

Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2015

	Unaudited Current Year Quarter 30.9.2015 RM'000	Unaudited Preceding Year Corresponding Quarter 30.9.2014 RM'000	Unaudited Current Year To Date 30.9.2015 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2014 RM'000
Revenue	64,501	105,678	130,924	201,881
Cost of sales	(57,056)	(99,158)	(113,952)	(183,210)
Gross profit	7,445	6,520	16,972	18,671
Other income	1,771	5,226	2,093	5,881
Expenses	(7,467)	(8,935)	(15,275)	(17,683)
Operating profit	1,749	2,811	3,790	6,869
Finance costs	(2,316)	(2,382)	(4,207)	(4,791)
Share of (loss)/profit of associates	(15,057)	6,595	(19,077)	3,124
(Loss)/profit before tax	(15,624)	7,024	(19,494)	5,202
Income tax expense	(25)	(3)	(244)	(33)
(Loss)/profit for the period	(15,649)	7,021	(19,738)	5,169
Other comprehensive (loss)/income:-				
Currency translation differences	(893)	134	(884)	(93)
Loss on fair value changes	(7)	-	(24)	-
Other comprehensive (loss)/income for the financial period, net of tax	(900)	134	(908)	(93)
Total comprehensive (loss)/income for the period	(16,549)	7,155	(20,646)	5,076
(Loss)/profit attributable to:-				
Owners of the Company	(15,649)	7,021	(19,738)	5,169
Non-controlling interest	-	-	-	-
Total comprehensive (loss)/income attributable to:-	(15,649)	7,021	(19,738)	5,169
Owners of the Company	(16,549)	7,155	(20,646)	5,076
Non-controlling interest	-	-	-	-
(Loss)/earnings per share attributable to owners of Company:-				
- basic (sen)	(9.16)	4.87	(11.55)	3.59
- 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 2015 and the accompanying explanatory notes attached to the Interim Statements)

Other information:-

Operating profit	1,749	2,811	3,790	6,869
Gross interest income	204	259	430	409
Gross interest expense	(2,316)	(2,382)	(4,207)	(4,791)

IREKA CORPORATION BERHAD (Company No. 25882-A)**Condensed Consolidated Statement of Financial Position as at 30 September 2015**

	Unaudited As At 30.9.2015 RM'000	Audited As At 31.3.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,352	60,010
Investment properties	11,763	11,763
Investment in associates	103,416	123,040
Other investments	283	720
Land held for property development	55,945	53,120
	<u>229,759</u>	<u>248,653</u>
Current assets		
Property development costs	32,792	30,870
Inventories	18,792	21,152
Trade and other receivables	122,477	144,529
Amounts due from customers on contracts	52,934	57,242
Amounts due from associates	14,893	14,879
Cash and cash equivalents	27,525	29,781
	<u>269,413</u>	<u>298,453</u>
TOTAL ASSETS	<u>499,172</u>	<u>547,106</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	170,872	170,872
Reserves	(5,687)	14,959
	<u>165,185</u>	<u>185,831</u>
Non-controlling interest	-	-
Total equity	<u>165,185</u>	<u>185,831</u>
Non-current liabilities		
Borrowings	27,833	24,634
Deferred tax liabilities	3,223	3,223
	<u>31,056</u>	<u>27,857</u>
Current liabilities		
Provision	-	9,116
Trade and other payables	179,611	195,682
Borrowings	79,390	91,022
Overdrafts	43,030	36,689
Tax payable	900	909
	<u>302,931</u>	<u>333,418</u>
Total liabilities	<u>333,987</u>	<u>361,275</u>
TOTAL EQUITY AND LIABILITIES	<u>499,172</u>	<u>547,106</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the Interim Statements)

Other Information:-

Net assets per share (RM)	0.97	1.09
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Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2015

	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	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000			Fair Value Reserve RM'000	Retained Earnings RM'000	Non-Controlling Interest RM'000
6 months ended 30.9.2015 (Unaudited)										
Balance as at 1.4.2015	170,872	1,385	5,696	(5,696)	(342)	184	13,732	-	185,831	185,831
Total comprehensive loss for the period					(684)	(24)	(16,738)		(20,646)	(20,646)
Balance as at 30.9.2015	170,872	1,385	5,696	(5,696)	(1,226)	160	(6,006)		165,185	165,185

