

THIS CIRCULAR TO SHAREHOLDERS OF I-BERHAD ("I-BERHAD" OR "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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Bursa Securities has not perused item (II) of Part A as it is an exempt circular under Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

I-Berhad

Registration No. 196701000055 (7029-H)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

- (I) **PROPOSED ISSUANCE OF UP TO RM100 MILLION REDEEMABLE PREFERENCE SHARES TO SUMURWANG SDN BHD, A MAJOR SHAREHOLDER OF I-BERHAD ("PROPOSED ISSUANCE"); AND**
- (II) **PROPOSED AMENDMENTS TO THE CONSTITUTION OF I-BERHAD AS A RESULT OF THE PROPOSED ISSUANCE ("PROPOSED CONSTITUTION AMENDMENTS")**
(COLLECTIVELY, THE "PROPOSALS")

PART B

- (III) **INDEPENDENT ADVICE LETTER FROM CFSOLUTIONS SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF I-BERHAD IN RELATION TO THE PROPOSALS**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

Independent Adviser for Part B



AmInvestment Bank

AmInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



cfSolutions Sdn Bhd

Reg. No. 198501004650 (137090-W)

licensed corporate finance adviser

The Notice of the Extraordinary General Meeting ("**EGM**") of our Company to be held at Level 31, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia on Thursday, 8 August 2024 at 3.00 p.m., or any adjournment thereof, for the purpose of considering the above Proposals, together with the Form of Proxy are enclosed in this Circular.

The Form of Proxy must be completed and lodged with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 6 August 2024 at 3.00 p.m.

Date and time of the EGM : Thursday, 8 August 2024 at 3.00 p.m.

This Circular is dated 17 July 2024

DEFINITIONS

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

Act	: Companies Act 2016
AmInvestment Bank	: AmInvestment Bank Berhad, being the Principal Adviser for the Proposals
Announcement	: The announcement dated 24 April 2024 made by AmInvestment Bank on behalf of I-Berhad on Bursa Securities in relation to the Proposals
Board	: Board of Directors of I-Berhad
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular dated 17 July 2024 in relation to the Proposals
Constitution	: Constitution of I-Berhad
Director	: Shall have the meaning given in Section 2 of the Act and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of the Company, its subsidiary or holding company; or chief executive officer of the Company, its subsidiary or holding company
EGM	: Extraordinary General Meeting of I-Berhad
EPS	: Earnings per share
FYE	: Financial year(s) ended/ending, as the case may be
IAL	: Independent advice letter issued by cfSolutions Sdn Bhd to the Non-Interested Shareholders in relation to the Proposals
I-Berhad or Company	: I-Berhad (Registration No. 196701000055 (7029-H))
I-Berhad Group or Group	: I-Berhad and its subsidiaries, collectively
I-Berhad Share(s) or Share(s)	: Ordinary share(s) in I-Berhad
I-Berhad Shareholder(s) or Shareholder(s)	: Shareholder(s) of I-Berhad
Independent Adviser	: cfSolutions Sdn Bhd (Registration No. 198501004650 (137090-W))
Issue Price	: Issue price of the RPS
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 28 June 2024, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (CONT'D)

NA	: Net assets
Non-Interested Directors	: The Directors of the Company who are not interested in the Proposals
Non-Interested Shareholders	: The shareholders of the Company who are not interested in the Proposals
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
PSTST	Puan Sri Tey Siew Thuan, Executive Director and chief executive officer of I-Berhad
Proposals	: Collectively, the Proposed Issuance and Proposed Constitution Amendments
Proposed Issuance	: Proposed issuance of up to RM100 million RPS to Sumurwang, a major shareholder of I-Berhad
Proposed Constitution Amendments	: Proposed amendments to the Constitution as a result of the Proposed Issuance as set out in Appendix II of this Circular
RCULS	: Collectively, RCULS-A and RCULS-B
RCULS-A	: RM132 million 2014/2027 redeemable convertible unsecured loan stocks which are convertible into new I-Berhad Shares at the conversion price of RM0.71 and will mature on 27 August 2027
RCULS-B	: RM69 million 2014/2027 redeemable convertible unsecured loan stocks which are convertible into new I-Berhad Shares at the conversion price of RM0.60 and will mature on 27 August 2027
RCCPS	: The redeemable cumulative convertible preference shares of I-Berhad which have been mandatorily converted into I-Berhad Shares at maturity in 2022
RPS	: Redeemable preference share
RPS Holder	: The holder of the RPS
Record of Depositors	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository, as amended from time to time
RM and sen	: Ringgit Malaysia and sen, respectively
Rules	: Take-overs, Mergers and Compulsory Acquisitions issued by Securities Commission Malaysia
Sumurwang	: Sumurwang Sdn Bhd (Registration No. 198001009546 (63330-T)), a major shareholder of I-Berhad
TSLKH	: Tan Sri Lim Kim Hong, major shareholder and Non-Executive Chairman of I-Berhad

DEFINITIONS (CONT'D)

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “you” in this Circular are to the Shareholders.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) in Malaysia as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

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 the Board after due enquiry, 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 I-Berhad's plans and objectives will be achieved.

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NOTICE OF EGM	ENCLOSED
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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description																							
Details of the Proposals (Section 2 of this Circular)	<p><u>Proposed Issuance</u></p> <p>Our Company proposes to undertake the issuance of up to RM100 million of RPS solely to Sumurwang.</p> <p>It is the intention of our Company for the RPS to be issued in multiple tranches at any time and from time to time within a period of 3 years from issuance of the first tranche.</p> <p>The summary of salient terms of the RPS are as follows:-</p> <table><tr><td>Issuer</td><td>:</td><td>I-Berhad</td></tr><tr><td>Issue Size/ Amount</td><td>:</td><td><p>Up to RM100 million and can be issued in multiple tranches at the Issue Price.</p><p>The first tranche of the RPS is expected to be issued after the Company's shareholders' approval for the settlement of advances provided by Sumurwang of RM45 million. The subsequent tranches are envisaged to be issued as follows:-</p><table><tr><th>Timeframe</th><th>Amount (RM'000)</th></tr><tr><td>Year 1 from Tranche 1</td><td>Up to 30,000^(a)</td></tr><tr><td>Year 2 from Tranche 1</td><td>Up to 15,000^(a)</td></tr><tr><td>Year 3 from Tranche 1</td><td>Up to 10,000^(a)</td></tr></table><p>Note: ^(a) Could be issued under single or multiple tranches during the timeframe</p><p>However, the actual timeframe and the amount for the issuance of the tranches will depend on the cash flow requirements of the Company.</p></td></tr><tr><td>Issue Price</td><td>:</td><td>RM1.00 per RPS</td></tr><tr><td>Issue Date</td><td>:</td><td>The completion date of the subscription of the particular tranche of the RPS where the RPS for that tranche is issued and allotted.</td></tr><tr><td>Conversion</td><td>:</td><td>The RPS is not convertible into ordinary shares of the Company.</td></tr></table>	Issuer	:	I-Berhad	Issue Size/ Amount	:	<p>Up to RM100 million and can be issued in multiple tranches at the Issue Price.</p> <p>The first tranche of the RPS is expected to be issued after the Company's shareholders' approval for the settlement of advances provided by Sumurwang of RM45 million. The subsequent tranches are envisaged to be issued as follows:-</p> <table><tr><th>Timeframe</th><th>Amount (RM'000)</th></tr><tr><td>Year 1 from Tranche 1</td><td>Up to 30,000^(a)</td></tr><tr><td>Year 2 from Tranche 1</td><td>Up to 15,000^(a)</td></tr><tr><td>Year 3 from Tranche 1</td><td>Up to 10,000^(a)</td></tr></table> <p>Note: ^(a) Could be issued under single or multiple tranches during the timeframe</p> <p>However, the actual timeframe and the amount for the issuance of the tranches will depend on the cash flow requirements of the Company.</p>	Timeframe	Amount (RM'000)	Year 1 from Tranche 1	Up to 30,000 ^(a)	Year 2 from Tranche 1	Up to 15,000 ^(a)	Year 3 from Tranche 1	Up to 10,000 ^(a)	Issue Price	:	RM1.00 per RPS	Issue Date	:	The completion date of the subscription of the particular tranche of the RPS where the RPS for that tranche is issued and allotted.	Conversion	:	The RPS is not convertible into ordinary shares of the Company.
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EXECUTIVE SUMMARY (CONT'D)

	Dividend	:	<p>Subject to Sections 131 and 132 of the Act, the RPS Holder shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board ("Preferential Dividend Amount").</p> <p>No dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid. The holder of the RPS has the discretion to waive their Preferential Dividend Amount.</p> <p>The preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company.</p> <p>In the event the RPS Holder decides to waive the preferential dividend, the shareholders will be notified of the said waiver via an announcement to be made by the Company on Bursa Securities.</p>
	Redemption Price	:	<p>With respect to any RPS to be redeemed, an amount equal to:</p> <p>(i) 100% of the Issue Price of RPS; and</p> <p>(ii) An amount equal to any declared and unpaid dividends in respect of that RPS prior to the redemption.</p>
	Redemption	:	<p>Subject to Section 72 of the Act, the Company shall have the right to redeem the RPS at any time and from time to time in whole or in part, on any Redemption Date at the Redemption Price.</p> <p>The RPS Holder may make a request to the Company for redemption of the RPS Holder's RPS, in whole or in part, at any time and from time to time. The Company may determine, at its sole discretion, whether to agree to such redemption request.</p>
	Listing and tradability	:	<p>The RPS will not be admitted to the Official List of the Main Market of Bursa Securities and is non-tradable.</p>
	Transferability	:	<p>The RPS can only be transferred to a person falling within Schedules 6 and 7 of the Capital Markets and Services Act 2007 subject to approval of the Board.</p>

