

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2024**

All figures in RM'000 unless otherwise stated	Current Quarter 31.03.2024	Comparative Quarter 31.03.2023	Cumulative Period 9-month 31.03.2024	Cumulative Period 9-month 31.03.2023
Revenue	3,539	7,134	42,885	27,662
Cost of sales	(6,995)	(5,588)	(49,370)	(22,171)
Gross (loss)/profit	(3,456)	1,546	(6,485)	5,491
Other income	86	3,829	298	4,384
Expenses	(2,684)	(10,637)	(39,387)	(47,987)
Operating loss	(6,054)	(5,262)	(45,574)	(38,112)
Finance costs	(946)	(252)	(2,945)	(1,462)
Effect on liquidation and disposal of subsidiaries	3,403	(56,630)	3,433	153,120
(Loss)/Profit before tax	(3,597)	(62,144)	(45,086)	113,546
Income tax expense	12	1,690	(283)	986
(Loss)/Profit for the period	(3,585)	(60,454)	(45,369)	114,532
Other comprehensive (loss)/income:-				
Currency translation differences	2	-	(13)	(11)
Other comprehensive (loss)/income for the period, net of tax	2	-	(13)	(11)
Total comprehensive (loss)/income for the period	(3,583)	(60,454)	(45,382)	114,521
(Loss)/Profit attributable to:-				
Owners of the Company	(194)	(60,405)	(41,935)	114,512
Non-controlling interests	(3,391)	(49)	(3,434)	20
	(3,585)	(60,454)	(45,369)	114,532
Total comprehensive (loss)/profit attributable to:-				
Owners of the Company	(192)	(60,405)	(41,948)	114,501
Non-controlling interests	(3,391)	(49)	(3,434)	20
	(3,583)	(60,454)	(45,382)	114,521
(Loss)/Earnings per share attributable to owners of Company:-				
- basic (sen)	(0.09)	(29.02)	(19.79)	55.01

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

Other information:-

Operating loss	(6,054)	(5,262)	(45,574)	(38,112)
Gross interest income	49	82	135	584
Gross interest expense	(946)	(252)	(2,945)	(1,462)

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))**Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2024**

	Unaudited As At 31.03.2024 RM'000	Audited As At 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,252	4,602
Right-of-use assets	3,588	4,574
Investment properties	9,258	8,655
Finance lease receivables	749	1,054
Other investments	3,506	27,845
Inventories	31,468	30,619
	51,821	77,349
Current assets		
Inventories	69,889	67,818
Tax Assets	1,896	2,501
Trade and other receivables	9,808	11,110
Contract costs	1,449	1,547
Contract assets	23,345	19,663
Finance lease receivables	405	404
Fixed deposits (pledged)	3,269	3,203
Cash and bank balances	6,532	3,358
	116,593	109,604
TOTAL ASSETS	168,414	186,953
EQUITY AND LIABILITIES		
Equity		
Share capital	207,729	207,729
Foreign currency translation reserve	(416)	(403)
Accumulated losses	(317,528)	(275,593)
Equity attributable to owners of the Company	(110,215)	(68,267)
Non-controlling interests	19,919	23,353
Capital deficiency	(90,296)	(44,914)
Non-current liabilities		
Lease liabilities	3,398	4,796
Hire purchase payables	25	63
Loans and borrowings	67,608	67,608
Retirement benefits obligation	811	864
Deferred tax liabilities	213	213
	72,055	73,544
Current liabilities		
Lease liabilities	1,856	1,759
Hire purchase payables	62	87
Loans and borrowings	7,984	8,275
Trade and other payables	154,791	97,277
Contract liabilities	-	11,770
Provisions	21,962	39,068
Tax payable	-	87
	186,655	158,323
Total liabilities	258,710	231,867
TOTAL EQUITY AND LIABILITIES	168,414	186,953

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 2023 and the accompanying explanatory notes attached to the Interim Statements.

