

**IREKA CORPORATION BERHAD** (Company No. 197501004146 (25882-A))**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the quarter ended 30 September 2024**

All figures in RM'000 unless otherwise stated	<b>Current Quarter 30.09.2024</b>	Comparative Quarter 30.09.2023	<b>Cumulative Period 3-month 30.09.2024</b>	Cumulative Period 3-month 30.09.2023
<b>Revenue</b>	<b>3,362</b>	26,509	<b>3,362</b>	26,509
Cost of sales	<b>(3,583)</b>	(24,107)	<b>(3,583)</b>	(24,107)
<b>Gross (loss)/profit</b>	<b>(221)</b>	2,402	<b>(221)</b>	2,402
Other income	<b>62</b>	72	<b>62</b>	72
Expenses	<b>(3,016)</b>	(7,287)	<b>(3,016)</b>	(7,287)
<b>Operating loss</b>	<b>(3,175)</b>	(4,813)	<b>(3,175)</b>	(4,813)
Finance costs	<b>(864)</b>	(922)	<b>(864)</b>	(922)
<b>Loss before tax</b>	<b>(4,039)</b>	(5,735)	<b>(4,039)</b>	(5,735)
Income tax	-	-	-	-
<b>Loss for the period</b>	<b>(4,039)</b>	(5,735)	<b>(4,039)</b>	(5,735)
<b>Other comprehensive loss:-</b>				
Currency translation differences	<b>(54)</b>	(16)	<b>(54)</b>	(16)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(54)</b>	(16)	<b>(54)</b>	(16)
<b>Total comprehensive loss for the period</b>	<b>(4,093)</b>	(5,751)	<b>(4,093)</b>	(5,751)
<b>Loss attributable to:-</b>				
Owners of the Company	<b>(3,554)</b>	(5,530)	<b>(3,554)</b>	(5,530)
Non-controlling interests	<b>(485)</b>	(205)	<b>(485)</b>	(205)
	<b>(4,039)</b>	(5,735)	<b>(4,039)</b>	(5,735)
<b>Total comprehensive loss attributable to:-</b>				
Owners of the Company	<b>(3,608)</b>	(5,546)	<b>(3,608)</b>	(5,546)
Non-controlling interests	<b>(485)</b>	(205)	<b>(485)</b>	(205)
	<b>(4,093)</b>	(5,751)	<b>(4,093)</b>	(5,751)
<b>Loss per share attributable to owners of Company:-</b>				
- basic (sen)	<b>(1.68)</b>	(2.61)	<b>(1.68)</b>	(2.61)

**Note:**

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

**Other information:-**

Operating loss	<b>(3,175)</b>	(4,813)	<b>(3,175)</b>	(4,813)
Gross interest income	<b>25</b>	44	<b>25</b>	44
Gross interest expense	<b>(864)</b>	(922)	<b>(864)</b>	(922)

**IREKA CORPORATION BERHAD** (Company No. 197501004146 (25882-A))**Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2024**

	<b>Unaudited As At 30.09.2024 RM'000</b>	<b>Audited As At 30.06.2024 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,762	2,846
Right-of-use assets	845	942
Investment properties	9,105	9,105
Finance lease receivables	270	322
Other investments	2,853	2,848
Inventories	32,027	31,744
<b>Total non-current assets</b>	<b>47,862</b>	<b>47,807</b>
<b>Current assets</b>		
Inventories	73,692	71,801
Tax assets	2,538	2,544
Trade and other receivables	19,272	42,326
Contract costs	333	1,407
Contract assets	6,240	6,911
Finance lease receivables	207	204
Fixed deposits (pledged)	5,897	5,876
Cash and bank balances	2,545	3,570
	<b>110,724</b>	<b>134,639</b>
Assets held for sale	128	128
<b>Total current assets</b>	<b>110,852</b>	<b>134,767</b>
<b>TOTAL ASSETS</b>	<b>158,714</b>	<b>182,574</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	207,729	207,729
Foreign currency translation reserve	(498)	(444)
Accumulated losses	(338,330)	(334,776)
Equity attributable to owners of the Company	(131,099)	(127,491)
Non-controlling interests	14,841	15,326
<b>Capital deficiency</b>	<b>(116,258)</b>	<b>(112,165)</b>
<b>Non-current liabilities</b>		
Lease liabilities	821	988
Retirement benefits obligation	603	588
Deferred tax liabilities	213	213
<b>Total non-current liabilities</b>	<b>1,637</b>	<b>1,789</b>
<b>Current liabilities</b>		
Lease liabilities	654	647
Loans and borrowings	9,069	9,058
Redeemable convertible preference shares	67,608	67,608
Trade and other payables	115,718	139,287
Contract liabilities	40,928	36,326
Provisions	39,358	40,024
<b>Total current liabilities</b>	<b>273,335</b>	<b>292,950</b>
<b>TOTAL LIABILITIES</b>	<b>274,972</b>	<b>294,739</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>158,714</b>	<b>182,574</b>

**Note:**

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the Interim Statements.

