

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2024

	Current Quarter 31.12.2024	Comparative Quarter 31.12.2023	Cumulative Period 6-month 31.12.2024	Cumulative Period 6-month 31.12.2023
All figures in RM'000 unless otherwise stated				
Revenue	17,758	12,837	21,120	39,346
Cost of sales	(16,217)	(18,268)	(19,800)	(42,375)
Gross profit/(loss)	1,541	(5,431)	1,320	(3,029)
Other income	165	170	227	242
Expenses	(3,364)	(29,416)	(6,380)	(36,703)
Operating loss	(1,658)	(34,677)	(4,833)	(39,490)
Finance costs	(1,131)	(1,077)	(1,995)	(1,999)
Loss before tax	(2,789)	(35,754)	(6,828)	(41,489)
Income tax	(96)	(295)	(96)	(295)
Loss for the period	(2,885)	(36,049)	(6,924)	(41,784)
Other comprehensive income/(loss):-				
Currency translation differences	25	1	(29)	(15)
Other comprehensive income/(loss) for the period, net of tax	25	1	(29)	(15)
Total comprehensive loss for the period	(2,860)	(36,048)	(6,953)	(41,799)
Loss attributable to:-				
Owners of the Company	(3,322)	(35,013)	(6,876)	(40,543)
Non-controlling interests	437	(1,036)	(48)	(1,241)
	(2,885)	(36,049)	(6,924)	(41,784)
Total comprehensive loss attributable to:-				
Owners of the Company	(3,297)	(35,012)	(6,905)	(40,558)
Non-controlling interests	437	(1,036)	(48)	(1,241)
	(2,860)	(36,048)	(6,953)	(41,799)
Loss per share attributable to owners of Company:-				
- basic (sen)	(1.57)	(16.52)	(3.24)	(19.13)

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	(1,658)	(34,677)	(4,833)	(39,490)
Gross interest income	25	42	50	86
Gross interest expense	(1,131)	(1,077)	(1,995)	(1,999)

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

	Unaudited As At 31.12.2024 RM'000	Audited As At 30.06.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,743	2,846
Right-of-use assets	748	942
Investment properties	9,105	9,105
Finance lease receivables	217	322
Other investments	33	2,848
Inventories	24,788	31,744
Total non-current assets	37,634	47,807
Current assets		
Inventories	71,387	71,801
Tax assets	2,563	2,544
Trade and other receivables	19,993	42,326
Contract costs	252	1,407
Contract assets	5,827	6,911
Finance lease receivables	208	204
Fixed deposits (pledged)	5,917	5,876
Cash and bank balances	1,119	3,570
	107,266	134,639
Assets held for sale	128	128
Total current assets	107,394	134,767
TOTAL ASSETS	145,028	182,574
EQUITY AND LIABILITIES		
Equity		
Share capital	207,729	207,729
Foreign currency translation reserve	(473)	(444)
Accumulated losses	(325,687)	(334,776)
Equity attributable to owners of the Company	(118,431)	(127,491)
Non-controlling interests	(687)	15,326
Capital deficiency	(119,118)	(112,165)
Non-current liabilities		
Lease liabilities	654	988
Retirement benefits obligation	610	588
Deferred tax liabilities	213	213
Total non-current liabilities	1,477	1,789
Current liabilities		
Lease liabilities	660	647
Loans and borrowings	8,913	9,058
Redeemable convertible preference shares	67,608	67,608
Trade and other payables	105,570	139,287
Contract liabilities	41,441	36,326
Tax liabilities	96	-
Provisions	38,381	40,024
Total current liabilities	262,669	292,950
TOTAL LIABILITIES	264,146	294,739
TOTAL EQUITY AND LIABILITIES	145,028	182,574

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)	(0.52)	(0.56)
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IREKA CORPORATION BERHAD (Company No. 197501004146 (25882-A))
Unaudited Condensed Consolidated Statement of Changes in Equity
for the 6-month ended 31 December 2024

	← Attributable to owners of the Company →					
	← Non - Distributable →		← Distributable →			
	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Sub-Total	Non-Controlling Interests	Capital Deficiency
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months ended 31.12.2024 (Unaudited)</u>						
Balance as at 01.07.2024	207,729	(444)	(334,776)	(127,491)	15,326	(112,165)
Total comprehensive loss for the financial period	-	(29)	(6,876)	(6,905)	(48)	(6,953)
Transaction with owner	-	-	15,965	15,965	(15,965)	-
Balance as at 31.12.2024	<u>207,729</u>	<u>(473)</u>	<u>(325,687)</u>	<u>(118,431)</u>	<u>(687)</u>	<u>(119,118)</u>