Other Information:-

Net assets per share (RM)	(0.48)	(0.30)
---------------------------	---------------	---------------

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))
Unaudited Condensed Consolidated Statement of Changes in Equity
for the period ended 31 March 2024

	← Attributable to owners of the Company →					
	← Non - Distributable →		← Distributable →			
	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<u>9 months ended 31.03.2024 (Unaudited)</u>						
Balance as at 01.07.2023	207,729	(403)	(275,593)	(68,267)	23,353	(44,914)
Total comprehensive loss for the financial period	-	(13)	(41,935)	(41,948)	(3,434)	(45,382)
Balance as at 31.03.2024	207,729	(416)	(317,528)	(110,215)	19,919	(90,296)

	← Attributable to owners of the Company →					
	← Non - Distributable →		← Distributable →			
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<u>Financial year ended 30.06.2023 (Audited)</u>						
Balance as at 01.07.2022	207,729	(1,874)	(343,210)	(137,355)	29,913	(107,442)
Total comprehensive income for the financial year	-	1,471	67,617	69,088	(6,560)	62,528
Balance as at 30.06.2023	207,729	(403)	(275,593)	(68,267)	23,353	(44,914)

Note:

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Condensed Consolidated Statement of Cash Flows for the period ended 31 March 2024

	Unaudited Cumulative Period 9-month 31.03.2024	Audited Cumulative Year 12-month 30.06.2023
All figures in RM'000		
Cash flows from/(for) operating activities		
(Loss)/Profit before taxation	(45,086)	59,192
Adjustments for:-		
Deposits written off	-	1
Depreciation of:		
- property, plant and equipment	366	1,512
- right-of-use assets	986	1,244
Fair value loss/(gain) on:		
- investment properties	329	(3,560)
- other investments	8,724	8,544
Gain on deconsolidation of subsidiary	-	(133,255)
Gain on disposal of subsidiaries	(3,432)	(13,728)
GST receivable written off	-	3
Impairment losses on:		
- other receivables	1,236	21
- trade receivables	-	28
- amount due from associates	3,719	-
Interest expense	2,945	3,340
Interest income	(135)	(117)
Inventories written down	-	3,725
Loss on derecognition of right-of-use asset	-	5
Loss on lease modification	-	282
Loss on disposal of other investment	15,610	-
Gain on disposal of property, plant and equipment	(58)	(85)
Property, plant and equipment written off	-	68
Provision for:		
- legal claims	-	322
- onerous contracts	2,568	6,271
- corporate guarantee	1,587	22,605
- retirement benefits obligation	63	285
Reversal of bad debts	-	(2,858)
Reversal of impairment losses on trade receivables	-	(5,393)
Reversal of provision for onerous contracts	-	(5,724)
Operating loss before working capital changes	(10,578)	(57,272)
Changes in working capital:		
Contract assets and liabilities	(3,682)	34,525
Contract costs	98	(171)
Inventories	(1,620)	(5,031)
Trade and other receivables	(11,357)	(7,102)
Trade and other payables	30,818	46,696
Net cash generated from operations	3,679	11,645
Payment of retirement benefits obligation	-	(86)
Income tax paid	(148)	(1,451)
Net cash from operating activities	3,531	10,108

IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))**Unaudited Condensed Consolidated Statement of Cash Flows for the period ended 31 March 2024 (continued)**