**Other Information:-**

Net liabilities per share (RM)	<b>(0.58)</b>	<b>(0.56)</b>
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**IREKA CORPORATION BERHAD** (Company No. 197501004146 (25882-A))  
**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**for the quarter ended 30 September 2024**

	← Attributable to owners of the Company →					
	← Non - Distributable →			← Distributable →		
	<b>Share Capital</b>	<b>Foreign Currency Translation Reserve</b>	<b>Accumulated Losses</b>	<b>Sub-Total</b>	<b>Non-Controlling Interests</b>	<b>Capital Deficiency</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>3 months ended 30.09.2024 (Unaudited)</u></b>						
Balance as at 01.07.2024	207,729	(444)	(334,776)	(127,491)	15,326	(112,165)
Total comprehensive loss for the financial period	-	(54)	(3,554)	(3,608)	(485)	(4,093)
Balance as at 30.09.2024	<b>207,729</b>	<b>(498)</b>	<b>(338,330)</b>	<b>(131,099)</b>	<b>14,841</b>	<b>(116,258)</b>

	← Attributable to owners of the Company →					
	← Non - Distributable →			← Distributable →		
	<b>Share Capital</b>	<b>Foreign Currency Translation Reserve</b>	<b>Accumulated Losses</b>	<b>Sub-Total</b>	<b>Non-Controlling Interests</b>	<b>Capital Deficiency</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Financial year ended 30.06.2024 (Audited)</u></b>						
Balance as at 01.07.2023	207,729	(403)	(275,594)	(68,268)	23,353	(44,915)
Total comprehensive loss for the financial year	-	(41)	(59,182)	(59,223)	(8,027)	(67,250)
Balance as at 30.06.2024	<b>207,729</b>	<b>(444)</b>	<b>(334,776)</b>	<b>(127,491)</b>	<b>15,326</b>	<b>(112,165)</b>

**Unaudited Condensed Consolidated Statement of Cash Flows for the quarter ended  
30 September 2024**

	<b>Unaudited Cumulative Period 3-month 30.09.2024</b>	Audited Cumulative Year 12-month 30.06.2024
All figures in RM'000		
<b>Cash flows from/(for) operating activities</b>		
Loss before taxation	<b>(4,039)</b>	(67,591)
Adjustments for:-		
Bad debts written off (other receivables)	-	1,236
Bad debts written off (amount owing by associates)	-	3,719
Property, plant and equipment written off	-	394
Depreciation of property, plant and equipment	<b>84</b>	357
Depreciation of right-of-use assets	<b>97</b>	1,084
Fair value loss on asset held for sale	-	87
Fair value loss on investment properties	-	268
Fair value (gain)/loss on other investments	<b>(5)</b>	9,386
Gain on deconsolidation of subsidiary	-	(3,433)
Loss on disposal of other investment	-	15,610
Gain on disposal of property, plant and equipment	-	(483)
Impairment loss on other receivables	-	781
Impairment loss on trade receivables	-	76
Interest expense	<b>864</b>	3,812
Interest income	<b>(25)</b>	(167)
Loss on lease modification	-	242
Provision for legal claim	-	25
Provision for onerous contracts	-	11,169
Provision for corporate guarantee	<b>509</b>	2,105
Provision for retirement benefits obligation	<b>15</b>	101
Operating loss before working capital changes	<b>(2,500)</b>	(21,222)
Changes in working capital:		
Contract assets and liabilities	<b>(3,931)</b>	37,307
Contract costs	<b>1,074</b>	140
Inventories	<b>(2,174)</b>	(5,108)
Trade and other receivables	<b>23,088</b>	(33,269)
Trade and other payables	<b>(12,945)</b>	26,857
Net cash generated from operations	<b>2,612</b>	4,705
Income tax paid	<b>(28)</b>	(172)
Income tax refunds	-	46
Net cash from operating activities	<b>2,584</b>	4,579
<b>Cash flows from/(for) investing activities</b>		
Advances to related parties	-	(325)
Change in pledged bank	-	(2,587)
Change in pledged deposits	<b>(21)</b>	(87)
Interest received	<b>25</b>	167
Lease modification	-	(577)
Payment from lease receivables	<b>50</b>	354
Proceeds from disposal of property, plant and equipment	-	556
Net cash from/(for) investing activities	<b>54</b>	(2,499)

