

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Bursa Securities has not perused the contents of this Circular in relation to the Proposed Amendments (as defined herein) as such contents fall under the category of Exempt Circulars pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



**IREKA CORPORATION BERHAD**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) PROPOSED ISSUANCE OF UP TO 112,680,000 NEW 2% CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN IREKA CORPORATION BERHAD ("IREKA" OR "COMPANY") ("RCPS") AT AN ISSUE PRICE OF RM1.00 PER RCPS; AND**
- (II) PROPOSED AMENDMENTS TO THE CONSTITUTION OF IREKA ("PROPOSED AMENDMENTS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**MERCURY SECURITIES SDN BHD**

(Registration No. 198401000672 (113193-W))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of our Company ("**EGM**") will be conducted on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd on **Thursday, 3 February 2022 at 10:30 a.m.**. The Notice of EGM and the Proxy Form are enclosed in this Circular, which, together with the Administrative Guide, are available at our Company's website at [www.ireka.com.my](http://www.ireka.com.my). You are advised to follow the procedures set out in the Administrative Guide to register, participate and vote remotely.

If you wish to appoint a proxy or proxies to attend and vote on your behalf at the EGM, you must complete and deposit the Proxy Form in accordance with the instructions thereon so as to arrive at Boardroom Share Registrars Sdn Bhd's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodge the completed Proxy Form electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof.

Last date and time for lodging the Proxy Form	: Tuesday, 1 February 2022 at 10:30 a.m.
Date and time of the EGM	: Thursday, 3 February 2022 at 10:30 a.m.

This Circular is dated 10 January 2022

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
APL	:	Aseana Properties Limited, a company incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) (Registration No. 94592)
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to the shareholders of our Company dated 10 January 2022 in relation to the Proposals
Closing Price	:	Refers to: <ul style="list-style-type: none"><li>(i) the closing price of Ireka Shares on the particular business day;</li><li>(ii) in the event that there has been no trading of Ireka Shares on that day, the closing price of Ireka Shares on the preceding business day on which there was trading of Ireka Shares; or</li><li>(iii) in the event that trading of Ireka Shares is suspended, the last traded price of Ireka Shares on the business day immediately prior to such suspension.</li></ul>
Constitution	:	Constitution of our Company
Conversion Cap	:	The resultant aggregate shareholding of the Subscriber in our Company not exceeding 20% of the enlarged total number of issued Ireka Shares at any point in time following the conversion of the RCPS
Conversion Price	Downside	: Conversion Price which is less than or equal to 65% of the average of the daily traded volume weighted average market price per Ireka Shares for 30 consecutive business days period prior to the relevant Issue Date in respect of each 1 <sup>st</sup> sub-tranche of the respective tranches of the RCPS
Conversion Redemption	Downside	: An option for our Company to redeem the RCPS presented for conversion in cash at the Conversion Redemption Amount in the event that the RCPS is presented for conversion at the Conversion Downside Price
Conversion Period	:	The period from and including the Issue Date until the close of business on the day falling 7 days prior to the Maturity Date
Conversion Price	:	The price at which the RCPS can be converted into new Ireka Shares which will be determined based on 88% of the average daily Closing Price on any 3 consecutive business days as selected by the Subscriber during the 10 business days immediately preceding the relevant conversion date of the RCPS, subject to the Minimum Conversion Price and such adjustments as set out in the Subscription Agreement

## DEFINITIONS (Cont'd)

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Conversion Redemption Amount : The amount to be paid by our Company to the Subscriber for the Conversion Downside Redemption which is calculated according to the formula as follows:

$$R = N \times \{P + [8\% \times P \times (D/365)] + I\}$$

where:

“R” = the Conversion Redemption Amount  
“D” = the number of days elapsed since the relevant Issue Date in respect of each sub-tranche of the RCPS  
“N” = the number of RCPS presented for conversion  
“P” = the Issue Price  
“I” = the remaining accumulated and unpaid dividend accrued on the RCPS presented for conversion

Conversion Share(s) : New Ireka Share(s) to be issued upon conversion of the RCPS

COVID-19 : Coronavirus Disease 2019

Default Redemption Amount : 118% of the aggregate principal amount of the RCPS

Directors : Directors of our Company

EGM : Extraordinary general meeting of our Company

EPS : Earnings per Ireka Share

Event of Default Redemption : An option for the Subscriber to declare all outstanding RCPS to become immediately redeemable by our Company in writing at the Default Redemption Amount together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed in the event of the occurrence of any Events of Default

Events of Default : Events or circumstances which allow the Subscriber to terminate the Subscription Agreement at its sole discretion in writing at any time before the relevant Issue Date as set out in **Appendix II** of this Circular

Fairfax or Subscriber : Fairfax Ventures Ltd, an offshore company incorporated in British Virgin Islands under the BVI Business Companies Act 2004 (British Virgin Islands BC No. 1926538)

Fairfax Shares : Ordinary shares in Fairfax

FMCO : Full Movement Control Order

FPE : Financial period ended

FYE : Financial year ended

Government : Government of Malaysia

GP : Gross profit

IECSB : Ireka Engineering & Construction Sdn Bhd, a wholly-owned subsidiary of our Company (Registration No. 199601009218 (381566-U))

**DEFINITIONS** *(Cont'd)*

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Ireka or Company	:	Ireka Corporation Berhad (Registration No. 197501004146 (25882-A))
Ireka Group or Group	:	Collectively, our Company and subsidiaries
Ireka Share(s) or Share(s)	:	Ordinary share(s) in our Company
Issue Date	:	Date of issuance of the relevant sub-tranche of the RCPS
Issue Price	:	RM1.00 per RCPS
LAT	:	Loss after taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 December 2021, being the latest practicable date prior to the date of this Circular
LPS	:	Losses per Ireka Share
Maturity Date	:	The business day immediately before the 3 <sup>rd</sup> anniversary of the date of issuance of 1 <sup>st</sup> sub-tranche of Tranche 1
Maximum Conversion Shares	:	The maximum number of 112,680,000 Conversion Shares
Mercury Securities or Principal Adviser	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
Minimum Conversion Price	:	The minimum price at which the RCPS can be converted into new Ireka Shares of RM0.40
Minimum Subscription Amount	:	The minimum subscription amount of the RCPS to be subscribed by the Subscriber which shall not be less than RM22,536,000
NA	:	Net assets
Non-Default Redemption Amount	:	115% of the aggregate principal amount of the RCPS
Non-Event of Default Redemption	:	An option for our Company to redeem all or any part of the RCPS which have been issued at the Non-Default Redemption Amount together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed at any time during the Redemption Period, subject to there being no Event of Default
NRP	:	National Recovery Plan
Placement 1	:	A placement of up to 18,670,800 new Ireka Shares
Placement 2	:	A placement of up to 22,404,900 new Ireka Shares
Proposals	:	Collectively, the Proposed RCPS Issuance and the Proposed Amendments
Proposed Amendments	:	Proposed amendments to the Constitution
Proposed RCPS Issuance	:	Proposed issuance of up to 112,680,000 new RCPS at the Issue Price to the Subscriber

## DEFINITIONS *(Cont'd)*

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RCPS	: 2% cumulative redeemable convertible preference shares in our Company
Redemption Amounts	: Collectively, the Conversion Redemption Amount, the Default Redemption Amount and the Non-Default Redemption Amount
Redemption Period	: The period from and including the respective Issue Date up to the Maturity Date
Subscription Agreement	: Conditional subscription agreement dated 29 November 2021 between our Company and the Subscriber in respect of the Proposed RCPS Issuance
WMSB	: Wanland Metro Sdn Bhd (Registration No. 201601004504 (1175430-X))
WP	: Wilayah Persekutuan

## CURRENCY

RM and sen	: Ringgit Malaysia and sen
USD	: United States Dollar

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Circular, if any, shall mean our Company or where the context requires, our Group.

References to “**you**” or “**your**” are to the shareholders of our Company, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactments or rules of the stock exchange is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

## **CONTENTS**

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	<b>PAGE</b>
<b>LETTER TO THE SHAREHOLDERS OF OUR COMPANY IN RELATION TO THE PROPOSALS</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	2
3. USE OF PROCEEDS	10
4. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS	13
5. INDUSTRY OVERVIEW AND PROSPECTS	15
6. EFFECTS OF THE PROPOSALS	22
7. HISTORICAL SHARE PRICES	27
8. APPROVALS REQUIRED	27
9. CONDITIONALITY OF THE PROPOSALS	28
10. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION	28
11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED	28
12. DIRECTORS' STATEMENT / RECOMMENDATION	28
13. TENTATIVE TIMEFRAME FOR COMPLETION	29
14. EGM	29
15. FURTHER INFORMATION	29
<b>APPENDICES</b>	
I SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT	30
II SALIENT TERMS OF THE RCPS	38
III DETAILS ON THE PROPOSED AMENDMENTS	48
IV ADDITIONAL INFORMATION	62
V FURTHER INFORMATION	68
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>PROXY FORM</b>	<b>ENCLOSED</b>



**Ireka Corporation Berhad**  
(Registration No. 197501004146 (25882-A))  
(Incorporated in Malaysia)

**Registered Office**  
Level 18, Wisma Mont' Kiara  
No. 1, Jalan Kiara, Mont' Kiara  
50480 Kuala Lumpur  
Malaysia

10 January 2022

**Board of Directors**

Tan Sri Dato' Mohd Ismail Bin Che Rus (*Non-independent Non-executive Chairman*)  
Mohd Hasnul Ismar Bin Mohd Ismail (*Group Managing Director*)  
Chow Sung Chek, Simon (*Executive Director*)  
Chairil Bin Mohd Tamil (*Executive Director*)  
Wan Ahmad Nazim Bin Mohamed Noor (*Executive Director*)  
Dato' Azmi Bin Abdullah (*Senior Independent Non-executive Director*)  
Shahruladeri Bin Mohamad Adnan (*Independent Non-executive Director*)  
YM Raja Azura Binti Raja Mahayuddin (*Independent Non-executive Director*)

**To: The shareholders of our Company**

Dear Sir/ Madam,

- (I) PROPOSED RCPS ISSUANCE; AND**
  - (II) PROPOSED AMENDMENTS**
- 

**1. INTRODUCTION**

On 29 November 2021, Mercury Securities had, on behalf of our Board, announced that:

- (i) our Company has on even date entered into the Subscription Agreement with the Subscriber for the Proposed RCPS Issuance; and
- (ii) in conjunction with the Proposed RCPS Issuance, our Company proposes to undertake the Proposed Amendments to facilitate the issuance of the RCPS.

On 30 December 2021, Mercury Securities had, on behalf of our Board, announced that Bursa Securities has, vide its letter dated 29 December 2021, approved the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR AND AVAILABLE AT OUR COMPANY'S WEBSITE AT [WWW.IREKA.COM.MY](http://WWW.IREKA.COM.MY).**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed RCPS Issuance**

The Proposed RCPS Issuance involves the issuance of up to 112,680,000 new RCPS at the Issue Price, totalling an aggregate principal amount of up to RM112.68 million, to the Subscriber, subject to the terms and conditions as set out in the Subscription Agreement, the salient terms of which are set out in **Appendix I** of this Circular.

The RCPS will be issued in 100 equal sub-tranches of up to 1,126,800 RCPS each with an aggregate principal amount of up to RM1,126,800 each over 5 tranches (individually, the 5 tranches of the RCPS shall be referred to as **Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5** respectively) at any time up to the Maturity Date, subject to the Minimum Subscription Amount (i.e., RM22,536,000).

The total number of the Conversion Shares is subject to the Maximum Conversion Shares (i.e., a maximum number of 112,680,000 Conversion Shares), representing approximately 50.00% of the total number of issued Ireka Shares as at the LPD. The Maximum Conversion Shares is in compliance with Paragraph 6.50 of the Listing Requirements. In view of the foregoing, our Company will not issue further RCPS once the Maximum Conversion Shares is reached.

During the Conversion Period, the RCPS are convertible at the option of the Subscriber into new Ireka Shares, subject to the Conversion Cap.

During the Redemption Period, our Company may redeem any outstanding RCPS in cash at a redemption price to be determined based on the terms and conditions of the Subscription Agreement as set out in Section 2.1.2 of this Circular.

On the Maturity Date, any remaining outstanding RCPS must be converted into new Ireka Shares unless redeemed by our Company. Any remaining RCPS which are not converted due to a breach of the Conversion Cap shall be redeemed by our Company at the Non-Default Redemption Amount.

The salient terms of the RCPS are set out in **Appendix II** of this Circular.

#### **2.1.1 Information on the Subscriber**

Fairfax is an offshore company incorporated in British Virgin Islands on 20 October 2016 and has its registered office at 2<sup>nd</sup> Floor, Ellen L.Skelton Building, Fishers Lane, Road Town, Tortola, British Virgin Islands.

Fairfax is principally involved in investment holdings and private equity.

As at the LPD, Fairfax has an issued share capital of USD 100 comprising 100 Fairfax Shares.

As at the LPD, the shareholder of Fairfax and its shareholding in Fairfax are as follows:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Fairfax Shares</b>	<b>%</b>	<b>No. of Fairfax Shares</b>	<b>%</b>
Casuarina Services Ltd (" <b>Casuarina</b> ")	100	100	-	-



As at the LPD, the director of Fairfax and his shareholding in Fairfax are as follows:

Name	Nationality	Direct		Indirect	
		No. of Fairfax Shares	%	No. of Fairfax Shares	%
Varnavas Varnava	Cypriot (Cyprus)	-	-	-	-

### **Casuarina**

Casuarina is a private limited company incorporated in Cyprus on 11 August 2014 and principally involved in business and investment consultancy. Casuarina has been involved in business and strategic investment advisory and activities since 2014 which focused on property development, infrastructure and healthcare projects and/or industries in Middle East and North Africa as well as Southeast Asia regions. Casuarina's past investments include, among others, a strategic equity in a medium-size private hospital in Vietnam worth EUR7.2 million, a strategic equity in a fintech start-up in Indonesia worth EUR1.85 million and a strategic equity in a property technology company based in Dubai, worth about EUR1.5 million.

As at the LPD, Casuarina has an issued share capital of USD 100 comprising 100 ordinary shares in Casuarina.

As at the LPD, the sole shareholder and director of Casuarina is Andreas Panayides.

Andreas Panayides, a Cypriot, aged 37, is an independent business advisor advising medium-size businesses and high net worth individuals from United Kingdom, Middle East and North Africa regions and has been involved in investments for more than 14 years. Prior to setting up Casuarina, he was a Corporate Advisory Manager at Bonalbo Business Services, a corporate advisory firm based in Cyprus, from 2009 until 2014. He holds a BA in Business Administration, Finance and Accounting, from University of Nicosia, Cyprus.

As at the LPD, both Fairfax and Casuarina have a combined portfolio of investments comprising mainly stocks and bonds worth approximately EUR23.19 million (equivalent to approximately RM109.32 million\*).

### **Note:**

\* Based on the exchange rate of EUR1.00:RM4.7142, being the middle rate quoted by Bank Negara Malaysia at 5:00 p.m. on 31 December 2021, being the LPD.

Premised on the above and based on the Subscriber's confirmation in the Subscription Agreement, Fairfax has sufficient financial capability and resources to participate and subscribe for the RCPS.

As at the LPD, Fairfax, Casuarina and Andreas Panayides have not participated and subscribed for any similar redeemable convertible preference shares.

Our Company has identified the Subscriber for the Proposed RCPS Issuance after taking into consideration, among others, the Subscriber's financial capability and resources to subscribe for the RCPS and successful past investments (including those investments made by Casuarina) as set out above, the terms of the RCPS negotiated between our Company and the Subscriber which are fair and reasonable to our Company and the shareholders of our Company as detailed in Section 2.1.2 of this Circular and our Company's funding requirements including the rationale and factors considered by our Board in respect of the Proposed RCPS Issuance as detailed in Section 4.1 of this Circular.

## 2.1.2 Bases and justifications of the Issue Price, the Conversion Price and the Redemption Amounts

The Issue Price was agreed upon by our Company and the Subscriber after considering that it shall represent the principal amount of the RCPS for the purposes of redemption and/or conversion.

The price at which the RCPS can be converted into new Ireka Shares will be determined based on 88% of the average daily Closing Price on any 3 consecutive business days as selected by the Subscriber during the 10 business days immediately preceding the relevant conversion date of the RCPS, subject to the Minimum Conversion Price and such adjustments as set out in the Subscription Agreement. For the avoidance of doubt, the Conversion Price is solely for the determination of the conversion ratio of the RCPS (i.e., number of Conversion Shares) and no consideration will be received by our Company upon conversion of the RCPS.

The price at which each RCPS can be redeemed by our Company will be determined based on the following as set out in the Subscription Agreement:

(i) Conversion Downside : In the event that the RCPS is presented for conversion at the Conversion Downside Price, our Company may, among others, redeem such RCPS in cash at the Conversion Redemption Amount (i.e., principal amount together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed plus an additional 8% interest payable on the principal amount of the RCPS to be redeemed based on the number of days elapsed since the relevant Issue Date).

(ii) Event of Default : In the event of the occurrence of any Events of Default, our Company shall, upon receipt of a notice in writing from the Subscriber, redeem the RCPS in cash at the Default Redemption Amount together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed.

The Default Redemption Amount shall be subject to a default interest on a daily basis at the rate of 8% per annum from a date within 30 days from the lapse of the notice from the Subscriber to our Company to remedy any Event of Default by our Company up to and including the date which the Subscriber receives full payment of the Default Redemption Amount together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed plus the accrued default interest.

(iii) Non-Event of Default : Subject to there being no Event of Default, our Company may, at any time during the Redemption Period, redeem all or any part of the RCPS which have been issued and remain outstanding at the Non-Default Redemption Amount together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed.

Any remaining RCPS which are not converted on the Maturity Date due to a breach of the Conversion Cap shall be redeemed by our Company at the Non-Default Redemption Amount.

The Redemption Amounts and the Conversion Price (including the Minimum Conversion Price) were determined based on commercial decision agreed upon between our Company and the Subscriber.

Notwithstanding the Conversion Price being dependent on the then prevailing market prices of Ireka Shares when the Subscriber intends to convert the RCPS into new Ireka Shares, our Company and the Subscriber have agreed to fix the Minimum Conversion Price and the Maximum Conversion Shares.

For illustration purposes only, assuming the relevant conversion date of the RCPS to be the LPD, the Conversion Price shall be RM0.645, being 88% of the average daily Closing Price for 3 consecutive business days with the lowest average Closing Price during the 10 business days immediately preceding the LPD of RM0.733. Based on the Conversion Price of RM0.645, a total of 72,678,600 RCPS amounting to RM72,678,600 will be issued and convertible into 112,680,000 new Ireka Shares (i.e., the Maximum Conversion Shares).

In respect of the justification for the Issue Price, the Conversion Price (including the Minimum Conversion Price) and the Redemption Amounts, our Board takes cognisance that:

- (i) the Conversion Price shall closely reflect the prevailing market conditions as well as the financial performance and prospects of our Group during the Conversion Period as the Conversion Price takes into consideration the Closing Price for 10 business days immediately prior to the conversion;
- (ii) the lowest possible Conversion Price as at the LPD of RM0.645 represents a premium of approximately 61.25% over the Minimum Conversion Price; and
- (iii) (a) the 12% discount in relation to the Conversion Price; (b) the Minimum Conversion Price; and (c) the additional 8% interest per annum, the 18% premium and the 15% premium in respect of the Conversion Downside Redemption, Event of Default Redemption and Non-Event of Default Redemption respectively, are negotiated and accepted by our Company and the Subscriber from a commercial perspective after having considered, among others, their respective commercial requirements, i.e., the difficulty in obtaining bank borrowings, the flexibility in the drawdown of the RCPS, our Company's financial requirements, the prevailing market price and the trading history of the Ireka Shares and the dilution impact on the existing shareholders' shareholdings in our Company upon full conversion of the RCPS.