	Unaudited Cummulative Period 9-month 31.03.2024	Audited Cummulative Year 12-month 30.06.2023
All figures in RM'000		
Cash flows from/(for) investing activities		
Acquisition of other investment	-	(7)
Interest received	135	117
Proceeds from disposal of property, plant and equipment	110	243
Proceeds from deconsolidation of a subsidiary, net of cash deconsolidated	-	(37)
Proceeds from disposal of subsidiaries, net of cash disposed	-	(206)
Proceeds from disposal of investment properties	-	11,000
Purchase of property, plant and equipment	-	(128)
Payment from lease receivables	304	201
Advances to related companies	-	(213)
Change in pledged deposits	(66)	1,361
Net cash from investing activities	483	12,331
Cash flows from/(for) financing activities		
Advances from directors	4,923	2,505
Drawdown of term loans	-	984
Interest paid	(1,222)	(1,988)
Repayments of lease liabilities	(3,084)	(1,659)
Repayment of hire purchase	(78)	(115)
Repayment of term loans	-	(8,200)
Repayment of revolving credits	-	(1,115)
Repayment of bank borrowings	(1,379)	-
Repayment to an associate	-	(15,756)
Repayment to related parties	-	(1,544)
Net cash for financing activities	(840)	(26,888)
Net increase/(decrease) in cash and cash equivalents	3,174	(4,449)
Cash and cash equivalents as at beginning of financial period/year	3,358	7,807
Cash and cash equivalents as at end of financial period/year	6,532	3,358

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 2023 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 2023. 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 2023.

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
Amendment to MFRS 17	Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - comparative information)
Amendments to MFRS 101	Disclosures of Accounting policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

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 are not yet effective for the current financial period:-

Description		Effective for annual period beginning on or after
Amendments to MFRS 16	Lease Liabilities in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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 2023.

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 2023. 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 2023 (pages 206 to 209).

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 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 for the period under review.

A9 Segmental Information

**Group revenue and results including
Share of Associates and Joint Venture**

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Segment Revenue				
Revenue				
Property development	3,505	6,933	42,775	25,023
Property investment	47	110	151	497
Trading and services	246	40	738	3,162
Investment holding and other	1,246	1,257	3,746	4,865
Total	5,044	8,340	47,410	33,547
Elimination of inter-segment sales	(1,505)	(1,206)	(4,525)	(5,885)
Total	3,539	7,134	42,885	27,662

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Segment Results				
(Loss)/Profit before tax				
Construction	-	-	-	(5)
Property development	(4,251)	258	(12,213)	2,548
Property investment	(115)	(303)	(345)	(296)
Trading and services	(678)	961	(2,052)	(1,410)
Investment holding and other	(1,496)	3,749	(35,920)	(53,146)
Total	(6,540)	(4,665)	(50,530)	(52,309)
Elimination of inter-segment items	(460)	(9,414)	2,011	45,383
Effect on liquidation and disposal of subsidiaries	3,403	(57,395)	3,433	120,472
Total	(3,597)	(62,144)	(45,086)	113,546

Certain comparative figures have been reclassified/adjusted to conform with the current quarter's presentation.

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 during the current and year-to-date period under review.

A11 Significant Events during the Quarter and Subsequent Events

- (a) On 28 August 2023, a wholly-owned subsidiary of the Company, Shoraka Power Sdn. Bhd. entered into a Joint Venture Agreement with E&H Energy Sdn. Bhd. to explore various energy-related business, in particular the business of supplying liquefied natural gas to various potential buyers or users in Malaysia.
- (b) On 29 August 2023, Regal Variety Sdn. Bhd., a wholly-owned subsidiary of Ireka Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company entered into a Joint Venture Agreement with Elay Project Sdn. Bhd. to co-develop a proposed mixed development consisting of 22 & 23 storey tower of apartments comprises 661 units, 48 retail units and 114 office units on a piece of land known as Serika Kajang. The estimated GDV of the development is approximately RM310.0 million.
- (c) On 30 August 2023, 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 1 November 2023, has granted the Company a further EOT of six months up to 29 February 2024 to submit its PN17 Regularisation Plan. Whilst the Company is still finalising the PN17 Proposed Regularisation Plan, on 29 February 2024 the Company submitted another application to Bursa Securities for a further EOT to submit the completed regularisation plan. Accordingly, Bursa Securities, in its letter dated 16 April 2024, granted the Company another EOT of six months up to 31 August 2024 to submit its PN17 Regularisation Plan to the relevant regulatory authorities.
- (d) On 20 December 2023, a wholly-owned subsidiary of ICB, Ireka Sdn Bhd (“ISB”) completed the disposal of its wholly-owned subsidiary, Ireka Hospitality Sdn Bhd (“IHSB”) for a cash consideration of RM2. The transaction gave rise to a gain on disposal of RM3.4 million as disclosed in Note B5.