**IREKA CORPORATION BERHAD** (Company No. 197501004146 (25882-A))**Unaudited Condensed Consolidated Statement of Cash Flows for the quarter ended  
30 September 2024**

	<b>Unaudited Cumulative Period 3-month 30.09.2024</b>	Audited Cumulative Year 12-month 30.06.2024
All figures in RM'000		
<b>Cash flows from/(for) financing activities</b>		
(Repayment to)/Advances from a director	<b>(2,075)</b>	5,099
Interest paid	<b>(572)</b>	(3,812)
Repayment of financial guarantee	<b>(756)</b>	(2,329)
Repayment of hire purchase	-	(150)
Repayment of lease liabilities	<b>(160)</b>	(1,460)
(Repayment)/Drawdown of term loans	<b>(100)</b>	784
Net cash for financing activities	<b>(3,663)</b>	(1,868)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,025)</b>	<b>212</b>
<b>Cash and cash equivalents as at beginning of financial period/year</b>	<b>3,570</b>	3,358
<b>Cash and cash equivalents as at end of financial period/year</b>	<b>2,545</b>	3,570

**Note:**

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

**IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))**  
**NOTES TO THE QUARTERLY RESULTS**

**A1 Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with *MFRS 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 of Ireka Corporation Berhad (“the Company” or “ICB”) for the financial year ended 30 June 2024. 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 30 June 2024.

The adoption of the below accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s Financial Statements.

**MFRS and/or IC Interpretations (Including the Consequential Amendments)**

Description	
MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but yet to be effective:

Description		Effective for annual period beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
Amendments to MFRS 9	Financial Instruments	1 January 2026
Amendments to MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
Amendments to MFRS 16	Leases	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107	Statements of Cash Flows	1 January 2024/ 1 January 2026

**A1 Basis of Preparation (continued)**

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but yet to be effective: (continued)

Description		Effective for annual period beginning on or after
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 128	Investments in Associates and Joint Ventures	Deferred

The adoption of the above MFRSs is not expected to have a material impact in the financial statements of the Group.

**A2 Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2024.

**A3 Audit Report**

The Company's External Auditors, Messrs. Baker Tilly Monteiro Heng PLT, have expressed a disclaimer of opinion on the Company's Audited Financial Statements for the previous financial year ended 30 June 2024. The detailed basis for disclaimer of opinion has been disclosed in the Independent Auditors' Report section of the Annual Report of the Company for the financial year ended 30 June 2024 (pages 192 to 193).

**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 unusual items due to the nature, size or incidence affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period-to-date under review.

**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, repurchases and repayments of debt and equity securities during the current quarter.

**A8 Dividend Paid**

No dividend was paid or declared during the financial year ended 30 June 2024.

**A9 Segmental Information**

**Group revenue and results**

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue				
Property development	3,327	26,467	3,327	26,467
Property investment	53	57	53	57
Trading and services	138	246	138	246
Investment holding and other	863	1,250	863	1,250
<b>Total</b>	<b>4,381</b>	<b>28,020</b>	<b>4,381</b>	<b>28,020</b>
Elimination of inter-segment sales	(1,019)	(1,511)	(1,019)	(1,511)
<b>Total</b>	<b>3,362</b>	<b>26,509</b>	<b>3,362</b>	<b>26,509</b>

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<b>Segment Results</b>				
Loss before tax				
Property development	(1,547)	(350)	(1,547)	(350)
Property investment	(148)	(110)	(148)	(110)
Trading and services	(410)	(652)	(410)	(652)
Investment holding and other	(2,277)	(6,072)	(2,277)	(6,072)
<b>Total</b>	<b>(4,382)</b>	<b>(7,184)</b>	<b>(4,382)</b>	<b>(7,184)</b>
Elimination of inter-segment items	343	1,449	343	1,449
<b>Total</b>	<b>(4,039)</b>	<b>(5,735)</b>	<b>(4,039)</b>	<b>(5,735)</b>

**A10 Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous audited financial statements for the financial year ended 30 June 2024.



