

IREKA CORPORATION BERHAD

Registration No. 197501004146 (25882-A)
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE 44th ANNUAL GENERAL MEETING OF THE COMPANY HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON TUESDAY, 29 SEPTEMBER 2020 AT 2.30 P.M.

PRESENT

Directors

Datuk Lai Siew Wah	-	Executive Chairman
Datuk Lai Voon Hon	-	Group Managing Director
Lai Voon Huey, Monica	-	Group Deputy Managing Director
Chan Chee Kian	-	Group Executive Director
Tan Thiam Chai	-	Group Executive Director
Hoe Kah Soon	-	Independent Non-Executive Director
Dato' Azmi bin Abdullah	-	Independent Non-Executive Director
Lau Mun Cheong	-	Independent Non-Executive Director
Datuk Lai Jaat Kong @ Lai Foot Kong	-	Non-Independent Non-Executive Director

IN ATTENDANCE

Company Secretary	-	Wong Yim Cheng
External Auditors	-	Messrs. RSL PLT (Lim Lip Chin, Partner)
Poll Administrator	-	Boardroom Share Registrars Sdn Bhd
Scrutineers	-	Boardroom Corporate Services Sdn Bhd

1. CHAIRMAN

Datuk Lai Voon Hon chaired the Meeting.

2. 2.1 OPENING REMARKS

The Chairman welcomed all the members and proxies present at the 44th Annual General Meeting of the Company (“44th AGM”). The Chairman proceeded to introduce and welcome Mr. Lau Mun Cheong who joined the Board as an Independent Non-executive Director on 27 February 2020, following the retirement of Tuan Haji Mohd. Sharif at the conclusion of last year’s AGM.

2.2 POLL VOTING

The Chairman informed the Meeting that all the resolutions set out in the Notice of Meeting would be voted by poll electronically. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting. He further informed that Ireka Corporation Berhad (“Ireka” or “Company”) had appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to assist with the polling process and Boardroom Corporate Services Sdn Bhd as the Independent Scrutineer to verify the poll results.

3. ORDINARY BUSINESS

3.1 Audited financial statements together with the reports of the Directors and Auditors for the financial year ended 31 March 2020

The Chairman informed the Meeting that Agenda No. 1 was to table and receive the Audited Financial Statements together with the reports of the Directors and Auditors for the financial year ended 31 March 2020 (“**Audited Financial Statements**”). He explained that the Audited Financial Statements were for discussion only and it did not require shareholders’ approval pursuant to Section 340(1)(a) of the Companies Act 2016 (“**the Act**”), and hence, it would not be put forward for voting.

The Chairman invited questions from the floor with regards to the Audited Financial Statements.

Mr. Ng Kok Kiong (“**NKK**”), a proxy enquired on the material uncertainty relating to going concern highlighted in the Independent Auditors Report in respect of the Company’s audited financial statements for the financial year ended 31 March 2020. In response to this, Lai Voon Huey, Monica (“**ML**”) explained that the suspended criterion of PN17 was triggered due to the shareholders’ equity on a consolidated basis fall below 50% of the share capital of the Group. The share of loss from associates was RM32.2 million, made up mainly of a share of loss of Aseana Properties Limited (“**ASPL**”) of RM27.0 million. ML added that ASPL’s loss was mainly attributable to the impairment loss on its Sandakan assets, which adversely affected the Company’s balance sheet.

ML continued to explain that the profit and loss of the Company in the past was largely affected by ASPL. In view of this, Ireka had earlier announced the demerger plan which was to demerge the Company from ASPL.

ML informed the Meeting that the demerger proposal was currently awaiting the approvals of Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia in respect of the clearance of circular to shareholders for the tabling of the demerger proposal for shareholders’ approval at an Extraordinary General Meeting. She hoped to hear from the regulatory bodies within the next two weeks. Ireka planned to implement a re-capitalisation exercise to increase the capital base of the Company, after the completion of the demerger exercise. The Company was given one year relief period to rectify the suspended criterion of PN-17.

NKK further asked if the Company has any back-up plan if the demerger exercise would not approve by the regulatory bodies. ML informed that the Company had engaged an independent adviser to advise on the fairness of the transaction and in their opinion, the demerger plan would benefit Ireka. The demerger proposal involved the valuation of assets which Ireka would be taking over from ASPL as well as the value of the remaining assets in ASPL. ML informed that currently there was no indication from the regulatory bodies objecting the demerger exercise. However, ML informed that the Company would consider other options should the demerger exercise failed. The management would consider all factors before making any decision.