*[The remainder of this page has been intentionally left blank]*

In addition, an analysis of other precedent issuances of redeemable convertible preference shares which were announced on Bursa Securities for the past 3 years up to the LPD are as follows:

<b>Name of company</b>	<b>Date of announcement</b>	<b>Administrative fee/ rebate payable to the subscriber of the redeemable convertible preference shares</b>	<b>Conversion price</b>	<b>Conversion redemption amount</b>	<b>Default redemption amount</b>	<b>Non-default redemption amount</b>
Yong Tai Berhad	28 October 2021	5% of the aggregate principal amount of the redeemable convertible preference shares for each sub-tranche	85% of the average closing price per share on any 3 consecutive business days as selected by the holder of the redeemable convertible preference shares during the 45 business days immediately preceding the relevant conversion date of the redeemable convertible preference shares, subject to a minimum conversion price of RM0.10	100% of the principal amount of the redeemable convertible preference shares plus an additional 8% interest payable on the principal amount of the redeemable convertible preference shares to be redeemed based on the number of days elapsed since the relevant issue date	118% of the principal amount of the redeemable convertible preference shares	115% of the principal amount of the redeemable convertible preference shares
Bintai Kinden Corporation Berhad	28 April 2021	5% of the aggregate principal amount of the redeemable convertible preference shares for each sub-tranche	80% of the 5-day volume weighted average price ("5D-VWAP") of share preceding the date where the respective closing date of the redeemable convertible preference shares, subject to a minimum conversion price of RM0.10	100% of the principal amount of the redeemable convertible preference shares plus an additional 8% interest payable on the principal amount of the redeemable convertible preference shares to be redeemed based on the number of days elapsed since the relevant issue date	118% of the principal amount of the redeemable convertible preference shares	115% of the principal amount of the redeemable convertible preference shares
Nextgreen Global Berhad	10 March 2021	Not applicable	RM0.40 per redeemable convertible preference shares, representing a discount of approximately 6.26% to the 5D-VWAP of share	Not applicable	Not applicable	100% of the principal amount of the redeemable convertible preference shares

<b>Name of company</b>	<b>Date of announcement</b>	<b>Administrative fee/ rebate payable to the subscriber of the redeemable convertible preference shares</b>	<b>Conversion price</b>	<b>Conversion redemption amount</b>	<b>Default redemption amount</b>	<b>Non-default redemption amount</b>
Vertice Berhad	30 September 2020	6% of the aggregate principal amount of the redeemable convertible preference shares for each sub-tranche	80% of the average closing price per share on any 3 consecutive business days as selected by the holder of the redeemable convertible preference shares during the 45 business days immediately preceding the relevant conversion date of the redeemable convertible preference shares, subject to a minimum conversion price of RM0.10	100% of the principal amount of the redeemable convertible preference shares plus an additional 8% interest payable on the principal amount of the redeemable convertible preference shares to be redeemed based on the number of days elapsed since the relevant issue date	118% of the principal amount of the redeemable convertible preference shares	115% of the principal amount of the redeemable convertible preference shares
Hibiscus Petroleum Berhad	9 September 2020	Not applicable	The conversion price for the first tranche has been fixed at RM0.66, representing approximately 10% premium over the 5D-VWAP of share  As for subsequent tranches being placed out, the conversion price will be fixed at a premium of up to 10% over the 5D-VWAP of share	Not applicable	Not applicable	*
Axteria Group Berhad (formerly known as Acoustech Berhad)	6 March 2020	5% of the aggregate principal amount of the redeemable convertible preference shares for each sub-tranche	80% of the average closing price per share on any 3 consecutive business days as selected by the holder of the redeemable convertible preference shares during the 45 business days immediately preceding the relevant conversion date of the redeemable convertible preference shares, subject to a minimum conversion price of RM0.22	100% of the principal amount of the redeemable convertible preference shares plus an additional 8% interest payable on the principal amount of the redeemable convertible preference shares to be redeemed based on the number of days elapsed since the relevant issue date	118% of the principal amount of the redeemable convertible preference shares	115% of the principal amount of the redeemable convertible preference shares

Name of company	Date of announcement	Administrative fee/ rebate payable to the subscriber of the redeemable convertible preference shares	Conversion price	Conversion redemption amount	Default redemption amount	Non-default redemption amount
Industronics Berhad	13 February 2020	Not applicable	RM0.04 per convertible preference shares, representing approximately 20% discount to 5D-VWAP of share	Not applicable	100% of the principal amount of the redeemable convertible preference shares	100% of the principal amount of the redeemable convertible preference shares
Eduspec Holdings Berhad	31 May 2019	6% of the aggregate principal amount of the redeemable convertible preference shares for each sub-tranche	80% of the average closing price per share on any 3 consecutive business days as selected by the holder of the redeemable convertible preference shares during the 45 business days immediately preceding the relevant conversion date of the redeemable convertible preference shares, subject to a minimum conversion price of RM0.015	100% of the principal amount of the redeemable convertible preference shares plus an additional 8% interest payable on the principal amount of the redeemable convertible preference shares to be redeemed based on the number of days elapsed since the relevant issue date	118% of the principal amount of the redeemable convertible preference shares	115% of the principal amount of the redeemable convertible preference shares

**Note:**

\* The redemption price for the convertible redeemable preference shares will be determined based on the formula below:

$$R = \left[ 1 + \left( r \times \frac{U}{365} \right) \right] - P$$

where:

R : Redemption price per convertible redeemable preference share (in RM)

r : 4.0% per annum

U : Number of days from the relevant issue date to the redemption date of the convertible redeemable preference shares

P : Dividends declared in respect of the convertible redeemable preference shares, if any (in RM)

The amount by which "R" exceeds the issue price of the preference share represents redemption premium.

Based on the foregoing analysis, it is observed that:

- (i) the administrative fee of 2% of the aggregate principal amount of RCPS, which is negotiated and accepted by our Company and the Subscriber, is below the market range;
- (ii) the 12% discount in relation to the Conversion Price is within the market range (save for Hibiscus Petroleum Berhad which had a premium of up to 10% over the 5D-VWAP of share and Nextgreen Global Berhad which was undertaken in a single tranche at a discount of approximately 6.26% to the 5D-VWAP of share); and
- (iii) the additional 8% interest per annum, the 18% premium and the 15% premium in respect of the Conversion Downside Redemption, Event of Default Redemption and Non-Event of Default Redemption respectively, are aligned with the market practice.

In addition, the proceeds to be raised from the Proposed RCPS Issuance would enable our Company to, among others, expand the construction and property development business segments of our Company and fund the existing construction and property development projects of our Company as detailed in Section 3 of this Circular.

Premised on the above, our Board is of the opinion that the terms of the RCPS (i.e., the administrative fee of 2% of the aggregate principal amount of RCPS, the Conversion Price and the Redemption Amounts) are fair and reasonable to our Company and the shareholders of our Company.

#### **2.1.3 Ranking of the RCPS and the Conversion Shares**

The RCPS shall be unsecured and rank equally among themselves and will rank in priority to the Ireka Shares and all other classes of shares (if any) in our Company, in respect of dividend and/or payment out of the assets of our Company upon liquidation, dissolution or winding-up of our Company. No dividends shall be paid on Ireka Shares or any other classes of shares (if any) in our Company unless any unpaid dividend accrued on the RCPS have been fully paid first.

The Conversion Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Ireka Shares, save and except that the Conversion Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment and issuance of the Conversion Shares.

#### **2.1.4 Listing of and quotation for the RCPS and the Conversion Shares**

The RCPS will not be listed on Bursa Securities.

The Conversion Shares will be listed and quoted on the Main Market of Bursa Securities. The approval from Bursa Securities for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities has been obtained vide its letter dated 29 December 2021, subject to the conditions as set out in Section 8 of this Circular.

#### **2.1.5 Underwriting arrangement**

The Proposed RCPS Issuance will not be underwritten as the RCPS will be subscribed by the Subscriber based on the terms and conditions of the Subscription Agreement.

### **2.2 Proposed Amendments**

The Proposed Amendments involves the amendments to the Constitution to facilitate the issuance of the RCPS pursuant to the Proposed RCPS Issuance.

### 3. USE OF PROCEEDS

The Proposed RCPS Issuance is expected to raise total gross proceeds of up to RM112.68 million which shall be used in the following manner based on the following scenarios:

**Scenario 1<sup>(1)</sup>** : Assuming only the Minimum Subscription Amount is raised pursuant to the issuance of 22,536,000 RCPS at the Issue Price

**Scenario 2<sup>(2)</sup>** : Assuming RM45.07 million is raised pursuant to the issuance of 45,072,000 RCPS at the Issue Price, taking into consideration the Minimum Conversion Price and the Maximum Conversion Shares

**Scenario 3** : Assuming RM112.68 million is raised pursuant to the issuance of 112,680,000 RCPS at the Issue Price, taking into consideration an illustrative Conversion Price of RM1.00 and the Maximum Conversion Shares

**Notes:**

- (1) Representing such number of RCPS to be issued under Tranche 1 at the Issue Price (i.e., RM1.00) which amounts to the Minimum Subscription Amount (i.e., RM22,536,000).
- (2) Representing such number of RCPS that may be issued pursuant to the Proposed RCPS Issuance based on the Minimum Conversion Price (i.e., RM0.40) to achieve the Maximum Conversion Shares (i.e., 112,680,000 Shares) at the Issue Price (i.e., RM1.00).

Description of use of proceeds	Illustrative amount			Estimated timeframe for use of proceeds upon receipt
	Scenario 1 (RM'000)	Scenario 2 (RM'000)	Scenario 3 (RM'000)	
Funding for potential acquisition <sup>(1)</sup>	6,500	13,500	33,500	Within 1 year
Funding for existing construction and property development projects <sup>(2)</sup>	10,500	21,000	52,500	Within 3 years
Part repayment of bank borrowings <sup>(3)</sup>	2,300	4,500	12,000	Within 3 years
Payment to trade creditors <sup>(4)</sup>	2,398	4,775	12,003	Within 3 years
Estimated expenses for the Proposals <sup>(5)</sup>	838	1,297	2,677	Within 3 years
<b>Total</b>	<b>22,536</b>	<b>45,072</b>	<b>112,680</b>	

**Notes:**

- (1) Our Group intends to use up to RM33.5 million for an acquisition of a company which is involved in construction and property development ("**Potential Acquisition**"). At this juncture, the management of our Group is in the midst of discussion on the Potential Acquisition with the management of the said company. The announcement in relation to the Potential Acquisition will be made pursuant to the Listing Requirements in due course upon finalisation and signing of the relevant agreement(s) in respect of the Potential Acquisition. The subject company in respect of the Potential Acquisition has ongoing construction and property development contracts which could generate additional revenue to our Group if the Potential Acquisition materialise.



In the event that the Potential Acquisition does not materialise or the actual acquisition cost for the Potential Acquisition is lower than the proceeds earmarked, our Group will identify other or additional business opportunities to expand its construction and property development business. Our Company shall make the necessary announcement(s) and seek for approval(s) from the shareholders of our Company, if required, upon such business opportunities being identified by our Board, subject always to the compliance with the Listing Requirements. In the event that there is no suitable business opportunities to expand our Group's construction and property development business, our Company intends to use the proceeds for the purpose of funding for existing and/or future construction and property development projects to be undertaken by our Group.

- (2) Our Group intends to use up to RM52.5 million to fund our Group's construction and property development projects as set out below. The funds raised will be used towards, among others, payments to contractors, suppliers, consultants, material costs, site clearing, earthwork, piling works, building and external works, staff costs, other operating and administrative expenses and payments to the relevant authorities.

**Construction projects**

<b>No.</b>	<b>Description</b>	<b>Contract value (RM'million)</b>	<b>Total value completed as at the LPD (RM'million)</b>	<b>Balance contract value (RM'million)</b>	<b>Estimated date of completion</b>
1	Construction of a 10-storey hospital extension block at Bandar Baru Seri Alam, Daerah Johor Bahru, Johor Darul Takzim awarded by Regency Specialist Hospital Sdn Bhd	138.00	26.10	111.90	September 2023
2	Construction of 2 blocks of 16-storey apartment totalling 316 units, 342 units of single-storey terrace houses, 252 units of double-storey terrace houses, 17 units of double-storey shophouses, 1 unit of food court, 1 unit of kindergarten, 1 unit of surau, 1 unit of multipurpose hall, and all infrastructure and ancillary works at Dendong, Mukim Tembila, Daerah Besut, Terengganu Darul Iman awarded by WMSB	124.39	1.53	122.86	September 2025
3	Fibre-To-The-Home Connectivity project in Langkawi, Kedah awarded by FEC Telco Sdn Bhd, a wholly-owned subsidiary of WMSB	196.00	-	196.00	February 2024
4	Construction of 68 units of 1-storey terrace houses (type "A"), 280 units of 1-storey terrace houses (type "B"), 8 units of shophouses, a community hall, surau and kindergarten and the infrastructure and associated works at Bukit China, Mukim Pasir Akar, Daerah Besut, Terengganu Darul Iman awarded by WMSB	45.77	3.50	42.27	June 2023

**Property development projects**

<b>No.</b>	<b>Description</b>	<b>Estimated gross development value (RM'million)</b>	<b>Estimated gross development cost (RM'million)</b>	<b>Development cost incurred as at the LPD (RM'million)</b>	<b>Balance development cost to be incurred (RM'million)</b>	<b>Estimated date of completion</b>
1	ASTA Enterprise Park, comprising 36 units of multi-functional industrial units and 9 parcels of land	255.44	214.44	165.36	49.08	June 2023

No.	Description	Estimated gross development value (RM'million)	Estimated gross development cost (RM'million)	Development cost incurred as at the LPD (RM'million)	Balance development cost to be incurred (RM'million)	Estimated date of completion
2	KaMi Mont' Kiara, comprising 168 units of residences under the I-Zen brand	216.64	161.43	105.23	56.20	September 2022
3	DWI@ Rimbun Kasia, Nilai, a project undertaken jointly with Hankyu Hanshin Properties Corp, comprising 382 units of mid-market courtyard condominiums	154.98	120.23	62.73	57.50	December 2022

The proceeds have not been earmarked for any specific project at this juncture and will be used based on the actual funding requirement of the projects as set out above and the actual amount of proceeds raised at the relevant time.

In addition to the proceeds from the Proposed RCPS Issuance, our Group's funding requirement for the respective projects are expected to be met via internally-generated funds (including but not limited to the payments from the project owners in respect of the construction projects, progress billings to be received in respect of the property development projects), bank borrowings and other suitable funding options available to our Group at the relevant time.

- (3) As at 30 November 2021, the total bank borrowings of our Group was approximately RM75.98 million. The proceeds earmarked for the part repayment of our Group's bank borrowings of up to RM12.0 million is expected to result in estimated interest savings of up to RM0.51 million per annum based on the average interest rate in respect of our Group's bank borrowings of approximately 4.25% per annum.
- (4) Our Group intends to use up to RM12.0 million for the payment to IECSB's trade creditors. IECSB's trade payables as at 30 September 2021 was approximately RM145.50 million with credit term granted to IECSB ranges from 30 to 90 days.

IECSB's trade creditors are comprised of, among others, subcontractors and suppliers of construction materials.

- (5) The estimated expenses relating to the Proposals consist of administrative fee of 2% of the aggregate principal amount of RCPS to be issued to the Subscriber pursuant to the Proposed RCPS Issuance, professional fees, fees payable to the relevant authorities, costs of convening the forthcoming EGM and other miscellaneous expenses to be incurred in relation to the Proposals. Any variation to the estimated expenses relating to the Proposals will be adjusted to or from the amount allocated for the payment to trade creditors.

The quantum of the proceeds to be raised by our Company pursuant to the Proposed RCPS Issuance will depend on the actual number of RCPS issued which will be based on the Conversion Price and subject to the Maximum Conversion Shares.

Pending the use of the proceeds to be raised from the Proposed RCPS Issuance for the purposes set out above, the proceeds may be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as our Board deems fit. The interest derived from the deposits placed with financial institutions and/or any gains arising from the short-term money market instruments will be used for the working capital requirements of our Group.

## **4. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS**

### **4.1 Proposed RCPS Issuance**

The Proposed RCPS Issuance enables our Company to raise the requisite proceeds to be used in the manner as set out in Section 3 of this Circular.

After due consideration of the various fund-raising options available as well as the terms and conditions of the RCPS, our Board is of the opinion that the Proposed RCPS Issuance is the most appropriate avenue of raising funds after taking into consideration that the Proposed RCPS Issuance:

- (i) allows our Group to raise funds expeditiously without incurring additional bank borrowings. In view of the uncertain macro-economic sentiments and the financial performance of our Group for the recent financial years, it has been challenging for our Group to obtain new credit facilities of a large amount from financial institutions expeditiously. In addition, the Proposed RCPS Issuance enables our Group to have better control and flexibility over its cash flows as compared to debt financing which requires servicing of interest and principal repayments on a periodic basis;
- (ii) provides greater certainty in raising the funds required as compared to other forms of equity fund-raising such as a private placement or a rights issue which is dependent upon the prevailing market sentiment and economic conditions. Moreover, underwriting and undertaking arrangements for such other forms of equity fund-raising would be difficult to procure;
- (iii) grants our Company the flexibility in the drawdown of funds whereby our Company has an option to request for the Subscriber to subscribe for such RCPS in respect of Tranche 2, Tranche 3, Tranche 4 and Tranche 5 within the prescribed period. Furthermore, the progressive drawdown of funds (i.e., issuance of RCPS) allows our Group to minimise dividend payments on the RCPS. In addition, the dilution impact to the shareholders' shareholdings in our Company and the EPS (where applicable) will be on a progressive basis as and when the RCPS are converted into new Ireka Shares.

Furthermore, the Subscriber may only convert the RCPS up to the Conversion Cap and the total number of new Ireka Shares that may be issued pursuant to the conversion of the RCPS is limited to the Maximum Conversion Shares;

- (iv) in view of the progressive issuance and conversion of the RCPS, the prices at which each sub-tranche of the RCPS will be converted shall closely reflect the prevailing market conditions as well as our Group's financial performance and prospects during the Conversion Period.

In addition, the conversion mechanism of the RCPS provides that no conversion of RCPS shall be below the Minimum Conversion Price. Furthermore, the Conversion Downside Redemption allows our Company to redeem the RCPS presented for conversion in cash at the Conversion Redemption Amount in the event that the Conversion Price is less than or equal to the Conversion Downside Price.

Accordingly, in the event that the average Closing Price in the determination of the Conversion Price is too low, the Minimum Conversion Price will limit the number of Conversion Shares to be issued upon each conversion of the RCPS meanwhile the Conversion Downside Redemption allows our Company the option to redeem such RCPS presented for conversion in cash; and

- (v) further strengthens our Company's capital base and improve its gearing level upon conversion of the RCPS which will lead to higher debt capacity of our Group as well as satisfy the drawdown requirements in respect of project financing provided by licensed financial institutions for our Group's construction projects. Notwithstanding the Subscriber's option to convert the RCPS into new Ireka Shares, our Company has the right to redeem any outstanding RCPS at the Non-Default Redemption Amount at any time during the Redemption Period which accord our Company the flexibility to manage its share base.

Save as disclosed below, our Company has not undertaken any other equity fund-raising exercises in the past 12 months prior to the announcement of the Proposals dated 29 November 2021:

- (i) On 22 July 2021, our Company announced that it proposes to undertake the Placement 1. The Placement 1 was completed on 30 August 2021, raising total gross proceeds of approximately RM11.31 million. As at the LPD, the status of the use of proceeds is as follows:

<b>Description of use of proceeds</b>	<b>Actual proceeds raised (RM'000)</b>	<b>Actual use of proceeds (RM'000)</b>	<b>Balance unused (RM'000)</b>	<b>Estimated timeframe for use of proceeds from completion of the Placement 1</b>
Working capital	11,041	11,041	-	Within 12 months
Expenses for the Placement 1	268	268	-	Immediate
<b>Total</b>	<b>11,309</b>	<b>11,309</b>	<b>-</b>	

- (ii) On 6 October 2021, our Company announced that it proposes to undertake the Placement 2. The Placement 2 was completed on 7 December 2021, raising total gross proceeds of approximately RM15.56 million. As at the LPD, the status of the use of proceeds is as follows:

<b>Description of use of proceeds</b>	<b>Actual proceeds raised (RM'000)</b>	<b>Actual use of proceeds (RM'000)</b>	<b>Balance unused (RM'000)</b>	<b>Estimated timeframe for use of proceeds from completion of the Placement 2</b>
Funding for our Group's construction and development projects	15,400	15,400	-	Within 12 months
Expenses for the Placement 2	163	163	-	Immediate
<b>Total</b>	<b>15,563</b>	<b>15,563</b>	<b>-</b>	

## 4.2 Proposed Amendments

The Proposed Amendments is to facilitate the issuance of the RCPS pursuant to the Proposed RCPS Issuance.

## 5. INDUSTRY OVERVIEW AND PROSPECTS

### 5.1 Overview and outlook of the Malaysia economy

The Malaysian economy experienced renewed demand and supply shocks arising from strict containment measures under the NRP during the third quarter of 2021. As a result, the economy contracted by 4.5% (2Q 2021: +16.1%). Economic activity was particularly impacted in July under Phase 1 of the NRP, but subsequently recovered as more states transitioned into Phase 2 with less restrictive containment measures. On the supply side, all economic sectors registered a contraction, particularly the construction sector, which was constrained by operating capacity limits. On the demand side, the restrictions on mobility, especially on inter-district and inter-state travel, has weighed on consumption and investment activity, while continued increase in public sector consumption spending provided some support to overall growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 3.6% (2Q 2021: -1.9%).

Domestic demand declined by 4.1% (2Q 2021: 12.4%) in the third quarter of 2021, as private consumption and investment activities were affected by the imposition of phased restrictions under NRP. On the external front, net exports contracted by 37.5% (2Q 2021: 34.3%) as growth in imports outpaced the growth in exports.

Private consumption declined by 4.2% (2Q 2021: 11.7%), as the stringent containment measures and mobility restrictions weighed on household spending in the first half of the quarter. Similarly, labour market conditions also weakened in the same period with weaker income and employment growth. Nevertheless, various policy measures, including the EPF i-Sinar and i-Citra withdrawals as well as Bantuan Khas COVID-19 (BKC), continued to provide support to affected households.

Public consumption expanded by 8.1% during the quarter (2Q 2021: 9.0%), supported by COVID-19 related expenditure, including vaccine procurement and logistics spending.

For 2021, the Malaysian economy remains on track to achieve the projected growth range of 3.0% - 4.0%. The recent gradual relaxations for reopening of more economic sectors, along with higher adaptability of firms to the new operating environment and continued policy support, partly mitigated the impact of nationwide containment measures in the third quarter. Furthermore, the successful rollout of the vaccination programme, which has resulted in improved health outcomes, has enabled a phased and safe reopening of economic sectors and allow the economy to continue its recovery path.

Going into 2022, the positive growth momentum is expected to improve. The economy would benefit from expansion in global demand, higher private sector expenditure in line with the resumption of economic activity and continued policy support.

The balance of risks remains tilted to the downside due to external and domestic factors. These include a weaker-than-expected global growth, a worsening in supply chain disruptions, and the re-imposition of containment measures due to the impact of new COVID-19 variants of concern.

*(Source: BNM Quarterly Bulletin, Third Quarter 2021, Bank Negara Malaysia)*

### 5.2 Overview and outlook of the construction sector in Malaysia

The construction sector declined by 20.6% (2Q 2021: 40.3%) as activities were constrained by operating capacity limits. Growth in the residential, non-residential and civil engineering subsectors were particularly affected, but the situation improved from August following easing of the containment measures, allowing more construction activities to resume\*.