**A11 Significant Events during the Period and Subsequent Events**

- (a) On 30 August 2024, the Company has submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) for a further extension of time (“EOT”) to finalize its Practice Note No. 17 (“PN17”) Regularisation Plan. Bursa Securities vide its letter dated 18 October 2024 granted the Company a further EOT of six months up to 29 February 2025 to submit its PN17 Regularisation Plan to the relevant regulatory authorities.
- (b) On 7 October 2024, a wholly-owned subsidiary of the Company, Shoraka Construction Sdn. Bhd. had accepted a Letter of Award (“LOA”) in respect of the sub-contract works for the construction of “Projek Lebuhraya Pan Borneo Sabah Fasa 1B: Menaik Taraf Jalan Dari Kampung Lumou Baru ke Kampung Toupus (WP33)”. The LOA is for a sum of RM1.07 billion and for a period of 48 months commencing on 30 September 2024.
- (c) On 7 October 2024, the Company completed the transaction for the disposal of 7,000,000 shares in Aseana Properties Limited (“ASPL”), following the Sale and Purchase agreement (“SPA”) signed on 7 June 2024. The total cash consideration of USD560,000 was fully received, marking the completion of the deal.

**A12 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

**A13 Contingent Assets and Liabilities**

(a) Contingent Assets

There were no contingent assets as at the end of the current quarter or at the end of the previous financial year.

(b) Contingent Liabilities

	<b>Financial Quarter Ended 30.09.2024 RM’000</b>	<b>Financial Year Ended 30.06.2024 RM’000</b>
Corporate guarantees given by ICB for all credit facilities taken by subsidiaries	8,185	8,074

**A14 Capital Commitments**

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

**B1 Review of Performance**

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

The Group continues to implement strategies to address the PN17 Regularisation Plan, focusing on resolving winding-up petitions, monetising non-core assets, and identifying potential equity investors and new business opportunities. A significant milestone was the securing of the RM1.07 billion Pan Borneo Highway project as indicated in Section A11(b) above, which strengthens the Group's order book and provides a solid foundation for sustainable revenue growth. These initiatives, combined with cost-saving measures and efficient asset management, are key to the Group's recovery plan and efforts to improve financial performance in the near future.

For the financial period ended 30 September 2024, the Group reported revenue of RM3.4 million, a significant decrease from RM26.5 million in the preceding year corresponding period. This decline reflects the completion of the KaMi Mont' Kiara project, marked by the issuance of the Certificate of Completion and Compliance ("CCC") on 6 June 2024 and Vacant Possession ("VP") on 10 June 2024. Consequently, the property development segment's revenue dropped to RM3.3 million in the current period, compared to RM26.5 million in the previous year's corresponding period.

The trading and services segment, comprising property development management and services divisions, recorded revenue of RM0.1 million, a decrease from RM0.2 million in the previous year's corresponding period. This reduction is also attributable to the completion of KaMi Mont' Kiara project, which led to lower project management fees generated during the current period.

The investment holding and other segment recorded revenue of RM0.9 million for the current period, representing a 31.0% decrease mainly due to a downward revision in management fees charged to subsidiary companies following the finalisation of the latest Transfer Pricing documentation.

During the period under review, the Group recorded a loss before tax of RM4.0 million, representing a 29.6% improvement compared to the RM5.7 million pre-tax loss in the preceding year's corresponding period. This improvement highlights the Group's efforts to enhance its performance amidst challenging market conditions and the current PN17 status. Supported by effective operational and cost management strategies, these results demonstrate progress in stabilising the Group's financial position and advancing its recovery efforts.

**B1 Review of Performance (continued)**

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

The Group reported revenue of RM3.4 million for the current quarter, compared to RM26.5 million in the preceding year corresponding quarter. This decline is primarily due to the full completion of the KaMi Mont' Kiara project, which resulted in lower progress billings in the current quarter.

For the quarter ended 30 September 2024, the Group recorded a pre-tax loss of RM4.0 million, compared to a pre-tax loss of RM5.7 million in the prior year corresponding quarter. The improvement is mainly attributed to the absence of the marked-to-market loss on ASPL shares following the disposal of 38,837,504 shares in ASPL in the previous financial year. However, excluding this exceptional item, operational performance was lower, primarily driven by the completion of the KaMi Mont' Kiara project and reduced progress billings, despite ongoing cost optimisation efforts.

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

The Group reported revenue of RM3.4 million for the current quarter, compared to a net revenue reversal of RM6.1 million in the immediate preceding quarter. The net revenue reversal in the last quarter was primarily attributed to the recognition of delays and project cost overruns that became more apparent as the projects approached full completion. The Group registered a lower pre-tax loss of RM4.0 million during the quarter, compared to a pre-tax loss of RM22.5 million in the preceding quarter. This improvement is mainly attributed to the absence of exceptional items, as explained above.