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

	Financial Quarter Ended 31.03.2024 RM	Financial Year Ended 30.06.2023 RM
Corporate guarantees given by ICB for all credit facilities taken by subsidiaries	7,944,675	7,290,854

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

The Group continues to implement strategies aimed at addressing the PN17 Regularisation Plan, which includes identifying potential equity investors and securing new business opportunities, disposing of non-core loss making subsidiaries and monetising non-core assets. These ongoing initiatives, along with other prior efforts, form an integral part of our overall plan to improve the Group's financial and operational performance in the near future.

The Group reported revenue of RM42.9 million for the financial period ended 31 March 2024, as compared to RM27.7 million for the preceding year corresponding period. Following the termination of IECSB as the main contractors of all our existing projects in late 2022, the Group has successfully appointed a third-party rescue contractor to resume the construction works at respective development sites. This appointment led to the re-submission of progress claims and billings, resulting in the property development segment reporting revenue of RM42.8 million in the current period, a substantial increase compared to the RM25.0 million reported during the corresponding period last year.

The trading and services segment comprises property development management and services divisions. Revenue for this segment in the current period has dropped from RM3.2 million in the preceding year corresponding period to RM0.7 million due to the discontinuation of the IT division.

The investment holding and other segment recorded lower revenue at RM3.7 million for the current period, representing a total decrease of 23% mainly due to lower management fees charged to subsidiary companies arising from a downward revision in the management fees chargeable by ICB to its subsidiaries pursuant to the finalized Transfer Pricing documentation.

The financial results of the Group for the period under review were also affected by a reduction in the share price of Aseana Properties Limited ("ASPL") from USD13.0 cents as of 30 June 2023 to USD10.5 cents, resulting in a mark-to-market loss on the investment in ASPL of RM8.7 million. During the period under review, the Company successfully concluded an out-of-court settlement with ASPL on 29 January 2024, resulted in the transfer of 38.8 million ASPL shares to ASPL at a rate of USD8.5 cents per share, totaling USD3.3 million or RM15.6 million in exchange of ASPL withdrawing their RM109.8 million legal suits. An impairment loss in other investment, represented by the loss arising from the disposal of investment in ASPL of RM15.6 million has been recognised during the previous quarter accordingly. As part of this settlement, the Company has also transferred its entire 30% shareholding in both associated companies, Urban DNA Sdn Bhd and The Ruma Hotel KL Sdn Bhd to ASPL, and recognized an impairment on the amount due from the associated companies, amounting to RM5.0 million. Excluding these exceptional items, the Group recorded an operational loss before tax of RM7.7 million for the current period compared to an operational loss before tax of RM25.0 million for the preceding year corresponding period.

B1 Review of Performance (continued)

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

The Group reported a revenue of RM3.5 million in the current quarter, as compared to RM7.1 million in the corresponding quarter of the preceding year, representing a significant decrease of 51% arising from higher rebate given to the purchasers.

For the current quarter ended 31 March 2024, the Group recorded a pre-tax loss of RM3.6 million, compared to a pre-tax loss of RM62.1 million in the corresponding quarter of the preceding year. The variance is primarily attributed to the current quarter's mark-to-market gain from ASPL shares and the impact on reversal of provision for foreseeable loss on guaranteed rental return following on the disposal of IHSB.