**Note:**

- \* Activities that were allowed to operate was expanded to include among others government funded projects, projects undertaken by G1-G4 grade contractors and renovation of private residential units and commercial buildings. Operating capacity limit under Phase 2 was also increased from 60% to 80% and can be further increased depending on the vaccination rate among workers.

*(Source: BNM Quarterly Bulletin, Third Quarter 2021, Bank Negara Malaysia)*

Growth in the construction sector is expected to rebound, driven by resumption of activities across all subsectors. In the civil engineering subsector, growth is expected to recover in line with the ramp up of construction activity in large infrastructure projects. Meanwhile, launches of affordable housing projects in the previous years will continue to provide support for activity in the residential subsector. Growth in the special trade subsector is expected to strengthen further with support from solar power projects, Jalinan Digital Negara (JENDELA), small-scale projects under the 2021 Budget and PEMERKASA measures, as well as end-works from the completion of large projects. However, completion of large commercial projects is expected to weigh on growth in the non-residential subsector.

*(Source: Economic & Monetary Review 2020, Bank Negara Malaysia)*

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector. Among the major infrastructure projects include Mass Rapid Transit 2 (MRT2), Light Rail Transit 3 (LRT3), West Coast Expressway (WCE) and Bayan Lepas Light Rail Transit (LRT) as well as Pan Borneo and Coastal Highways in Sarawak. Utility projects include the Langat 2 Water Treatment Plant, Baleh Hydroelectric Dam and Sarawak Water Supply Grid Programme (Phase 1).

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign (“HOC”), exemption of Real Property Gains Tax (RPGT), the introduction of Rent-to-Own (RTO) scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects, including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

*(Source: Economic Outlook 2021, Ministry of Finance, Malaysia)*

### **5.3 Overview and outlook of the property sector in Malaysia**

The property market performance recorded a significant increase in the first half of 2021 (H1 2021) compared to the same period last year (H1 2020). A total of 139,754 transactions worth RM62.01 billion were recorded, showing an increase of 21.0% in volume and 32.1% in value compared to the same period last year.

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land subsectors recorded year-on-year growths of 22.2%, 28.5%, 29.4%, 13.9% and 21.3% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded growths of 34.7%, 28.4%, 19.8%, 33.1% and 40.6% respectively.

The residential sub-sector led the overall property market, with 65.8% contribution. This was followed by agriculture sub-sector (18.9%), commercial (7.5%), development land and others (5.9%) and industrial (1.8%). In terms of value, residential took the lead with 55.6% share, followed by commercial (17.6%), industrial (10.4%), agriculture (8.9%) and development land and others (7.4%).

#### **Residential property**

There were 92,017 transactions worth RM34.51 billion recorded in the review period, increased by 22.2% in volume and 34.7% in value year-on-year. Performance across the states improved in the review period. All states recorded higher market volume except for WP Putrajaya. The four major states namely WP Kuala Lumpur, Selangor, Johor and Pulau Pinang recorded an increase of 19.8%, 38.0%, 4.8% and 41.3% respectively. These four major states formed about 50% of the total national residential volume.

In the primary market, the number of new launches in the first half-year were far behind those recorded in similar half of 2020. There were 16,660 units launched, down by 34.0% against 25,227 units (revised) in H1 2020. Against H2 2020, the new launches were lower by 24.1% (H2 2020: 21,951 units).

Sales performance for new launches recorded at 24.7%, better compared to H1 2020 (revised 12.9%) and H2 2020 (17.0%). The improvement in sales performance probably attributed to various measures by the Government such as incentives of the HOC (reintroduced from 1 June 2020 – 31 Dec 2021) and low Overnight Policy Rate.

In the first half of 2021, the residential overhang exhibited a moderated growth. A total of 31,112 overhang units worth RM20.09 billion was recorded, showing an increase of 5.2% and 6.2% in volume and value respectively against H2 2020. Likewise, the unsold under construction residential units saw an increase of 4.3% to 74,844 units compared to H2 2020 (71,735 units).

Johor retained the highest number and value of overhang in the country with 6,661 units worth RM5.02 billion, accounting to 21.4% and 25.0% in volume and value respectively of the national total. Pulau Pinang ranked second with 16.1% share (5,005 units; RM3.85 billion), and followed by Selangor with 12.1% share (3,770; RM3.27 billion).

#### Commercial property

There were 10,433 transactions worth RM10.93 billion recorded, up by 28.5% in volume and 28.4% in value compared to the same period last year.

All states recorded more market activity in the review period except for WP Putrajaya and Pahang. In terms of transaction value, five states recorded contraction but the increase in Selangor (40.3%), Kuala Lumpur (47.6%) and Johor (18.3%) led to the overall increase in the sub-sector.

Selangor contributed the highest volume and value to the national market share, with 26.3% in volume (2,741 transactions) and 30.8% in value (RM3.37 billion); followed by WP Kuala Lumpur with 13.0% in volume (1,359 transactions) and 28.2% in value (RM3.08 billion) and Johor with 13.5% in volume (1,410 transactions) and 11.6% in value (RM1.27 billion).

Shop sub-sector overhang declined in H1 2021. There were 6,844 units worth RM5.76 billion, indicating a slight decrease of 0.9% in volume but increased by 3.3% against the preceding half year. The unsold under construction recorded a decrease by 19.0% (4,361 units), while not constructed increased by 2.4% (235 units).

#### Serviced apartment

Serviced apartment sub-sector recorded 1,912 transactions worth RM1.21 billion, formed 18.3% of the commercial property transactions volume and 11.0% of the value. Market performance recorded an increase of 33.4% in volume and 23.7% in value compared to similar period last year. WP Kuala Lumpur and Selangor contributed higher market volume, each with 39.9% (763 transactions) and 39.3% (752 transactions) market share.

Serviced apartment sub-sector recorded 24,064 overhang units with a value of RM20.41 billion, indicating a marginal increase of 1.9% in volume, but value declined by 10.2% compared to the preceding half. The unsold under construction recorded 42,358 units, increased by 20.1%.

Johor recorded the highest overhang in the country with 68.9% (16,576 units), followed by WP Kuala Lumpur and Selangor, with 18.8% (4,535 units) and 8.4% (2,025 units) share respectively. Those in the range of RM500,000 to RM1 million (12,047 units) formed 50.0%, while above RM1 million formed 23.7% (5,713 units) of the total overhang.

*(Source: Property Market Report First Half 2021, Valuation and Property Services Department, Ministry of Finance Malaysia)*

## 5.4 Prospects of our Group

As at the LPD, our Group's outstanding construction order book stood at approximately RM473.03 million, which include the following:

Details of contract	Contract sum	Outstanding order book as at the LPD	Expected date of completion
	(RM'mil)	(RM'mil)	
Construction of a 10-storey hospital extension block at Bandar Baru Seri Alam, Daerah Johor Bahru, Johor Darul Takzim awarded by Regency Specialist Hospital Sdn Bhd	138.00	111.90	September 2023
Construction of 2 blocks of 16-storey apartment totalling 316 units, 342 units of single-storey terrace houses, 252 units of double-storey terrace houses, 17 units of double-storey shophouses, 1 unit of food court, 1 unit of kindergarten, 1 unit of surau, 1 unit of multipurpose hall, and all infrastructure and ancillary works at Dendong, Mukim Tembila, Daerah Besut, Terengganu Darul Iman awarded by WMSB	124.39	122.86	September 2025
Fibre-To-The-Home Connectivity project in Langkawi, Kedah awarded by FEC Telco Sdn Bhd, a wholly-owned subsidiary of WMSB	196.00	196.00	February 2024
Construction of 68 units of 1-storey terrace houses (type "A"), 280 units of 1-storey terrace houses (type "B"), 8 units of shophouses, a community hall, surau and kindergarten and the infrastructure and associated works at Bukit China, Mukim Pasir Akar, Daerah Besut, Terengganu Darul Iman awarded by WMSB	45.77	42.27	June 2023
<b>Total</b>	<b>504.16</b>	<b>473.03</b>	

On the property development front, our Group has 3 ongoing projects, as follows:

- (i) ASTA Enterprise Park, comprising 36 units of multi-functional industrial units and 9 parcels of land. As at the LPD, a total of 36 industrial units and 8 parcels of land were sold or booked;
- (ii) KaMi Mont' Kiara, comprising 168 units of residences under the I-Zen brand. As at the LPD, approximately 99% of the units for Kami Mont' Kiara have been sold or booked; and



- (iii) DWI@ Rimbun Kasia, Nilai, a project undertaken jointly with Hankyu Hanshin Properties Corp, comprising 382 units of mid-market courtyard condominiums. As at the LPD, approximately 46% of the units were sold.

On 30 August 2021, our Company announced that IECSB had entered into a joint venture agreement with WMSB. Under this joint venture, IECSB will act as a co-developer as well as an exclusive main contractor for WMSB's current and future development and construction projects. The joint venture is expected to improve our Group's financial performance through increasing IECSB's project pipeline.

On 29 November 2021, our Company announced that IECSB had entered into a joint venture agreement with NEG Engineering Group Sdn Bhd ("**NEG**"). Under this joint venture, IECSB will act as exclusive joint-lead contractor for all NEG's future projects.

On 7 December 2021, our Company announced that Ireka Development (Terengganu) Sdn Bhd (a 80%-owned subsidiary of our Company) ("**IDTSB**") had on 6 December 2021 accepted a conditional letter of award from Terengganu State Government for the following:

- (i) proposed mixed development of a total of 1,712 units of houses, 34 units of shop lots and 2 units of shop offices as well as related works on 200 acres of Terengganu State Government's land in Bandar Baru Kertih Jaya, Mukim Kertih, Kemaman District, Terengganu; and
- (ii) proposed hybrid development of 100 units of affordable houses and 6 units of shop lots as well as related works on 11.55 acres of Terengganu State Government's land in Kampung Semayor, Mukim Kemasik, Kemaman District, Terengganu,

for a provisional contract sum of RM468 million.

On 14 December 2021, our Company announced that IDTSB had on 13 December 2021 accepted a conditional letter of award from Koperasi Permodalan Sahabat Terengganu Berhad for the proposed mixed housing development on 9.751 hectares of land in Kampung Baru Kuala Abang, Mukim Kuala Abang, Dungun District, Terengganu for a provisional contract sum of approximately RM58.29 million.

Business activities across the construction and property segment experienced disruptions since the onset of the COVID-19 pandemic and lockdown measures imposed by the Government. Our Group had not been spared from the impact arising from this pandemic and experienced a slowdown in the progress of its construction and development projects.

Nonetheless, our Board and the management of our Group are of the view that the COVID-19 pandemic will be contained in the near future following the Government's ongoing National COVID-19 Immunisation Programme. Following this, economic activities across various sectors are expected to recover gradually in the months to come.

Premised on the above and after considering the overview and outlook of the construction and property sectors in Malaysia in the longer term, our Board remains cautiously optimistic of the future prospects of our Group.

Our Board wishes to highlight that there were changes in the composition of our Board during the period from July 2021 up to the date of this Circular as announced on Bursa Securities, the details of which are as follows:

<b>Name and designation</b>	<b>Date of appointment</b>	<b>Date of resignation/retirement</b>
Tan Sri Dato' Mohd Ismail Bin Che Rus <i>Non-independent Non-executive Chairman</i>	19 August 2021	-
Mohd Hasnul Ismar Bin Mohd Ismail <i>Group Managing Director</i>	5 July 2021	-
Chow Sung Chek, Simon <i>Executive Director</i>	5 July 2021	-
Chairil Bin Mohd Tamil <i>Executive Director</i>	29 November 2021	-
Wan Ahmad Nazim Bin Mohamed Noor <i>Executive Director</i>	29 November 2021	-
Shahruladeri Bin Mohamad Adnan <i>Independent Non-executive Director</i>	5 July 2021	-
YM Raja Azura Binti Raja Mahayuddin <i>Independent Non-executive Director</i>	4 January 2022	-
Datuk Lai Siew Wah <i>Executive Chairman</i>	31 December 1975	5 July 2021
Datuk Lai Voon Hon <i>Non-independent Non-executive Chairman</i>	– 18 March 1996 (Group Managing Director) – 5 July 2021 (Non-independent Non-executive Chairman)	19 August 2021
Lai Voon Huey, Monica <i>Deputy Group Managing Director</i>	30 June 1999	15 November 2021
Tan Thiam Chai <i>Executive Director</i>	1 April 2015	15 November 2021
Chan Chee Kian <i>Executive Director</i>	1 April 2018	15 November 2021
Datuk Lai Jaat Kong @ Lai Foot Kong <i>Non-independent Non-executive Director</i>	13 August 1977	5 July 2021
Hoe Kah Soon <i>Independent Non-executive Director</i>	1 April 2015	28 September 2021
Lau Mun Cheong <i>Independent Non-executive Director</i>	27 February 2020	5 July 2021

In addition, our Board wishes to highlight that there were changes in substantial shareholders of our Company during the period from June 2021 up to the LPD as announced on Bursa Securities. As at the LPD, Kenanga Investors Berhad (“**KIB**”) and Koperasi Permodalan FELDA Malaysia 2 Berhad (“**KPF2**”) are the substantial shareholders of our Company. KIB and KPF2 have emerged as substantial shareholders of our Company on 30 June 2021 and 14 December 2021 respectively.

KIB, a licensed Fund Manager is a wholly-owned subsidiary of Kenanga Investment Bank Berhad. KIB is a public limited company which was incorporated under the Companies Act 1965 on 2 August 1995. As at the LPD, KIB has issued share capital of RM18,465,300 and Assets Under Administration (AUA) of over RM18 billion via its principal activities in promoting and managing Collective Investment Scheme (CIS), private mandates and wealth management to mass retail, Private High Networth and institutional clients both local and regionally.

As at the LPD, the board members of KIB are as follows:

- (i) Syed Zafilen bin Syed Alwee;
- (ii) Ismitz Matthew De Alwis;
- (iii) Imran Devindran bin Abdullah;
- (iv) Norazian binti Ahmad Tajuddin; and
- (v) Luk Wai Hong, William.

KPF2, a co-operative society registered under the Co-operative Societies Act 1993, was established on 15 April 2011 under the name of Koperasi Permodalan Felda Malaysia 2 Berhad. As at the LPD, the issued share capital of KPF2 is RM31.5 million. The principal activities of KPF2 are of an investment co-operative which invests in various types of investments including, among others, securities, properties and businesses.

As at the LPD, the board members of KPF2 are as follows:

- (i) Mahadzir bin Mustafa;
- (ii) Erwan Aman;
- (iii) Mohd Zaidi Malik;
- (iv) Mohd Fauzi Abdullah;
- (v) Dato’ Dr. Shamsul Anwar bin Sulaiman;
- (vi) Abdul Malek Jalil;
- (vii) Ir. Ahmad Termidi Ali;
- (viii) Md Zulkifli Md Na’am;
- (ix) Ahmad Syaarani Azulan;
- (x) Dr. Mohd Syaiful Hassan;
- (xi) Dzulkhair Ghazali; and
- (xii) Kamison Saleh.

Nevertheless, the changes in substantial shareholders of our Company and the composition of our Board as detailed above and as announced on Bursa Securities will not affect the existing business direction of our Group (i.e., mainly in construction and property development) in view of our Group’s continuous efforts to secure new construction and property development projects as evident in the contracts secured by our Group for the past 6 months preceding the LPD as detailed in Section 2 of Appendix IV of this Circular.

*(Source: Management of our Group)*

## 6. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on our Company's issued share capital, substantial shareholders' shareholdings, NA, NA per Share, gearing, earnings/losses and EPS/LPS.

The pro forma effects of the Proposed RCPS Issuance are illustrated based on the following scenarios:

**Scenario 1** : Assuming a total number of 56,340,000 new Ireka Shares are issued pursuant to the conversion of 22,536,000 RCPS (based on the Minimum Subscription Amount) into new Ireka Shares at the Minimum Conversion Price

**Scenario 2** : Assuming a total number of 112,680,000 new Ireka Shares (i.e., the Maximum Conversion Shares) are issued pursuant to the conversion of 45,072,000 RCPS into new Ireka Shares at the Minimum Conversion Price

**Scenario 3** : Assuming a total number of 112,680,000 new Ireka Shares (i.e., the Maximum Conversion Shares) are issued pursuant to the conversion of 112,680,000 RCPS into new Ireka Shares at an illustrative Conversion Price of RM1.00

The issuance of the RCPS will not have any effect on our Company's issued share capital and the substantial shareholders' shareholdings unless and until the RCPS are converted into new Ireka Shares by the Subscriber.

### 6.1 Issued share capital

The pro forma effect of the Proposed RCPS Issuance on the issued share capital of our Company is as follows:

	Scenario 1		Scenario 2		Scenario 3	
	No. of Ireka Shares	RM'000	No. of Ireka Shares	RM'000	No. of Ireka Shares	RM'000
As at the LPD	227,783,750	207,729	227,783,750	207,729	227,783,750	207,729
To be issued upon full conversion of the RCPS	56,340,000	22,536	112,680,000	45,072	112,680,000	112,680
<b>Enlarged issued share capital</b>	<b>284,123,750</b>	<b>230,265</b>	<b>340,463,750</b>	<b>252,801</b>	<b>340,463,750</b>	<b>320,409</b>

## 6.2 Substantial shareholders' shareholdings

The pro forma effects of the Proposed RCPS Issuance on the substantial shareholders' shareholding in our Company based on the Record of Depositors as at the LPD are as follows:

### Scenario 1

Substantial shareholders	As at the LPD			Assuming full conversion of the RCPS		
	Direct		Indirect	Direct		Indirect
	No. of Ireka Shares	% <sup>(1)</sup>		No. of Ireka Shares	% <sup>(2)</sup>	
Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for Kenanga Investors Berhad)	55,929,700	24.55	-	55,929,700	19.68	-
KPF2	45,000,000	19.76	-	45,000,000	15.84	-
Fairfax	-	-	-	56,340,000	19.83	-
<b>Notes:</b>						
* Less than 0.01%						
(1) Computed based on 227,783,750 Ireka Shares in issue as at the LPD.						
(2) Computed based on 284,123,750 Ireka Shares in issue upon the full conversion of the RCPS.						

### Scenario 2 and Scenario 3

Substantial shareholders	As at the LPD			Assuming full conversion of the RCPS		
	Direct		Indirect	Direct		Indirect
	No. of Ireka Shares	% <sup>(1)</sup>		No. of Ireka Shares	% <sup>(2)</sup>	
Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for Kenanga Investors Berhad)	55,929,700	24.55	-	55,929,700	16.43	-
KPF2	45,000,000	19.76	-	45,000,000	13.22	-
Fairfax	-	-	-	112,680,000	33.10	-
<b>Notes:</b>						
* Less than 0.01%						
(1) Computed based on 227,783,750 Ireka Shares in issue as at the LPD.						
(2) Computed based on 340,463,750 Ireka Shares in issue upon the full conversion of the RCPS.						

Notwithstanding the above, the Subscriber will observe and ensure that it complies with the Conversion Cap (i.e., its aggregate shareholding in our Company shall not exceed 20% at any point in time upon conversion of the RCPS) without the prior approval of our Company. Furthermore, the Subscriber represents that its subscription for the RCPS is for investment purposes only and has no intention of influencing the management or exercising control over our Company, including via the appointment of any nominee to our Board.

Upon conversion of the RCPS by the Subscriber, if any, the shareholdings of the existing shareholders of our Company will be diluted, resulting in a lower public shareholding spread. Nevertheless, in view of the Conversion Cap, the Proposed RCPS Issuance is not expected to result in any breach of the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements where our Company must ensure that at least 25% of the total number of listed Ireka Shares (excluding treasury shares, if any) are in the hands of public shareholders.

### 6.3 NA, NA per Ireka Share and gearing

For illustration purposes only, based on the audited consolidated statement of financial position of our Company as at 31 March 2021 and assuming that the Proposed RCPS Issuance had been effected on that date, the pro forma effects of the Proposed RCPS Issuance on the NA, NA per Ireka Share and gearing of our Group are as follows:

#### **Scenario 1**

		(I)	(II)	
	<b>Audited as at 31 March 2021</b>	<b>Subsequent events up to the LPD<sup>(1)</sup></b>	<b>After (I) and the Proposed RCPS Issuance</b>	<b>After (II) and assuming full conversion of the RCPS</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	181,288	207,729	207,729	230,265
RCPS	-	-	20,754 <sup>(2)</sup>	-
Foreign currency translation reserve	(1,920)	(1,920)	(1,920)	(1,920)
Accumulated losses	(119,789)	(119,789)	(119,789)	(120,626) <sup>(3)</sup>
<b>NA attributable to the owners of our Company</b>	<b>59,580</b>	<b>86,021</b>	<b>106,775</b>	<b>107,719</b>
Non-controlling interest	31,091	31,091	31,091	31,091
<b>Total equity</b>	<b>90,671</b>	<b>117,112</b>	<b>137,866</b>	<b>138,810</b>
No. of Ireka Shares in issue ('000)	186,708	227,784	227,784	284,124
NA per Ireka Share <sup>(4)</sup> (RM)	0.32	0.38	0.47	0.38
Total borrowings (RM'000)	114,370	114,370	113,014 <sup>(5)</sup>	112,070
Gearing <sup>(6)</sup> (times)	1.26	0.98	0.82	0.81

#### **Notes:**

- (1) After taking into account for the following:
- (i) issuance of 9,500,000 new Ireka Shares at an issue price of RM0.6357 each pursuant to the Placement 1 on 5 August 2021;
  - (ii) issuance of 9,170,800 new Ireka Shares at an issue price of RM0.5746 each pursuant to the Placement 1 on 30 August 2021;
  - (iii) expenses incurred relating to the Placement 1 of approximately RM0.27 million;
  - (iv) issuance of 20,000,000 new Ireka Shares at an issue price of RM0.7000 each pursuant to the Placement 2 on 20 October 2021;
  - (v) issuance of 2,404,900 new Ireka Shares at an issue price of RM0.6500 each pursuant to the Placement 2 on 7 December 2021; and
  - (vi) expenses incurred relating to the Placement 2 of approximately RM0.16 million;

- (2) Being the estimated equity component of the RCPS (net of deferred taxation of approximately RM0.31 million and estimated expenses relating to the equity component of the RCPS of approximately RM0.79 million).
- (3) After taking into account the estimated expenses relating to the Proposals of approximately RM0.84 million.
- (4) Computed based on NA attributable to the owners of our Company divided by the number of Ireka Shares in issue.
- (5) Including the estimated liability component of the RCPS (net of estimated expenses relating to the liability component of the RCPS of approximately RM0.05 million) and part repayment of borrowings of RM2.30 million upon utilisation of the proceeds from the Proposed RCPS Issuance.
- (6) Computed based on total borrowings divided by total equity.