**B3 Prospects for the Current Financial Period**

In Q3 2024, the Malaysian economy demonstrated resilience with a growth rate of 5.1%, primarily driven by strong domestic demand and government spending on infrastructure. Employment and wages continued to grow, underpinning household consumption, while sectors such as services, construction, and agriculture remained key drivers of the economy. However, the global economic environment continues to pose challenges, including inflationary pressures and rising interest rates. Despite these challenges, Malaysia's diversified economy and strategic position within the ASEAN region provide a solid foundation for continued growth. The country's GDP is projected to expand between 4.8% and 5.3% in 2024, and between 4.5% and 5.5% in 2025, driven by sustained investments in infrastructure and domestic consumption.

Amid these favorable economic conditions, the Group is committed to stabilizing its financial position and addressing its current PN17 status through its Regularisation Plan. The Company has been granted an extension by Bursa Securities until 28 February 2025 to finalize and submit the plan. In collaboration with its advisers, the Group is refining a comprehensive strategy to resolve its PN17 status, with a clear focus on ensuring long-term sustainability and growth.

**B3 Prospects for the Current Financial Period (continued)**

In the construction sector, the Group has secured a significant new project, a RM1.07 billion sub-contract for the Projek Lebuhraya Pan Borneo Sabah Fasa 1B: Menaik Taraf Jalan Dari Kampung Lumou Baru Ke Kampung Toupus ("WP33"). This 48-month project, which commenced in September 2024, is expected to substantially contribute to the Group's cash flow and profitability over the next four years. The Group continues to actively seeking new business opportunities by submitting bids and participating in tenders for development and construction projects. With the Government's sustained focus on infrastructure investment, the Group is confident in its ability to secure additional projects that will further strengthen its construction order book.

In property development, the Group is committed to the successful completion of an ongoing project, DWI@Rimbun Kasia in Nilai, Negeri Sembilan. The immediate focus remains on delivering this project within the revised timelines and budgets, with a target of achieving 100% sales for the remaining unsold units. The Group also plans to launch three new projects in 2025, with an estimated total gross development value of RM768.5 million. These projects namely Serika mixed development in Kajang, Temu@Rimbun Kasia in Nilai, and affordable homes in Kertih Jaya, Terengganu are all expected to contribute positively to the Group's profitability moving forward.

As part of the strategy to diversify and strengthen its business portfolio, the Group is also addressing ongoing legal matters and working to resolve winding-up petitions. The Company is actively negotiating to reach amicable solutions and agree on new settlement plans. The proceeds from the Pan Borneo project, expected in early 2025, will assist in navigating these challenges. Additionally, the Group is pursuing recapitalisation strategies, which may include the conversion of redeemable convertible preference shares into ordinary shares and the identification of investors for proposed private placements.

The Group remains confident that its proactive efforts to resolve its PN17 status, secure significant new projects, and maintain a diversified portfolio across construction and property development will position the Company for sustainable growth in the coming years. Given the prevailing economic conditions and the Group's focused strategic initiatives, the Board remains cautiously optimistic about the Group's prospects.

**B4 Variation of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee**

Not applicable.

**B5 Loss for the Period**

Loss for the period is arrived at after charging/(crediting):

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	84	171	84	171
Depreciation of right-of-use assets	97	334	97	334
Fair value (gain)/loss on other investments	(5)	4,141	(5)	4,141
Interest expense	864	922	864	922
Interest income	(25)	(95)	(25)	(95)
Provision for financial guarantee	509	516	509	516

**B6 Taxation**

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

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax (credit)/expense	-	-	-	-

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 recorded by certain subsidiaries and utilisation of tax losses brought forward by the Company and its subsidiaries.

**B7 Status of Corporate Proposals**

There are no corporate proposals which have been announced by the Company but not completed as at 28 November 2024 (being the latest practicable date from the date of issuance of the Quarter Report).

**B8 Group Borrowings and Debt Securities**

	<b>Unaudited As at 30.09.2024 RM'000</b>	<b>Unaudited As at 30.09.2023 RM'000</b>
(a) Short term borrowings		
<i>Secured:-</i>		
Lease liabilities	<b>654</b>	1,798
Hire purchase	-	82
Redeemable convertible preference shares	<b>67,608</b>	-
Term loans	<b>9,069</b>	8,184
	<u><b>77,331</b></u>	<u>10,064</u>
(b) Long term borrowings		
<i>Secured:-</i>		
Lease liabilities	<b>821</b>	4,335
Hire purchase	-	50
Redeemable convertible preference shares	-	67,608
	<u><b>821</b></u>	<u>71,993</u>
Total borrowings	<u><b>78,152</b></u>	<u>82,057</u>

**B9 Material Litigations**

**(a) Between Hong Leong Bank Berhad (“HLBB”) (as Plaintiff) and Ireka Engineering & Construction Sdn Bhd (“IECSB”) (in liquidation) (as First Defendant) and the Company (as Second Defendant)**

On 15 February 2023, the Company was served with a writ of summons and statement of claim ("the Writ") by HLBB. HLBB's suit is premised on a banking facility provided by HLBB to IECSB upon its appointment by Regency Specialist Hospital Sdn Bhd (“RSH”) as the main contractor for the main building works of 10-storey extension block of the Regency Specialist Hospital, Johor (“the Project”). The Company had provided a corporate guarantee in favour of HLBB as security for the repayment of the banking facilities.