	← Attributable to owners of the Company →					
	← Non - Distributable →		← Distributable →			
	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Sub-Total	Non-Controlling Interests	Capital Deficiency
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial year ended 30.06.2024 (Audited)</u>						
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	<u>207,729</u>	<u>(444)</u>	<u>(334,776)</u>	<u>(127,491)</u>	<u>15,326</u>	<u>(112,165)</u>

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Condensed Consolidated Statement of Cash Flows for the 6-month quarter ended 31 December 2024

	Unaudited Cumulative Period 6-month 31.12.2024	Audited Cumulative Year 12-month 30.06.2024
All figures in RM'000		
Cash flows from/(for) operating activities		
Loss before taxation	(6,828)	(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	103	357
Depreciation of right-of-use assets	194	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	(116)	9,386
Gain on deconsolidation of subsidiary	-	(3,433)
Loss on disposal of other investment	495	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	1,995	3,812
Interest income	(50)	(167)
Loss on lease modification	-	242
Provision for legal claim	-	25
Provision for onerous contracts	-	11,169
Provision for corporate guarantee	1,036	2,105
Provision for retirement benefits obligation	22	101
Operating loss before working capital changes	(3,149)	(21,222)
Changes in working capital:		
Contract assets and liabilities	(4,031)	37,307
Contract costs	1,155	140
Inventories	7,370	(5,108)
Trade and other receivables	22,351	(33,269)
Trade and other payables	(22,796)	26,857
Net cash generated from operations	900	4,705
Income tax paid	(37)	(172)
Income tax refunds	-	46
Net cash from operating activities	863	4,579
Cash flows from/(for) investing activities		
Advances to related parties	-	(325)
Change in pledged bank	-	(2,587)
Change in pledged deposits	(41)	(87)
Interest received	50	167
Lease modification	-	(577)
Payment from lease receivables	100	354
Proceeds from disposal of other investment	2,437	-
Proceeds from disposal of property, plant and equipment	-	556
Net cash from/(for) investing activities	2,546	(2,499)

Unaudited Condensed Consolidated Statement of Cash Flows for the 6-month quarter ended 31 December 2024

	Unaudited Cumulative Period 6-month 31.12.2024	Audited Cumulative Year 12-month 30.06.2024
All figures in RM'000		
Cash flows from/(for) financing activities		
(Repayment to)/Advances from a director	(1,748)	5,099
Interest paid	(1,476)	(3,812)
Repayment of corporate guarantee	(2,060)	(2,329)
Repayment of hire purchase	-	(150)
Repayment of lease liabilities	(320)	(1,460)
(Repayment)/Drawdown of term loans	(256)	784
Net cash for financing activities	(5,860)	(1,868)
Net (decrease)/increase in cash and cash equivalents	(2,451)	212
Cash and cash equivalents as at beginning of financial period/year	3,570	3,358
Cash and cash equivalents as at end of financial period/year	1,119	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	6 Months Ended	6 Months Ended
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Segment Revenue				
Revenue				
Construction	4,972	-	4,972	-
Property development	12,728	12,803	16,055	39,270
Property investment	61	48	114	105
Trading and services	138	246	276	492
Investment holding and other	863	1,250	1,726	2,500
Total	18,762	14,347	23,143	42,367
Elimination of inter-segment sales	(1,004)	(1,510)	(2,023)	(3,021)
Total	17,758	12,837	21,120	39,346

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Segment Results				
Loss before tax				
Construction	517	(255)	402	(521)
Property development	(532)	(7,356)	(1,964)	(7,440)
Property investment	(166)	(120)	(314)	(230)
Trading and services	(395)	(722)	(805)	(1,374)
Investment holding and other	(2,597)	(28,353)	(4,874)	(34,425)
Total	(3,173)	(36,806)	(7,555)	(43,990)
Elimination of inter-segment items	384	1,022	727	2,471
Effect on disposal of a subsidiary	-	30	-	30
Total	(2,789)	(35,754)	(6,828)	(41,489)

A10 Valuation of Investment Properties

The valuation of investment properties 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 28 February 2025 to submit its PN17 Regularisation Plan to the relevant regulatory authorities. As the plan is still under development, the Company intends to apply for another extension by 28 February 2025.
- (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 “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 from 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 except on 19 December 2024, the Company acquired 45% equity interest in its subsidiary, Meadowfield Sdn Bhd (“MSB”) from Hankyu Hanshin Properties Corp. for a total consideration of RM1. Following this acquisition, MSB became a wholly-owned subsidiary of ICB.