## **Scenario 2**

		(I)	(II)	
	<b>Audited as at 31 March 2021</b>	<b>Subsequent events up to the LPD<sup>(1)</sup></b>	<b>After (I) and the Proposed RCPS Issuance</b>	<b>After (II) and assuming full conversion of the RCPS</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	181,288	207,729	207,729	252,801
RCPS	-	-	41,864 <sup>(2)</sup>	-
Foreign currency translation reserve	(1,920)	(1,920)	(1,920)	(1,920)
Accumulated losses	(119,789)	(119,789)	(119,789)	(121,086) <sup>(3)</sup>
<b>NA attributable to the owners of our Company</b>	<b>59,580</b>	<b>86,021</b>	<b>127,885</b>	<b>129,795</b>
Non-controlling interest	31,091	31,091	31,091	31,091
<b>Total equity</b>	<b>90,671</b>	<b>117,112</b>	<b>158,976</b>	<b>160,886</b>
No. of Ireka Shares in issue ('000)	186,708	227,784	227,784	340,464
NA per Ireka Share <sup>(4)</sup> (RM)	0.32	0.38	0.56	0.38
Total borrowings (RM'000)	114,370	114,370	111,780 <sup>(5)</sup>	109,870
Gearing <sup>(6)</sup> (times)	1.26	0.98	0.70	0.68

### **Notes:**

- (1) After taking into account for the following:
- (i) issuance of 9,500,000 new Ireka Shares at an issue price of RM0.6357 each pursuant to the Placement 1 on 5 August 2021;
  - (ii) issuance of 9,170,800 new Ireka Shares at an issue price of RM0.5746 each pursuant to the Placement 1 on 30 August 2021;
  - (iii) expenses incurred relating to the Placement 1 of approximately RM0.27 million;
  - (iv) issuance of 20,000,000 new Ireka Shares at an issue price of RM0.7000 each pursuant to the Placement 2 on 20 October 2021;
  - (v) issuance of 2,404,900 new Ireka Shares at an issue price of RM0.6500 each pursuant to the Placement 2 on 7 December 2021; and
  - (vi) expenses incurred relating to the Placement 2 of approximately RM0.16 million.
- (2) Being the estimated equity component of the RCPS (net of deferred taxation of approximately RM0.63 million and estimated expenses relating to the equity component of the RCPS of approximately RM1.22 million).
- (3) After taking into account the estimated expenses relating to the Proposals of approximately RM1.30 million.
- (4) Computed based on NA attributable to the owners of our Company divided by the number of Ireka Shares in issue.
- (5) Including the estimated liability component of the RCPS (net of estimated expenses relating to the liability component of the RCPS of approximately RM0.08 million) and part repayment of borrowings of RM4.50 million upon utilisation of the proceeds from the Proposed RCPS Issuance.
- (6) Computed based on total borrowings divided by total equity.

### Scenario 3

		(I)	(II)	
	Audited as at 31 March 2021	Subsequent events up to the LPD <sup>(1)</sup>	After (I) and the Proposed RCPS Issuance	After (II) and assuming full conversion of the RCPS
	RM'000	RM'000	RM'000	RM'000
Share capital	181,288	207,729	207,729	320,409
RCPS	-	-	105,195 <sup>(2)</sup>	-
Foreign currency translation reserve	(1,920)	(1,920)	(1,920)	(1,920)
Accumulated losses	(119,789)	(119,789)	(119,789)	(122,465) <sup>(3)</sup>
<b>NA attributable to the owners of our Company</b>	<b>59,580</b>	<b>86,021</b>	<b>191,216</b>	<b>196,024</b>
Non-controlling interest	31,091	31,091	31,091	31,091
<b>Total equity</b>	<b>90,671</b>	<b>117,112</b>	<b>222,306</b>	<b>227,115</b>
No. of Ireka Shares in issue ('000)	186,708	227,784	227,784	340,464
NA per Ireka Share <sup>(4)</sup> (RM)	0.32	0.38	0.84	0.58
Total borrowings (RM'000)	114,370	114,370	107,179 <sup>(5)</sup>	102,370
Gearing <sup>(6)</sup> (times)	1.26	0.98	0.48	0.45

#### Notes:

- (1) After taking into account for the following:
  - (i) issuance of 9,500,000 new Ireka Shares at an issue price of RM0.6357 each pursuant to the Placement 1 on 5 August 2021;
  - (ii) issuance of 9,170,800 new Ireka Shares at an issue price of RM0.5746 each pursuant to the Placement 1 on 30 August 2021;
  - (iii) expenses incurred relating to the Placement 1 of approximately RM0.27 million;
  - (iv) issuance of 20,000,000 new Ireka Shares at an issue price of RM0.70000 each pursuant to the Placement 2 on 20 October 2021;
  - (v) issuance of 2,404,900 new Ireka Shares at an issue price of RM0.6500 each pursuant to the Placement 2 on 7 December 2021; and
  - (vi) expenses incurred relating to the Placement 2 of approximately RM0.16 million.
- (2) Being the estimated equity component of the RCPS (net of deferred taxation of approximately RM1.57 million and estimated expenses relating to the equity component of the RCPS of approximately RM2.52 million).
- (3) After taking into account the estimated expenses relating to the Proposals of approximately RM2.68 million.
- (4) Computed based on NA attributable to the owners of our Company divided by the number of Ireka Shares in issue.
- (5) Including the estimated liability component of the RCPS (net of estimated expenses relating to the liability component of the RCPS of approximately RM0.16 million) and part repayment of borrowings of RM12.00 million upon utilisation of the proceeds from the Proposed RCPS Issuance.
- (6) Computed based on total borrowings divided by total equity.

### 6.4 Earnings/Losses and EPS/LPS

The Proposed RCPS Issuance will not have any material effect on the consolidated earnings/losses of our Company and EPS/LPS for the financial year ending 31 March 2022. The EPS/LPS is expected to reduce as and when the RCPS are converted into new Ireka Shares during the Conversion Period.

Notwithstanding the above, the Proposed RCPS Issuance is expected to contribute positively to our Group's future earnings as and when the benefits of the use of proceeds from the Proposed RCPS Issuance as set out in Section 3 of this Circular are realised.



## 6.5 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Ireka Shares as traded on the Main Market of Bursa Securities for the past 12 months from January 2021 to December 2021 are as follows:

	<u>Highest</u>	<u>Lowest</u>
	<u>RM</u>	<u>RM</u>
<b><u>2021</u></b>		
December	0.770	0.615
November	0.660	0.590
October	0.730	0.630
September	0.700	0.560
August	0.670	0.585
July	0.770	0.590
June	0.705	0.420
May	0.560	0.330
April	0.365	0.290
March	0.335	0.295
February	0.345	0.310
January	0.355	0.315
 Last transacted market price on 26 November 2021, being the last trading day preceding the announcement of the Proposals (RM)		0.620
Last transacted market price as at the LPD (RM)		0.765

(Source: Bloomberg)

## 8. APPROVALS REQUIRED

The Proposals are subject to the approvals being obtained from:

- (i) Bursa Securities for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 29 December 2021, subject to the following conditions:

<u>No.</u>	<u>Condition</u>	<u>Status of compliance</u>
(a)	The maximum Conversion Shares to be issued pursuant to the Proposed RCPS Issuance must be in full compliance with Paragraph 6.50 of the Listing Requirements at all times;	To be complied
(b)	Ireka and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed RCPS Issuance;	To be complied

<b>No.</b>	<b>Condition</b>	<b>Status of compliance</b>
(c)	Ireka / Mercury Securities to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders of our Company at the EGM approving the Proposed RCPS Issuance prior to its implementation;	To be complied
(d)	Ireka and Mercury Securities to inform Bursa Securities upon the completion of the Proposed RCPS Issuance;	To be complied
(e)	Ireka and Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval prior to the implementation of the Proposed RCPS Issuance; and	To be complied
(f)	Ireka to furnish Bursa Securities on a quarterly basis a summary of the total number of new Ireka Shares listed pursuant to the conversion of the RCPS as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

(ii) the shareholders of our Company for the Proposals at the EGM to be convened; and

(iii) any other relevant authorities and/or parties, if required.

## **9. CONDITIONALITY OF THE PROPOSALS**

The Proposed RCPS Issuance and the Proposed Amendments are inter-conditional with each other.

The Proposals are not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.

## **10. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, there is no other corporate exercise/scheme which has been announced by our Company on Bursa Securities but pending completion as at the date of this Circular.

## **11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED**

None of the Directors, major shareholders and/or chief executive of our Company as well as persons connected with them has any direct or indirect interest in the Proposals.

## **12. DIRECTORS' STATEMENT / RECOMMENDATION**

Our Board, after having considered all aspects of the Proposals, including but not limited to the salient terms of the Subscription Agreement (which include the salient terms of the RCPS), the rationale for the Proposals and the effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company and the shareholders of our Company.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

### 13. TENTATIVE TIMEFRAME FOR COMPLETION

The tentative timetable for the implementation of the Proposals is as follows:

<b>Tentative timing</b>	<b>Event</b>
3 February 2022	EGM for the Proposals
Mid February 2022	<ul style="list-style-type: none"><li>• Fulfilment of the conditions precedent in respect of the 1<sup>st</sup> sub-tranche of Tranche 1 as set out in the Subscription Agreement</li><li>• Issuance of the 1<sup>st</sup> sub-tranche of Tranche 1</li></ul>
Mid February 2025	Maturity Date

Barring any unforeseen circumstances, the Proposed Amendments and the issuance of the RCPS under 1<sup>st</sup> sub-tranche of Tranche 1 are expected to be completed in the 1<sup>st</sup> quarter of 2022.

### 14. EGM

The notice convening the EGM and the Proxy Form are enclosed in this Circular, which, together with the Administrative Guide, are available at our Company's website at [www.ireka.com.my](http://www.ireka.com.my). The EGM will be conducted on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd on Thursday, 3 February 2022 at 10:30 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions to give effect to the Proposals.

You are advised to follow the procedures set out in the Administrative Guide to register, participate and vote remotely.

If you are unable to attend and vote remotely at the forthcoming EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete and deposit the Proxy Form in accordance with the instructions thereon so as to arrive at Boardroom Share Registrars Sdn Bhd's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodge completed the Proxy Form electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. The lodgement of the Proxy Form does not preclude you from attending and voting remotely at the forthcoming EGM should you subsequently wish to do so.

### 15. FURTHER INFORMATION

You are advised to refer to the enclosed appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**IREKA CORPORATION BERHAD**

**MOHD HASNUL ISMAR BIN MOHD ISMAIL**  
Group Managing Director

## SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

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### 1. Issuance and subscription of the RCPS

Our Company proposes to issue to the Subscriber up to 112,680,000 new RCPS at the Issue Price comprising 5 tranches of up to 22,536,000 RCPS for each tranche. The Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5 shall each comprise 20 equal sub-tranches of 1,126,800 RCPS. The RCPS shall entitle the holder thereof to the right to receive out of profits of our Company a cumulative preferential dividend at the rate of 2% per annum calculated based on the aggregate subscription price of the number of outstanding RCPS at the Issue Price, and on the terms and conditions set out in the Subscription Agreement, shall be convertible into new Ireka Shares which are listed on the Main Market of Bursa Securities. The minimum subscription amount of the RCPS to be subscribed by the Subscriber shall not be less than RM22,536,000.

#### 1.1 Issuance and subscription of Tranche 1

The Subscriber agrees to subscribe for, and our Company agrees to issue Tranche 1 at the Issue Price:

- (a) In respect of the 1<sup>st</sup> sub-tranche of Tranche 1, within 5 business days immediately after the last conditions set out in Section 3.1 of this Appendix is fulfilled or such other date as the parties may agree in writing, such date being the Issue Date for the 1<sup>st</sup> sub-tranche of Tranche 1; and
- (b) Subject to the Subscriber being in receipt of the subscription notice ("**Subscription Notice**"), thereafter, in respect of each of the subsequent sub-tranches of Tranche 1, on the targeted Issue Date as proposed by our Company in the Subscription Notice or such other date as the parties may agree in writing, such date being the Issue Date for such subsequent sub-tranche of Tranche 1.

For the avoidance of doubt, the Tranche 1 comprises the minimum subscription amount of the RCPS to be subscribed by the Subscriber of not less than RM22,536,000 and accordingly, the call for subscription of the Tranche 1 shall be entirely at the election of our Company and the acceptance by the Subscriber of the Subscription Notice in respect of the Tranche 1 shall not be required or applicable.

#### 1.2 Issuance and subscription of subsequent tranches of RCPS

- (a) Subject to the Subscriber's receipt and acceptance of the Subscription Notice issued by our Company, the Subscriber agrees to subscribe for, and our Company agrees to issue, the subsequent tranches of RCPS respectively at the Issue Price:
  - (i) in respect of the 1<sup>st</sup> sub-tranche of Tranche 2, Tranche 3, Tranche 4 and Tranche 5 respectively, within 5 business days immediately after the date of the Subscription Notice or such other date as the parties may agree in writing, such date being the Issue Date for the 1<sup>st</sup> sub-tranche of Tranche 2, Tranche 3, Tranche 4 and Tranche 5 respectively; and
  - (ii) thereafter, in respect of each subsequent sub-tranche of Tranche 2, Tranche 3, Tranche 4 and Tranche 5 respectively, on the targeted Issue Date as proposed by our Company in the Subscription Notice or such other date as the parties may agree in writing, such date being the Issue Date for such subsequent sub-tranche of Tranche 2, Tranche 3, Tranche 4 and Tranche 5 respectively.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)**

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- (b) The parties agree, notwithstanding any provisions in the Subscription Agreement, in respect of each subsequent sub-tranche of Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5 (other than the respective 1<sup>st</sup> sub-tranches):
  - (i) the Subscriber shall be entitled (at its election) to subscribe for each such subsequent sub-tranches of RCPS notwithstanding the preceding sub-tranche has yet to be converted by issuing to our Company a written request; and
  - (ii) our Company shall be obliged to issue each such sub-tranche of RCPS on or before the 5<sup>th</sup> business day on receipt of such written request issued by the Subscriber or such other date as the parties may agree in writing, such date being the Issue Date of such subsequent sub-tranche.

For avoidance of doubt, in respect of the 1<sup>st</sup> sub-tranche of the Tranche 2, Tranche 3, Tranche 4 and Tranche 5, subject to the acceptance by the Subscriber, our Company has the sole discretion to call upon the 1<sup>st</sup> sub-tranches of the subsequent tranches of RCPS notwithstanding the preceding sub-tranche of RCPS has yet to be converted.

- (c) Subject always to Section 1.2(b) and Section 3 of this Appendix, notwithstanding the preceding sub-tranche of RCPS has yet to be converted, the parties agree that the Subscriber shall be entitled (at its election) to subscribe for any sub-tranches of Tranche 1 including the last sub-tranche of Tranche 1 concurrently with the 1<sup>st</sup> sub-tranche of Tranche 2 and any subsequent sub-tranches thereof. The same mechanism shall apply accordingly to the subscription of any sub-tranches of Tranche 2, Tranche 3, Tranche 4 and Tranche 5 including its respective last sub-tranche concurrently with the 1<sup>st</sup> sub-tranche of Tranche 3, Tranche 4, Tranche 5 and any subsequent sub-tranches thereof, as the case may be.
- (d) In respect of the issuance and subscription of the subsequent sub-tranches of RCPS as set out in Section 1.2 of this Appendix above, subject to the acceptance by the Subscriber, any Subscription Notice issued by our Company will be accepted by the Subscriber in 3 business days of the receipt by the Subscriber of the Subscription Notice, failing which such Subscription Notice shall be deemed revoked and cease to have any force or effect.

**1.3 Cessation of our Company's issue obligations**

The parties agree and confirm that all the responsibilities, liabilities and obligations of our Company under the Subscription Agreement will cease to have any further effect:

- (a) in the event there are no outstanding RCPS on the Maturity Date, immediately after the Maturity Date;
- (b) in the event there are outstanding RCPS on the Maturity Date, after the full redemption of such outstanding RCPS by our Company in accordance with the terms of the Subscription Agreement;
- (c) after full and final conversion or redemption by our Company (as the case may be) of the last RCPS of the Tranche 5; or
- (d) in the event the Maximum Conversion Shares has been reached,

whichever is the earlier.

**2. Completion****2.1 Place**

Completion shall take place at the business office of our Company at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan, or such other place as the parties may agree in writing, on each Issue Date.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)**

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**2.2 Delivery of documents by our Company**

Our Company shall:

- (a) procure that the name of the Subscriber be entered into our Company's register of RCPS holders as holder of the relevant tranche or sub-tranche of the RCPS and deliver the applicable share certificate ("**Certificate**") duly affixed with the common seal of our Company to the Subscriber within 3 business days after each Issue Date;
- (b) on or before the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1, deliver the documents as set out in Section 3.1(e) of this Appendix to the Subscriber; and
- (c) if requested in writing by the Subscriber, on or before each Issue Date (other than the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1), deliver the documents as set out in Section 3.2(e) of this Appendix to the Subscriber.

**2.3 Payment by the Subscriber and our Company**

On each Issue Date against compliance, delivery and deposit of the documents and the Certificate, as the case may be, the Subscriber shall pay the relevant subscription moneys for the relevant sub-tranche of the RCPS to our Company by delivery of a cashier's order issued by a licensed bank in Malaysia and drawn in favour of our Company or via telegraphic transfer to an account stipulated by our Company in writing.

An administrative fee amounting to 2% of the aggregate subscription price of the RCPS subscribed for each of the sub-tranches, shall be payable to the Subscriber or the Subscriber's nominated agent for the subscription of each sub-tranche of the RCPS. Such administrative fee shall be paid concurrently with the payment of the subscription for each sub-tranche of the RCPS.

**2.4 Defer completion**

If any of the documents required to be delivered to the parties in such manner set out in this section are not forthcoming for any whatsoever reason save for unforeseen circumstances which is not within the parties' control or if in any other respect the foregoing provisions of this Section 2 (Completion) are not fully complied with or not waived by the party which has the benefit of the said provision, on or before the relevant Issue Date, the party which has the benefit of the said provision shall be entitled (in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages) to elect to either fix a new date for the relevant Issue Date, or to terminate the Subscription Agreement.

**3. Conditions precedent****3.1 Conditions precedent to the subscription of the 1<sup>st</sup> sub-tranche of Tranche 1**

The Subscriber shall not be obliged to subscribe and pay for, and our Company shall not be obliged to issue, the 1<sup>st</sup> sub-tranche of Tranche 1 unless the following conditions precedent have been satisfied:

- (a) on or before the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1, the approvals of shareholders of our Company for the Proposals shall have been obtained at a general meeting of our Company;
- (b) on or before the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1, all approvals for the transactions contemplated under the Subscription Agreement shall have been duly obtained;

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)**

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- (c) (i) all the representations, warranties, undertakings and covenants of the parties shall be accurate and correct in all respects; (ii) the parties shall have performed all of its undertakings or obligations thereunder to be performed on or before the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1; and (iii) there shall have been delivered to the Subscriber a certificate, dated as of that Issue Date, of 2 directors of our Company, to such effect;
- (d) all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents) having been obtained and remaining valid and subsisting as at the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1; and
- (e) there shall have been delivered to the Subscriber: -
  - (i) the documents listed in Schedule 1 of the Subscription Agreement;
  - (ii) certified true copies of (1) the resolutions of the directors of our Company; and (2) the resolutions of the shareholders of our Company (all duly certified in accordance with the Act);
  - (iii) certified true copies of the approvals (all duly certified in accordance with the Act); and
  - (iv) such other documents, opinions and certificates as the Subscriber may reasonably require and notify our Company at least 4 business days prior to the Issue Date.

**3.2 Conditions precedent to each of the respective closings of the remaining RCPS**

The Subscriber shall not be obliged to subscribe and pay for, and our Company shall not be obliged to issue any of the remaining sub-tranches of Tranche 1 to Tranche 5 unless the following conditions precedent have been satisfied on or prior to each applicable Issue Date in respect of such remaining sub-tranches:

- (a) the approvals of shareholders of our Company for the Proposals shall not have been amended, withdrawn, revoked, rescinded or cancelled;
- (b) all approvals for the transactions contemplated under the Subscription Agreement shall not have been amended, withdrawn, revoked, rescinded or cancelled on or prior to each subsequent Issue Date;
- (c) at each subsequent Issue Date, (i) all the representations, warranties, undertakings and covenants of the parties shall be accurate and correct in all material respects at, and as if made on that Issue Date; (ii) the parties shall have performed all of its undertakings or obligations thereunder to be performed on or before the respective Issue Date; and (iii) there shall have been delivered to the Subscriber a certificate, dated as of that Issue Date, of 2 directors of our Company, to such effect;
- (d) all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents) having been obtained and remaining valid and subsisting as at each subsequent Issue Date; and
- (e) there shall have been delivered to the Subscriber: -
  - (i) the documents listed in Schedule 1 of the Subscription Agreement; and
  - (ii) such other documents, opinions and certificates as the Subscriber may reasonably require and notify our Company at least 4 business days prior to the respective Issue Date.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)**

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**3.3 Waiver**

The Subscriber may at its discretion waive compliance with the whole or any part of Section 3 of this Appendix which are capable of being waived at any time in writing, provided always that any such waiver shall be without prejudice to the Subscriber's right to elect to treat any further or other such breach, failure or event as releasing and discharging them from their obligations to subscribe for the RCPS.