In response to the question on the timeframe to rectify the suspended criterion of PN17, ML informed that Ireka was given twelve months until August 2021 to do so. She hoped the Company would be able to complete this by the end of current financial year.

NKK further asked about the outlook of the construction sector during the Covid-19 pandemic. Datuk Lai Voon Hon (“DLVH”) informed that the construction activities had fully resumed not long ago after Movement Control Order was lifted. The work volume was low arising from pandemic disruption. However, the construction division had successfully secured a new project worth RM160 million in Johor. The current work in hand was RM320 million and the Company would continue its efforts to tender for more projects in future.

On the property side, DLVH informed that the property market had been soft and the property launches were adversely affected by the pandemic. The Company would not launch any new property project until the middle of 2021, in view of uncertainty ahead. He continued to inform that the urban transportation unit of the Company had progressed relatively well and was currently working closely with the government agencies towards solving the country’s urban transportation problem.

In response to the question raised by NKK on whether the Company was still able to take up more jobs given high gearing of the Company, DLVH informed that the Company would be careful in selecting the projects to tender and in accessing the associated risks. He added that cash flow management and cost control were important during this unprecedented pandemic time. ML explained that the increase in gearing was mainly due to the decrease in shareholders’ fund. The Company hoped to reduce borrowing once the Company started collections from properties sold which eventually would lead to redemption of loan.

Upon answering all of the questions from the floor, the Chairman declared that the Audited Financial Statements were tabled and received by the shareholders and proxies present at the 44th AGM.

3.2 Audit Committee Fees and Directors’ Fees

The Chairman informed that Ordinary Resolution 1 was to authorise the payment of Audit Committee fees of RM21,068.50 and Directors’ fees of RM350,273.95 for the financial year ended 31 March 2020.

3.3 Re-election of Directors

The Chairman informed that Ordinary Resolutions 2, 3 and 4 were to re-elect Datuk Lai Voon Hon, Lai Voon Huey, Monica and Tan Thiam Chai respectively, who retired pursuant to Clause 102 of the Company’s Constitution, as Directors of the Company.

It was noted that the Board had approved the recommendation of the Nomination & Remuneration Committee that these Directors were fit to stand for re-election.

3.4 Election of Directors

The Chairman informed that Ordinary Resolution 5 was to elect Lau Mun Cheong, who retired pursuant to Clause 101 of the Company’s Constitution, as Director of the Company.

It was noted that the Board had approved the recommendation of the Nomination & Remuneration Committee that Lau Mun Cheong was fit to stand for re-election.

3.5 Re-appointment of Auditors

The Chairman informed that Ordinary Resolution 6 related to the re-appointment of Messrs. RSL PLT (“RSL”) as external auditors of the Company. RSL had expressed their willingness to be re-appointed and the Board had approved the recommendation of the Audit Committee for the re-appointment.

4. SPECIAL BUSINESS

4.1 Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 7 related to authority to issue shares under Sections 75 and 76 of the Act. The Chairman informed that the Board would seek the approval of the shareholders and proxies for the renewal of the authority which would empower the Directors of the Company to allot shares of the Company not exceeding 10% of the total number of issued shares of the Company for the time being, pursuant to Sections 75 and 76 of the Act, details of which were as per the Circular to Shareholders dated 28 August 2020.

4.2 Proposed Renewal of General Mandate for Recurrent Related Party Transactions

The Ordinary Resolution 8 related to the renewal of general mandate for recurrent related party transactions of a revenue or trading nature. The Chairman informed that the Board would seek the approval of the shareholders and proxies for the renewal of the mandate, details of which were as per the Circular to Shareholders dated 28 August 2020. The Chairman further informed that the related parties and persons connected with them were to abstain from voting on the said resolution.

4.3 Proposed Renewal of Share Buy-back Authority

The Ordinary Resolution 9 related to the renewal of share buy-back authority. The Chairman informed that the Board would seek the approval of the shareholders and proxies for the renewal of the authority, details of which were as per the Circular to Shareholders dated 28 August 2020.

4.4 Any Other Business

The Chairman sought confirmation from the Company Secretary and was confirmed by the Company Secretary that the Company had not received any notice of any other business which had been given in accordance with the Company’s Constitution and the Act.

As there were no queries or comments from the floor, the Chairman proceeded with the poll voting.