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 31.12.2024 RM'000	Financial Year Ended 30.06.2024 RM'000
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 31 December 2024, the Group registered revenue of RM21.1 million, as compared to RM39.3 million for 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") notice on 10 June 2024. Consequently, the property development segment's revenue dropped to RM16.1 million in the current period, compared to RM39.3 million in the previous year's corresponding period.

The construction segment reported a significant revenue increase to RM5.0 million for the current period, primarily driven by the submission of progress claims for work done at the site after the commencement of the Pan Borneo Highway project in the current quarter. This milestone marks the revival of the Group's construction arm and demonstrated the Group's commitment to rebuilding its construction capabilities.

The trading and services segment, comprising property development management and services divisions, recorded revenue of RM0.3 million, a decrease by RM0.2 million from 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 RM1.7 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 RM6.8 million, representing a significant improvement of 83.5% compared to the RM41.5 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 RM17.8 million for the current quarter, compared to RM12.8 million in the preceding year corresponding quarter. The growth is primarily driven by the recognition of progress claims for work done at the site after the commencement of the Pan Borneo Highway project and additional progress billings from ongoing property development activities.

For the quarter ended 31 December 2024, the Group recorded a pre-tax loss of RM2.8 million, compared to a pre-tax loss of RM35.8 million in the prior year corresponding quarter. The improvement is mainly attributed to the absence of the exceptional marked-to-market loss on ASPL shares following the disposal of 38,837,504 shares in ASPL in the preceding year corresponding quarter.

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

The Group reported a revenue of RM17.8 million for the current quarter, a significant increase from RM3.4 million in the immediate preceding quarter. The growth in revenue is primarily driven by the revitalization of the construction segment, which resulted in the submission of progress claims for work done during the quarter. Additionally, the Group registered a reduced pre-tax loss of RM2.8 million, compared to a pre-tax loss of RM4.0 million in the previous quarter. This improvement is mainly attributed to the absence of exceptional items, as outlined earlier.

B3 Prospects for the Current Financial Year

The Group remains committed to stabilizing its financial position and addressing the PN17 status by actively working with its advisers to finalise a comprehensive Regularisation Plan. Efforts are also underway to strengthen its financial position through recapitalisation initiatives, including potential conversion of redeemable convertible preference shares and private placements, while also resolving ongoing legal matters and winding-up petitions. As mentioned in Section A11(a) above, the Company intends to apply for another extension by 28 February 2025 to submit a completed Regularisation Plan to the relevant authorities.

A key initiative is for the Group together with our partners to execute 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 significantly enhance the Group's cash flow and profitability over the next four years. Leveraging the Government's continued infrastructure investment, the Group is actively bidding for new projects to further strengthen its construction order book.

B3 Prospects for the Current Financial Year (continued)

As disclosed in Section B9 (a), (b), and (c), the Company has successfully negotiated and entered into new settlement agreements with respective banks in relation to the amounts claimed. This achievement reflects the banks' support of the Company's future plans, particularly in light of the anticipated profits from the new WP33 project mentioned above. This newfound belief underscores the potential for a successful turnaround for the Company, as it demonstrates the banks' willingness to support the Group in its efforts to stabilize its financial position and pursue growth opportunities.

In property development, the Group remains focused on completing DWI@Rimbun Kasia in Nilai while targeting to sell all remaining unsold units before completion of the project. Additionally, three new projects with an estimated total gross development value of RM768.5 million are planned for launch in 2025, namely Serika mixed development in Kajang, Temu@Rimbun Kasia in Nilai, and affordable homes in Kertih Jaya.

With these initiatives in place, barring any unforeseen circumstances, the Board remains optimistic on the future prospect of the Group for the remaining of the financial year.

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	6 Months Ended	6 Months Ended
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	19	104	103	275
Depreciation of right-of-use assets	97	328	194	662
Effect on disposal of a subsidiary	-	30	-	30
Fair value (gain)/loss on other investment	(111)	5,775	(116)	9,197
Loss on disposal of other investment	495	15,156	495	15,156
Interest expense	1,131	1,077	1,995	1,999
Interest income	(25)	(43)	(50)	(86)
Provision for financial guarantee	527	539	1,036	1,055

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	6 Months Ended	6 Months Ended
31.12.2024	31.12.2023	31.12.2024	31.12.2023
RM'000	RM'000	RM'000	RM'000
Malaysian income tax (credit)/expense	(96)	(295)	(96)
			(295)

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 Proposal

Save as disclosed below, there is no corporate proposal which has been announced by the Company but not completed as at 27 February 2025 (being the latest practicable date from the date of issuance of the Quarter Report).