**3.4 Failure to fulfil the conditions precedent set forth in Section 3.1, Appendix I**

If any of the conditions set forth in the Section 3.1 of this Appendix above are not satisfied or waived by the Subscriber, if capable of being waived, on or before the date falling 6 months from the date of the Subscription Agreement ("**Fulfilment Date**") in respect of the 1<sup>st</sup> sub-tranche of Tranche 1, the Subscription Agreement shall *ipso facto* cease and the parties shall be released and discharged from their respective obligations under the Subscription Agreement except for (a) the liability of our Company for the payment of costs and expenses as provided in the Subscription Agreement; (b) the obligations of our Company pursuant to the indemnification clause under the Subscription Agreement; and (c) any antecedent breaches.

**3.5 Failure to fulfil the conditions precedent set forth in Section 3.2, Appendix I**

If any of the conditions set forth in Section 3.2 of this Appendix above are not satisfied or waived by the Subscriber, if capable of being waived, on or before the applicable Issue Date in respect of such sub-tranche of the RCPS, the Subscriber shall have the right to (a) fix a new Issue Date in respect of such sub-tranche of the RCPS subject to our Company's consent on the fixing of such new Issue Date; or (b) terminate the Subscription Agreement; or (c) elect not to proceed with completion of the subscription of such sub-tranche of the RCPS.

**4. TERMINATION****4.1 The Subscriber's ability to terminate**

Notwithstanding anything to the contrary of the Subscription Agreement, the Subscriber may at its absolute discretion, by notice to our Company terminate the Subscription Agreement at any time before the relevant Issue Date when payment would otherwise be due under Section 2 of this Appendix, in any of the following circumstances:

- (a) there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations, warranties, undertakings and covenants given by our Company as set forth in the Subscription Agreement or the failure to perform any of our Company's undertakings or obligations under the Subscription Agreement; or
- (b) if any of the conditions specified in Sections 3.1 or 3.2 of this Appendix has not been satisfied to the satisfaction of the Subscriber or waived by the Subscriber, as the case may be; or
- (c) pursuant to Section 2 and/or Section 3 of this Appendix; or
- (d) if:
  - (i) there shall have been any Material Adverse Change<sup>(1)</sup>; or
  - (ii) there shall have been an imposition of a new legal or regulatory restriction not in effect on the date thereof, or any change in the interpretation of existing legal or regulatory restrictions, that materially and adversely affects the ability of our Company, to perform its obligations under the Subscription Agreement, or the offering, sale or delivery of the RCPS or the Conversion Shares; or



**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)**

- (e) an event of default shall have occurred in respect of any preference shares, notes, debentures, bonds or other similar securities of our Company or any subsidiary issued and outstanding; or
- (f) there shall have been a suspension, or material limitation of, trading of any shares of our Company by the Main Market of Bursa Securities for 3 consecutive business days; or
- (g) there shall have been a delisting or an order for delisting or a threatened delisting of our Company from the Main Market of Bursa Securities; or
- (h) an Event of Default (as defined and set out in **Appendix II** of this Circular) has occurred; or
- (i) any of the approvals, consents or waivers obtained by our Company pursuant to Sections 3.1 and 3.2 of this Appendix are amended, withdrawn, revoked, rescinded or cancelled prior to the relevant Issue Date for each sub-tranche of the RCPS (other than the 1<sup>st</sup> sub-tranche of Tranche 1) or, where any of such approvals, consents or waivers were obtained subject to any conditions which were required to be fulfilled on or before each such applicable Issue Date but they were not fulfilled.

Notwithstanding to the aforesaid, the Subscriber shall allow our Company a period of 30 calendar days calculating from the date of receipt of the Subscriber's notice ("**Company Rectification Notice**") by our Company to remedy the relevant circumstances, if the relevant circumstance is capable of being remedied (in the reasonable opinion of the Subscriber), subject to the relevant Issue Date being deferred accordingly.

**Note:**

*Pursuant to the Subscription Agreement, "Material Adverse Change" refers to any substantial adverse change, or any adverse development involving a prospective substantial or material change, in the condition, financial or otherwise, or in the earnings, business or operations, or affecting the properties, of our Company or any of its subsidiaries, taken as a whole, which results in a reduction of the net tangible assets or sales of our Company of 20% or more in comparison with the net tangible assets or sales of our Company as disclosed in the audited accounts, provided that none of the following shall constitute a Material Adverse Change:*

- (a) *any occurrence, condition, change, event or effect resulting from or relating to changes in general economic conditions or financial market conditions (whether relating to equity, debt or currencies);*
- (b) *the occurrence of any natural disasters, pandemics and acts of terrorism, except in the event, and only to the extent, of any damage or destruction to or loss of the physical properties of our Company;*
- (c) *any occurrence, condition, change, event or effect resulting from or relating to:*
  - (i) *the announcement of the subscription arrangement pursuant to the terms of the Subscription Agreement;*
  - (ii) *compliance by any party with the terms of the Subscription Agreement; and*
  - (iii) *actions made by any party which are expressly contemplated and permitted by the Subscription Agreement, or if not so permitted, otherwise consented to by the parties in writing; and*
- (d) *any change in laws, regulations, rules or administrative practices of any governmental authority except where such change shall affect the parties' performance of respective obligations under the Subscription Agreement.*

**4.2 Consequences of termination**

Upon the lapse of our Company Rectification Notice, in accordance with Section 4.1 of this Appendix, should our Company fail to remedy and rectify the relevant circumstances:

- (a) subject to mutual agreement, all outstanding RCPS shall immediately become redeemable under the Event of Default Redemption;

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)**

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- (b) the Subscription Agreement shall terminate and be of no further effect save that our Company shall remain liable for its obligations under any RCPS which have become due and payable, the payment of all costs and expenses referred in the Subscription Agreement already incurred or incurred in consequence of such termination, and the respective obligations of the parties under the Subscription Agreement which would have continued had the arrangements for the issuance and subscription of the RCPS been completed shall continue and any antecedent breaches by any parties; and
- (c) each party shall cease to have further rights or obligations under the Subscription Agreement provided that such termination shall be without prejudice to any rights of the Subscriber which may have accrued prior to such termination.

For the avoidance of doubt, nothing therein shall affect the RCPS or the Conversion Shares already issued to the Subscriber pursuant to the Subscription Agreement and the obligations of our Company to the Subscriber in respect of such RCPS or the Conversion Shares under the Subscription Agreement or otherwise, those provisions shall continue to survive termination.

**4.3 Our Company's ability to terminate**

Notwithstanding anything to the contrary of the Subscription Agreement, our Company may at its absolute discretion, by notice to the Subscriber terminate the Subscription Agreement in any of the following circumstances:

- (a) there shall have come to the notice of our Company any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations, warranties, undertakings and covenants set forth in the Subscription Agreement or the failure to perform any of the Subscriber's undertakings or obligations under the Agreement; or
- (b) there shall have been an imposition of a new legal or regulatory restriction not in effect on the date thereof, or any change in the interpretation of existing legal or regulatory restrictions, that materially and adversely affects the ability of the Subscriber, to perform its obligations under the Subscription Agreement, or the subscription of the RCPS or the conversion of the RCPS into the Conversion Shares; or
- (c) any of the approvals, consents or waivers obtained by our Company pursuant to Section 3 of this Appendix are amended in such manner that they cease to permit the issue of the RCPS to the Subscriber, withdrawn, revoked, rescinded or cancelled prior to the relevant Issue Date for each sub-tranche of the RCPS (other than the 1<sup>st</sup> sub-tranche of Tranche 1) or, where any of such approvals, consents or waivers were obtained subject to any conditions which were required to be fulfilled on or before each such applicable Issue Date but they were not fulfilled.

Notwithstanding to the aforesaid, our Company shall allow the Subscriber a period of 30 calendar days calculating from the date of receipt of our Company's notice ("**Subscriber Rectification Notice**") by the Subscriber to remedy the relevant circumstances, if the relevant circumstance is capable of being remedied (in the reasonable opinion of our Company), subject to the relevant Issue Date being deferred accordingly.

**4.4 Consequences of termination**

Upon the lapse of the Subscriber Rectification Notice, in accordance with Section 4.3 of this Appendix, should the Subscriber fail to remedy and rectify the relevant circumstances:

- (a) all outstanding RCPS shall if not being converted by the Subscriber at the Conversion Price within 3 days from the lapse of the Subscriber Rectification Notice become redeemable under the Non-Event of Default Redemption;

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT** *(Cont'd)*

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- (b) the Subscription Agreement shall terminate and be of no further effect save that the respective obligations of the parties under the Subscription Agreement which would have continued had the arrangements for the issuance and subscription of the RCPS been completed shall continue and any antecedent breaches by any parties; and
- (c) each party shall cease to have further rights or obligations under the Subscription Agreement provided that such termination shall be without prejudice to any rights of our Company which may have accrued prior to such termination.

For the avoidance of doubt, nothing therein shall affect the RCPS or the Conversion Shares already issued to the Subscriber pursuant to the Subscription Agreement and the obligations of our Company to the Subscriber in respect of such RCPS or the Conversion Shares under the Subscription Agreement or otherwise, those provisions shall continue to survive termination.

**4.5 Specific performance**

Notwithstanding the foregoing provisions of Section 4 of this Appendix, our Company shall be at liberty to take such action in law as may be necessary to compel the Subscriber by way of specific performance to complete the transactions contemplated in the Subscription Agreement (in which case the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default of the Subscriber in the performance of the terms and condition therein).

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**SALIENT TERMS OF THE RCPS**

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The salient terms of the RCPS pursuant to the Subscription Agreement are as follows:

- Issuer** : Ireka
- Issue size** : Up to RM112.68 million by way of issuance of up to 112,680,000 RCPS in 5 tranches as follows:
- (a) Tranche 1 comprising up to 22,536,000 RCPS with an aggregate principal amount of up to RM22,536,000 comprising 20 equal sub-tranches of RM1,126,800 each;
  - (b) Tranche 2 comprising up to 22,536,000 RCPS with an aggregate principal amount of up to RM22,536,000 comprising 20 equal sub-tranches of RM1,126,800 each;
  - (c) Tranche 3 comprising up to 22,536,000 RCPS with an aggregate principal amount of up to RM22,536,000 comprising 20 equal sub-tranches of RM1,126,800 each;
  - (d) Tranche 4 comprising up to 22,536,000 RCPS with an aggregate principal amount of up to RM22,536,000 comprising 20 equal sub-tranches of RM1,126,800 each; and
  - (e) Tranche 5 comprising up to 22,536,000 RCPS with an aggregate principal amount of up to RM22,536,000 comprising 20 equal sub-tranches of RM1,126,800 each
- The minimum subscription amount of the RCPS to be subscribed by the Subscriber shall not be less than RM22,536,000.
- Issue Price** : RM1.00 per RCPS.
- Form and denomination** : The RCPS will be issued in registered form and constituted by the Constitution.
- Transferability** : The RCPS are not transferable and nor tradeable.
- Tenure** : Up to 36 months commencing from and inclusive of the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1 up to the Maturity Date
- Maturity Date** : The business day immediately before the 3<sup>rd</sup> anniversary of the date of Issue Date of 1<sup>st</sup> sub-tranche of Tranche 1

**SALIENT TERMS OF THE RCPS (Cont'd)**

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**Dividend** : The RCPS shall carry the right to receive out of profits of our Company a cumulative preferential dividend at the rate of 2% per annum calculated based on the aggregate subscription price of the RCPS at the Issue Price, to be calculated as follows:

$$2\% \text{ per annum} \times N \times P \times (D/365)$$

where:

"N" is the number of outstanding RCPS

"P" is the Issue Price

"D" is the number of days elapsed since the relevant Issue Date for the RCPS

The preferential dividends shall be payable to the holder of RCPS semi-annually within 14 days from the date of 30 June and 31 December each calendar year. No dividends shall be paid on the Ireka Shares unless the dividends on the RCPS have been first paid.

The RCPS shall cease to bear dividend (a) upon the conversion of the RCPS into Conversion Shares, or (b) from the due date for redemption hereof, unless, upon due redemption hereof, payment of principal is improperly withheld or refused or default is otherwise made in respect of any such payment and, in such event, dividend will continue to accrue from the date of such withholding, refusal or default at the said rate up to but excluding the date on which payment in full of the principal thereof is made.

**Conversion Rights** : Subject to and upon compliance with the conditions in the Subscription Agreement, the RCPS may be converted into the duly authorised, validly issued, fully paid and unencumbered Conversion Share(s) based on the Conversion Price, at any time during the Conversion Period.

The Conversion Rights confer the holder of RCPS the right to convert the RCPS into Conversion Share(s) which will be subject to adjustments from time to time at the determination of our Board in consultation with the approved advisers and certified by the auditors of our Company, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution.

Any fractions of a share will be disregarded and not be issued on conversion, the Ireka Shares shall be issued to the nearest whole Ireka Share and no adjustment or cash payment will be made in respect thereof.

**Conversion Period** : The period from and including the respective dates on which they are issued and registered in accordance with the Subscription Agreement up to the close of business (at the place where the RCPS is deposited for conversion, namely, Malaysia) on the day falling 7 days prior to the Maturity Date.

Notwithstanding the above, our Company may from time to time give not more than 35 days' and not less than 14 days' written notice to all holder of RCPS specifying a period being not more than 3 business days commencing on the expiry of the notice during which the RCPS will not be convertible, provided always that the aggregate of the days on which the RCPS are not convertible shall not exceed 12 business days in any calendar year.

**SALIENT TERMS OF THE RCPS (Cont'd)**

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- Conversion upon maturity** : Subject to:
- (a) the Non-Event of Default Redemption, Conversion Downside Redemption and Event of Default Redemption; and
  - (b) the Conversion Cap,
- any remaining outstanding RCPS must be converted into Conversion Shares on the Maturity Date unless our Company exercises its rights in respect of the Non-Event of Default Redemption prior to the Maturity Date, together with payment by our Company of all accumulated and unpaid dividend accrued on the converted RCPS.
- Conversion Price** : The price at which each Conversion Share shall be issued upon conversion of the RCPS shall be 88% of the average daily Closing Price on any 3 consecutive business days during the 10 business days immediately preceding the relevant conversion date of the RCPS, subject to the Minimum Conversion Price and subject to the adjustments in the manner provided in the Subscription Agreement.
- The Conversion Price shall be rounded to 3 decimal places with 0.0005 or higher being rounded upwards.
- The RCPS may be converted into Conversion Share(s) whereby the number of Conversion Share(s) arising from such conversion will be determined by dividing the aggregate principal amount of the RCPS presented for conversion with the Conversion Price. All RCPS which are converted shall be cancelled by our Company and shall not be reissued and sold.
- If the Conversion Price is less than the Minimum Conversion Price, the Conversion Price for each Conversion Share shall be equal to the Minimum Conversion Price.
- Minimum Conversion Price** : RM0.40

**SALIENT TERMS OF THE RCPS (Cont'd)**

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**Conversion Cap** : The extent of conversion of RCPS by the Subscriber shall be capped such that its resultant ordinary shareholding in our Company shall not exceed 20% of the enlarged number of issued ordinary shares of our Company at any point in time following any exercises of Conversion Rights.

Further, the Subscriber represents that it is subscribing for the RCPS for investment purposes only and has no intention of influencing the management or exercising control over our Company, including via the appointment of any nominee to our Board.

The Subscriber agrees the following:

- (a) that there will be no conversion of the RCPS by the Subscriber such that the Subscriber becomes a controlling shareholder of our Company within the meaning of the Main Market Listing Requirements and/or the Capital Market and Services Act 2007 without the prior approval of the shareholders of our Company at a general meeting and in compliance with the Malaysian Code on Take-Overs and Mergers 2016 ("**Take-Overs Code**") and the Rules on Take-overs, Mergers and Compulsory Acquisitions of Malaysia ("**Rules**"), and
- (b) not to hold more than 20% interest in the total number of issued ordinary shares of our Company, at any time and from time to time without the prior approval of our Company.

Without limitation to the foregoing, the Subscriber undertakes not to convert or permit to be converted the RCPS in such a manner that shall give rise to an obligation on the part of the Subscriber or persons acting in concert with it to undertake a mandatory general offer under the Take-Overs Code or the Rules.

**Non-Event Default Redemption** of : Subject to and in accordance with Section 72 of the Act, our Company may at any time before the Maturity Date redeem all or any part of the RCPS which have been issued and remain outstanding at the Non-Default Redemption Amount.

Any remaining RCPS which are not converted due to a breach of the Conversion Cap by our Company on the Maturity Date shall be redeemed by our Company at the Non-Default Redemption Amount.

**Non-Default Redemption Amount** : 115% of the aggregate subscription price of the RCPS together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed.

**Redemption Period** : The period from and including the respective Issue Date up to the Maturity Date.

**SALIENT TERMS OF THE RCPS (Cont'd)**

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**Conversion  
Downside  
Redemption**

: If, on presentation of any RCPS for conversion at the Conversion Downside Price (i.e., Conversion Price which is less than or equal to 65% of the average of the daily traded volume weighted average price per Ireka Share (information as may be extracted and monitored by our Company or its appointed representative from reliable source) for 30 consecutive business days prior to the relevant Issue Date in respect of each 1<sup>st</sup> sub-tranche of the respective tranches of the RCPS), our Company may:

- (a) redeem such RCPS (and only such RCPS) presented by the holder of RCPS to our Company for conversion in cash at an amount calculated in accordance with the formula for the Conversion Redemption Amount as set out below by giving notice of the same to the relevant holder of RCPS; or
- (b) negotiate with the holder of RCPS to convert such RCPS at a later date; or
- (c) to opt to redeem such RCPS at Maturity Date.

All RCPS which are bought back, redeemed or converted will forthwith be cancelled by our Company and shall not be reissued or resold.

**Conversion  
Redemption  
Amount**

: The Conversion Redemption Amount shall be calculated in accordance with the following formula:

$$R = N \times \{P + [8\% \times P \times (D/365)] + I\}$$

where:

“R” = the Conversion Redemption Amount.

“D” = the number of days elapsed since the relevant Issue Date in respect of each sub-tranche of the RCPS.

“N” = the number of RCPS presented for conversion.

“P” = the Issue Price.

“I” = the remaining accumulated and unpaid dividend accrued on the RCPS presented for conversion.

The Conversion Downside Price will be subject to adjustment in the manner provided in the Adjustments to Conversion Price / Conversion Downside Price section.



**SALIENT TERMS OF THE RCPS (Cont'd)**

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**Adjustments to Conversion Price / Conversion Downside Price** : The Conversion Price is subject to any applicable adjustments as set out in the Subscription Agreement. If, during any period in which the Conversion Price is being determined, an event has occurred including, without limitation, where our Company shall (i) make a stock split, (ii) consolidate its outstanding shares into a smaller number of shares, or (iii) re-classify any of its shares into other securities of our Company, such that the Closing Price before and after such event does not represent the same economic and financial participation that a shareholder of our Company would have had without the occurrence of such an event, then the Conversion Price shall at the determination of our Board be adjusted to reflect the impact of such an event in such a manner as Bloomberg L.P. or an independent reputable bank or a reputable firm of investment advisers licensed by the Securities Commission Malaysia would.

Such bank or firm may be agreed between our Company and the Subscriber or, if not so agreed, our Company and the Subscriber shall agree to a bank or firm as nominated by the Malaysia Institute of Accountants which it deems is fair and reasonable to make such changes to the Conversion Price / Conversion Downside Price.

**Event of Default Redemption** : In the event of the occurrence of any Events of Default as set out in the Subscription Agreement, subject to and in accordance with Section 72 of the Act, any outstanding RCPS may, by notice in writing given to our Company at the principal place of business of our Company by the holder of RCPS at its discretion, be declared redeemable whereupon such RCPS shall be redeemed at the Default Redemption Amount without further formality within 30 days from lapse of our Company Rectification Notice and failure on the part of our Company to remedy and rectify the circumstances (“**EOD Redemption Period**”) and default interest shall accrue on such amount on a daily basis after the expiry of the EOD Redemption Period at the rate of 8% per annum up to and including the date which the Subscriber receives full payment of the Default Redemption Amount, together with the accrued default interest.