When IECSB's employment under the Project was terminated by RSH, the Performance Bond issued by HLBB for IECSB was called by RSH. As a result of the calling, it was alleged that IECSB and the Company have defaulted in its obligations to make payments to HLBB as required.

Based on the writ, HLBB is claiming a total sum of RM6,453,571.90 under the Performance Bond and overdraft facilities.

During the hearing date on 10 January 2024, the Court decided to allow HLBB's application for summary judgment, dismissed the Company's counter-claim and ordered the Company to pay a total sum of RM6,453,571.90 together with interest which is calculated at the rate of between 1.0% and 3.5% per annum above the Base Lending Rate from 2 February 2023 until full settlement plus late payment interest at the rate of 1.0% per annum compounded monthly from 2 February 2023 until full settlement where applicable and cost of RM5,000.00.

Pursuant to the decision, the Company was then served with a winding up petition from HLBB on 1 July 2024. The hearing date for the petition which was fixed on 11 September 2024, had been further adjourned to 28 November 2024.

**(b) Between AmBank (M) Berhad (“AmBank”) (as Plaintiff) and IECSB (as First Defendant) and the Company (as Second Defendant)**

On 24 March 2023, the Company was served with a writ of summons and statement of claim ("the Writ") by AmBank (M) Berhad (“AmBank”). AmBank had on 12 December 2007 granted IECSB a Revolving Contract Financing Line and Overdraft Facilities (collectively referred as the “Banking Facilities Offer”) as general working capital. The Company had provided a corporate guarantee in favour of AmBank as security for the repayment of the above Banking Facilities Offer.

It was alleged that IECSB and the Company have defaulted in their obligations to make payments to AmBank as required by the Banking Facilities Offer.

**B9 Material Litigations (continued)**

**(b) Between AmBank (M) Berhad (“AmBank”) (as Plaintiff) and IECSB (as First Defendant) and the Company (as Second Defendant) (continued)**

Based on the writ, AmBank is claiming against IECSB and the Company a total sum of RM4,235,627.57 on the outstanding revolving credit and overdraft facilities.

During the hearing date on 16 November 2023, the court decided to allow AmBank’s application for Summary Judgment and ordered us to pay the following:

1. A sum of RM1,138,175.27 together with late payment interest at a rate of 4.0% per annum above the Plaintiff’s Base Loan Rate (The Plaintiff’s Base Loan Rate on 31 July 2023 is at a rate of 6.70% and is further subject to change at any time and from time to time at the absolute discretion of the Plaintiff) and to be calculated monthly from 1 August 2023 until the date of full settlement.
2. A sum of RM3,082,393.05 together with interest at the rate of 3.5% per annum above the Plaintiff’s Base Loan Rate (The Plaintiff’s Base Loan Rate on 31 July 2023 is at a rate of 6.70% and is further subject to change at any time and from time to time at the absolute discretion of the Plaintiff) to be calculated monthly from 1 August 2023 until the date of full settlement.

Pursuant to the judgment, the Company was then served with a winding up petition from AmBank on 8 January 2024. The hearing date for the petition was initially fixed on 17 April 2024. Since then, the hearing date has been adjourned three times from 17 April 2024 to 26 July 2024, 10 October 2024 and finally to 2 January 2025.

**(c) Between RHB Bank Berhad (“RHB”) (as Plaintiff) and the Company (as Defendant)**

On 13 February 2024, the Company was served with a Writ of Summons and Statement of Claim ("the Writ") by RHB.

RHB had on 6 January 2015 and 18 April 2017, granted IECSB a Revolving Credit Facility (“Banking Facility Offer”) of RM6,500,000 with a Corporate Guarantee executed on 12 September 2000 in favour of RHB as security for the repayment of the Banking Facility Offer.

On 28 June 2023, the Company entered into a settlement agreement with RHB whereby the Company undertakes to pay IECSB’s outstanding amount under the Banking Facility Offer to RHB in stages. However, since the Company was unable to honour the settlement agreement, RHB decided to terminate the Settlement Agreement on 8 December 2023.