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

The Group reported a revenue of RM3.5 million in third quarter of financial period ended 31 March 2024, compared to a higher revenue in the immediate preceding quarter, mainly due to the cancellation of two units of condominium for the KaMi project and higher rebates given to bulk purchasers. However, the Group registered lower pre-tax loss of RM3.6 million during the quarter, mainly due to fair value gain on other investment and gain on disposal of IHSB as indicated in Note B5.

B3 Prospects for the Current Financial Year

The Malaysian economy expanded more than initially estimated by 4.2% in the first quarter of 2024, driven by stronger private expenditure and a positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were also noted, with higher capital spending by both the private and public sectors. The services and manufacturing sectors showed significant growth. Additionally, the mining and quarrying sector, agriculture sector, and construction sector also registered encouraging growth. Both exports and imports increased, and inflation remained moderate. Overall, the Malaysian economy is anticipated to remain stable, registering growth at 4%-5% in 2024.

The Group has initiated a strategic planning process to identify key elements and outline measures for its Regularisation Plan, aimed at improving its financial position and addressing the PN17 status. Recognising the complexity of this task, the Group has formally requested and received a 6-month extension until 29 February 2024 from Bursa Securities. A further extension of six months up to 31 August 2024 has also been sought from and approved by Bursa Securities. This third extension provides additional time for the Group to work closely with advisors in finalising a comprehensive plan while addressing certain external issues and realising values from a newly diversifying venture.

B3 Prospects for the Current Financial Year (continued)

The Group aims to submit the PN17 Regularisation Plan before the new deadline of 31 August 2024, demonstrating its commitment in addressing its current financial position.

Within the construction business, the Group's construction division is actively seeking new businesses by submitting bids, proposals and engaging in tender processes. It remains proactive in presenting project proposals to both government bodies and relevant authorities. In these proposals, the Group emphasises the inherent merits and benefits to stakeholders and users, thereby presenting feasible solutions rooted in the public-private partnership model.

In the realm of property development, the Group continues to improve the take-up rates for its ongoing projects, realising substantial gross development value (GDV). Projects such as KaMi Mont' Kiara and DWI@Rimbun Kasia in Nilai are progressing as planned. The division is currently prioritising the successful completion of existing projects within the revised budgetary constraints and timelines. KaMi Mont' Kiara is expected to be completed by mid-2024, whilst DWI@Rimbun Kasia is aiming to sell all its remaining unsold units by end of the year.

The focus remains on executing projects from the significant backlog, with plans in progress to launch a few residential projects in Terengganu early next year. Furthermore, there are plans for a new mixed development project with a JV partner on Serika Land in Kajang, which is also targeted to be launched by early next year. The Group continues to actively seek out opportunities for additional new projects. While there has been a slight decline in property transactions recently, there is a discernible decrease in property overhang, signaling that the market's selective purchasing remains sustainable.

In the Group's quest for enduring sustainability, the Group is steadfast in diversifying its business portfolio across burgeoning and profitable market sectors. Aligned with the Government's unveiled National Energy Transition Roadmap which underscores Malaysia's pledge to sustainable and inclusive energy framework, the Group has entered a Joint Venture Agreement with E&H Energy Sdn Bhd ("E&H"). This partnership will offer the Group a crucial and consistent source of income from the joint venture, significantly alleviating the current cash flow constraints experienced by the Group. In the long run, with this strategic alliance coinciding with the ongoing liberalisation of the domestic energy sector, the Group envisions mutually advantageous and lasting business success alongside its joint venture partner, E&H.

Given the prevailing economic landscape and the anticipated trajectory of the construction, property development, and energy sectors in Malaysia, the Board maintains a cautiously optimistic stance on the overall prospects of the Group.

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

Not applicable.

