

PRESS RELEASE

IREKA collaborates with Terengganu for RM468 million GDV affordable housing projects

- This Project, which has an estimated GDV of RM468 million, has obtained approval from the Terengganu State Government
- The development proposals cover 200 acres of land in Bandar Kerteh Jaya, Kertih and 11.55 acres in Kampung Semayor, Kemasik
- The proposed developments will benefit the Terengganu economy, with 30% of the RM120 million development value being awarded to local contractors. They will also create employment opportunities. The bulk of these projects comprise affordable home units with 90% of these houses priced below RM300,000.
- Ireka aims to be the developer that pioneers the development of affordable and mixed housing projects in Terengganu.

KUALA LUMPUR, 7 December 2021 – Bursa Malaysia Main Market listed Property Developer **Ireka Corporation Berhad's** ("Ireka" or "Group") (IREKA: 8834) wholly-owned subsidiary, **Ireka Development (Terengganu) Sdn Bhd** ("IDTSB") has today been awarded proposed development projects with an estimated gross development value ("GDV") of **RM468 million** by the **Terengganu State Government**.

A filing with Bursa Malaysia today indicated that these projects comprise affordable and mixed housing developments in both Bandar Kerteh Jaya, Kertih and Kampung Semayor, Kemasik. IDTSB will be the developer for the two projects.

Ireka Managing Director En. Mohd Hasnul Ismar Mohd Ismail said: "We are excited about these projects. They represent another contract win to the Group amid the COVID-19 pandemic. It is part of Ireka's vision to be part of the development of affordable homes that can meet the needs of the underserved segments in Malaysia. The COVID-19 pandemic has had a severe impact on both the livelihoods of Malaysians and the country's economy. As the economy gradually recovers from this pandemic and life returns to a new normal, we want to help people own homes."

The projects will be undertaken in two separate plots, one in Bandar Kerteh Jaya, Kertih, which covers 200 acres of land, and another 11.55 acres in Kampung Semayor, Kemasik.

Both Ireka and the Terengganu State Government are confident that the proposed development will help to drive the economic recovery in the state, as the development involves the allocation of works to local contractors.

"These proposed developments will generate jobs and opportunities in Terengganu, with approximately RM120 million in development value being awarded to local contractors. These projects are also expected to generate employment opportunities for workers in the state. The

projects will also contribute RM34.7 million in development funding to the Terengganu State Government,” Mohd Hasnul said.

He added that the bulk of the developments focus on affordable housing, with 90% of the homes being built priced at below RM300k. “The purpose is to provide affordable home ownership in Terengganu. Aside from these affordable home units, Ireka will also ensure that these projects come with amenities like suraus, shop lots, offices, petrol stations, and other essential needs.”

Through these developments, Mohd Hasnul believes Ireka will emerge as the developer who pioneers the development of affordable and mixed housing in Terengganu.

“This will put Ireka as one of the pioneers in the affordable housing segment. It is one area that the Group will continue to focus on, and we believe that the collaboration with Terengganu put us on a stronger footing in the affordable housing space. The mismatch of housing affordability and availability remains a serious issue in Malaysia, and we are confident we can meet the demand in this area. On top of that, the collaboration with Terengganu State Government on this proposed development is also envisioned to drive economic recovery for the state,” he said.

According to Mohd Hasnul, the proposed development will also drive earnings recovery for Ireka and provide earnings visibility for the property development segment over the next six years. Under the proposal, the development is expected to be completed in six years and will be undertaken in four phases.

He noted that the new management has taken aggressive measures to secure more jobs in order to drive the turnaround for Ireka. The new management team has grown the company’s order book from RM470mil to RM1,304 mil, securing more than RM800 million in construction jobs over the past 5 months, an indication that Ireka is well on track with its turnaround strategy.

“Going forward, Ireka is keen to seek more collaborative opportunities in mixed developments, especially in arrangements that also benefit the broader community. The award-winning team at Ireka has more than 50 years of experience and expertise in construction, engineering, and property development, and looks to leverage on this heritage while adopting new and innovative business approaches to win new projects. IREKA aims to be a significant contributor to the Malaysian property sector,” Mohd Hasnul added.

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