Proposed variation to the terms of the Redeemable Convertible Preference Shares ("RCPS") and extension of the tenure of the RCPS exercise

On 29 November 2021, the Company entered into a subscription agreement with Fairfax Ventures Ltd ("Fairfax" or "Subscriber") for the issuance of up to 112,680,000 RCPS to Fairfax at an issue price of RM1.00 per RCPS ("Subscription Agreement"), totalling an aggregate principal amount of up to RM112.68 million to be issued over five (5) tranches of RM22,536,000 each. The RCPS exercise was approved by the shareholders of the Company at an Extraordinary General Meeting ("EGM") held on 3 February 2022. The RCPS will mature on 28 February 2025, being the last business day immediately before the 3rd anniversary of issuance of 1st sub-tranche of Tranche 1 ("Maturity Date").

The Company has issued three RCPS tranches on 2 March 2022, 28 March 2022 and 27 June 2022 amounted to RM67,608,000. The proceeds from the issued RCPS have been fully utilised in accordance with the purposes as prescribed in the Circular to Shareholders in relation to Proposed Issuance of the RCPS exercise dated 10 January 2022. The remaining two tranches have yet to be issued to-date.

On 17 January 2025, the Company and Fairfax entered into a Deed of Variation to:

- (i) extend the Maturity Date for another 36 months; and
- (ii) vary the resultant aggregate shareholding of Subscriber in the Company following the conversion of the RCPS to not exceed 30% (instead of 20%) of the enlarged total number of issued ICB Shares at any point in the time.

B7 Status of Corporate Proposal (continued)

The proposed RCPS variation and extension exercise aims to provide additional time for the Subscriber to convert their RCPS and for the Company to issue the remaining two RCPS tranches. Failure to extend the maturity period would obligate the Company to redeem a portion of the issued RCPS, significantly impacting the Company's cash flow given its PN17 status. Increasing the conversion cap from 20% to 30% will facilitate higher capitalization of the converted RCPS and contribute to the recapitalization of the Group's equity.

The Company has secured Bursa Securities approval to issue a Circular to Shareholders (dated 6 February 2025) seeking shareholder approval to extend the RCPS maturity date by three years, raise the conversion cap from 20% to 30% of the Company's enlarged share capital post-conversion, and make consequential amendments to the Company's Constitution. Shareholder approval will be sought at the upcoming EGM to be held on 28 February 2025.

B8 Group Borrowings and Debt Securities

	Unaudited As at 31.12.2024 RM'000	Unaudited As at 31.12.2023 RM'000
(a) Short term borrowings		
<i>Secured:-</i>		
Lease liabilities	660	1,837
Hire purchase	-	49
Redeemable convertible preference shares	67,608	-
Term loans	8,913	7,984
	77,181	9,870
(b) Long term borrowings		
<i>Secured:-</i>		
Lease liabilities	654	3,868
Hire purchase	-	39
Redeemable convertible preference shares	-	67,608
	654	71,515
Total borrowings	77,835	81,385

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 was initially fixed on 11 September 2024. Since then, the hearing date has been adjourned four times from 11 September 2024 to 16 October 2024, 28 November 2024, 13 February 2025 and finally to 6 March 2025.

On 29 November 2024, HLBB agreed to a new settlement agreement, whereby the payment terms and manner were revised.

(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 four times from 17 April 2024 to 26 July 2024, 10 October 2024, 2 January 2025 and finally to 6 May 2025.

On 4 February 2025, AmBank agreed to a new settlement agreement, whereby the payment terms and manner were revised.

(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.

On 18 February 2025, RHB agreed to a new settlement agreement, whereby the payment terms and manner were revised.

(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. The case is now fixed for case management at the Court of Appeal on 25 March 2025.

(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.

Subsequently, the Plaintiff applied to Court to convert the OS into a writ summons. The parties have respectively filed their statement of claim and defence to the Court. The Court has fixed the next case management on 6 March 2025.

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. During the hearing date held on 4 December 2024, the Court dismissed the Plaintiffs’ Summary Judgment.

The next case management is set on 10 March 2025. The Court has also fixed the trial date from 5 March 2029 until 9 March 2029 and 12 March 2029.

B10 Dividend Proposed

No dividend was proposed during the quarter under review.

B11 Loss per Share

	Individual Quarter		Cumulative Period	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Basic				
Loss for the period attributable to owners of the Company (RM'000)	(3,322)	(35,013)	(6,876)	(40,543)
Weighted average number of ordinary shares	211,943,803	211,943,803	211,943,803	211,943,803
Basic loss per share (sen)	(1.57)	(16.52)	(3.24)	(19.13)

By Order of the Board
IREKA CORPORATION BERHAD
DAUD BIN A MAJEED
Company Secretary
Kuala Lumpur
27 February 2025