B5 (Loss)/Profit for the Period

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

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	91	83	366	244
Effect on liquidation and disposal of subsidiaries	(3,403)	56,630	(3,433)	(153,120)
Fair value (gain)/loss on other investment	(1,193)	6,440	8,724	14,581
Gain on disposal of property, plant and equipment	(58)	-	(58)	-
Interest expense	946	252	2,945	1,462
Loss on disposal of other investment	454	-	15,610	-
Fair value loss on investment properties	329	-	329	-
Provision for financial guarantee	532	-	1,587	21,859
Interest income	(49)	(82)	(135)	(584)

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	9 Months Ended	9 Months Ended
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax expense	12	1,690	(283)	986
	12	1,690	(283)	986

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 also 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 May 2024 (being the latest practicable date from the date of issuance of the Quarter Report).

B8 Group Borrowings and Debt Securities

	Unaudited As at 31.03.2024 RM'000	Unaudited As at 31.03.2023 RM'000
(a) Short term borrowings		
<i>Secured:-</i>		
Term loans	7,984	7,984
Hire purchase	62	-
Lease liabilities	1,856	1,737
	<u>9,902</u>	<u>9,721</u>
(b) Long term borrowings		
<i>Secured:-</i>		
Hire purchase	25	212
Lease liabilities	3,398	5,244
Redeemable convertible preference shares	67,608	67,608
	<u>71,031</u>	<u>73,064</u>
Total borrowings	<u><u>80,933</u></u>	<u><u>82,785</u></u>

B9 Material Litigations

(a) Between ASPL M9 Limited (“ASPL M9”) (as Plaintiff) and the Company (as Defendant)

On 26 October 2022, a writ of summons and statement of claim (“the Writ”) was served by ASPL M9 to the Company. After several rounds of negotiation, both parties agreed to settle the matter amicably and a settlement agreement was entered on 26 January 2024. Consequently, ASPL M9 had withdrawn the suit without liberty to file afresh on 29 January 2024.

Under the Settlement Agreement, the Company have transferred to Aseana Properties Limited (“ASPL”):

1. 38,837,504 ordinary shares held in ASPL;
2. 300,000 ordinary shares held in UDNA; and
3. 105,003 ordinary shares held in The RuMa Hotel KL Sdn Bhd.

It was also a term of the Settlement Agreement for the Company to obtain validation order pursuant to Section 472 of the Companies Act 2016 from the Winding Up Court in Petition No. WA-28NCC-15-01/2024 (AmBank’s Winding Up Petition) for the disposal of the abovementioned shares.

During the hearing date fixed by the Winding Up Court on 25 March 2024, the Winding Up Court has decided to allow the Company’s application for validation order in disposing the shares to ASPL. Thus, the matter is now deemed completed.

(b) Between Hong Leong Bank Berhad (“HLBB”) (as Plaintiff) and Ireka Engineering & Construction Sdn Bhd (“IECSB”) (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 summons, HLBB is claiming a total sum of RM6,453,572 under the Performance Bond and overdraft facilities.

B9 Material Litigations

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

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 the a total sum of RM6,453,572 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.

The Company is yet to be served with the fair order from HLBB.

(c) 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. 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 its obligations to make payments to AmBank as required by the Banking Facilities Offer.

Based on the writ, AmBank is claiming against IECSB and the Company a total sum of RM4,235,628 on the outstanding revolving credit and overdraft facilities.

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

1. A sum of RM1,138,175 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 6.7% 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 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 6.7% 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 is fixed on 17 April 2024.

B9 Material Litigations (continued)

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

The Company has appointed Abdul, Low & Partner in resisting the winding up petition. In the meantime, the Company is engaging with AmBank with a view to seek a settlement of the said sum.

On 9 April 2024, the Company filed an Affidavit in Support to resist the winding up petition. During the hearing date previously fixed on 17 April 2024, the Court ordered the hearing to be adjourned to 26 July 2024.

(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 is intending to invoke 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.

The matter is now fixed for hearing on 2 July 2024.