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EXECUTIVE SUMMARY (CONT'D)

	<p><u>Proposed Constitution Amendments</u></p> <p>The Proposed Constitution Amendments entail the consequential amendments to the Constitution of our Company to facilitate the creation and issuance of the RPS pursuant to the Proposed Issuance incorporating the terms of the RPS as set out in Appendix I.</p> <p>On 3 December 2019, 795,985,581 RCCPS were issued pursuant to the rights issue. On the maturity date in 2022, 720,436,588 RCCPS have been mandatorily converted into I-Berhad Shares while the remaining 75,548,993 RCCPS have been converted into ordinary shares by the RCCPS holders prior to maturity. As such, the terms of such RCCPS will be removed from the Constitution of our Company.</p>																					
<p>Use of Proceeds (Section 2.1.2 of this Circular)</p>	<p>The proceeds of up to RM100 million are proposed to be used in the following manner:-</p> <table><tr><th><u>Proposed Utilisation</u></th><th><u>Utilisation Timeframe</u></th><th><u>Amount</u> <u>RM'000</u></th></tr><tr><td></td><td></td><td>Up to</td></tr><tr><td>Settlement of advances provided by Sumurwang</td><td>Within 3 months</td><td>45,000</td></tr><tr><td>Property development business</td><td>Within 12 months</td><td>40,000</td></tr><tr><td>Working capital</td><td>Within 6 months</td><td>14,650</td></tr><tr><td>Estimated expenses for the Proposals</td><td>Within 3 months</td><td>350</td></tr><tr><td></td><td></td><td><u>100,000</u></td></tr></table>	<u>Proposed Utilisation</u>	<u>Utilisation Timeframe</u>	<u>Amount</u> <u>RM'000</u>			Up to	Settlement of advances provided by Sumurwang	Within 3 months	45,000	Property development business	Within 12 months	40,000	Working capital	Within 6 months	14,650	Estimated expenses for the Proposals	Within 3 months	350			<u>100,000</u>
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<p>Rationale for the Proposals (Section 3 of this Circular)</p>	<p><u>Proposed Issuance</u></p> <p>The Proposed Issuance enables our Company to obtain funds mainly for the settlement of advances provided by Sumurwang, our property development business, i.e, the existing on-going BeCentral Residences and working capital, as detailed in Section 2.1.2 of this Circular.</p> <p><u>Proposed Constitution Amendments</u></p> <p>The Proposed Constitution Amendments is to facilitate the issuance of the RPS pursuant to the Proposed Issuance.</p>																					
<p>Risk Factors of the Proposals (Section 5 of this Circular)</p>	<p><u>Non-Completion of the Proposals</u></p> <p>In the event that the Proposals are not approved by our shareholders, the Proposals will be terminated. In such event, all potential benefits arising from the utilisation of proceeds will not materialise. Our Company may need to look for other sources of funding.</p> <p><u>Inability to generate sufficient cash flows for the redemption of the RPS</u></p> <p>The RPS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the terms of the RPS which will be adopted in the Constitution. There is no assurance that the financial performance of our Company would be profitable to sustain the financial condition of our Company at a satisfactory level to generate sufficient cash flows for the redemption of the RPS.</p>																					

EXECUTIVE SUMMARY (CONT'D)

	<p><u>Non-subscription of the RPS by Sumurwang</u></p> <p>Sumurwang is the sole subscriber and has the discretion to decide whether to subscribe for the RPS. As such, there is no assurance that Sumurwang would subscribe for the RPS as and when funds are required by us. In such event, we may need to seek other sources of funding (e.g. bank borrowings). Any delay in obtaining the necessary funding could delay the completion of our Group's property development projects which could materially affect our financial performance.</p>
<p>Approvals Required (Section 8 of this Circular)</p>	<p>The Proposals are subject to the following approvals being obtained from:-</p> <ul style="list-style-type: none">(a) Non-Interested Shareholders of our Company at an EGM to be convened for the Proposed Issuance and Proposed Constitution Amendments; and(b) any other relevant authorities, if required.
<p>Audit Committee's Statement (Section 13 of this Circular)</p>	<p>The Audit Committee of our Company, after having considered all aspects of the Proposals (including but not limited to the rationale, risks and effects of the Proposals as well as the evaluation by the Independent Adviser), is of the opinion that the Proposals are:-</p> <ul style="list-style-type: none">(a) in the best interest of our Group;(b) fair, reasonable and on normal commercial terms; and(c) not detrimental to the interest of the Non-Interested Shareholders.
<p>Directors' Statement and recommendation (Section 14 of this Circular)</p>	<p>The Board (save for the Interested Directors) having considered all aspects of the Proposals, (including but not limited to the rationale, risks and effects of the Proposals as well as the evaluation by the Independent Adviser), is of the opinion that the Proposals are in the best interest of our Company.</p> <p>Accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.</p>

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PART A

**LETTER TO THE SHAREHOLDERS OF I-BERHAD
IN RELATION TO THE PROPOSALS**

I-Berhad

Registration No. 196701000055 (7029-H)
(Incorporated in Malaysia)

Registered Office
Level 31, Mercu Maybank
i-City, Selangor Golden Triangle
40000 Shah Alam
Selangor

17 July 2024

Board of Directors

Tan Sri Lim Kim Hong (*Non-Executive Chairman*)
Puan Sri Tey Siew Thuan (*Executive Director / Chief Executive Officer*)
Dato' Eu Hong Chew (*Non-Independent Non-Executive Director*)
Gan Kim Khoon (*Independent Non-Executive Director*)
Prem Kumar A/L Subramaniam (*Independent Non-Executive Director*)
Goh Yeang Kheng (*Independent Non-Executive Director*)

To: The Shareholders of I-Berhad

Dear Sir/Madam,

PROPOSALS

1. INTRODUCTION

On 24 April 2024, AmlInvestment Bank had, on behalf of our Board, announced that our Company proposed the following:-

- (a) proposed issuance of up to RM100 million RPS by I-Berhad to Sumurwang, a major shareholder of I-Berhad, at the Issue Price. In conjunction with the Proposed Issuance, our Company had on 24 April 2024 entered into a subscription agreement with Sumurwang; and
- (b) proposed amendments to the Constitution of the Company as a result of the Proposed Issuance.

On 28 May 2024, AmlInvestment Bank had, on behalf of our Board, announced our Company has revised the following RPS terms as follows:-

Term	Existing Term	Revised Term
The term "Subscriber" used in the table shall be revised to "holder of the RPS" or "RPS Holder", as the case may be.		
Dividend	<p>Subject to Sections 131 and 132 of the Act, the Subscriber shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board ("Preferential Dividend Amount"). No dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid.</p> <p>The preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company.</p>	<p>Subject to Sections 131 and 132 of the Act, the <u>Subscriber holder of the RPS</u> shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board ("Preferential Dividend Amount"). No dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid. <u>The holder of the RPS has the discretion to waive their Preferential Dividend Amount.</u></p> <p>The preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company.</p>

For information, in the event Sumurwang decides to waive the preferential dividend, the shareholders will be notified of the said waiver via an announcement to be made by us on Bursa Securities.

Our Company had also terminated the subscription agreement. The issuance of the RPS will be governed by the Constitution. The terms of the RPS will be adopted in the Constitution once the shareholders' approval is obtained for the Proposals.

Our Board and Sumurwang have decided to terminate the subscription agreement after taking into consideration, inter-alia, that our Company would be able to proceed with the Proposed Issuance to Sumurwang without the existence of the subscription agreement, and that Sumurwang is a major shareholder of the Company. Further, by terminating the subscription agreement, it gives both parties more flexibility and ensures a more cost effective issuance. The interest of our Company's shareholders is nevertheless still protected as Sumurwang can only subscribe for the RPS based on the terms approved by shareholders of our Company at the forthcoming EGM. Any amendments to the terms of the RPS would require shareholders' approval.

The Proposals are deemed related party transactions pursuant to Paragraph 10.08 of Chapter 10 of the Listing Requirements as a portion of the RPS issued will be used to settle the advances provided by Sumurwang, as detailed in Section 2.1.2.

Accordingly, cfSolutions Sdn Bhd has been appointed on 22 April 2024 to act as the Independent Adviser to advise the Non-Interested Directors and the Non-Interested Shareholders on the fairness and the reasonableness of the Proposals and whether the Proposals are detrimental to the Non-Interested Shareholders. The IAL in relation to the Proposals is set out in Part B of this Circular.