5. POLLING PROCESS

The Chairman informed the shareholders and proxies that the polling process would take approximately 20 minutes including the counting and verification of votes by the Poll Administrator and the Scrutineers respectively. The Meeting was adjourned at 2.55 p.m.

6. POLL RESULTS

At 3.10 p.m., the Chairman called the Meeting to order for the announcement of poll results. The Chairman received the poll results from the Scrutineers and declared the following resolutions were carried:-

6.1 Ordinary Resolution 1: Payment of Audit Committee Fees and Directors' Fees

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,819	99.9999
Voted AGAINST	150	0.0001

It was resolved THAT the payment of Audit Committee Fees of RM21,068.50 and Directors' fees of RM350,273.95 for the financial year ended 31 March 2020 be approved.

6.2 Ordinary Resolution 2: Re-election of Datuk Lai Voon Hon as a Director

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT Datuk Lai Voon Hon, who retired pursuant to Clause 102 of the Company's Constitution, be re-elected as a Director of the Company.

6.3 Ordinary Resolution 3: Re-election of Lai Voon Huey, Monica as a Director

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,663,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT Lai Voon Huey, Monica, who retired pursuant to Clause 102 of the Company's Constitution, be re-elected as a Director of the Company.

6.4 Ordinary Resolution 4: Re-election of Tan Thiam Chai as a Director

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT Tan Thiam Chai, who retired pursuant to Clause 102 of the Company's Constitution, be re-elected as a Director of the Company.

6.5 Ordinary Resolution 5: Election of Lau Mun Cheong as a Director

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT Lau Mun Cheong, who retired pursuant to Clause 102 of the Company's Constitution, be re-elected as a Director of the Company.

6.6 Ordinary Resolution 6: Re-appointment of Messrs. RSL PLT as Auditors

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT Messrs. RSL PLT be re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors.

6.7 Ordinary Resolution 7: Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT subject to the Companies Act 2016, Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company's Constitution and approvals of any other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held, whichever is earlier, unless such approval be revoked or varied by the Company at a general meeting.

6.8 Ordinary Resolution 8: Renewal of General Mandate for Recurrent Related Party Transactions

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	11,589,250	99.9991
Voted AGAINST	100	0.0009

It was noted THAT Datuk Lai Siew Wah, Datuk Lai Jaat Kong @ Lai Foot Kong, Datuk Lai Voon Hon, Ms. Lai Voon Huey, Monica and Mr. Chan Chee Kian (collectively referred to as the "Interested Directors") were abstained from board deliberation and voting on the Ordinary Resolution 8. In addition, the Interested Major Shareholders, namely Ideal Land Holdings Sdn Bhd, Magnipact Resources Sdn Bhd, Green Rivervale Holdings Sdn Bhd, Mr. Chan Soo Har @ Chan Kay Chong, Madam Lai Man Moi, Madam Liw Yoke Yin, Mr. Lai Voon Keat and Mr. Lai Voon Wai were also abstained from voting on the Ordinary Resolution 8 in respect of their direct and/or indirect shareholdings in the Company. The Interested Directors and Interested Major Shareholders had also undertaken to ensure that the persons connected with them would abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution approving the Proposed General Mandate.

It was resolved THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“the Group”) to enter into and give effect to specified recurrent transactions of a revenue or trading nature with specified classes of Related Parties (as set out in Section 2.2.2 of the Circular to Shareholders dated 28 August 2020) which are necessary for the Group’s day-to-day operations in the ordinary course of business and are carried out at arm’s length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company (“Proposed General Mandate”) and such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier, and that for the avoidance of doubt, all such transactions entered into by the Group prior to the date of this resolution be and are hereby approved and ratified.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the Proposed General Mandate.

6.9 Ordinary Resolution 9: Renewal of Share Buy-back Authority

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	122,672,869	99.9999
Voted AGAINST	100	0.0001

It was resolved THAT subject to the Companies Act 2016 (“the Act”), Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, the Company’s Constitution and approvals of any other relevant governmental/regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company and the amount allocated shall not exceed the latest audited retained profits of the Company.

THAT such authority shall commence immediately upon passing of this ordinary resolution until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever occurs earlier.

THAT upon completion of the purchases of the shares of the Company, the Directors of the Company be and are hereby authorised to cancel the shares so purchased or to retain the shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the shares so purchased as treasury shares and cancel the remainder or in any other manners as may be permitted by the relevant legislations and regulations.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and in the best interest of the Company.

7. CLOSE OF MEETING

There being no further business, the meeting closed at 3.20 p.m. with a vote of thanks to the Chair.