B9 Material Litigations (continued)

- (e) **Between Ideal Land Holdings Sdn Bhd, Eccaz Sdn Bhd (Plaintiffs) and United Time Development Sdn Bhd (“UTD”), Ireka Properties Sdn Bhd (“IPSB”), Meadowfield Sdn Bhd (“MSB”), Regal Variety Sdn Bhd (“RVSB”), iTech ELV Solution Sdn Bhd (“ITELV”), i-Tech Network Solutions Sdn Bhd (“ITNS”), the Company, and certain current and former directors (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. 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 have filed its Defence on 29 January 2024. The Plaintiffs then filed their Reply to Defence on 1 March 2024.

Plaintiff’s Application for Summary Judgment

The Plaintiffs have also filed a summary judgment application against UTD, IPSB, MSB and RVSB.

In response, UTD, IPSB, MSB and RVSB filed its Affidavit in Reply on 29 January 2024, which was then replied by the Plaintiffs on 19 February 2024.

During the hearing date on 16 April 2024, the Court decided to dismiss the summary judgment application.

7th Defendant, (the Company) application for Striking Out

The Company as the 7th Defendant has filed an application for striking out on 3 April 2024. The matter is now fixed for hearing on 12 June 2024. However, in light with the court decision to dismiss the Plaintiff application for summary judgment, the solicitors for the Company are of the opinion that the Company’s chance to succeed is low since the court might want to maintain the status quo and let the matter proceed to trial. ICB’s solicitors are currently in the midst of withdrawing the striking out application.

B9 Material Litigations (continued)

(f) 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.

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. It is still our intention to continue our efforts to negotiate a revised payment term which is acceptable by RHB.

Pursuant to the Writ, the Company has appointed Messrs Abdul, Low & Partners to act on the Company behalf and has filed its Defence on 20 March 2024.

RHB Application for Summary Judgment

On 21 March 2024, the Bank 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 matter is now fixed for hearing on 1 July 2024.

B9 Material Litigations (continued)

- (g) **Between Kumpulan Wang Simpanan Pekerja (“KWSP”) (the Plaintiff) and the Company (as First Defendant) and certain current and former directors (Defendants)**

On 5 April 2024, the Company together with certain current and former directors were served with a Writ of Summons and Statement of Claim ("the Writ") by KWSP.

Under the Writ, KWSP is claiming from the Company and its current and former directors the principal sum of RM1,233,270 being the balance outstanding of the KWSP contribution for the period as specified below together with dividends and late payment interests:

Parties	Amount (RM)	Period of the outstanding KWSP contribution
The Company and one current director	1,233,270	1. February 2021 until July 2021 2. September 2022 until December 2022 3. January 2023 and March 2023 until August 2023
Current directors	944,763 of the 1,233,270	1. September 2022 until December 2022 2. January 2023 and March 2023 until August 2023
Former directors	288,507 of the 1,233,270	1. February 2021 until July 2021

Prior to the service of the Writ, the current directors of the Company and KWSP have reached an agreement to settle the current directors’ portion of RM944,763 via scheduled instalments plan.

KWSP, the Company and the current directors of the Company are currently in the midst of entering into a consent judgment which will reflect the aforementioned settlement arrangement.

The Company was informed by KWSP’s solicitors that the former directors have entered into a settlement arrangement with KWSP to settle their portion as well.

B9 Material Litigations (continued)

(h) Between Leow Peng Seong (as Plaintiff) and 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 (1) 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; an
3. An order from court enforcing UTD to perform the terms and conditions of the SPA.

On 17 March 2024, UTD has appointed Messrs James Monteiro to act on behalf of UTD.

B10 Dividend Proposed

No dividend was proposed during the quarter under review.

B11 (Loss)/Earnings per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Basic				
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	(194)	60,405	(41,935)	114,512
Weighted average number of ordinary shares	211,943,803	208,160,270	211,943,803	208,160,270
Basic (loss)/earnings per share (sen)	(0.09)	29.02	(19.79)	55.01

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