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THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED HERewith IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS LETTER IN PART A OF THIS CIRCULAR AND THE IAL IN PART B 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 Issuance

Our Company proposes to undertake the issuance of up to RM100 million of RPS solely to Sumurwang.

It is the intention of our Company for the RPS to be issued in multiple tranches at any time and from time to time within a period of 3 years from issuance of the first tranche. The minimum issuance size for the first tranche is expected to be RM45 million for the settlement of advances provided by Sumurwang as detailed in Section 2.1.2 below.

We have decided to issue in multiple tranches as the issuance to Sumurwang will depend on the cash flow requirements of I-Berhad taking into consideration of the take-up rate of its existing property development which has been launched, namely BeCentral Residences, 8Premier, Twenty8 as well as the performance of our Group's Property Investment, Leisure and Hospitality segments. By aligning the issuance tranches with our revenue streams and cash flow, we aim to optimise our financial management and support the sustained growth of our Group.

As and when we need additional fundings for purposes as stated in Section 2.1.2, we will issue a notice to Sumurwang and Sumurwang will have the discretion to subscribe for the RPS or not.

As stated in the salient terms of the RPS, the redemption will be at our discretion. The redemption can be in part or whole depending on our cash flows at that point in time.

The RPS will not be admitted to the Official List of the Main Market of Bursa Securities and it is not convertible into I-Berhad Shares. The salient terms of the RPS are as set out in **Appendix I** of this Circular.

2.1.1 Basis and justification for the Issue Price and dividend rate

Issue Price

The RPS is not listed and non-tradable and the issue price has been set at RM1.00 per share.

Dividend rate

As stated in the terms of the RPS (**Appendix I**), subject to Sections 131 and 132 of the Act, the RPS Holder shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board.

The dividend rate of 3% per annum was derived after taking into consideration the following:-

- (a) As at the LPD, the interest rate of I-Berhad's existing borrowing which ranges from 4.21% per annum to 5% per annum; and

- (b) The dividend rate of listed preference shares of companies listed on Bursa Securities issued since December 2020 and where the dividend has been paid up to LPD are as follows:-

Company	Types	Issue Date	Dividend rate per annum	Tenure
(i) SP Setia Berhad	Islamic Redeemable Convertible Preference Shares	24 November 2022	5.43%	Perpetual
(ii) Omesti Berhad	Redeemable Preference Shares	1 April 2021	5.0%	5 years
(iii) Pansar Berhad	Redeemable Convertible Preference Shares	29 March 2021	4.0%	5 years
(iv) Insas Berhad	Redeemable Preference Shares	1 March 2021	3.8%	5 years
(v) Sunway Berhad	Irredeemable Convertible Preference Shares	3 December 2020	5.25%	5 years

The RPS has no maturity date. Our Company shall have the right to redeem the RPS at any time and from time to time in whole or in part, on any redemption date at the redemption price. The RPS Holder may make a request to our Company for redemption of the RPS, in whole or in part, at any time and from time to time. Our Company may determine, at our sole discretion, whether to agree to such redemption request. This grants our Company flexibility to manage our cash flow as well as enabling us to choose optimal times for redemption.

Our Company expects to redeem the RPS within 3 years from the first issuance, subject to, amongst others, the sufficiency of cash flow for working capital and being able to meet the compliance of the Act.

AmInvestment Bank is of the view that the 3% preferential dividend to be paid to Sumurwang prior to the redemption of the RPS will not be detrimental to the ordinary shareholders in terms of dividend payout in view of the following:-

- (a) The dividend rate of 3% is lower than the existing prevailing interest rate incurred by our Company of between 4.21% per annum to 5% per annum;
- (b) The payment of the RPS dividends will need to comply with the Act namely the dividends can only be paid out of profits and only if our Company is able to provide the solvency declaration;
- (c) The RPS dividends are not cumulative. In any year dividends are not declared, the said dividends cannot be carried forward to the next year; and
- (d) In the event our Company is required to borrow from a financial institution at the existing prevailing interest rate, the profit to our Company will be lower which would affect the dividend payout to the shareholders.

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2.1.2 Use of Proceeds

The proceeds of up to RM100 million are proposed to be used in the following manner:-

Proposed Utilisation	Utilisation Timeframe⁽ⁱ⁾	Amount RM'000
Settlement of advances provided by Sumurwang ⁽ⁱⁱ⁾	Within 3 months	Up to 45,000
Property development business ⁽ⁱⁱⁱ⁾	Within 12 months	40,000
Working capital ^(iv)	Within 6 months	14,650
Estimated expenses for the Proposals ^(v)	Within 3 months	350
		100,000

Notes:-

- (i) From the date of receipt of the proceeds.
- (ii) As at the LPD, Sumurwang has advanced RM45 million (which is unsecured, interest-free and payable on demand) to our Company which was utilised mainly for the property development business including BeCentral Residences. RM45 million will be utilised to settle the said advance by way of set-off arrangement. After the settlement of the RM45 million, there are no remaining advances by Sumurwang to our Company.

Sumurwang has advanced the funds in tranches since April 2022. Our Company had negotiated with Sumurwang to defer the repayment of the said advances. However, given the quantum and pro-longed outstanding advances, Sumurwang has requested for at least a dividend or interest to be paid on the amount it has advanced. Our Company believes that payment in the form of dividends would be more beneficial to our Company as payment of dividends can only be made out of profits and only if our Company is able to provide the solvency declaration. Moreover, the dividend is non-cumulative.

- (iii) RM40 million proceeds shall be allocated to fund our Group's property development business that includes the on-going property development project at i-City i.e. BeCentral Residences, which include but not limited to the construction costs, regulatory fees, consultant and professional fees, project management fees, promotional and marketing expenses as well as administrative costs relating to the project.

BeCentral Residences is a residential project which consists of two towers with a total of 986 units.

The BeCentral Residences (Tower 1 and 2) are currently under construction and is expected to be completed by end of 2025. The total project cost for BeCentral Residences is estimated to be RM336.7 million, of which approximately 50.64% (approximately RM170.5 million) has been spent as at the LPD. The remaining 49.36% (approximately RM166.2 million) of the project cost is expected to be funded from the proceeds of the Proposed Issuance and internally generated funds. Further details of BeCentral Residences are as follows:-

(a)	Commencement date of construction of BeCentral Residences	1 September 2021
(b)	Estimated Gross Development Value ("GDV")	RM619.8 mil
(c)	% of completion of construction of BeCentral Residences as at the LPD	29%
(d)	Take-up rate of BeCentral Residences as at the LPD	36%

The actual utilisation of the proceeds for the above-mentioned projects will depend on, amongst others, the funding requirement and construction progress of the projects, sales of the BeCentral Residences and the timing of completion of the Proposed Issuance. Any excess or shortfall of the amount allocated for the property development business will be adjusted to/from the working capital.

Our Company also expects to use the proceeds for the launch of its new projects i.e. upcoming projects in i-City Finance Avenue and Al Central Park, consisting of 2 corporate office towers and 1 residential tower with a combined GDV of RM0.6 billion.

- (iv) Working capital includes financing of I-Berhad's daily operations and operating expenses, which include, amongst others, sales and marketing expenses, payment to contractors, suppliers and consultants, general administrative and other operating expenses, as well as for general corporate purposes. It is envisaged that the proceeds will be utilised in the following proportion:-

	Indicative Allocation^(a)
	(%)
Sales and marketing expenses	30
Payment to contractors, suppliers and consultants	30
General administrative	20
Other operating expenses	20
	100

Note:-

- (a) *Percentage based on the actual proceeds to be raised for working capital. Please refer to the order of priority below.*

Currently, we meet our working capital requirements via internally generated funds.

Any excess or shortfall of the amount allocated for working capital will be adjusted to/from the property development business.

- (v) The estimated expenses consist of, amongst others, professional fees, fees payable to authorities, securities issuance associated costs and other miscellaneous expenses. Any excess or shortfall of the amount allocated for the estimated expenses will be adjusted to/from the working capital.

As stated in Section 2.1 of this Circular, it is the intention of our Company for the RPS to be issued in multiple tranches at any time and from time to time within a period of 3 years. Our Company expects that the first tranche of the RPS will be issued after our Company's shareholders' approval for the settlement of advances provided by Sumurwang of RM45 million. The subsequent tranches are envisaged to be issued as follows:-

Timeframe	Amount (RM'000)
Year 1 from Tranche 1	Up to 30,000 ^(a)
Year 2 from Tranche 1	Up to 15,000 ^(a)
Year 3 from Tranche 1	Up to 10,000 ^(a)

Note:-

- (a) *Could be issued under single or multiple tranches during the timeframe*

However, the actual timeframe for the issuance of the subsequent tranches will depend on the cash flow requirements of our Company.

We envisage the order of priority for the utilisation of the proceeds will be as follows:-

- (a) Settlement of advances provided by Sumurwang;
- (b) Estimated expenses;
- (c) Property development business; and
- (d) Working capital

2.2 Proposed Constitution Amendments

The Proposed Constitution Amendments entail the consequential amendments to the Constitution of our Company to facilitate the creation and issuance of the RPS pursuant to the Proposed Issuance incorporating the terms of the RPS as set out in **Appendix I**.