	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	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000			Fair Value Reserve RM'000	Retained Earnings RM'000	Non-Controlling Interest RM'000
9 months ended 30.9.2014 (Unaudited)										
Balance as at 1.4.2014	113,915	21,871			(191)		16,151		151,746	151,746
Issuance of share	58,957	(20,488)							36,471	36,471
Issuance of warrant			5,696	(5,696)						
Total comprehensive income for the period					(93)		5,169		5,076	5,076
Balance as at 30.9.2014	170,872	1,385	5,696	(5,696)	(284)		21,320		193,293	193,293

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 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 2015

	Unaudited Current Year To Date 30.9.2015 RM'000	Unaudited Preceding Year Corresponding Period 30.9.2014 RM'000
Cash flows from operating activities		
(Loss)/profit before tax	(19,494)	5,202
Adjustments for:		
Depreciation of property, plant and equipment	3,097	3,233
Property, plant and equipment written off	2	2
Gain on disposal of other investments	(33)	(156)
Loss/(gain) on disposal of property, plant and equipment	39	(104)
Reversal of impairment loss on other investments	-	(292)
Share of loss/(profit) of associates	19,077	(3,124)
Interest expense	4,207	4,791
Interest income	(430)	(409)
Operating profit before changes in working capital	6,465	9,143
Working capital changes:		
Property development costs	(1,922)	8,952
Inventories	2,360	(3,157)
Receivables	22,177	(10,545)
Amount due from customers on contracts	4,308	(17,451)
Amount due from associates	(14)	(2)
Payables	(25,545)	(4,256)
Cash generated from/(used in) operations	7,829	(17,316)
Income tax paid	(358)	(943)
Net cash generated from/(used in) operating activities	7,471	(18,259)
Cash flows from investing activities		
Purchase of property, plant and equipment	(927)	(2,212)
Proceeds from disposal of property, plant and equipment	86	436
Proceeds from disposal of other investments	446	356
Land held for property development	(2,825)	(2,236)
Interest received	430	409
Net cash used in investing activities	(2,790)	(3,247)
Cash flows from financing activities		
Proceeds from issuance of share	-	36,471
Hire purchase principal repayments	(1,560)	(2,529)
Drawdown of bank borrowings	47,890	33,172
Repayment of bank borrowings	(55,401)	(48,165)
Interest paid	(4,207)	(4,791)
Net cash (used in)/generated from financing activities	(13,278)	14,158
Net decrease in cash and cash equivalents	(8,597)	(7,348)
Cash and cash equivalents as at beginning of financial period	(6,908)	(16,359)
Cash and cash equivalents as at end of financial period	(15,505)	(23,707)
Cash and cash equivalents as at end of financial period comprise the followings:-		
Cash and bank balances	27,525	33,975
Overdrafts	(43,030)	(57,682)
	(15,505)	(23,707)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 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 2015. 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 2015.

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 2015.

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 March 2015 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 2015.

A9 Segmental Information

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Segment Revenue				
Revenue				
Construction	62,357	97,537	126,129	181,467
Property development	472	14,736	774	34,271
Property investment	234	274	416	549
Trading and services	4,666	6,624	10,449	12,296
Investment holding and other	7,044	3,212	10,549	6,424
Total	74,773	122,383	148,317	235,007
Elimination of inter-segment sales	(10,272)	(16,705)	(17,393)	(33,126)
Total	64,501	105,678	130,924	201,881

	Group revenue and results including Share of Associates			
	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Segment Results				
(Loss)/profit before tax				
Construction	(580)	2,367	1,673	(1,716)
Property development	(411)	(759)	(2,266)	6,020
Property investment	(121)	(221)	(387)	(404)
Trading and services	(508)	(1,858)	(628)	(2,669)
Investment holding and other	(14,004)	7,495	(17,886)	3,971
Total	(15,624)	7,024	(19,494)	5,202

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 30.9.2015 RM	Financial Year Ended 31.3.2015 RM
(i) Corporate guarantees for credit facilities granted to the Group	44,429,400	58,497,010

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 30 September 2015, the Group recorded revenue of RM130.924 million (after elimination of inter-segment sales of RM17.393 million) as compared to RM201.881 million (after elimination of inter-segment sales of RM33.126 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 lower at RM126.129 million in the current period, compared to RM181.467 million in the preceding year corresponding period due to completion of Imperia Puteri Harbour project and lower contribution from certain on-going projects, mainly MRT and Solstice, which are nearing completion.