**Default Redemption Amount** : 118% of its aggregate subscription price of the RCPS

**Events of default** : Any of the following events for so long as there are any outstanding RCPS following the completion of the subscription of the relevant tranches or sub-tranches on their respective Issue Date:

- (a) for so long as there are any RCPS outstanding, any of the approvals required to be obtained by our Company under the Subscription Agreement are not obtained or are amended in such manner that they cease to permit the issue of the RCPS to the Subscriber, withdrawn, revoked, rescinded or cancelled;
- (b) where any of the approvals required to be obtained by our Company under the Subscription Agreement were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled;
- (c) there is a default in any payment by our Company pursuant to the terms of the Subscription Agreement;

## SALIENT TERMS OF THE RCPS (Cont'd)

- Events of default (Cont'd)** :
- (d) there is default by our Company in the payment of the Non-Default Redemption Amount, Default Redemption Amount or dividend in respect of the RCPS or any of them when due in accordance with the terms and conditions of the Subscription Agreement and such default is not remedied by our Company within 10 business days from the due date of such payment;
  - (e) there is default by our Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue shares arising from the conversion of the RCPS as and when the holder of RCPS exercise their Conversion Rights) contained in the Subscription Agreement and on its part to be performed or observed (other than the covenant to pay the principal and dividend in respect of any of the RCPS) and such default continues for the period of 10 business days next following the service by any holder of RCPS on our Company of notice requiring the same to be remedied;
  - (f) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of over RM20 million or the equivalent in any other currency or currencies ("**Indebtedness**") of our Company or any of the subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or our Company or any of the subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of over RM20 million given by our Company or any of the subsidiaries shall not be honoured when due and called upon;
  - (g) a resolution is passed or an order of a court of competent jurisdiction is made that our Company be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation which is approved by the shareholders of our Company, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of our Company, as the case may be, under the RCPS;
  - (h) a resolution is passed or an order of a court of competent jurisdiction is made that any subsidiary be wound up or dissolved otherwise than:
    - (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (h)(ii) below) the terms of which have previously been approved in writing by holder of RCPS holding 51% or more of the outstanding RCPS;
    - (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into our Company or another subsidiary of our Company; or

**SALIENT TERMS OF THE RCPS (Cont'd)**

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- Events of default (Cont'd)** :
- (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary and such surplus assets attributable to our Company and/or any subsidiary are distributed to our Company and/or such subsidiary;
  - (i) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of our Group;
  - (j) if: -
    - (i) our Company or any subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due;
    - (ii) our Company or any subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (g) or (h) above) ceases or through an official action of our Board or any subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on our Group;
  - (k) proceedings shall have been initiated against our Company or any subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 10 business days;
  - (l) our Company or any subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of insolvency or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable winding up, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a material adverse effect on our Group;
  - (m) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of our Company or any subsidiary, which is material in its effect upon the operations of either our Company or such subsidiary, as the case may be, and is not discharged within 10 business days thereof;
  - (n) the delisting of the Ireka Shares on the Main Market of Bursa Securities or a suspension of trading of such Ireka Shares on the Main Market of Bursa Securities for a period of 5 consecutive business days or more at any time during the term of the Subscription Agreement;
  - (o) the ratio of borrowings to net worth exceeds 6 times;
  - (p) the net worth is less than 25% of the total issued and paid-up capital of our Company; or

**SALIENT TERMS OF THE RCPS (Cont'd)**

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**Events of default (Cont'd)** : (q) any credit facilities granted to our Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on our Group.

(collectively referred to as the “**Events of Default**” or any single one of them as “**Event of Default**”)

Notwithstanding the above, the Subscriber has the discretion to waive any Event of Default should it think fits.

**Priority on liquidation and return of capital** : In the event of liquidation, winding up or other return of capital of our Company, the holder of RCPS shall have priority in the repayment of capital (based on the Issue Price) together with any arrears of any declared but unpaid dividend on a cumulative basis calculated to the date of such repayment over holders of Ireka Shares with respect to any net proceeds from liquidation of our Company after payments to all the creditors of our Company, whether secured or unsecured.

The holder of RCPS shall not be entitled to participate in any surplus assets or profits as may become available after the repayment of capital (based on the Issue Price) together with any arrears of any declared but unpaid dividend on a cumulative basis calculated to the date of such repayment.

For the purposes of this provision, the following events shall be deemed to be an event of liquidation:

- (a) a merger or consolidation of our Company with or into any other corporation(s) in which holders of our Company's issued shares immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain shares representing a majority of the voting power of the surviving corporation or holding company, as the case may be, of such consolidation or merger; or
- (b) a sale, lease, transfer, exclusive licence or other disposition of all or substantially all of our Company's assets.

**Replacement of certificates** : Should any Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced by our Company, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity (which shall require, *inter alia*, that, if the allegedly lost, stolen or destroyed Certificate is subsequently surrendered for redemption or is subsequently repurchased by our Company or any subsidiary, there shall be paid to our Company on demand the principal amount of such RCPS represented by such Certificate) as our Company may reasonably require.

Mutilated or defaced Certificates must be surrendered before replacements will be issued.

**SALIENT TERMS OF THE RCPS (Cont'd)**

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**Rights to receive notices and voting rights** : The RCPS shall have the right to receive notices of but shall carry no right to vote at any general meeting of our Company except with regard to any proposal to reduce the capital of our Company, to dispose of the whole of our Company's property, business and/or undertakings, to wind-up our Company, at any time during the winding-up of our Company and on any proposal that affects the rights attached to the RCPS.

In any such case, the holder of RCPS shall be entitled to vote together with the ordinary shareholders of our Company and shall have 1 vote for each RCPS held.

The RCPS shall entitle a holder of RCPS to 1 vote at any class meeting in relation to any proposal by our Company to vary or abrogate the rights of RCPS as stated in the Constitution. In all class meetings, each RCPS shall entitle the holder of RCPS to 1 vote.

**Ranking of RCPS** : The RCPS are unsecured and shall upon allotment and issuance, rank *pari passu* in all respect amongst themselves and any such class of shares ranking *pari passu* with the RCPS which have been issued or may be issued by our Company in the future and in priority to the ordinary shares and any other class of securities which by its terms rank junior to the RCPS.

Save for the Dividend, the holder of RCPS shall not be entitled the right to receive bonuses and other distributions made by our Company.

**Ranking of Conversion Shares** : The Conversion Shares shall upon issue and allotment, be listed on the Main Market of Bursa Securities and rank *pari passu* in all respects with the then existing Ireka Shares, save and except that the Conversion Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Conversion Shares.

**Administrative Fee** : An administrative fee amounting to 2% of the aggregate subscription price of the RCPS subscribed for each of the sub-tranches is payable to the Subscriber or its nominated agent for the subscription of each sub-tranche of the RCPS. Such administrative fee shall be paid concurrently with the payment by the Subscriber of the subscription for each sub-tranche of the RCPS.

**Listing** : The RCPS shall not be listed on any stock exchange.

The Conversion Shares shall upon allotment pursuant to conversion of the RCPS be listed on the Main Market of Bursa Securities.

**Governing law** : Laws of Malaysia.

**DETAILS ON THE PROPOSED AMENDMENTS**

The Constitution shall be amended in the following manner to reflect and incorporate the salient terms of the RCPS as follows:

- (i) By inserting the following new definition in the existing Clause 8 of the Constitution:

Existing provisions	Proposed amendments
-	RCPS      The new 2% cumulative redeemable convertible preference shares of the Company which are subject to the terms and conditions set out in Clause 11A of this Constitution.

- (ii) By amending the existing Clause 11 of the Constitution as follows:

Existing provisions	Proposed amendments
<p><b><u>Clause 11</u></b></p> <p>Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:</p> <p>(a) the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending meeting of Members of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the Company's share capital, or on a proposal to wind up the Company, or sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges attached to the share, or when the dividend or part of the dividend on such shares is in arrears for more than six (6) months and during the winding up of the Company;</p> <p>(b) the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up;</p> <p>(c) the Company shall not, without the consent of the existing preference members at a class meeting, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith; and</p> <p>(d) any preference share may subject to conversion, with the sanction of an ordinary resolution</p>	<p><b><u>Clause 11</u></b></p> <p>Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:</p> <p>(a) the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending meeting of Members of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the Company's share capital, or on a proposal to wind up the Company, or sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges attached to the share;</p> <p>(b) the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up;</p> <p>(c) the Company shall not, without the consent of the existing preference members at a class meeting, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith; and</p> <p>(d) any preference share may subject to conversion, with the sanction of an ordinary resolution</p>

**DETAILS ON THE PROPOSED AMENDMENTS** (Cont'd)

(iii) By inserting a new Clause 11A after Clause 11 in the Constitution as follows:

Existing provisions	Proposed amendments																				
-	<p><b>Clause 11A</b></p> <p>In this Constitution, if not consistent with the subject or context, the words stated in the first column of the following table shall bear the meaning set opposite to them respectively in the second column:</p> <table> <tr> <td>Bursa Securities</td><td>Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].</td></tr> <tr> <td>Business Day</td><td>a day other than a Saturday, Sunday or gazetted public holiday on which Bursa Securities is open for trading.</td></tr> <tr> <td>Certificate</td><td>the share certificate evidencing ownership in respect of the RCPS.</td></tr> <tr> <td>Closing Price</td><td>in respect of a Share, on any particular Business Day, the closing price of the Shares traded on the Main Market of Bursa Securities for one Share on that day provided that in the event that there has been no trading in the Shares on that day, the "<b>Closing Price</b>" shall mean the closing price of the Shares on the preceding Business Day on which there was trading in the Shares and provided further that in the event that trading in the Shares is suspended, the "<b>Closing Price</b>" shall mean the last traded price of the Shares on the Business Day immediately prior to such suspension.</td></tr> <tr> <td>Conversion Cap</td><td>shall have the meaning given in Clause 11A(11).</td></tr> <tr> <td>Conversion Downside Redemption</td><td>shall have the meaning given in Clause 11A(14).</td></tr> <tr> <td>Conversion Period</td><td>shall have the meaning given in Clause 11A(8).</td></tr> <tr> <td>Conversion Price</td><td>shall have the meaning given in Clause 11A(10).</td></tr> <tr> <td>Conversion Redemption Amount</td><td>shall have the meaning given in Clause 11A(15).</td></tr> <tr> <td>Conversion Rights</td><td>shall have the meaning given in Clause 11A(7).</td></tr> </table>	Bursa Securities	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].	Business Day	a day other than a Saturday, Sunday or gazetted public holiday on which Bursa Securities is open for trading.	Certificate	the share certificate evidencing ownership in respect of the RCPS.	Closing Price	in respect of a Share, on any particular Business Day, the closing price of the Shares traded on the Main Market of Bursa Securities for one Share on that day provided that in the event that there has been no trading in the Shares on that day, the " <b>Closing Price</b> " shall mean the closing price of the Shares on the preceding Business Day on which there was trading in the Shares and provided further that in the event that trading in the Shares is suspended, the " <b>Closing Price</b> " shall mean the last traded price of the Shares on the Business Day immediately prior to such suspension.	Conversion Cap	shall have the meaning given in Clause 11A(11).	Conversion Downside Redemption	shall have the meaning given in Clause 11A(14).	Conversion Period	shall have the meaning given in Clause 11A(8).	Conversion Price	shall have the meaning given in Clause 11A(10).	Conversion Redemption Amount	shall have the meaning given in Clause 11A(15).	Conversion Rights	shall have the meaning given in Clause 11A(7).
Bursa Securities	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].																				
Business Day	a day other than a Saturday, Sunday or gazetted public holiday on which Bursa Securities is open for trading.																				
Certificate	the share certificate evidencing ownership in respect of the RCPS.																				
Closing Price	in respect of a Share, on any particular Business Day, the closing price of the Shares traded on the Main Market of Bursa Securities for one Share on that day provided that in the event that there has been no trading in the Shares on that day, the " <b>Closing Price</b> " shall mean the closing price of the Shares on the preceding Business Day on which there was trading in the Shares and provided further that in the event that trading in the Shares is suspended, the " <b>Closing Price</b> " shall mean the last traded price of the Shares on the Business Day immediately prior to such suspension.																				
Conversion Cap	shall have the meaning given in Clause 11A(11).																				
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Conversion Rights	shall have the meaning given in Clause 11A(7).																				

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	Conversion Share(s) the new ordinary shares of the Company in the capital of the Company to be allotted and issued by the Company to the holder of RCPS upon the conversion of the RCPS
	Default Redemption Amount shall have the meaning given in Clause 11A(17)(b).
	Dividend shall have the meaning given in Clause 11A(6).
	Events of Default shall have the meaning given in Clause 11A(18).
	Event of Default Redemption shall have the meaning given in Clause 11A(17)(a).
	Issue Date in respect of each sub-tranche of the RCPS, the date on which such sub-tranche of the RCPS is subscribed for and issued
	Issue Price RM1.00 per RCPS.
	Group Collectively, the Company and its subsidiaries
	Holder of RCPS a holder of the RCPS
	Maturity Date shall have the meaning given in Clause 11A(5).
	Minimum Conversion Price RM0.40 per RCPS.
	Non-Default Redemption Amount shall have the meaning given in Clause 11A(12)(b).
	Non-Event of Default Redemption shall have the meaning given in Clause 11A(12)(a).
	Redemption Period shall have the meaning given in Clause 11A(13).
	Rules on Take-overs Rules on Take-overs, Mergers and Compulsory Acquisitions of Malaysia
	Shares ordinary shares in the Company and <b>"Share"</b> will be construed accordingly.
	Take-Overs Code Malaysian Code on Take-Overs and Mergers 2016
	Tranche 1 the first tranche of the RCPS



## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>The RCPS shall be issued on the following terms and confer on the Holders of RCPS the following rights and privileges and be subject to the following conditions:</p> <p>(1) <u>Issue size</u></p> <p>The issue size of the RCPS together with the manner of issuance of RCPS in tranches and/or sub-tranches (as may be required) shall be determined by the Board at its absolute discretion.</p> <p>(2) <u>Form and denomination</u></p> <p>The RCPS will be issued in registered form and constituted by this Constitution.</p> <p>(3) <u>Transferability</u></p> <p>The RCPS are not transferable and not transferable.</p> <p>(4) <u>Tenure</u></p> <p>The tenure of the RCPS shall be up to thirty-six (36) months commencing from and inclusive of the Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1 up to the Maturity Date.</p> <p>(5) <u>Maturity Date</u></p> <p>The Maturity Date shall be the Business Day immediately before the 3<sup>rd</sup> anniversary of the date of Issue Date of the 1<sup>st</sup> sub-tranche of Tranche 1.</p> <p>(6) <u>Dividend</u></p> <p>The RCPS shall carry the right to receive out of profits of the Company a cumulative preferential dividend at the rate of 2% per annum calculated based on the aggregate subscription price of the RCPS at the Issue Price, to be calculated as follows:</p> $2\% \text{ per annum} \times N \times P \times (D/365)$ <p>where:  "N" is the number of outstanding RCPS  "P" is the Issue Price  "D" is the number of days elapsed since the relevant Issue Date for the RCPS</p> <p>The preferential dividends shall be payable to the Holder of RCPS semi-annually within fourteen (14) days from the date of 30 June and 31 December each calendar year. No dividends shall be paid on the Shares unless the dividends on the RCPS have been first paid.</p> <p>The RCPS shall cease to bear dividend (a) upon the conversion of the RCPS into Conversion Shares, or (b) from the due date for redemption hereof, unless,</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>upon due redemption hereof, payment of principal is improperly withheld or refused or default is otherwise made in respect of any such payment and, in such event, dividend will continue to accrue from the date of such withholding, refusal or default at the said rate up to but excluding the date on which payment in full of the principal thereof is made.</p> <p>(7) <u>Conversion Rights</u></p> <p>The RCPS may be converted into the duly authorised, validly issued, fully paid and unencumbered Conversion Share(s) based on the Conversion Price, at any time during the Conversion Period.</p> <p>The Conversion Rights confer the Holder of RCPS the right to convert the RCPS into Conversion Share(s) which will be subject to adjustments from time to time at the determination of the Board in consultation with the approved advisers and certified by the auditors of the Company, in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of this Constitution.</p> <p>Any fractions of a share will be disregarded and not be issued on conversion, the Shares shall be issued to the nearest whole Share and no adjustment or cash payment will be made in respect thereof.</p> <p>(8) <u>Conversion Period</u></p> <p>The Conversion Period shall be the period from and including the respective dates on which the RCPS are issued and registered up to the close of business (at the place where the RCPS is deposited for conversion, namely, Malaysia) on the day falling seven (7) days prior to the Maturity Date.</p> <p>Notwithstanding the above, the Company may from time to time give not more than thirty-five (35) days' and not less than fourteen (14) days' written notice to all Holders of RCPS specifying a period being not more than three (3) Business Days commencing on the expiry of the notice during which the RCPS will not be convertible, provided always that the aggregate of the days on which the RCPS are not convertible shall not exceed twelve (12) business days in any calendar year.</p> <p>(9) <u>Conversion upon maturity</u></p> <p>Subject to:</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>(a) the Non-Event of Default Redemption, Conversion Downside Redemption and Event of Default Redemption; and</p> <p>(b) the Conversion Cap,</p> <p>any remaining outstanding RCPS must be converted into Conversion Shares on the Maturity Date unless the Company exercises its rights in respect of the Non-Event of Default Redemption prior to the Maturity Date, together with payment by the Company of all accumulated and unpaid dividend accrued on the converted RCPS.</p> <p>(10) <u>Conversion Price</u></p> <p>The price at which each Conversion Share shall be issued upon conversion of the RCPS shall be 88% of the average daily Closing Price on any three (3) consecutive Business Days during the ten (10) Business Days immediately preceding the relevant conversion date of the RCPS, subject to the Minimum Conversion Price and subject to the adjustments at the determination of the Board.</p> <p>The Conversion Price shall be rounded to three (3) decimal places with 0.0005 or higher being rounded upwards.</p> <p>The RCPS may be converted into Conversion Share(s) whereby the number of Conversion Share(s) arising from such conversion will be determined by dividing the aggregate principal amount of the RCPS presented for conversion with the Conversion Price. All RCPS which are converted shall be cancelled by the Company and shall not be reissued and sold.</p> <p>If the Conversion Price is less than the Minimum Conversion Price, the Conversion Price for each Conversion Share shall be equal to the Minimum Conversion Price.</p> <p>(11) <u>Conversion Cap</u></p> <p>The extent of conversion of RCPS by the Holder of RCPS shall be capped such that its resultant ordinary shareholding in the Company shall not exceed 20% of the enlarged number of issued ordinary shares of the Company at any point in time following any exercises of Conversion Rights.</p> <p>(12) <u>Non-Event of Default Redemption and the Non-Default Redemption Amount</u></p> <p>(a) Subject to and in accordance with Section 72 of the Act, the Company may at any time before the Maturity Date redeem all or any part of the RCPS which have been issued</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>and remain outstanding at the Non-Default Redemption Amount. Any remaining RCPS which are not converted due to a breach of the Conversion Cap by the Company on the Maturity Date shall be redeemed by the Company at the Non-Default Redemption Amount.</p> <p>(b) The Non-Default Redemption Amount shall be 115% of the aggregate subscription price of the RCPS together with all accumulated and unpaid dividend accrued on the RCPS to be redeemed.</p> <p>(13) <u>Redemption Period</u></p> <p>The Redemption Period shall be the period from and including the respective Issue Date up to the Maturity Date.</p> <p>(14) <u>Conversion Downside Redemption</u></p> <p>If, on presentation of any RCPS for conversion at the Conversion Price which is less than or equal to 65% of the average of the daily traded volume weighted average price per Share (information as may be extracted and monitored by the Company or its appointed representative from reliable source) for thirty (30) consecutive Business Days prior to the relevant Issue Date in respect of each 1<sup>st</sup> sub-tranche of the respective tranches of the RCPS ("<b>Conversion Downside Price</b>"), the Company may:</p> <p>(a) redeem such RCPS (and only such RCPS) presented by the Holder of RCPS to the Company for conversion in cash at an amount calculated in accordance with the formula for the Conversion Redemption Amount as set out below by giving notice of the same to the relevant Holder of RCPS; or</p> <p>(b) negotiate with the Holder of RCPS to convert such RCPS at a later date; or</p> <p>(c) to opt to redeem such RCPS at Maturity Date.</p> <p>All RCPS which are bought back, redeemed or converted will forthwith be cancelled by the Company and shall not be reissued or resold.</p> <p>(15) <u>Conversion Redemption Amount</u></p> <p>The Conversion Redemption Amount shall be calculated in accordance with the following formula:</p> $R = N \times \{P + [8\% \times P \times (D/365)] + I\}$

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>where:</p> <p>"R" = the Conversion Redemption Amount.  "D" = the number of days elapsed since the relevant Issue Date in respect of each sub-tranche of the RCPS.  "N" = the number of RCPS presented for conversion.  "P" = the Issue Price.  "I" = the remaining accumulated and unpaid dividend accrued on the RCPS presented for conversion.</p> <p>The Conversion Downside Price will be subject to adjustment in the manner provided in the "Adjustments to Conversion Price / Conversion Downside Price" provision as stated in Clause 11A(16) below.</p> <p>(16) <u>Adjustments to Conversion Price / Conversion Downside Price</u></p> <p>If, during any period in which the Conversion Price is being determined, an event has occurred including, without limitation, where the Company shall (i) make a stock split, (ii) consolidate its outstanding shares into a smaller number of shares, or (iii) re-classify any of its shares into other securities of the Company, such that the Closing Price before and after such event does not represent the same economic and financial participation that a shareholder of the Company would have had without the occurrence of such an event, then the Conversion Price shall at the determination of the Board be adjusted to reflect the impact of such an event in such a manner as Bloomberg L.P. or an independent reputable bank or a reputable firm of investment advisers licensed by the Securities Commission would.</p> <p>Such bank or firm may be agreed between the Company and the Holder of RCPS or, if not so agreed, the Company and the Holder of RCPS shall agree to a bank or firm as nominated by the Malaysia Institute of Accountants which it deems is fair and reasonable to make such changes to the Conversion Price / Conversion Downside Price.</p> <p>(17) <u>Event of Default Redemption and the Default Redemption Amount</u></p> <p>(a) In the event of the occurrence of any Events of Default, subject to and in accordance with Section 72 of the Act, any outstanding RCPS may, by notice in writing given to the Company at the principal place of business of the Company by the Holder of RCPS at its discretion, be declared redeemable whereupon such RCPS shall be redeemed at the Default Redemption Amount without further formality within thirty (30) days from</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p data-bbox="874 297 1402 689">lapse of the notice from the Holder of RCPS to the Company to remedy any Event of Default by the Company and failure on the part of the Company to remedy and rectify the circumstances ("<b>EOD Redemption Period</b>") and default interest shall accrue on such amount on a daily basis after the expiry of the EOD Redemption Period at the rate of 8.0% per annum up to and including the date which the Holder of RCPS receives full payment of the Default Redemption Amount, together with the accrued default interest.</p> <p data-bbox="778 719 1402 808">(b) The Default Redemption Amount shall be 118% of its aggregate subscription price of the RCPS.</p> <p data-bbox="683 837 986 871">(18) <u>Events of Default</u></p> <p data-bbox="778 900 1402 1019">Any of the following events for so long as there are any outstanding RCPS following the completion of the subscription of the relevant tranches or sub-tranches on their respective Issue Date:</p> <p data-bbox="778 1048 1402 1256">(a) for so long as there are any RCPS outstanding, any of the approvals required to be obtained by the Company are not obtained or are amended in such manner that they cease to permit the issue of the RCPS to the Holder of RCPS, withdrawn, revoked, rescinded or cancelled;</p> <p data-bbox="778 1285 1402 1435">(b) where any of the approvals required to be obtained by the Company were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled;</p> <p data-bbox="778 1464 1402 1532">(c) there is a default in any payment by the Company;</p> <p data-bbox="778 1561 1402 1800">(d) there is default by the Company in the payment of the Non-Default Redemption Amount, Default Redemption Amount or dividend in respect of the RCPS or any of them when due and such default is not remedied by the Company within ten (10) Business Days from the due date of such payment;</p> <p data-bbox="778 1830 1402 2065">(e) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue shares arising from the conversion of the RCPS as and when the Holder of RCPS exercise their Conversion Rights) and on its part to be performed or</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>observed (other than the covenant to pay the principal and dividend in respect of any of the RCPS) and such default continues for the period of ten (10) business days next following the service by any Holder of RCPS on the Company of notice requiring the same to be remedied;</p> <p>(f) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of over RM20 million or the equivalent in any other currency or currencies ("<b>Indebtedness</b>") of the Company or any of the subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of the subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of over RM20 million given by the Company or any of the subsidiaries shall not be honoured when due and called upon;</p> <p>(g) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation which is approved by the shareholders of the Company, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the RCPS;</p> <p>(h) a resolution is passed or an order of a court of competent jurisdiction is made that any subsidiary be wound up or dissolved otherwise than:</p> <p>(i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (h)(ii) below) the terms of which have previously been approved in writing by Holder of RCPS holding 51% or more of the outstanding RCPS;</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>(ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or another subsidiary of the Company; or</p> <p>(iii) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary and such surplus assets attributable to the Company and/or any subsidiary are distributed to the Company and/or such subsidiary;</p> <p>(i) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Group;</p> <p>(j) if: -</p> <p>(i) the Company or any subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due;</p> <p>(ii) the Company or any subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (g) or (h) above) ceases or through an official action of the Board or any subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on the Group;</p> <p>(k) proceedings shall have been initiated against the Company or any subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of ten (10) Business Days;</p> <p>(l) the Company or any subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of insolvency or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable winding up, reorganisation or insolvency law or make a general assignment for the benefit</p>



## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>of, or enter into any composition with, its creditors, and such action has a material adverse effect on the Group;</p> <p>(m) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any subsidiary, which is material in its effect upon the operations of either the Company or such subsidiary, as the case may be, and is not discharged within ten (10) Business Days thereof;</p> <p>(n) the delisting of the Shares on the Main Market of Bursa Securities or a suspension of trading of such Shares on the Main Market of Bursa Securities for a period of five (5) consecutive Business Days or more at any time during the term of the RCPS;</p> <p>(o) the ratio of borrowings to net worth exceeds six (6) times;</p> <p>(p) the net worth is less than 25% of the total issued and paid-up capital of the Company; or</p> <p>(q) any credit facilities granted to the Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group.</p> <p>(collectively referred to as the “<b>Events of Default</b>” or any single one of them as “<b>Event of Default</b>”)</p> <p>Notwithstanding the above, the Holder of RCPS has the discretion to waive any Event of Default should it think fits.</p> <p>(19) <u>Priority on liquidation and return of capital</u></p> <p>In the event of liquidation, winding up or other return of capital of the Company, the Holder of RCPS shall have priority in the repayment of capital (based on the Issue Price) together with any arrears of any declared but unpaid dividend on a cumulative basis calculated to the date of such repayment over holders of Shares with respect to any net proceeds from liquidation of the Company after payments to all the creditors of the Company, whether secured or unsecured.</p> <p>The Holder of RCPS shall not be entitled to participate in any surplus assets or profits as may become available after the repayment of capital (based on the Issue Price) together with any arrears of any declared but unpaid dividend on a cumulative basis calculated to the date of such repayment.</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>For the purposes of this sub-clause, the following events shall be deemed to be an event of liquidation:</p> <p>(a) a merger or consolidation of the Company with or into any other corporation(s) in which holders of the Company's issued shares immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain shares representing a majority of the voting power of the surviving corporation or holding company, as the case may be, of such consolidation or merger; or</p> <p>(b) a sale, lease, transfer, exclusive licence or other disposition of all or substantially all of the Company's assets.</p> <p>(20) <u>Replacement of Certificates</u></p> <p>Should any Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced by the Company, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity (which shall require, <i>inter alia</i>, that, if the allegedly lost, stolen or destroyed Certificate is subsequently surrendered for redemption or is subsequently repurchased by the Company or any subsidiary, there shall be paid to the Company on demand the principal amount of such RCPS represented by such Certificate) as the Company may reasonably require.</p> <p>Mutilated or defaced Certificates must be surrendered before replacements will be issued.</p> <p>(21) <u>Rights to receive notices and voting rights</u></p> <p>The RCPS shall have the right to receive notices of but shall carry no right to vote at any general meeting of the Company except with regard to any proposal to reduce the capital of the Company, to dispose of the whole of the Company's property, business and/or undertakings, to wind-up the Company, at any time during the winding-up of the Company and on any proposal that affects the rights attached to the RCPS.</p> <p>In any such case, the Holder of RCPS shall be entitled to vote together with the ordinary shareholders of the Company and shall have one (1) vote for each RCPS held.</p> <p>The RCPS shall entitle a Holder of RCPS to one (1) vote at any class meeting in relation to any proposal by the Company to vary or abrogate the rights of RCPS as stated in this Constitution. In all class</p>

## DETAILS ON THE PROPOSED AMENDMENTS (Cont'd)

Existing provisions	Proposed amendments
	<p>meetings, each RCPS shall entitle the Holder of RCPS to one (1) vote.</p> <p>(22) <u>Ranking of RCPS</u></p> <p>The RCPS are unsecured and shall upon allotment and issuance, rank <i>pari passu</i> in all respect amongst themselves and any such class of shares ranking <i>pari passu</i> with the RCPS which have been issued or may be issued by the Company in the future and in priority to the ordinary shares and any other class of securities which by its terms rank junior to the RCPS.</p> <p>Save for the Dividend, the Holder of RCPS shall not be entitled the right to receive bonuses and other distributions made by the Company.</p> <p>(23) <u>Ranking of Conversion Shares</u></p> <p>The Conversion Shares shall upon issue and allotment, be listed on the Main Market of Bursa Securities and rank <i>pari passu</i> in all respects with the then existing Shares, save and except that the Conversion Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Conversion Shares.</p> <p>(24) <u>Listing</u></p> <p>The RCPS shall not be listed on any stock exchange.</p> <p>The Conversion Shares shall upon allotment pursuant to conversion of the RCPS be listed on the Main Market of Bursa Securities. An application will be made to Bursa Securities for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities.</p> <p>(25) <u>Governing law</u></p> <p>The RCPS shall be governed by the laws of Malaysia.</p>

## ADDITIONAL INFORMATION

## 1. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

A summary of the historical financial information of our Group for the FYEs 31 March 2019, 31 March 2020 and 31 March 2021 as well as unaudited 6-month FPEs 30 September 2020 and 30 September 2021 together with the commentaries are as follows:

	Audited			Unaudited	
	FYE 31	FYE 31	FYE 31	6-month	6-month
	March 2019	March 2020 (Restated)	March 2021	FPE 30 September 2020	FPE 30 September 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	200,134	157,054	178,034	56,782	29,148
Cost of sales	(184,254)	(141,039)	(144,795)	(53,476)	(28,208)
GP	15,880	16,015	33,239	3,306	940
Other income	4,652	3,874	3,749	2,069	2,369
Administrative expenses	(21,917)	(21,515)	(22,648)	(7,649)	(9,148)
Other expenses	(18,559)	(10,709)	(7,921)	(4,399)	(42,544)
Operating (loss)/profit	(19,944)	(12,336)	6,420	(6,673)	(48,383)
Finance costs	(6,142)	(9,695)	(8,870)	(4,163)	(3,547)
Net impairment loss on financial assets	-	-	(13,580)	-	-
Share of (loss) / profit of associates	(2,586)	(32,237)	(9,646)	(4,733)	-
Share of loss of joint venture	-	(107)	(399)	(106)	(387)
(Loss) before taxation	(28,672)	(54,375)	(26,075)	(15,675)	52,317
Income tax	(413)	(3,777)	991	(1,193)	(377)
LAT	(29,085)	(58,151)	(25,084)	(16,868)	(52,694)
LAT attributable to the owners of our Company	(28,489)	(58,574)	(26,025)	(16,705)	(52,679)
Share capital	181,288	181,288	181,288	181,288	192,353
Shareholders' equity/NA	134,982	79,325	59,580	60,608	32,435
Total equity	148,628	98,558	90,671	106,031	63,229
Total assets	492,805	504,361	488,939	495,377	425,959
Total borrowings	102,631	137,051	114,370	138,923	79,627
No. of Ireka Shares in issue ('000)	186,708	186,708	186,708	186,708	205,379
Weighted average no. of Ireka Shares ('000)	186,708	186,708	186,708	186,708	196,289
GP margin (%)	7.93	10.20	18.67	5.82	3.22
LAT margin (%)	(14.53)	(37.03)	(14.09)	(29.71)	(180.78)
EPS/LPS <sup>(1)</sup> (sen)	(15.26)	(31.37)	(13.94)	(8.95)	(26.84)
NA per Ireka Share <sup>(2)</sup> (RM)	0.72	0.42	0.32	0.32	0.16
Gearing <sup>(3)</sup> (times)	0.69	1.39	1.26	1.31	1.26

**Notes:**

(1) Computed based on LAT divided by the weighted average number of Ireka Shares.

(2) Computed based on NA attributable to the owners of our Company divided by the number of Ireka Shares in issue.

(3) Computed based on total borrowings divided by total equity.

**ADDITIONAL INFORMATION (Cont'd)****Commentaries****6-month FPE 30 September 2021 vs 6-month FPE 30 September 2020**

Our Group's revenue for the 6-month FPE 30 September 2021 decreased by 48.67% to RM29.15 million as compared to the previous corresponding period. This was mainly due to significant drop in revenue in the construction segments in view of the completion of the construction of Pantai Hospital Ayer Keroh which contributed revenue of approximately RM19.43 million during 6-month FPE 30 September 2020. In addition, both the construction and property development segments had achieved a lower revenue due to the reimposition of FMCO by the Government following a drastic increase in COVID-19 cases across Malaysia, especially in Klang Valley, which resulted in the halting of our Group's construction and property development activities in June 2021 for a period of approximately 1 month.

Our Group recorded a GP of RM0.94 million (with a GP margin of 3.22%) for the 6-month FPE 30 September 2021 as compared to a GP of RM3.31 million (with a GP margin of 5.82%) in the previous corresponding period. This was mainly attributed to the decrease in revenue as detailed above.

Our Group recorded a higher LAT of RM52.69 million for the 6-month FPE 30 September 2021 as compared to a LAT of RM16.87 million in the previous corresponding period. This was mainly due to the following:

- (i) one-off impairment loss arising from reclassification of investment in APL from an associated company to an investment of RM25.91 million;
- (ii) retirement benefits of certain ex-Directors of approximately RM3.53 million;
- (iii) marked-to-market fair value loss on investment in APL of RM3.81 million;
- (iv) provision for doubtful debt for trade receivables of RM6.00 million in light of the challenging business conditions during the Covid-19 pandemic; and
- (v) decrease in revenue as set out above.

**FYE 31 March 2021 vs FYE 31 March 2020**

Our Group's revenue for the FYE 31 March 2021 increased by 13.36% to RM178.03 million as compared to RM157.05 million in the previous year. This was mainly due to higher property sales achieved by our Group's property development segment.

Our Group recorded a GP of RM33.24 million (with a GP margin of 18.67%) for the FYE 31 March 2021 as compared to a GP of RM16.02 million (with a GP margin of 10.20%) in the previous year. This was mainly contributed by property sales which have higher profit margins.

Our Group recorded a lower LAT of RM25.08 million for the FYE 31 March 2021 as compared to a LAT of RM58.15 million in the previous year. This was mainly due to the decrease in losses contributed by associates of our Group by RM22.59 million as a result of the impairment losses recorded by APL (23.07%-owned associate) on its Sandakan assets as well as higher operating losses from its 4 operating assets, namely RuMa Hotel & Residences, Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and City International Hospital in Vietnam.

The RuMa Hotel & Residences was closed majority of the time during the FYE 31 March 2021 in view of the travel restriction on foreign travellers to Malaysia. Meanwhile, the management agreement with Marriott International for the Four Points by Sheraton Sandakan Hotel was mutually terminated and the hotel was permanently closed for business with effect from 1 June 2020, mainly due to the adverse effects of from the COVID-19 pandemic.

**ADDITIONAL INFORMATION (Cont'd)****FYE 31 March 2020 vs FYE 31 March 2019**

Our Group's revenue for the FYE 31 March 2020 decreased by 21.53% to RM157.05 million as compared to the previous year. This was mainly due to lower revenue recorded for our Group's construction segment as a result of small order books and fewer contracts secured. Nonetheless, the decrease in revenue was partly compensated by the increase in revenue from its property development segment.

Our Group recorded a GP of RM16.02 million (with a GP margin of 10.20%) for the FYE 31 March 2020 as compared to a GP of RM15.88 million (with a GP margin of 7.93%) in the previous year. This was mainly attributed to higher margins from our Group's property development projects.

Notwithstanding the marginal increase in GP for the FYE 31 March 2020, our Group recorded a higher LAT of RM58.15 million for the FYE 31 March 2020 as compared to a LAT of RM29.08 million in the previous year mainly due to the increase in losses contributed by associates of our Group by RM29.65 million as a result of the impairment losses recorded by APL on its Sandakan assets as well as higher operating losses from its 4 operating assets as detailed above.

## **2. STEPS UNDERTAKEN OR TO BE UNDERTAKEN TO IMPROVE THE FINANCIAL CONDITION OF OUR GROUP**

Our Group has undertaken several initiatives to improve its financial condition, which includes, among others:

- (i) On 15 July 2020, our Company entered into a conditional share buyback agreement with APL for the divestment of our Company's entire quoted investment in APL (i.e., 23.07%) in exchange of ordinary shares of a company to be incorporated by APL ("**Newco**"). The aforementioned initiative was undertaken for the demerger of certain assets held by APL in exchange for ordinary shares held by certain participating shareholders of APL (including the 23.07% stake held by our Company) and the transfer of remaining assets to the Newco ("**APL Demerger**").

The proposed participation by our Company in the APL Demerger ("**Proposed Participation**") was intended to allow our Company to realise its investment in APL whilst retaining its stake in the remaining assets vide our Company's shareholdings in the Newco.

Nonetheless, the share buyback agreement was mutually terminated by our Company and APL on 10 February 2021 due to the non-fulfilment of certain conditions precedent;

- (ii) On 15 July 2021, IECSB had accepted a conditional letter of award dated 14 July 2021 from WMSB for the construction of 2 blocks of 16-storey apartment totalling 316 units, 342 units of single-storey terrace houses, 252 units of double-storey terrace houses, 17 units of double-storey shophouses, 1 unit of food court, 1 unit of kindergarten, 1 unit of surau, 1 unit of multipurpose hall, and all infrastructure and ancillary works at Dendong, Mukim Tembila, Daerah Besut, Terengganu Darul Iman for a provisional contract sum of RM124.39 million. As at the LPD, the said contract has a balance contract value of approximately RM123.10 million and is expected to be completed by September 2025;
- (iii) On 30 August 2021, IECSB had entered into a joint venture agreement with WMSB. Under this joint venture, IECSB will act as a co-developer as well as an exclusive main contractor for WMSB's current and future development and construction projects. Since the joint venture with WMSB, our Group has secured additional contracts from WMSB as detailed in items (iv) and (v) below. As at the LPD, IECSB is in the midst of negotiating with WMSB for the role as a main contractor for a construction project;

**ADDITIONAL INFORMATION (Cont'd)**

- (iv) On 7 October 2021, IECSB has been awarded a contract by FEC Telco Sdn Bhd, a wholly-owned subsidiary of WMSB, for the Fibre-To-The-Home Connectivity project in Langkawi, Kedah to be undertaken in 2 sections, namely:
  - (a) the civil works component including the supply and installation of fibre-optic cables and all related equipment, pole installations and commissioning works; and
  - (b) the network, information technology ("IT"), and services components including the design and operations of the contract network, business support system inclusive of all IT, operational support system and over-the-top services to the targeted end-users,

for a provisional contract sum of RM196.00 million. The civil works are expected to commence in March 2022 and complete by February 2024;

- (v) On 8 November 2021, IECSB has been awarded a contract by WMSB for the construction of construction of 68 units of 1-storey terrace houses (type "A"), 280 units of 1-storey terrace houses (type "B"), 8 units of shophouses, a community hall, surau and kindergarten and the infrastructure and associated works at Bukit China, Mukim Pasir Akar, Daerah Besut, Terengganu Darul Iman for a provisional contract sum of RM45.77 million over a contract period of approximately 20 months. As at the LPD, the said contract has a balance contract value of approximately RM43.37 million and is expected to be completed by June 2023;
- (vi) On 29 November 2021, IECSB had entered into a joint venture agreement with NEG. Under this joint venture, IECSB will act as exclusive joint-lead contractor for all NEG's future projects. As at the LPD, NEG is in the midst of securing various contracts in relation to the construction of a specialist hospital with the Government;
- (vii) On 30 November 2021, our Company had entered into a share sale agreement with Eccaz Sdn Bhd ("**ESB**"), a related party, for the disposal of approximately 19.6% equity interest of our Company in Mobilus Sdn Bhd ("**Mobilus**"), a joint venture between our Company and Greenway Urban Traffic (Europe) Co. Ltd. (formerly known as CRRC Urban Traffic (Europe) Co. Ltd.) ("**GUTE**"), to ESB for a total cash consideration of approximately RM1.16 million, reducing the equity interest of our Company in Mobilus from 51.0% to 31.4% ("**ESB Disposal**").

Subsequently, on 6 December 2021, our Company had entered into a share purchase agreement with GUTE for the disposal of the remaining equity interest of our Company in Mobilus of approximately 31.4% to GUTE for a total cash consideration of approximately RM1.85 million ("**GUTE Disposal**").

The ESB Disposal and the GUTE Disposal enable our Group to realise cash inflow which will strengthen the working capital position of our Group as it is expected that Mobilus will incur further losses in the short to medium term with no certainty that it would be profitable in the future. The ESB Disposal and the GUTE Disposal were completed on 2 December 2021 and 8 December 2021 respectively; and

- (viii) On 6 December 2021, IDTSB had accepted a conditional letter of award from Terengganu State Government for the following:
  - (a) proposed mixed development of a total of 1,712 units of houses, 34 units of shop lots and 2 units of shop offices as well as related works on 200 acres of Terengganu State Government's land in Bandar Baru Kertih Jaya, Mukim Kertih, Kemaman District, Terengganu; and
  - (b) proposed hybrid development of 100 units of affordable houses and 6 units of shop lots as well as related works on 11.55 acres of Terengganu State Government's land in Kampung Semayor, Mukim Kemasik, Kemaman District, Terengganu,

**ADDITIONAL INFORMATION (Cont'd)**

for a provisional contract sum of RM468 million. As at the LPD, IDTSB and Terengganu State Government are in the midst of preparing the joint venture agreement which is expected to be executed in February 2022. The said project is expected to commence in March 2022 and complete by February 2028.

- (ix) On 13 December 2021, IDTSB had accepted a conditional letter of award from Koperasi Permodalan Sahabat Terengganu Berhad for the proposed mixed housing development on 9.751 hectares of land in Kampung Baru Kuala Abang, Mukim Kuala Abang, Dungun District, Terengganu for a provisional contract sum of approximately RM58.29 million. As at the LPD, IDTSB and Koperasi Permodalan Sahabat Terengganu Berhad are in the midst of preparing the agreement in respect of the development which is expected to be executed in January 2022. The said project is expected to complete by December 2024.

Further, our Group will continue to pursue contracts for its existing business and/or any new businesses as and when the opportunity arises to improve its financial condition.

### **3. IMPACT OF THE PROPOSED RCPS ISSUANCE AND VALUE CREATION TO OUR GROUP AND OUR SHAREHOLDERS**

The Proposed RCPS Issuance will enable our Group to raise funds expeditiously without incurring additional bank borrowings. The issuance of RCPS grants Ireka the flexibility in the drawdown of funds, enabling our Group to have better control and flexibility over its cash flows as compared to debt financing which requires servicing of interest and principal repayments on a periodic basis, thereby minimising cash flows commitment and preserving our Group's cash flows.

Although the substantial shareholders' shareholdings and the EPS/LPS are expected to be diluted as a result of the increased number of Ireka Shares upon conversion of the RCPS, the dilution(s) will be on a progressive basis as and when the RCPS are converted into new Ireka Shares. Furthermore, the Subscriber may only convert the RCPS up to the Conversion Cap and the total number of new Ireka Shares which may be issued pursuant to conversion of RCPS is limited to the Maximum Conversion Shares. The effects of the Proposed RCPS Issuance on the share capital, NA and gearing, earnings and EPS, substantial shareholders' shareholdings of our Group are set out in Section 6 of this Circular.