On 3 December 2019, 795,985,581 RCCPS were issued pursuant to the rights issue. On the maturity date in 2022, 720,436,588 RCCPS have been mandatorily converted into I-Berhad Shares while the remaining 75,548,993 RCCPS have been converted into ordinary shares by the RCCPS holders prior to maturity. As such, the terms of such RCCPS will be removed from the Constitution of our Company.

The proposed amendments to the Constitution are detailed in **Appendix II** of this Circular.

2.3 Information on Sumurwang

Sumurwang was incorporated on 11 October 1980 in Malaysia as a private limited company. Sumurwang is principally an investment holding company. As at the LPD, the issued share capital of Sumurwang is RM42,612,570 comprising of 42,612,570 ordinary shares. The directors of Sumurwang are TSLKH, PSTST and Lee Ming Suan.

The substantial shareholders of Sumurwang are as follows:-

	Direct		Indirect	
	No. of shares	(i)%	No. of shares	(i)%
Sumur Ventures Sdn Bhd	36,709,343	86.15	-	-
TSLKH	2,043,691	4.80	36,709,343 ⁽ⁱⁱ⁾	86.15

Notes:-

- (i) Computed based on the number of ordinary shares in Sumurwang in issue as at the LPD.
- (ii) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd by virtue of Section 8(4) of the Act.

3. RATIONALE OF THE PROPOSALS

3.1 Proposed Issuance

The Proposed Issuance enables our Company to obtain funds mainly for the settlement of advances provided by Sumurwang, our property development business, i.e, the existing on-going BeCentral Residences and working capital, as detailed in Section 2.1.2 of this Circular.

Our financial performance was affected during the COVID-19 years between 2020 to 2022 especially for our hospitality business segment and our property development launches. We are now in the process of recovering from the impact of COVID-19 as can be seen from our historical financial performance below. Post COVID-19, our Company has started to rebuild our pipeline under our property development segment as well as achieving better performance from the Property Investment and Leisure segments. Time is required for us to build up our cash reserves to fund our future new projects.

	Audited FYE 31 December				
	2019 ⁽ⁱ⁾	2020 ⁽ⁱ⁾	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	172,018	80,101	80,214	119,617	175,569
Profit attributable to shareholders	55,496 ⁽ⁱⁱ⁾	1,665	369	12,078 ⁽ⁱⁱ⁾	11,915 ⁽ⁱⁱ⁾
Cash and Bank Balances	19,403	23,130	21,304	19,435	25,343
Short-term funds with licensed financial institutions	119,766	15,245	2,028	11	12
Operating Cash flows	19,103	(22,481) ⁽ⁱⁱⁱ⁾	(7,213) ⁽ⁱⁱⁱ⁾	16,068	24,072

Notes:-

- (i) The figures for FYE 2020 and 2019 have been restated to reflect the adjustments pursuant to IFRIC Agenda Decision on Borrowing Costs.
- (ii) After adjusting for one-off gain on disposal of associate (FYE 2023: RM0.080 million) and one-off gain on the modification of RCULS (FYE 2022: RM15.137 million; FYE 2019: RM2.711 million).
- (iii) For information, on 3 December 2019, we completed the rights issue of RCCPS which raised gross proceeds of RM151.237 million. The details of the utilisation of proceeds together with the utilisation timeline are as follows:-

Details of utilisation	Utilisation timeframe from 3 December 2019 (i.e. date of listing of RCCPS)	Approved utilisation	Utilised in FYE 31.12.2019	Utilised in FYE 31.12.2020	Utilised in FYE 31.12.2021
		RM'000	RM'000	RM'000	RM'000
Property investment/hospitality projects	Within 18 months	86,437	21,499	49,220	15,718
Property development	Within 18 months	64,000	7,507	56,493	-
Expenses in relation to the proposals	Within 6 months	800	135	665	-
		<u>151,237</u>	<u>29,141</u>	<u>106,378</u>	<u>15,718</u>

The proceeds from the rights issue of RCCPS were mainly used to fund the construction of our Company's property investment / hospitality projects, as well as the on-going property development project (i.e. Mercuri Maybank Corporate Office Tower, i-City which was completed in 2019, 5-star DoubleTree by Hilton which was completed in 2022, and 8Kia Peng (rebranded as Wyndham Suites KLCC) which was completed in 2020). Despite raising RM151.237 million from the rights issue of RCCPS, we experienced negative operating cash flows in FYE 2020 and FYE 2021 primarily attributable to the profound impact of COVID-19, resulting in lower business activities for Year 2020 and Year 2021, low take-up rate for our property projects, pro-longed gestation period for the Investment Properties to deliver sustainable income as well as fewer customers for our Leisure and Hospitality segment, substantially reducing our Company's business revenue and profitability.

For information, depending on the take-up rate of BeCentral Residences and sale of our Group's completed units, the funding requirements required by our Group in the short to medium term are approximately RM55 million primarily for the Property Development segment for BeCentral Residences and/ or Al Central Park project as stipulated in Section 2.1.2.

After due consideration of the various forms of fund-raising including bank borrowings, our Board is of the view that the Proposed Issuance is an appropriate avenue to raise the necessary funding for our Group and it enables our Group to raise funds without security and at a rate lower compared to our Group's existing bank borrowing rates which ranges between 4.21% per annum to 5% per annum.

In addition, the Proposed Issuance provides our Group an expeditious and cost-effective way of raising funds as opposed to other forms of fund-raising exercises e.g. rights issue, which would typically entail a longer implementation time.

3.2 Proposed Constitution Amendments

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

4. INDUSTRY OUTLOOK AND PROSPECTS OF I-BERHAD GROUP

Information in the ensuing Sections 4.1, 4.2, and 4.3 have been extracted from the most recent available government publications and other publicly available resources.

4.1 Overview and outlook of Malaysian economy

The Malaysian economy grew at a higher rate of 4.2% in the 1Q 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic (E&E) and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 1.4% in 1Q 2024 (4Q 2023: -1%).

Headline inflation remained moderate at 1.7% during 1Q 2024 (4Q 2023: 1.6%). The modest increase in headline inflation reflects the policy adjustments to water tariffs in February and services tax for high-usage electricity in March, which increased by 20.8% (4Q 2023: 2.1%) and 0.7% (4Q 2023: 0%) respectively. Core inflation moderated to 1.8% (4Q 2023: 2%), largely driven by continued easing in the food and beverages segment. Inflation pervasiveness edged higher, as the share of Consumer Price Index (CPI) items recording monthly price increases rose to 44.2% during 1Q 2024 (4Q 2023: 36.3%). Nonetheless, this remains well below the first quarter long-term average (corresponding first quarter periods during 2011-2019) of 52.2%.

Growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand. On the domestic front, continued employment and wage growth will support household spending. Improvement in tourist arrivals and spending are expected to continue. Investment activities will be driven by progress in multi-year projects across private and public sectors, alongside catalytic initiatives announced in national master plans, as well as the higher realisation of approved investments. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand, further escalation in geopolitical conflicts and larger declines in commodity production domestically. Nonetheless, there are upside risks from greater spillover from the tech upcycle, more robust tourism activities and faster implementation of existing and new investment projects.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia)

4.2 Overview and prospects of the property sector in Malaysia

The real estate and business services subsector is poised to grow by 5.4% attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

The implementation of NIMP 2030 is expected to further strengthen the performance of non-residential buildings subsector as the Plan will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Economic Outlook 2024, Ministry of Finance, Malaysia)

4.3 Prospects of I-Berhad Group

The property development segment generated revenue of RM61.2 million (2022: RM41.9 million) and a pre-tax profit of RM1.9 million for financial year ended 31 December 2023 (“**FY 2023**”) (2022: pre-tax profit of RM12.6 million). The higher profit before tax for the previous financial year was mainly due to one-off gain arising from remeasurement on liabilities of RM15.1 million resulting from the variation of terms of the RCULS due to the RCULS extension during year 2022.

Our Group's overarching plans and strategies revolve around leveraging i-City as the cornerstone for building a robust property development business and constructing a diversified property portfolio. As at the LPD, the property development projects that are still under construction are BeCentral Residences and 8 Premier corporate/ retail spaces. Together with Twenty8 corporate/ retail spaces, the total gross development value (GDV) is RM0.7 billion. The projects are part of our Group's plan of re-building our property development pipeline, our vision to redefine modern urban living, creating a sanctuary where luxury meets functionality, and community thrives. The details of our 8Premier and Twenty8 corporate / retail spaces as at the LPD are as follows:-

		8 Premier	Twenty8
(i)	Commencement date of construction	1 September 2021	1 September 2021
(ii)	Expected date of completion / Completion date	Fourth quarter of 2024	Completed in February 2024
(iii)	Estimated Gross Development Value	RM70.3 mil	RM25.4 mil
(iv)	Estimated Gross Development Costs	RM25.9 mil	RM11.3 mil
(v)	% of completion of construction	58%	100%
(vi)	Take-up rate	37%	25%

Our Group has been proactively addressing the take-up rate of Twenty8 by expanding our engagement with a broader spectrum of agents to attract tenants of diverse profiles. Additionally, our Group is also implementing a range of marketing initiatives aimed at enhancing the brand awareness of Twenty8.

