results				
Profit/(loss) before tax				
Construction	2,367	(1,020)	(1,716)	(4,941)
Property development	(759)	2,006	6,020	2,233
Property investment	(221)	(330)	(404)	(209)
Trading and services	(1,858)	(1,011)	(2,669)	(598)
Investment holding and other	7,495	(6,612)	3,971	(10,941)
Total	7,024	(6,967)	5,202	(14,456)

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 changes in the composition of the Group during the current quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

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 30.9.2014 RM	Financial Year Ended 31.3.2014 RM
(i) Corporate guarantees for credit facilities granted to the Group	47,873,532	48,012,635

A14 Capital Commitments

There were no capital commitments as at the end of the current quarter.

IREKA CORPORATION BERHAD (Company No. 25882-A)
BURSA SECURITIES LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of Performance

(a) Performance of Current Period against the Preceding Year Corresponding Period

For the financial period ended 30 September 2014, the Group recorded revenue of RM201.881 million (after elimination of inter-segment sales of RM33.126 million) as compared to RM111.318 million (after elimination of inter-segment sales of RM16.404 million) for the preceding year corresponding period. Revenue for the current period is substantially attributable to the construction segment of the Group.

The revenue achieved by the construction segment is significantly higher at RM181.467 million in the current period, compared to RM97.507 million in the preceding year corresponding period due to higher contribution from new projects, mainly Imperia Puteri Harbour, KL Eco City (Residential Tower 1 @ Bangsar - Phase A) and Solstice.

The property development segment recorded revenue of RM34.271 million (30 September 2013: RM7.934 million) for the current period, which was attributable to Kasia Greens, a residential development consisting of 142 units of 2-storey and 3-storey terrace and superlink landed houses located at Nilai. The project had achieved 100% sales to-date. Construction commenced in March 2013 and completion is expected by March 2015.

The trading and services segment comprised mainly of IT Solutions and property development management divisions. Revenue for the current period has decreased mainly due to smaller contribution from the IT Solutions division.

For the financial period ended 30 September 2014, the Group recorded pre-tax profit of RM5.202 million, compared to the preceding year corresponding period of pre-tax loss RM14.456 million. The current result included a share of profit of Aseana Properties Limited ("ASPL") (a 23.07% associate of Ireka) of RM3.814 million, compared to a loss of RM10.699 million in preceding year corresponding period. In addition, the construction segment recorded lower losses of RM1.716 in the current period, compared to RM4.941 million in the preceding year corresponding period.

ASPL's profits were mainly attributable to sales of SENI Mont' Kiara and Tiffani, gain on disposal of land in Vietnam to AEON Vietnam and disposal of the 40% stake in Excellent Bonanza Sdn Bhd; offset by operating losses of 3 of its operating assets, being Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and City International Hospital. These operating assets expect to record losses, mostly attributable to financing costs, during their initial years of operation.

B1 Review of Performance (continued)

(a) Performance of Current Period against the Preceding Year Corresponding Period (continued)

The construction segment recorded a lower loss of RM1.716 million (30 September 2013: Loss of RM4.941 million) due to 86% increase in revenue of RM83.960 million compared to preceding year corresponding period. The higher revenue was due to higher contribution from its new projects which resulted in improved margin.

The property development segment recorded a higher profit of RM6.020 million (30 September 2013: Profit of RM2.233 million) which was attributable to Kasia Greens.

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

The Group achieved higher revenue of RM105.678 million in the current quarter as compared to RM62.316 million in the preceding year corresponding quarter. This was due to higher contribution from its construction and property development segments in the current quarter.

For the financial quarter ended 30 September 2014, the Group recorded a pre-tax profit of RM7.024 million, as compared to a pre-tax loss of RM6.967 million in the preceding year corresponding quarter. The profit is attributable to reasons as stated in Note B1 (a) above.

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

The Group recorded a slightly higher revenue of RM105.678 million in the second quarter of financial year ending 31 March 2015, compared to RM96.203 million in the immediate preceding quarter; and a pre-tax profit of RM7.024 million compared to a pre-tax loss RM1.822 million in the last quarter.

Pre-tax profit for the current quarter included a share of profit of ASPL of RM6.917 million (Q1 2015: Loss of RM3.103 million); and a profit of RM2.367 million contributed by the construction segment (Q1 2015: Loss of RM4.083 million).

B3 Prospects for the Current Financial Year

On the construction front, the Group has tendered for about RM2 billion worth of contracts over the last twelve months.

In October 2014, the Group was awarded a contract by KL Eco City Sdn Bhd for the construction of the main building works for the Retail Podium, Office Block A and the remaining works for the basement levels for a total contract value of RM276,792,000.

As at end 30 September 2014, the Group's order book stood at about RM1.44 billion, of which about RM1.03 billion remained outstanding. Barring unforeseen circumstances, the Group is hopeful that it will secure more construction contracts in the coming few months. Therefore, we expect stronger contribution from the construction segment going forward.