Notwithstanding the Proposed RCPS Issuance's dilutive effects, the Proposed RCPS Issuance is expected to have a positive impact on the earnings of our Group when the benefits of the use of proceeds are realised. As set out in Section 3 of this Circular, a majority portion of the total proceeds raised from the Proposed RCPS Issuance will be channelled towards our Group's plan to grow its construction and property development business segments through the Potential Acquisition. In addition, the proceeds from the Proposed RCPS Issuance will be used to provide our Group with the necessary funds for its working capital requirements as our Group has resumed its construction/development projects since September 2021. Therefore, the Proposed RCPS Issuance will allow our Company to have the flexibility to raise the necessary funds from time to time depending on our Group's cash requirements to, among others, accelerate the progress of its construction/development projects, after having halted operations since the onset of the COVID-19 pandemic and lockdown measures. Hence, this is expected to contribute positively to the financial performance of our Group, when the Potential Acquisition is materialised and the projects begin to generate revenue and create value to the shareholders of our Company.

The Proposed RCPS Issuance is also expected to improve the gearing level of our Group upon utilisation of the proceeds for the part repayment of bank borrowings of our Group as set out in Section 3 of this Circular and conversion of the RCPS which will provide headroom to our Group to gear up, if required, for future projects. The increased capacity and flexibility of financial resources of our Group will enhance its success rate in its bids/tenders for future projects, especially for high value construction projects which require prospective candidates to demonstrate, among others, their availability of sufficient resources (including financial resources and capacity).



**ADDITIONAL INFORMATION (Cont'd)**

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Our Board is of the opinion that the Proposed RCPS Issuance is the most appropriate means of raising funds after taking into consideration various factors as set out in Section 4.1 of this Circular.

**4. ADEQUACY OF THE PROPOSED RCPS ISSUANCE IN ADDRESSING OUR COMPANY'S FINANCIAL REQUIREMENTS**

Premised on the above and after taking into consideration:

- (i) the resumption of its construction/development projects;
- (ii) our Group's outstanding construction order book of RM473.03 million as at the LPD;
- (iii) the aggregate gross proceeds raised via the Placement 1 and the Placement 2 as detailed in Section 4.1 of this Circular of approximately RM26.87 million;
- (iv) our Group's strategic direction and future plans to grow its construction and property development business segments; and
- (v) the positive prospects of the construction and property development sectors in the longer term, driven by the Government's commitment towards affordable housing as well as its initiatives to improve the country's infrastructure,

our Board is of the view that the Proposed RCPS Issuance is adequate to address our Group's financial requirements at this juncture.

*[The remainder of this page has been intentionally left blank]*

## FURTHER INFORMATION

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### 1. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to the Subscriber, KIB and KPF2 in this Circular were provided by the director and/or management of Fairfax, KIB and KPF2 respectively. Therefore, the responsibility of our Board with respect to such information is limited to ensuring that such information is accurately reproduced in this Circular.

### 2. CONSENTS AND CONFLICT OF INTERESTS

Mercury Securities, being the Principal Adviser to our Company for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Mercury Securities confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser to our Company for the Proposals.

### 3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 3.1 Material commitments

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the profits and/or NA of our Group.

#### 3.2 Contingent liabilities

As at 30 November 2021, save as disclosed below, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the profits and/or NA of our Group:

	<b>RM'000</b>
Corporate guarantees for credit facilities granted to our Group	87,108

### 4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the business or financial position of our Group:

(i) **Arbitration between IECSB (as claimant) and UEM Land Berhad ("UEM") (as respondent)**

By way of letter of award dated 15 June 2012, UEM has appointed IECSB as the main contractor for a proposed mixed development of a residential project on Lot PTD 166962, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim ("**Imperia Project**") at a contract sum of RM268,600,000.00.

**FURTHER INFORMATION (Cont'd)**

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Due to the disputes and differences between both parties arising from amongst others, the reconciliation of statement of final account ("**Statement of Final Account**") relating to the Imperia Project, on 27 December 2019, IECSB served a statement of claim against UEM, whereby IECSB has claimed for, amongst others:

- (a) a declaration that IECSB is entitled to 372 days of extension of time or alternatively to be assessed by the arbitral tribunal and/or time at large is to be declared;
- (b) the amount of RM20,395,149.64 being the loss and expenses or alternatively to be assessed by the arbitral tribunal;
- (c) a declaration that the Statement of Final Account should be RM29,250,266.79 (less the deductions) or alternatively an amount to be assessed by the arbitral tribunal; and
- (d) the amount due and owing to IECSB pursuant to the Statement of Final Account in the amount of RM29,250,266.79 or alternatively an amount to be assessed by the arbitral tribunal.

On 2 March 2020, UEM filed its defence and counterclaim to dispute IECSB's claims premised on alleged breach of contract on the part of IECSB and in turn, counter-claimed for, amongst others:

- (a) a declaration that the final value of works performed by IECSB was RM265,249,542.18;
- (b) the liquidated damages in the sum of RM27,288,000.00 being the damages for delay in completion;
- (c) the costs for defects rectifications in the sum of RM2,190,811.05;
- (d) the back charges payable amounting to RM1,135,347.18; and
- (e) all direct payment made by UEM to IECSB's sub-contractor amounting to RM1,142,855.67.

Subsequently, the factual witness statements and expert reports were exchanged between both parties on 25 October 2021 and 27 October 2021 respectively. The procedural hearing for the arbitration was held on 11 November 2021 where the arbitral tribunal has given further directions to both parties and the hearing dates for this arbitration are fixed from 23 May 2022 to 3 June 2022.

The solicitors acting for IECSB are of the view that IECSB has reasonable prospects of success subject to further developments of the proceedings.

(ii) **Adjudication between Kone Elevator (M) Sdn Bhd ("Kone Elevator") (as claimant) and IECSB (as respondent)**

This adjudication proceeding arises from a payment dispute relating to sub-contract works carried out by Kone Elevator for IECSB in respect of a proposed development of serviced apartments and hotel on Lot 201, Seksyen 63, Jalan Kia Peng, Kuala Lumpur. On 29 July 2021, Kone Elevator initiated the proceedings by serving a notice of adjudication against IECSB and requirement to resolve the dispute by reference to adjudication. The adjudicator has accepted the appointment via a letter dated 22 September 2021.

On 6 October 2021, Kone Elevator served the adjudication claim on IECSB where Kone Elevator has claimed for, amongst others, the sum of RM1,190,577.54 being the total sum for the works done for the said project, the variation of works and loss and expense due and owing by IECSB to Kone Elevator.

**FURTHER INFORMATION (Cont'd)**

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IECSB has subsequently on 21 October 2021 filed the adjudication response to Kone Elevator's claim in entirety and sought to set-off against Kone Elevator's claim for liquidated ascertained damages in the sum of RM6,262,192.50. Kone Elevator has filed the adjudication reply on 28 October 2021. The adjudication decision is expected to be delivered by the learned adjudicator on 31 January 2022.

The solicitors acting for IECSB are of view that IECSB has a good chance of success in the adjudication proceedings.

(iii) **Arbitration between IECSB (as claimant) and PWC Corporation Sdn Bhd ("PWC") (as respondent)**

The arbitration proceeding initiated by IECSB against PWC is in relation to a dispute arising from the letter of acceptance executed between both parties on 6 July 2010 where PWC was appointed by IECSB as sub-contractor for a proposed commercial building development on part of Lot T.L. 077579394 (LA 20-01070435), Sandakan Harbour Square, Daerah Sandakan, Bandar Sandakan, Sabah ("**Sandakan Sub-Contract**").

On 26 April 2018, IECSB filed the Claimant's statement of case whereby it has claimed for, amongst others, the sum of RM4,292,173.31, being liquidated damages, losses arising from overpayment and rectification works and deduction from the bill of quantities.

PWC has subsequently on 11 June 2018 filed its Statement of Defence and Counterclaim to dispute IECSB's claim and in turn, counter-claimed for, amongst others, the sum of RM1,019,389.13, being the alleged sum due to PWC for works done and loss and expense damages.

The arbitration hearings have concluded on 30 December 2020 and the appointed arbitrator has given direction for the parties to file their respective closing submissions. The parties have filed their respective closing submissions on 20 September 2021 and are expected to file their respective replies to submissions by 13 January 2022.

The solicitors acting for IECSB are of view that IECSB has an even chance to succeed in recovering the claimed sum and defending the counterclaim.

(iv) **Arbitration between HB Glass & Aluminium Sdn Bhd ("HB") (as claimant) and IECSB (as respondent)**

This arbitration proceeding initiated by HB against IECSB arises from the dispute in relation to the Imperia Project, where both parties have entered into 6 contracts where HB was appointed by IECSB as sub-contractor for performance of various works for the Imperia Project ("**NSC Contract & 5 DSC Contracts**").

Pursuant to the statement of claim filed by HB on 31 May 2021, HB has claimed for, amongst others, an order for IECSB to pay HB the sum of RM5,979,534.92, being the total balance due under the NSC Contract & 5 DSC Contracts, an order for the respondent to refund the claimant of all goods and services tax paid thus far, and damages.

On 19 July 2021, IECSB filed its points of defence and counterclaim to dispute HB's claim and in turn, counter-claimed amongst others, for losses and damages amounting to RM38,010,000.00 in the form of liquidated damages imposed on IECSB as a result or arising from HB's delay and/or RM3,211,414.00, being the apportioned liquidated damages imposed.

On 29 November 2021, both parties have completed the exchange and inspection of documents. The arbitration hearing is expected to be held between 28 March 2022 and 31 March 2022.

The solicitors acting for IECSB are of view that there is a reasonable chance for IECSB in defending the claims at this juncture based on the pleading submitted by both parties.

## FURTHER INFORMATION (Cont'd)

**(v) Arbitration between PWC Corporation Sdn Bhd ("PWC") (as claimant) and IECSB (as respondent)**

This arbitration proceeding initiated by PWC against IECSB is in relation to a dispute arising from the sub-contract dated 5 January 2011 where PWC was appointed by IECSB for sub-contract works for a proposed office and hotel development on part of Lot-Lot 203 (New Lot No.364), Seksyen 72 (Lot G), Mukim Kuala Lumpur, Wilayah Persekutuan.

On 22 January 2020, PWC filed the claimant's points of claim where it has claimed for, amongst others, the final claim sum of RM2,168,247.22 for the works done for the said project, interests and costs.

On the other hand, IECSB has on 15 May 2020 filed its defence with set-off and counterclaim to dispute PWC's claims and in turn, set-off and counterclaimed for amongst others:

- (a) the sum of RM 231,027.07, being the back charges imposed by IECSB;
- (b) the sum of RM3,224,474.29, being the loss and damage suffered by IECSB under the Sandakan Sub-Contract entered into by the same parties; and
- (c) the sum of RM17,189.83, being the overpaid amount suffered by IECSB under the KL Sentral Package 3 Sub-Contract entered into by the same parties.

The arbitration proceedings are fixed for continued hearing on 23<sup>rd</sup> and 24<sup>th</sup> February 2022, 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> July 2022, 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> August 2022 and 7<sup>th</sup>, 8<sup>th</sup> and 12<sup>th</sup> September 2022.

The solicitors acting for IECSB are of view that IECSB has a reasonable chance of success in defeating PWC's final account claim for the sum of RM2,168,247.22 as the site measurement was conducted by IECSB's quantity surveyor with detailed supporting documents.

**(vi) Arbitration between Chan Wai Electrical Engineering Sdn Bhd ("Chan Wai") (as claimant) and IECSB (as respondent)**

By way of a letter of award dated 22 October 2012, Chan Wai was appointed by IECSB for sub-contract works for the project known as "Project Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh – Kajang, Package V7: construction and completion of viaduct guideway and other associated works from Bandar Tun Hussein Onn to Taman Mesra".

Chan Wai has on 28 September 2021 filed a statement of claim against IECSB in the High Court at Kuala Lumpur and claimed for, amongst others, the outstanding sum of RM1,299,561.94, being the outstanding sum owed by IECSB in respect of the said project.

On 27 October 2021, Chan Wai has filed a notice of withdrawal to withdraw the legal suit filed at the High Court.

Subsequently, Chan Wai has served a notice of arbitration on 1 December 2021 to IECSB where it has claimed for, amongst others, the outstanding sum of RM1,299,561.94, being the final account sum allegedly owed by IECSB for the said project.

The solicitors acting for IECSB are of view that IECSB has a reasonable chance of success in defeating Chan Wai's claims.

## FURTHER INFORMATION (Cont'd)

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### (vii) Johor Bahru High Court Civil Suit No.: JA-22NCC-82-10/2021

Between Top Mix Concrete (Malaysia) Sdn Bhd ("TMC") (as plaintiff) and IECSB (as defendant)

On 6 October 2021, TMC has filed a writ and statement of claim against IECSB to claim for, amongst others, the sum of RM1,617,190.22, being the outstanding sum and late payment interest due and payable by IECSB in relation to several purchase orders for some ready-mixed concrete goods which is sold and delivered by TMC to IECSB ("**TMC Purchase Orders**"). IECSB filed its statement of defence on 24 November 2021. The matter has been fixed for case management on 9 February 2022.

As at the LPD, the parties are in the midst of exploring, discussing and negotiating for the settlement of this suit.

The solicitors acting for IECSB are of view that IECSB has a fair chance of success in defeating TMC's claims.

### (viii) Johor Bahru High Court Civil Suit No.: JA-22NCC-94-11/2021

Between TMC (as plaintiff) and our Company (as defendant)

In relation to the Suit No.: JA-22NCC-82-10/2021 as disclosed above, our Company has acted as a corporate guarantor for IECSB in respect of the TMC Purchase Orders by way of a corporate guarantee dated 30 November 2020 which the total sum recoverable from Ireka is subject to the limit of RM1 million for the principal sum only together with interest thereon and costs, charges and expenses.

Due to the failure by IECSB to settle the outstanding amount under the TMC Purchase Orders, TMC has on 5 October 2021 filed a notice of demand against our Company in its capacity as a corporate guarantor for IECSB for the sum of RM1,120,340.56, being the principal debt of up to RM1 million, late payment interest and costs ("**Outstanding Sum**"). Subsequently, on 17 November 2021, TMC has filed a writ and statement of claim against our Company to claim for the Outstanding Sum. Our Company has filed its statement of defence on 17 December 2021.

The matter has been fixed for case management on 17 January 2022.

As at the LPD, the parties are in the midst of exploring, discussing and negotiating for the settlement of this suit.

The solicitors acting for our Company are of view that our Company has a fair chance of success in defeating TMC's claims.

**FURTHER INFORMATION (Cont'd)**

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**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection at our Company's registered office at Level 18, Wisma Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Malaysia, during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Company for the past 2 FYEs 31 March 2020 and 31 March 2021, and the latest unaudited consolidated financial statements of our Company for the 6-month FPE 30 September 2021;
- (iii) the Subscription Agreement;
- (iv) the letters of consent referred to in Section 2 of this Appendix; and
- (v) the relevant cause papers for the material litigation referred to in Section 4 of this Appendix.

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**IREKA CORPORATION BERHAD**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Ireka Corporation Berhad ("**Ireka**" or "**Company**") will be conducted on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd on Thursday, 3 February 2022 at 10:30 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

**ORDINARY RESOLUTION**

**PROPOSED ISSUANCE OF UP TO 112,680,000 NEW 2% CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN IREKA ("RCPS") AT AN ISSUE PRICE OF RM1.00 PER RCPS ("PROPOSED RCPS ISSUANCE")**

**"THAT**, subject to the passing of the Special Resolution and all relevant approvals being obtained from all relevant authorities and/or parties (where required) including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new ordinary shares in Ireka to be issued upon conversion of the RCPS ("**Conversion Shares**"), approval be and is hereby given to the Board of Directors of the Company ("**Board**") to allot and issue:

- (i) up to 112,680,000 new RCPS at an issue price of RM1.00 per RCPS, totalling an aggregate principal amount of up to RM112.68 million, to the Subscriber, subject to the terms and conditions as set out in the subscription agreement dated 29 November 2021 entered into between the Company and the Subscriber ("**Subscription Agreement**");
- (ii) up to 112,680,000 Conversion Shares credited as fully paid-up, subject to the terms and conditions as set out in the Subscription Agreement and such approval shall remain in full force and effect as long as any RCPS remains convertible in accordance with its terms of issue;

**THAT** the proceeds from the Proposed RCPS Issuance be utilised for the purpose as set out in Section 3 of the circular to the shareholders of Ireka dated 10 January 2022 ("**Circular**"), and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit and in the best interest of the Company, subject to the approval of the relevant authorities (where required);

**THAT** the RCPS are unsecured and shall upon allotment and issuance, rank equally in all respect among themselves and any such class of shares ranking equally with the RCPS which have been issued or may be issued by the Company in the future and in priority to the ordinary shares and any other class of securities which by its terms rank junior to the RCPS;

**THAT** the Conversion Shares shall be listed on the Main Market of Bursa Securities and, upon allotment and issuance, rank equally in all respects with the then existing Ireka Shares, save and except that the Conversion Shares shall not be entitled to any dividends, rights, allotment and/or any other distributions that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the Conversion Shares;



**AND THAT** the Board be and is hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to implement, finalise and give full effect to the Proposed RCPS Issuance with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by any relevant authorities and/or parties, the relevant and applicable laws or deemed necessary or desirable by the Board."

## **SPECIAL RESOLUTION**

### **PROPOSED AMENDMENTS TO THE CONSTITUTION OF IREKA ("PROPOSED AMENDMENTS")**

**"THAT**, subject to the passing of the Ordinary Resolution and all approvals and consents from the relevant authorities and/or other parties being obtained (where required), approval be and is hereby given for the Company to amend the existing constitution of the Company in the manner as set out in Appendix III of the Circular to reflect and incorporate the terms of the RCPS;

**AND THAT** the Board be and is hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to implement, finalise and give full effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by any relevant authorities and/or parties, the relevant and applicable laws or deemed necessary or desirable by the Board."

## **BY ORDER OF THE BOARD**

**MOHD. SHAH BIN HASHIM (Licence No.: BC/M/148) (SSM PC No.: 202008002801)**  
**NADIA LIYANA BINTI HASSAN (Licence No.: BC/N/2386) (SSM PC No.: 202008002796)**  
Company Secretaries

Kuala Lumpur  
10 January 2022

### **Notes:**

- (1) *The Securities Commission Malaysia had on 16 July 2021, revised the Guidance Note and Frequently Asked Questions ("FAQ") on the conduct of General Meetings for Listed Issuers which was originally issued on 18 April 2020 ("the Revised Guidance Note and FAQ"), to require all meeting participants of a fully virtual general meeting including the Chairperson of the meeting, board members, senior management and shareholders to participate in the meeting online. According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia. Please follow the procedures as stipulated in the Administrative Guide for the EGM in order to register, participate and vote virtually.*
- (2) *A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. When a member appoints two (2) proxies to attend the meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.*
- (3) *Where a member is an exempt authorised nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.*
- (4) *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (5) *The instrument appointing proxy(ies) shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. To be valid, the instrument appointing proxy(ies) and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.*
- (6) *The instrument appointing proxy(ies) or the power of attorney or other authority (if any), must be deposited at Boardroom Share Registrars Sdn Bhd's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof. Alternatively, the Proxy Form can be deposited electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- (7) *Only members whose names appear in the Record of Depositors on **26 January 2022** shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*
- (8) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice of Extraordinary General Meeting will be put to vote by way of poll.*

# PROXY FORM



**IREKA CORPORATION BERHAD**  
(Registration No. 197501004146 (25882-A))  
(Incorporated in Malaysia)

No. of Shares Held	CDS Account No.

I / We ..... NRIC/Passport/Company No. ....  
of .....

being a member of Ireka Corporation Berhad hereby appoint the following person(s) as my/our proxy:

Proxy 1	Full name		NRIC/Passport No.		No. of shares to be represented	Percentage
	Address					%
	Email address		Contact No.			
Proxy 2	Full name		NRIC/Passport No.		No. of shares to be represented	Percentage
	Address					%
	Email address		Contact No.			

or failing him/her, the Chairman of the Extraordinary General Meeting of the Company ("**EGM**") as my/our proxy to attend to vote for me/us on my/our behalf at the EGM which will be conducted on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn Bhd on **Thursday, 3 February 2022 at 10:30 a.m.** or any adjournment thereof, on the following resolutions as set out in the Notice of the EGM:

Resolutions		For	Against
Ordinary Resolution	Proposed RCPS Issuance		
Special Resolution	Proposed Amendments		

(Please indicate with an "X" in the appropriate spaces above on how you wish your vote to be casted. If you do not indicate how you wish your proxy to vote on any resolutions, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.)

.....  
Signature of Shareholder/ Common Seal of Member

Dated this .....day of..... 2022

## Notes:

- (1) The Securities Commission Malaysia had on 16 July 2021, revised the Guidance Note and Frequently Asked Questions ("**FAQ**") on the conduct of General Meetings for Listed Issuers which was originally issued on 18 April 2020 ("**the Revised Guidance Note and FAQ**"), to require all meeting participants of a fully virtual general meeting including the Chairperson of the meeting, board members, senior management and shareholders to participate in the meeting online. According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia. Please follow the procedures as stipulated in the Administrative Guide for the EGM in order to register, participate and vote virtually.
- (2) A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. When a member appoints two (2) proxies to attend the meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- (3) Where a member is an exempt authorised nominee ("**EAN**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.
- (4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) The instrument appointing proxy(ies) shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. To be valid, the instrument appointing proxy(ies) and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited together with the Proxy Form.



- (6) *The instrument appointing proxy(ies) or the power of attorney or other authority (if any), must be deposited at Boardroom Share Registrars Sdn Bhd's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof. Alternatively, the Proxy Form can be deposited electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- (7) *Only members whose names appear in the Record of Depositors on **26 January 2022** shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

**Personal Data Privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 10 January 2022.*

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AFFIX  
STAMP

**IREKA CORPORATION BERHAD**

Registration No. 197501004146 (25882-A)  
c/o Boardroom Share Registrars Sdn Bhd  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor, Malaysia

**ATTN: THE COMPANY SECRETARY**

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Fold This Flap For Sealing