The property investment segment recorded revenue of RM22.9 million (compared to RM19.1 million in 2022) and a pre-tax profit of RM9.6 million (compared to RM15.2 million in 2022). The higher profit before tax for the previous financial year was mainly contributed from revaluation surplus of the investment property amounting to RM7.9 million held by the associate (i.e. Central Plaza I-City Real Estate Sdn. Bhd.) whereas the pre-tax profit during the financial year were mainly attributed from the rental of investment properties held by our Group, mainly Mercu Maybank corporate tower, data centre and car park blocks in i-City as well as the share of results of an associate, i.e. the Central i-City Mall. The continuous effort in strengthening our Group's Investment Properties portfolio as well as attracting more tenants and business partners to our investment properties has reflected positively in the segment resulting in higher occupancy rate of Mercu Maybank of 85% in FY 2023 (FY 2022: 83%) and the improved foot traffic at Central i-City Mall.

The leisure and hospitality segment recorded a substantial increase in revenue and pre-tax profit in FY2023. The revenue was RM87.3 million (2022: RM53.8 million) and pre-tax profit was RM9.0 million (2022: RM0.9 million) representing an increase of 62% and >100% respectively as compared to the previous financial year ended 31 December 2022. The 5-star DoubleTree by Hilton Hotel was a major contributor to this growth. Additionally, the Immersive Winterland and the Digital Sports Arena rides which have just opened in November 2023 and December 2023 respectively as well as the One Shah Alam One Destination campaign which was held during the year end has contributed to the improved visitation to theme park whereby it contributed to a significant improved result to the segment.

Our Group aims to transform i-City into a dynamic urban center. Recognition from “The Malaysia Developer Award” for the “transformation category”, underscores the commitment to reshaping landscapes and driving innovation in urban development.

Our Group's plans for 2024 included the launch of the second BeCentral Residences Tower which is officially expected to be launched in third quarter of 2024, which is a significant step in the strategy to rebuild our Property Development pipeline. The re-branding of 8Kia Peng project as the Wyndham Suites KLCC signifies an exciting addition to our Hospitality portfolio. Additionally, our Group's plans to invest in new attractions at the Leisure Theme Park further underscore our commitment to enhancing guest experiences and ensuring the continued vibrancy of i-City. The new attractions at the Leisure Theme Park would mainly revolve around a digital theme park experience. Through strategic investments and innovative offerings, we aim to solidify i-City's position as a premier "Destination", attracting visitors from far and wide.

Capitalizing on Malaysia's position as a leading technology hub, our Group will continue to refresh the technology to attract multinational corporations and fintech companies to set up regional offices in i-City. The Malaysia Digital Township initiative positions i-City as a premier destination for tech-driven innovation and growth. For information, i-City is accorded with the MSC Cybercentre status.

Barring any unforeseen circumstances, we are of the view that the prospects of our Group should bode well after taking into consideration, amongst others, the construction of our ongoing property development projects. Our Group's dedication to innovation, technology, and experiential design positions i-City as a tech-driven, integrated development where people can live, work, and play which will be providing quality jobs for its residents and knowledge workers.

(Source: I-Berhad's Management)

5. RISK FACTORS OF THE PROPOSALS

5.1 Non-Completion of the Proposals

The Proposals are subject to the approval from the shareholders of our Group. In the event that the Proposals are not approved by our shareholders, the Proposals will be terminated. In such event all potential benefits arising from the utilisation of proceeds will not materialise. Our Group may need to look for other sources of funding. There is no assurance that our Group will be able to seek other sources of funding and even if they can, on terms which are the same or more favourable compared to the RPS. This may delay the completion of our Group's property development projects which could materially affect our financial performance.

Our Group anticipates that such risk can be mitigated by proactively engaging with the relevant parties to obtain all the necessary approvals and documents required for the completion of the Proposals.

5.2 Inability to generate sufficient cash flows for the redemption of the RPS

The RPS shall constitute direct, unconditional and unsecured obligations of our Group and subject to the terms of the RPS which will be adopted in the Constitution, must at all times rank *pari passu*, without discrimination, preference or priority between themselves. Moving forward, there is no assurance that the financial performance of our Group would be profitable to sustain the financial condition of I-Berhad at a satisfactory level to generate sufficient cash flows for the redemption of the RPS.

Our Group may not be able to fulfill the redemption obligation due to various factors including circumstances beyond our control which could materially affect our Group. In the event of a default of our obligations to the RPS, our Group's reputation could materially be affected. Our Group will endeavor to ensure a prudent cash flow management and monitoring of cash flow position regularly to minimise the event of default. However, there is no assurance that our Group will generate sufficient cash flows to service the obligations of the RPS.

5.3 Non-subscription of the RPS by Sumurwang

Sumurwang is the sole subscriber and has the discretion to decide whether to subscribe for the RPS. As such, there is no assurance that Sumurwang would subscribe for the RPS as and when funds are required by us. In such event, we may need to seek other sources of funding (e.g. bank borrowings). Any delay in obtaining the necessary funding could delay the completion of our Group's property development projects which could materially affect our financial performance.

Our Group anticipates that such risk can be mitigated by proactively engaging with Sumurwang prior to issuance of each tranche of the RPS.

6. EFFECTS OF THE PROPOSALS

6.1 Issued Share capital

The Proposals will not have any effect on the issued ordinary share capital and substantial shareholders' shareholding of I-Berhad as the Proposals do not entail any issuance of new ordinary shares in I-Berhad.

6.2 NA and gearing

For illustration purposes, based on the audited consolidated financial statements as at 31 December 2023 and on the assumption that the Proposals had been effected on the same day, the pro forma effects of the Proposals on the consolidated NA and gearing of I-Berhad are as follows:-

	Audited as at 31 December 2023 (RM'000)	After the Proposed Issuance (RM'000)
Share capital	768,687	768,687
Reserves	394,056	394,056
RCULS – Equity components	14,547	14,547
RPS	-	99,650 ⁽ⁱ⁾
Net assets attributable to the owners of the Company	1,177,290	1,276,940
No. of I-Berhad Shares ('000)	1,857,300	1,857,300
NA per I-Berhad Shares (RM)	0.63	0.69
Borrowings ⁽ⁱⁱⁱ⁾ ('000)	107,615	107,615
Gearing (times)	0.09	0.08

Notes:-

(i) After deducting RM350k estimated expenses.

(ii) Excluding lease liabilities and the liability components of the RCULS.

6.3 Earnings and EPS

The Proposals are not expected to have any material effect on the consolidated earnings and EPS of our Group. However, the Proposals are expected to contribute positively to the earnings of I-Berhad Group as and when benefits from the utilisation of proceeds materialise.

6.4 Convertible securities

As at the LPD, save for the 402 million outstanding RCULS amounting to RM201 million, our Company does not have any other existing convertible securities. There will be no adjustments to the number and the conversion price of the RCULS arising from the Proposals. For information, 300.92 million Shares will be issued upon full conversion of 402 million outstanding RCULS (*RCULS-A at RM0.71 conversion price and RCULS-B at RM0.60 conversion price*).

The RCULS are held by as follows:-

	Number ('mil)	RM ('mil)
Sumuracres Sdn Bhd ⁽ⁱ⁾	264	132
Sumurwang	138	69

Note:

- (i) Sumuracres Sdn Bhd is an indirect wholly-owned subsidiary of Sumurwang and a related party of our Group.

7. HISTORICAL SHARE PRICE

The monthly highest and lowest market prices of I-Berhad as traded on the Main Market of Bursa Securities for the past twelve (12) months from July 2023 to June 2024 are as follows:

	High (RM)	Low (RM)
2023		
July	0.253	0.223
August	0.283	0.238
September	0.290	0.250
October	0.275	0.235
November	0.250	0.225
December	0.240	0.225
2024		
January	0.270	0.230
February	0.255	0.235
March	0.240	0.220
April	0.250	0.225
May	0.255	0.235
June	0.290	0.245

	RM
The last transacted market price of I-Berhad Shares on 22 April 2024 (<i>being the last transacted market day immediately prior to the announcement of the Proposals</i>)	0.235
The last transacted market price of I-Berhad Shares as at the LPD	0.245

(Source: Bloomberg)

8. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained: -

- (a) Non-Interested Shareholders of our Company at an EGM to be convened for the Proposed Issuance and Proposed Constitution Amendments; and
- (b) other relevant authorities and/or parties, if required.

9. CONDITIONALITY OF THE PROPOSALS

The Proposed Issuance and Proposed Constitution Amendments are inter-conditional upon each other.

Save for the above, the Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

10. ESTIMATED TIMEFRAME FOR THE COMPLETION OF THE PROPOSALS

Barring any unforeseen circumstances, the Proposals are expected to be completed in the third quarter of 2024.

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

<u>Events</u>	<u>Tentative Timing</u>
EGM	8 August 2024
Completion of the Proposals ⁽ⁱ⁾	30 August 2024

Note:

(i) From the date of the completion of the first tranche of the Proposed Issuance.