**B9 Material Litigations (continued)**

**(c) Between RHB Bank Berhad (“RHB”) (as Plaintiff) and the Company (as Defendant) (continued)**

Thereafter, the Company has further proposed a revised scheduled payment to RHB on 22 December 2023. However, the proposed terms of repayment were rejected by RHB on 10 January 2024.

The Company then filed its Defence on 20 March 2024.

On 21 March 2024, RHB filed an application for summary judgment against the Company. An Affidavit in Reply was then filed by the Company on 4 April 2024, which was then replied by the Bank vide their Affidavit in Reply on 18 April 2024.

The decision on 1 July 2024 was in favour of RHB. The fair order from RHB was served on 2 August 2024. The Company is continuing its efforts to negotiate on a revised payment term which is acceptable by RHB.

**(d) Between One Industrial (M) Sdn Bhd (“OISB”) (as Plaintiff) and Shoraka Construction Sdn Bhd (“SCSB”) (as Defendant)**

On 7 August 2023, SCSB, a wholly owned subsidiary of the Company was served with an Originating Summons (“OS”) and Affidavit in Support by OISB. The OS is premised on 2 units of ASTA Project, which were purchased by OISB from IECSB. Contrary to a normal sale and purchase transaction, the 2 units were purchased by way of contra arrangement whereby in consideration of the 2 units being transferred to OISB, the outstanding amount owed by IECSB to OISB is offset against the amount owing and a 100% credit notes equivalent to the purchase price were issued to OISB. However, since the ASTA Project was taken over by SCSB via a Sale and Purchase Agreement dated 9 January 2023 (“SPA”) and Power of Attorney dated 10 January 2023 duly registered in the High Court, SCSB has cancelled the credit notes and issued new credit and debit notes based on the actual progress billings.

Under the OS, OISB is seeking for, among others, declaration that the 100% credit notes were wrongly cancelled by SCSB and SCSB is holding the units on trust for OISB.

SCSB has filed and served its Affidavit in Reply on 7 September 2023 which thereafter was replied by OISB vide their Affidavit in Reply on 29 September 2023.

Vide a letter dated 5 October 2023, the liquidator of IECSB has invoked Section 528 of the Companies Act in declaring the SPA void and thus, the ASTA Project will fall back under the jurisdiction of IECSB. Premised on the same, SCSB thereafter filed an application to strike out the OS on 17 March 2024 together with an Affidavit in Support. OISB then filed and served their Affidavit in Reply on 26 March 2024, which was then replied by SCSB vide an Affidavit in Reply dated 22 April 2024.

**B9 Material Litigations (continued)**

**(d) Between One Industrial (M) Sdn Bhd (“OISB”) (as Plaintiff) and Shoraka Construction Sdn Bhd (“SCSB”) (as Defendant) (continued)**

During the hearing scheduled on 17 October 2024, the Court decided in favour of OISB and ordered as follows:

1. OISB’s OS is allowed with costs of RM30,000 to be paid by SCSB; and
2. SCSB’s striking out application is dismissed for costs of RM20,000 to be paid by SCSB

SCSB has on 15 November 2024 filed a Notice to Appeal to the Court of Appeal.

**(e) Between Ideal Land Holdings Sdn Bhd, Eccaz Sdn Bhd (as Plaintiffs) and United Time Development Sdn Bhd (“UTD”), Ireka Properties Sdn Bhd (“IPSB”), Meadowfield Sdn Bhd (“MSB”), Regal Variety Sdn Bhd (“RVSB”), the Company, and certain current and former directors (as Defendants)**

On 22 November 2023, the Company and its subsidiaries which are UTD, IPSB, MSB and RVSB (“Buyback Subsidiaries”) along with certain former and current directors were served with a writ summons and statement of claim (“the Writ”) from Ideal Land Holdings Sdn Bhd and Eccaz Sdn Bhd (“the Plaintiffs”).

The Writ is premised on the following cause of actions:

- a) Failure of the Company to repay the advances made by the Plaintiff’s to the Company and the Buyback Subsidiaries amounting to RM16,575,356.26. The advancements were allegedly made by the Plaintiff during the negotiating period between 5 July 2021 to 31 August 2022 for among others, the construction of projects, payments to financial institutions, working capital, staff salaries and administration cost; and
- b) Failure of the current and former directors to procure the Company to enter into an agreement for Ideal Land Holdings Sdn Bhd to acquire back the Buyback Subsidiaries, in breach of their undertaking under the previous Share Sale Agreement of the Company.

The Defendants filed its Defence on 29 January 2024. The Plaintiffs then filed their Reply to Defence on 1 March 2024.