The property development segment recorded a lower revenue of RM0.774 million in the current period compared to RM34.271 million in the preceding year corresponding period due to completion of Kasia Greens, a residential development consisting of 142 units of 2-storey and 3-storey terrace and superlink houses located at Nilai. Planned launches of dwi @ Rimbun Kasia courtyard apartments at Nilai and ASTA Enterprise Park at Kajang are both delayed due to authority approvals.

The trading and services segment comprised mainly of IT Solutions and property development management and services divisions. Revenue for the current period has decreased mainly due to lower contribution from the IT Solutions divisions and property services division which recorded lower sale commission income.

For the financial period ended 30 September 2015, the Group recorded pre-tax loss of RM19.494 million, compared to the preceding year corresponding period of pre-tax profit RM5.202 million. The current result included a share of loss of Aseana Properties Limited ("ASPL") (a 23.07% associate of Ireka) of RM18.497 million (30 September 2014: Profit of RM3.814 million); and a share of loss of Urban DNA Sdn Bhd ("Urban DNA") (a 30% associate of Ireka) of RM0.579 million (30 September 2014: Loss of RM0.689 million). The latter 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 no revenue was recorded for the current financial period. Construction segment recorded a profit of RM1.673 million in the current period, compared to loss of RM1.716 million in the preceding year corresponding period.

ASPL recorded losses for the period largely due to unrealised foreign exchange translation loss of RM15.618 million which was attributable to the substantial weakening of the Ringgit against United State Dollars, from 3.2808 as at 30 September 2014 to 4.3956 as at 30 September 2015. The remaining losses of RM2.879 were mainly due to operating losses from its three operating assets, being Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and City International Hospital.

B1 Review of Performance (continued)

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

The construction segment recorded a profit of RM1.673 million (30 September 2014: Loss of RM1.716 million) after elimination of inter-segment profit of RM0.277 million (30 September 2014: RM6.700 million) which are attributable to internal projects. Revenue decreased by 30% compared to preceding year corresponding period, due to lower contribution from certain contracts as stated in B1(a) above.

The property development segment recorded a loss of RM2.266 million (30 September 2014: Profit of RM6.020 million) due to completion of Kasia Greens and delay in the launches of new projects.

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

The Group achieved lower revenue of RM64.501 million in the current quarter as compared to RM105.678 million in the preceding year corresponding quarter. This was due to lower contribution from its construction segment and property development segment in the current quarter.

For the financial quarter ended 30 September 2015, the Group recorded a pre-tax loss of RM15.624 million, as compared to a pre-tax profit of RM7.024 million in the preceding year corresponding quarter. The loss is attributable to reasons 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 lower revenue of RM64.501 million in the second quarter of financial year ending 31 March 2016, compared to RM66.423 million in the immediate preceding quarter; and a pre-tax loss of RM15.624 million compared to a pre-tax loss of RM3.870 million in the last quarter. Pre-tax loss for the current quarter included share of loss of ASPL of RM14.793 million (Q1 2016: Loss of RM3.704 million); a share of loss of Urban DNA of RM0.264 million (Q1 2016: Loss of RM0.315 million); a loss of RM0.580 million contributed by the construction segment (Q1 2016: profit of RM2.253 million) and a loss of RM0.411 million contributed by the property development segment (Q1 2016: Loss of RM1.855 million).

B3 Prospects for the Current Financial Year

On the construction front, the Group has tendered for about RM1.65 billion worth of contracts over the last twelve months.

As at end 30 September 2015, the Group's order book stood at about RM1.13 billion, of which about RM692.82 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 three projects comprising residential, mixed commercial and industrial developments for launching during this financial year. The RuMa Hotel and Residences, KLCC ("The RuMa") which is 70% owned by ASPL and 30% by the Company, was launched for sale in 2013. 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 FY2018. The second project is ASTA Enterprise Park Kajang, comprising 3-storey semi-detached and detached multifunctional factories/offices, of which Phase 1 is planned for launching in December this year. The Group is also in the process of securing authority approval for dwt@Rimbun Kasia, Nilai, comprising 382 units of courtyard apartments ranging from 650sf-980sf, and hope to launch this project in March 2016. The ASTA is expected to contribute positively to the results of the Group for year ending 31 March 2016.