11. INTERESTS OF MAJOR SHAREHOLDERS, DIRECTORS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

11.1 Major Shareholders' interests

Sumurwang, a major shareholder of I-Berhad is deemed interested in the Proposals as it is the sole subscriber of the RPS in the Proposed Issuance. TSLKH and Sumur Ventures Sdn Bhd, the major shareholders of I-Berhad are deemed interested in the Proposals as TSLKH and Sumur Ventures Sdn Bhd are shareholders of Sumurwang.

TSLKH, Sumurwang and Sumur Ventures Sdn Bhd shall collectively be referred to as "**Interested Major Shareholders**".

The shareholdings of the Interested Major Shareholders in I-Berhad as at the LPD are as follows:-

Interested Major Shareholders	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of shares</u>	<u>(i)%</u>	<u>No. of shares</u>	<u>(i)%</u>
Sumurwang	1,063,091,309	57.24	118,558,627 ⁽ⁱⁱ⁾	6.38
Sumur Ventures Sdn Bhd	153,917,448	8.29	1,181,649,936 ⁽ⁱⁱⁱ⁾	63.62
TSLKH	63,301,200	3.41	1,335,567,384 ^(iv)	71.91

Notes:-

- (i) Computed based on the number of I-Berhad Shares in issue as at the LPD.
- (ii) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Act.
- (iii) Deemed interest through its shareholding in Sumurwang, Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Act.
- (iv) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang, Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Act.

Accordingly, the Interested Major Shareholders will abstain from voting in respect of their direct and indirect shareholdings in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect interests (if any) in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

11.2 Directors' interests

TSLKH, being the Non-Executive Chairman and major shareholder of I-Berhad, is deemed interested in the Proposals as he is a director and deemed substantial shareholder of Sumurwang.

PSTST, the Executive Director/Chief Executive Officer of I-Berhad, is the spouse of TSLKH, is deemed interested in the Proposals as she is a director and shareholder of Sumurwang.

Lim Boon Soon ("**LBS**"), who retired as the Executive Director of I-Berhad on 26 June 2024, is deemed interested in the Proposals pursuant to Chapter 10.02(c) of the Listing Requirements where he was our director for the past 6 months and he is the son of TSLKH and PSTST.

TSLKH, PSTST, and LBS are referred to as the "**Interested Directors**".

The Interested Directors' shareholdings in I-Berhad as at the LPD are set out below:-

Interested Directors	Direct		Indirect	
	No. of shares	(i)%	No. of shares	(i)%
TSLKH	63,301,200	3.41	1,335,567,384 ⁽ⁱⁱ⁾	71.91
PSTST	3,138,740	0.17	-	-
LBS	-	-	-	-

Notes:-

- (i) Computed based on the number of I-Berhad Shares in issue as at the LPD.
- (ii) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang, Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Act.

Accordingly, the Interested Directors have abstained and will continue to abstain from all Board deliberations and voting in respect to the Proposals.

The Interested Directors will also abstain from voting in respect of their direct and indirect shareholdings in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect interests (if any) in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Issuance pursuant to Paragraph 10.02(g) of the Listing Requirements is 8.49%.

13. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of our Company, after having considered all aspects of the Proposals (including but not limited to the rationale, risks and effects of the Proposals as well as the evaluation by the Independent Adviser), is of the opinion that the Proposals are:-

- (a) in the best interest of our Group;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interest of the Non-Interested Shareholders.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Directors) having considered all aspects of the Proposals, (including but not limited to the rationale, risks and effects of the Proposals as well as the evaluation by the Independent Adviser), is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.

15. INDEPENDENT ADVISER

In view that the Proposals are regarded as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements, our Board (save for the Interested Directors) had on 22 April 2024 appointed cfSolutions Sdn Bhd to act as the Independent Adviser to:

- (a) Comment as to whether the Proposals are fair and reasonable insofar as the Non-Interested Shareholders are concerned and whether the Proposals are to the detriment of the Non-Interested Shareholders; and
- (b) Advise the Non-Interested Shareholders on whether they should vote in favour of the ordinary and special resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

16. TRANSACTION ENTERED INTO WITH SUMURWANG FOR THE PRECEDING 12 MONTHS

Save for the Proposals, there were no other transactions (excluding transactions in the ordinary course of business) entered into between our Company with the same related party for the 12 months preceding the date of this Circular.

17. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, our Group does not have any other corporate exercise which has been announced to Bursa Securities but has yet to be completed prior to the date of this Circular.

18. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at **Level 31, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia** on **Thursday, 8 August 2024** at **3.00 p.m.**, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals. The resolutions pertaining to the Proposals are set out in our Notice of EGM which is enclosed with this Circular.

If you are unable to attend and vote in person at the EGM, please complete and return the Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the Share Registrar of our Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for holding the EGM. The Form of Proxy once deposited will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

19. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of Directors of
I-BERHAD

DATO' EU HONG CHEW
Non-Independent Non-Executive Director

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PART B

INDEPENDENT ADVICE LETTER FROM CFSOLUTIONS SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF I-BERHAD IN RELATION TO THE PROPOSALS

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions contained in the Definitions section of Part A of this Circular except where the context otherwise requires or otherwise defined herein.

This Executive Summary highlights the salient information relating to the Proposals. Non-Interested Shareholders of I-Berhad are advised not to rely solely on the Executive Summary and to read thoroughly this IAL together with the contents set out in Part A of this Circular and its enclosed appendices. You should consider carefully all relevant and pertinent factors including those set out in the Part A of this Circular and this IAL, the recommendation of the Board (save for the Interested Directors), our recommendation herein together with the limitations of our evaluation prior to making a decision on the resolutions relating to the Proposals at the forthcoming EGM of the Company.

This IAL is prepared solely for the use of the Non-Interested Shareholders as a whole for the purpose of considering the Proposals and should not be used or relied upon by any other party for any other purpose whatsoever. We also have not given consideration to the specific investment objectives, risk profiles, financial situations, tax positions and any particular needs of any individual shareholder or any specific group of shareholders. If you are in any doubt as to the course of action to be taken, you should consult your stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

1. INTRODUCTION

On 24 April 2024, AmInvestment Bank had, on behalf of the Board, announced the following:

- (i) proposed issuance of up to RM100 million RPS by I-Berhad to Sumurwang, a major shareholder of I-Berhad, at the Issue Price. In conjunction with the Proposed Issuance, the Company had on 24 April 2024 entered into a subscription agreement with Sumurwang; and
- (ii) proposed amendments to the Constitution of the Company as a result of the Proposed Issuance.

On 28 May 2024, AmInvestment Bank had, on behalf of the Board, announced the Company has revised certain RPS terms in relation to the dividend and the aforesaid subscription agreement was mutually terminated by the parties. Subsequent to termination of the subscription agreement, the issuance of the RPS will be governed by the Constitution. The terms of the RPS will be adopted in the Constitution once the Non-Interested Shareholders' approval is obtained for the Proposals. As stated in Part A of this Circular, the interest of the Non-Interested Shareholders is still protected as Sumurwang can only subscribe for the RPS based on the terms approved by Non-Interested Shareholders at the forthcoming EGM. Any amendments to the terms of the RPS would require shareholders' approval.

The Proposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements by virtue of the interests of Interested Major Shareholders and/or Interested Directors as set out in Section 6 of this IAL. In this respect, the Board has on 22 April 2024 appointed cfSolutions to act as the Independent Adviser to advise the Non-Interested Directors and Non-Interested Shareholders on the Proposals.

The purpose of this IAL is to provide the Non-Interested Shareholders with an evaluation of the fairness and reasonableness of the Proposals, together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified herein, in relation to the Proposals.

Non-Interested Shareholders should nonetheless rely on their own evaluation of the merits of the Proposals prior to making a decision on the course of action to be taken.

2. EVALUATION OF THE PROPOSALS

We have assessed and evaluated the Proposals to arrive at our conclusion and recommendation after taking into consideration the various factors as summarised below:

Section in this IAL	Area of evaluation	Our comments
7.1	Rationale of the Proposals	<p><u>Rationale of the Proposed Issuance</u></p> <p>(a) <u>A fund-raising avenue for the Company</u></p> <p>The Proposed Issuance will allow the Company to raise funds with the following advantages:</p> <ul style="list-style-type: none"> (i) The shareholdings of the existing shareholders will not be diluted as the RPS is non-convertible into ordinary shares of I-Berhad and can only be redeemed; (ii) The RPS can be issued in multiple tranches within a period of 3 years, thereby permitting better cash flow management and more effective management of finance costs; (iii) The fixed dividend rate of 3% will provide a lower financing cost as compared to the Group's current bank borrowing costs; and (iv) With a sole subscriber for the RPS, the Proposed Issuance will possibly be more expeditious and cost-effective compared to other forms of fund-raising avenues such as rights issue of ordinary shares or RPS. <p>(b) The Proposed Issuance will give the Company extended time to repay the advances from Sumurwang which otherwise is currently repayable on demand.</p> <p>(c) The Proposed Issuance is expected to improve the Company's cash flow position.</p> <p>(d) The Proposed Issuance will provide the Group with additional time to realise its inventories.</p>