The Plaintiffs have also filed a summary judgment application against UTD, IPSB, MSB and RVSB, which was dismissed by the Court during the hearing held on 16 April 2024.

Trial dates are fixed for 21 April 2025, 28 April 2025, and from 19 May 2025 to 23 May 2025.

**B9 Material Litigations (continued)**

**(f) Between Leow Peng Seong (as Plaintiff) and United Time Development Sdn Bhd (“UTD”) (as Defendant)**

On 6 May 2024, UTD, a wholly owned subsidiary of the Company, was served with a copy of Originating Summons (“OS”) by Leow Peng Seong (“the Plaintiff”).

The Plaintiff is a director of Quality Parts Sdn Bhd (“QPSB”), a supplier of IECSB, a wholly owned subsidiary of the Company which is currently under liquidation. Between 2018 to 2021, QPSB sold and delivered goods to IECSB and there was an outstanding amount owing by IECSB to QPSB (“Principal Outstanding Sum”).

The OS is premised on one unit of service apartment (“the Property”) at KaMi Mont’ Kiara, which was purchased by the Plaintiff by way of contra arrangement whereby the purchase price of the Property amounting to RM1,680,000 was fully offset by the Principal Outstanding Sum owed by IECSB to QPSB. IECSB then undertook to successively pay the stage progress billing of the Property to UTD, the developer of KaMi Mont’ Kiara as and when they become due.

However, since IECSB was placed into a creditors’ voluntary winding up on 11 May 2023, UTD had requested the Plaintiff to directly settle the remaining stage progress billing amounts, taking into consideration that IECSB is no longer in a position to make the required payment to UTD. The subsequent failure by the Plaintiff to adhere to the payment request resulted in the termination of the SPA, which consequently prompted the commencement of the OS.

Under the OS, the Plaintiff is seeking from court, among others, the following reliefs:

1. A declaration that the termination of the SPA by UTD is invalid and ineffective;
2. A declaration that the SPA is still valid and enforceable; and
3. An order from court enforcing UTD to perform the terms and conditions of the SPA.

During hearing held on 7 November 2024, on an application by the Plaintiff to convert the OS and to continue proceedings by way of Writ, the Court made the following orders:

1. the Plaintiff’s OS be converted into a writ action and proceedings proceed as if begun by a writ;
2. the Plaintiff to deliver to UTD within 14 days from 7 November 2024;
3. UTD to deliver its Defence within 14 days from receipt of the Statement of Claim; and
4. the Plaintiff to file his Reply to Defence (if needed) within 14 days thereafter; and
5. Costs of RM5,000.

**B9 Material Litigations (continued)**

**(g) Between former directors and employees (as Plaintiff) and Ireka Properties Sdn Bhd (“IPSB”) (as Plaintiffs) and the Company (as Defendant)**

On 27 June 2024, the Company and its wholly owned subsidiary, IPSB were each served with a copy of Writ of Summons and Statement of Claims (“the Suits”) filed by former directors and former employees (“the Plaintiffs) of the Company and IPSB respectively.

The Suits are premised on, among others, payment of the Plaintiffs’ alleged salaries, allowances, bonuses, retirement benefits and directors’ fees for the period of 2017 to 2021 (“Claims Period”).

During the Claims Period, the Company and IPSB were run and controlled by the previous management team, which includes some of the Plaintiffs in the Suits.

The total amount of claim by the Plaintiffs against the Company is RM11,270,330.40 and the total amount of claim by the Plaintiffs against IPSB is RM270,185.35.

On 8 August 2024, the Defendants filed its Defence and Counter-Claim, which was replied by the Plaintiffs on 5 September 2024.

The Plaintiffs then filed an application for Summary Judgment on 5 September 2024, which was replied by the Defendants on 3 October 2024. The next hearing date is fixed on 4 December 2024.

**B10 Dividend Proposed**

No dividend was proposed during the quarter under review.

**B11 Loss per Share**

<b>Individual Quarter</b>		<b>Cumulative Period</b>	
<b>3 Months Ended</b>	<b>3 Months Ended</b>	<b>3 Months Ended</b>	<b>3 Months Ended</b>
<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>

Basic

Loss for the period attributable to owners of the Company (RM'000)

**(3,554)**      (5,530)      **(3,554)**      (5,530)

Weighted average number of ordinary shares

**211,943,803**      211,943,803      **211,943,803**      211,943,803

Basic loss per share (sen)

**(1.68)**      (2.61)      **(1.68)**      (2.61)

**By Order of the Board**  
**IREKA CORPORATION BERHAD**  
**DAUD BIN A MAJEED**  
**Company Secretary**  
**Kuala Lumpur**  
**28 November 2024**