On the property development front, the Group is actively working on four projects comprising residential, mixed commercial and industrial developments. Two projects, namely The RuMa Hotel and Residences, KLCC ("The RuMa") and Kasia Greens, Nilai were launched for sale in 2013. Kasia Greens has achieved 100% sales and is expected to contribute positively to the revenue and earnings of the Group in the current financial year. The RuMa is 70% owned by ASPL and 30% by the Company. ASPL adopted IFRIC 15 – Agreements for Construction of Real Estate, which prescribes that revenue be recognised only when the properties are completed and occupancy permits are issued. Hence, we expect The RuMa to contribute to the results of the Group only in FY2017. The other two projects are targeted for launching within the current financial year.

On the corporate front, the Company has completed listing of and quotation for the Rights Shares and Warrants on 1 July 2014. The injection of fresh capital into the Company strengthens its financial position and supports future growth.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2015.

B5 Profit/(Loss) for the Period

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

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Depreciation of property, plant and equipment	1,668	1,340	3,233	2,641
Property, plant and equipment written off	2	-	2	-
Interest expense	2,382	2,138	4,791	3,928
Gain on disposal of investment properties	-	(234)	-	(996)
Gain on disposal of other investments	(144)	-	(156)	-
Gain on disposal of property, plant and equipment	(66)	(249)	(104)	(279)
Net foreign exchange gain	(131)	(172)	(52)	(288)
Reversal of impairment loss on other investments	(663)	(203)	(292)	(122)
Interest income	(259)	(67)	(409)	(144)

Other than the above items, there were no exceptional items for the current quarter and financial period ended 30 September 2014.

B6 Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Malaysian income tax	(3)	(625)	(33)	(800)
Overseas income tax	-	-	-	(20)
	(3)	(625)	(33)	(820)

The effective tax rates of the Group for the current quarter and for the year were lower than the statutory tax rate due to losses suffered by certain subsidiaries and also utilisation of tax losses brought forward by the Company and its subsidiaries.

B7 Status of Corporate Proposals

(a) Corporate Proposal

Save for the Proposed Two-Call Rights Issue with Warrants which were completed on 1 July 2014, there were no on-going corporate proposals for the current quarter under review.

(b) Utilisation of Proceeds

The status of utilisation of the gross proceeds from the Proposed Two-Call Rights Issue with Warrants as at 21 November 2014 is as follows:

Description	Estimated timeframe for utilisation of the proceeds	Proposed Utilisation	Actual Utilisation	Balance
		RM'000	RM'000	RM'000
Working capital	Within 12 months	36,422	36,471	-
Estimated expenses in relation to the Proposed Two-Call Rights Issue with Warrants	Within 1 month	600	551	-
Total		37,022	37,022	-

In view that the actual expenses in relation to the Proposed Two-Call Rights Issue with Warrants were lower than estimated, the excess was utilised for working capital.

The Group had fully utilised the gross proceeds of RM37.022 million from the Proposed Two-Call Rights Issue with Warrants during the current quarter under review.

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2014 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	2,762
Project loans/revolving credit	29,503
Hire purchase/leasing	2,988
Trade finance	24,994
Bank overdraft	57,331
Revolving credit	22,000

	139,578

B8 Group Borrowings and Debt Securities (continued)

	RM'000
(a) Short term borrowings (continued)	
<i>Unsecured:-</i>	
Bank overdraft	351
Revolving credit	1,000
	<u>140,929</u>
(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	27,437
Project loans	5,195
Hire purchase/leasing	5,818
	<u>38,450</u>
(c) Total borrowings	<u><u>179,379</u></u>

Bank borrowings of the Group are denominated in Malaysian Ringgit.

B9 Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the retained earnings/(accumulated losses) of the Group as at 30 September 2014, into realised and unrealised profits/(losses) is as follows:-

	30.9.2014	31.3.2014
	RM'000	RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	59,682	56,155
- Unrealised	(5,837)	(4,355)
	<u>53,845</u>	<u>51,800</u>
The share of accumulated losses of its associates:-		
- Realised	(33,762)	(38,286)
- Unrealised	1,237	2,637
	<u>(32,525)</u>	<u>(35,649)</u>
Total retained earnings	<u>21,320</u>	<u>16,151</u>

B9 Realised and Unrealised Profits/(Losses) Disclosure (continued)

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 to comply 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 21 November 2014.

B11 Dividend Proposed

The Board of Directors has not proposed any payment of dividend for the current quarter ended 30 September 2014.

B12 Earnings/(Loss) per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended		6 Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
(a) Basic				
Profit/(loss) for the period attributable to owners of the Company (RM'000)	7,021	(7,592)	5,169	(15,276)
Weighted average number of ordinary shares	144,105,208	113,914,700	144,105,208	113,914,700
Basic earnings/(loss) per share (sen)	4.87	(6.66)	3.59	(13.41)
(b) Diluted Earnings	N/A	N/A	N/A	N/A

Diluted earnings are not applicable as the Company has not issued any Employees Share Options and the exercise price of the warrants is higher than the average market price of the Company's ordinary shares.

By Order of the Board
IREKA CORPORATION BERHAD
WONG YIM CHENG
Company Secretary
Kuala Lumpur
27 November 2014