Section in this IAL	Area of evaluation	Our comments
		<p><u>Rationale of the Proposed Constitution Amendments</u></p> <p>The Proposed Constitution Amendments is to facilitate the Proposed Issuance for the Group to reap the benefits as discussed above.</p>
7.2	The salient terms of the RPS	The terms of the RPS which were mutually agreed between the parties are acceptable.
7.3	Evaluation of the dividend rate of I-Berhad's RPS	<p>We compared the dividend rate for the RPS of 3.00% to the following rates, adjusting for the corporate tax impact:</p> <ul style="list-style-type: none"> (i) Borrowing rates of the Company's current facilities; (ii) Average interest rate based on the interest payment on bank borrowings of I-Berhad Group; (iii) Latest base lending rate of commercial banks in Malaysia as at the LPD; and (iv) Coupon rates of Malaysian Ringgit perpetual bonds. <p>Based on our evaluation, we are of the view that the dividend rate for the RPS is fair in view that the proposed dividend rate of 3% is lower than the aforementioned rates.</p>
7.4	Financial effects of the Proposals	<p>We note that there will be no effect on the issued share capital and substantial shareholders' shareholdings of the Company.</p> <p>The NA of the Company will increase mainly due to the issuance of RM100 million RPS pursuant to Proposed Issuance while the gearing will improve from 0.09 times to 0.08 times as a result of the increase in NA.</p> <p>We note that the effect on earnings and EPS is not expected to be material.</p> <p>There will be no impact on the existing convertibles i.e. RCULS-A and RCULS-B of the Company, in view that the RPS is not convertible.</p>
7.5	Industry outlook and prospect	Malaysian economy is expected to grow between 4% to 5% in 2024 on the back of supportive government policies despite global headwinds. The growth in both property market and construction sector remains favourable and the performance is expected to be encouraging.

Section in this IAL	Area of evaluation	Our comments
7.5	Industry outlook and prospect (cont'd.)	The favourable economy outlook as well as construction and property market performance in Selangor is expected to augur well for the business of the Group, especially its property development projects. In view of the foregoing and barring unforeseen circumstances, the Proposals are expected to contribute positively to the business growth and the long-term prospects of the Group.
7.6	Risk factors associated with the Proposals	<p>The risk factors associated with the Proposals include, but not limited to delay and non-completion of the Proposals, inability to generate sufficient cash flows for the redemption of the RPS, non-subscription of the RPS by Sumurwang, ranking of the RPS Holder, interest rate risk, availability of reserves to declare dividends, etc.</p> <p>The Non-Interested Shareholders of I-Berhad should take note of the risk factors relating to the Proposals which are non-exhaustive in nature and the relevant mitigating measures undertaken to mitigate such risks (if any); and that there can be no assurance that any of the risk factors will not have a material and adverse effect on the business and financial position of I-Berhad.</p>

3. CONCLUSION AND RECOMMENDATION

Premised on the abovementioned factors and our evaluation and consideration as set out in this IAL, we are of the opinion that, on the basis of the information available to us, the Proposals are **FAIR AND REASONABLE** and are **NOT DETRIMENTAL** to the Non-Interested Shareholders of I-Berhad.

Accordingly, cfSolutions recommends that the Non-Interested Shareholders **VOTE IN FAVOUR** of the ordinary resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

17 July 2024

To : The Non-Interested Shareholders of I-Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF I-BERHAD IN RELATION TO THE PROPOSALS

This IAL is prepared for the inclusion in this circular to shareholders of I-Berhad dated 17 July 2024 in relation to the Proposals (“**this Circular**”). All definitions used in this IAL shall have the same meaning as defined in the Definitions section of this Circular except where the context otherwise requires or where otherwise defined in this IAL.

1. INTRODUCTION

On 24 April 2024, AmInvestment Bank had, on behalf of the Board, announced the following:

- (i) proposed issuance of up to RM100 million RPS by I-Berhad to Sumurwang, a major shareholder of I-Berhad, at the Issue Price. In conjunction with the Proposed Issuance, the Company had on 24 April 2024 entered into a subscription agreement with Sumurwang; and
- (ii) proposed amendments to the Constitution of the Company as a result of the Proposed Issuance.

On 28 May 2024, AmInvestment Bank had, on behalf of the Board, announced the Company has revised certain RPS terms in relation to the dividend and the aforesaid subscription agreement was mutually terminated by the parties. Subsequent to termination of the subscription agreement, the issuance of the RPS will be governed by the Constitution. The terms of the RPS will be adopted in the Constitution once the Non-Interested Shareholders’ approval is obtained for the Proposals. As stated in Part A of this Circular, the interest of the Non-Interested Shareholders is still protected as Sumurwang can only subscribe for the RPS based on the terms approved by Non-Interested Shareholders at the forthcoming EGM. Any amendments to the terms of the RPS would require shareholders’ approval.

The Proposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements by virtue of the interests of Interested Major Shareholders and/or Interested Directors as set out in Section 6 of this IAL. In this respect, the Board has on 22 April 2024 appointed cfSolutions to act as the Independent Adviser to advise the Non-Interested Directors and Non-Interested Shareholders on the Proposals.

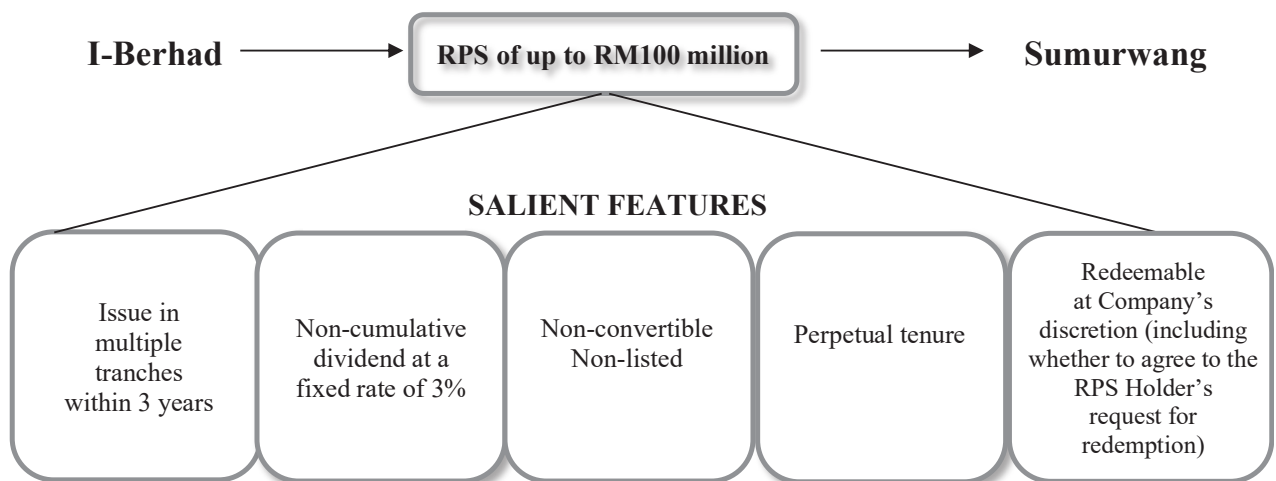
The purpose of this IAL is to provide the Non-Interested Shareholders with an evaluation of the fairness and reasonableness of the Proposals, together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified herein, in relation to the Proposals.

This IAL should also be read in conjunction with the contents set out in Part A of this Circular and its enclosed appendices for any other relevant information. Non-Interested Shareholders should consider carefully all relevant and pertinent factors including those set out in Part A of this Circular and this IAL, the recommendation of the Board (save for the Interested Directors), our recommendation herein together with the limitations of our evaluation. Non-Interested Shareholders should nonetheless rely on their own evaluation of the merits of the Proposals prior to making a decision on the course of action to be taken.

2. DETAILS OF THE PROPOSALS

The details of the Proposals are as set out in Section 2 of Part A of this Circular and should be read in its entirety.

The Proposed Issuance and salient features of RPS are illustrated in the diagram below:



The Company proposes to issue up to RM100 million RPS in multiple tranches to its major shareholder, Sumurwang, at an issue price of RM1.00 per RPS. The RPS is entitled to a non-cumulative dividend of 3% per annum and is not convertible into ordinary shares. The RPS will be unlisted with a perpetual tenure. It is redeemable in multiple tranches at the Company's discretion or at the RPS Holder's request (which the Company may determine, at its sole discretion, whether to agree to such redemption request). Upon such request, while the Company may determine at its sole discretion whether to agree to the redemption request, the request shall not be unreasonably refused or rejected by the Company.

3. LIMITATIONS TO THE EVALUATION OF THE PROPOSALS

cfSolutions was not involved in any negotiation, discussion or formulation of the Proposals and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposals. cfSolutions' terms of reference as an independent adviser is limited to expressing an independent evaluation of the Proposals per the requirements of Paragraph 10.08(3) of the Listing Requirements.

In our evaluation and analysis, and in formulating our recommendation, we have relied upon the reasonableness, accuracy and completeness of the following information:

- (i) the information contained in Part A of this Circular and the appendices attached thereto;
- (ii) the proposed amendments to the Constitution of I-Berhad;
- (iii) the audited financial statements of I-Berhad Group for FYE 31 December 2022 to FYE 31 December 2023;
- (iv) discussions with the Board and the management of I-Berhad;
- (v) other relevant information furnished to us by the management of I-Berhad in connection with the Proposals; and
- (vi) other publicly available information including but not limited to disclosures by government bodies.