On 22 June 2015, ASPL announced that at the Extraordinary General Meeting and the Annual General Meeting, the shareholders have supported the Board's recommendations to approve the continuation of ASPL for the next three years to June 2018, to adopt a new divestment investment policy to realise its assets in an orderly manner and to make capital contributions to shareholders over time, including distribution of not less than US\$20.0 million in 2015. Subsequently, Aseana announced that the Company has submitted applications for lenders' consents over the first distribution of US\$10 million, which were expected to be granted before the end of September. The Manager has been liaising intensively with the lenders and has already obtained some consents. However, consents from certain of the lenders for the first distribution of US\$10.0 million remain outstanding as at to-date. Aseana further announced that the Board is strongly committed to returning cash to Shareholders and intends to make the first distribution as soon as the lenders' consents are received or the Board may consider other methods of returning cash to Shareholders, if it is in Shareholders' best interests to do so. The application for second distribution will be made as soon as practically possible after the first distribution as the Company intends to make the second distribution at the earliest possible date in 2016, subject to obtaining the requisite consents and confirmatory certificates.

B4 Profit Forecast

The Group did not issue any profit forecast for the financial year ending 31 March 2016.

B5 (Loss)/profit for the Period

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

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Depreciation of property, plant and equipment	(1,573)	(1,668)	(3,097)	(3,233)
Property, plant and equipment written off	(1)	(2)	(2)	(2)
Interest expense	(2,316)	(2,382)	(4,207)	(4,791)
Gain on disposal of other investments	33	144	33	156
(Loss)/gain on disposal of property, plant and equipment	(39)	66	(39)	104
Net foreign exchange gain	1,500	131	1,573	52
Reversal of impairment loss on other investments	-	663	-	292
Interest income	204	259	430	409

Other than the above items, there were no exceptional items for the current quarter and financial period ended 30 September 2015.

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	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Malaysian income tax	(25)	(3)	(244)	(33)
	(25)	(3)	(244)	(33)

The effective tax rates of the Group for the current quarter and for the period 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

Save for the following, there were no on-going corporate proposals during the financial period under review:-

On 26 December 2014, the Board of Directors announced that Ireka Engineering & Construction Sdn Bhd, a wholly-owned subsidiary of the Company, has on 26 December 2014 entered into a sale and purchase agreement with AEON Co. (M) Bhd for the disposal of a parcel of land located at Pekan Senawang, Daerah Seremban, Negeri Sembilan for a cash consideration of RM53,662,435.20. The proposed disposal was subsequently approved by shareholders of the Company at the Extraordinary General Meeting held on 23 April 2015.

The proposed disposal has not been completed as at 23 November 2015.

B8 Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2015 are as follows:-

	RM'000
(a) Short term borrowings	
<i>Secured:-</i>	
Term loans	3,512
Project loans/revolving credit	26,758
Hire purchase/leasing	2,747
Trade finance	23,373
Bank overdraft	41,579
Revolving credit	22,000

	119,969

<i>Unsecured:-</i>	
Bank overdraft	1,451
Revolving credit	1,000

	122,420

(b) Long term borrowings	
<i>Secured:-</i>	
Term loans	21,190
Project loans	1,699
Hire purchase/leasing	4,944

	27,833

(c) Total borrowings	<u><u>150,253</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 2015, into realised and unrealised profits/(losses) is as follows:-

	30.9.2015	31.3.2015
	RM'000	RM'000
The retained earnings of the Company and its subsidiaries:-		
- Realised	62,853	62,048
- Unrealised	(8,105)	(6,639)
	54,748	55,409
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The share of accumulated losses of its associates:-		
- Realised	(65,786)	(43,994)
- Unrealised	5,032	2,317
	(60,754)	(41,677)
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Total (accumulated losses)/retained earnings	(6,006)	13,732
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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 23 November 2015.

B11 Dividend Proposed

At the Company's Annual General Meeting held on 29 September 2015, the shareholders of the Company had approved the declaration of a first and final single – tier dividend of 3% (3 sen net per ordinary share) in respect of the financial year ended 31 March 2015. Dividend payment will be made on 28 December 2015 to shareholders whose names appeared on the Record of Depositors as at 7 December 2015.

B12 (Loss)/earnings per Share

	Individual Quarter 3 Months Ended		Cumulative Period 6 Months Ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
(a) Basic				
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(15,649)	7,021	(19,738)	5,169
Weighted average number of ordinary shares	170,872,050	144,105,208	170,872,050	144,105,208
Basic (loss)/earnings per share (sen)	(9.16)	4.87	(11.55)	3.59
(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
 30 November 2015