Our evaluation and recommendation expressed herein shall hold only in so far as the information and data supplied to us or which are available to us as at the date hereof remain accurate and consistent. We have further assumed that such information has been prepared in good faith and reflects the best judgment and estimates of I-Berhad as of the date hereof and that I-Berhad is not aware of any facts that would make the documents, financial and/or other information as provided to us being incomplete, false, misleading or inaccurate. Further, we have requested for the verification of the information and documents and made enquiries with the Directors and the management of I-Berhad as well as third party experts (where relevant) and reviewed documents and made reliance on information provided by them. Whilst we make no representation as to the accuracy, validity and completeness of the information provided, we have no reason to believe that the aforesaid information/documents provided to and used by us are unreasonable, unreliable, incomplete, misleading and/or inaccurate or that the material omission of which would make the information misleading or inaccurate.

We have obtained confirmation from the Board of I-Berhad that they have seen this IAL and that they, collectively and individually, accept full responsibility for the accuracy of the information contained herein to the extent the information relates to the I-Berhad Group, the Proposals, and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no statement or information contained in this IAL to the extent the statement or information related to the I-Berhad Group and the Proposals, which is inaccurate, incomplete, false or misleading and all information relevant to our evaluation of the Proposals have been disclosed to us and that there is no other fact or information, the omission of which would make any information or statement in this IAL and/or any information furnished to cfSolutions incomplete, false, misleading or inaccurate as at the LPD.

In rendering our advice, cfSolutions had taken note of pertinent issues, which we believe are necessary and of importance to an assessment of the implications of the Proposals and are therefore of general concern to the Non-Interested Shareholders.

Our evaluation and recommendation expressed herein are based on prevailing economic, market, industry and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account of the information, events and conditions arising after the LPD. Our advice should be considered in the context of the entirety of this IAL.

We shall notify the Non-Interested Shareholders by way of announcement if, after despatching this IAL and prior to the EGM, we become aware that the information or document previously circulated or provided:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we shall issue a supplementary IAL to Non-Interested Shareholders.

It is not within our terms of reference to express any opinion on the commercial merits and/or risks of the Proposals nor the impact on future prospects post-completion of the same, the assessment of which remains the sole responsibility of the Board although we may draw upon the Board's rationale in arriving at our opinion. As such, where comments or points of consideration are included on matters which may be commercially oriented, these are incidental to our overall evaluation. We wish to emphasise that our role as Independent Adviser also does not extend to rendering an expert opinion on legal, accounting and tax positions relating to the Proposals and to any particular needs of any individual shareholder or any specific group of shareholders. In carrying out our evaluation, we also have not given consideration to the specific investment objectives, risk profiles, financial situations and any particular needs of any individual Non-Interested Shareholder or any specific group of Non-Interested Shareholders. We will not be responsible for any damages or loss or any kind sustained or suffered by any individual shareholder or any group of shareholders in reliance on the opinion stated herein for any purposes whatsoever.

Accordingly:

- (i) cfSolutions' views and advice on the Proposals as contained in this IAL only cater to the Non-Interested Shareholders as a whole and not to any Non-Interested Shareholder individually; and
- (ii) we recommend that any individual or group of Non-Interested Shareholders who is in doubt as to the action to be taken or require advice in relation to the Proposals in the context of their individual objectives, risk profiles, financial, legal, accounting and tax situations or particular needs, should consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers immediately.

Non-Interested Shareholders are advised to consider the merits and demerits of the Proposals carefully based on all relevant and pertinent factors including those set out in Part A of this Circular (including the recommendation of the Board (save for the Interested Directors) as stated in Section 14, Part A of this Circular) and this IAL, as well as other publicly available information prior to making a decision to voting on the resolutions pertaining to the Proposals.

4. CREDENTIALS, EXPERIENCE AND EXPERTISE OF CFSOLUTIONS

cfSolutions is a corporate finance adviser licensed by the Securities Commission in Malaysia under section 58 of the Capital Markets and Services Act 2007 and recognised by Bursa Securities. cfSolutions offers a spectrum of corporate finance services including the provision of independent advice, valuation of assets and opinion on transactions.

The credentials and experience of cfSolutions as an independent adviser where it has been appointed prior to the date of this IAL include, amongst others, the following:

No.	Company name / Date of independent advice letter	Description of proposals
1.	Ecofirst Consolidated Berhad / 29 November 2022	Proposed acquisition of the remaining 49% equity interest in BCM Holdings Sdn Bhd not owned by Ecofirst Consolidated Berhad for a cash consideration of RM78.4 million
2.	Atlan Holdings Berhad / 28 February 2023	Proposed acquisition of a hotel from Belle Isle Property Ltd (“BIP”) for a purchase consideration of GBP10.8 million and proposed acquisition of all of BIP’s existing assets and liabilities which relate to the operations of the property to be acquired for a purchase consideration of GBP1
3.	Adventa Berhad / 28 August 2023	Proposed renounceable rights issue of up to 152,785,770 new ordinary shares in Adventa Berhad on the basis of 1 rights share for every 1 existing share in Adventa Berhad held, on an entitlement date to be determined and announced later and proposed exemption under subparagraph 4.08(1)(b) of the Rules for Low Chin Guan and persons acting in concert with him, from the obligation to undertake a mandatory take-over offer to acquire the remaining ordinary shares in Adventa Berhad not already owned by them upon completion of the proposed rights issue
4.	E.A Technique (M) Berhad (“EATECH”)/ 7 June 2024	Proposed shares issuance of up to 795,750,000 new EATECH shares (“ Subscription Shares ”), representing approximately 60% of the enlarged share capital of EATECH after the shares issuance and proposed exemption under subparagraph 4.08(1)(b) of the Rules for Datuk Wira Mubarak Hussain Bin Akhtar Husin (ultimate offeror), Voultier Sdn Bhd (offeror) and person acting in concert with them, from the obligation to undertake a mandatory take-over offer for all the remaining ordinary shares in EATECH not already owned by them arising from the issuance of Subscription Shares by EATECH to them pursuant to the proposed shares issuance
5.	InNature Berhad / 19 June 2024	Proposed acquisition by InNature Berhad of 100% equity interest in Blu Restaurant Sdn Bhd for a total consideration of RM21.25 million to be wholly satisfied in cash

Based on the credentials and experience above, cfSolutions has the necessary resources and expertise to carry out its role and responsibilities as an independent adviser to advise the Non-Interested Shareholders in relation to the Proposals.

5. DECLARATION OF CONFLICT OF INTEREST

Save as disclosed below and current appointment as the Independent Adviser of the Proposals, cfSolutions does not have any other professional relationship with I-Berhad in the past two (2) years prior to the announcement of the Proposals:

- cfSolutions was the independent adviser to the Non-Interested Shareholders of I-Berhad in relation to the proposed variation to the terms of RM132 million 2014/2022 redeemable convertible unsecured loan stocks which was issued to Sumuracres Sdn Bhd on 27 August 2014 and RM69 million 2014/2022 redeemable convertible unsecured loan stocks which was issued to Sumurwang on 27 August 2014 and the proposed amendments to the respective deed polls constituting the aforementioned redeemable convertible unsecured loan stocks, as a consequence of the proposed redeemable convertible unsecured loan stocks variation. Our independent advice letter was issued on 10 June 2022.

Notwithstanding the above, as at the LPD, cfSolutions is not aware of any existing or potential conflict of interest situation arising from its capacity as an independent adviser for the Proposals. Save for the professional fees cfSolutions is entitled to as the independent adviser for the Proposals, the engagement of cfSolutions by I-Berhad is not driven by any other fee which is dependent on a particular opinion and recommendation.

6. INTERESTS OF DIRECTORS, CHIEF EXECUTIVE, MAJOR SHAREHOLDERS AND PERSON(S) CONNECTED

We note that as set out in Section 11 of Part A of this Circular, TSLKH, Sumurwang, Sumur Ventures Sdn Bhd, PSTST and LBS are the Interested Directors and/or Major Shareholders interested in the Proposals.

We further note that the following in Section 11 of Part A of this Circular:

“The Interested Directors have abstained and will continue to abstain from all Board deliberations and voting in respect to the Proposals.

The Interested Directors will also abstain from voting in respect of their direct and indirect shareholdings in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect interests (if any) in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

The Interested Major Shareholders will abstain from voting in respect of their direct and indirect shareholdings in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect interests (if any) in I-Berhad on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.”

7. EVALUATION OF THE PROPOSALS

In arriving at our opinion and recommendation, we have taken into consideration the various aspects of the Proposals. Our evaluation is set out in the ensuing sections:

	Sections of the IAL
(i) Rationale of the Proposals	7.1
(ii) The salient terms of the RPS	7.2
(iii) Evaluation of the dividend rate of I-Berhad’s RPS	7.3
(iv) Financial effects of the Proposals	7.4
(v) Industry outlook and prospect	7.5
(vi) Risk factors associated with the Proposals	7.6

7.1. Rationale of the Proposals

7.1.1. Rationale of the Proposed Issuance

Section 3 of Part A of this Circular contains the rationale for the Proposals, extracts of which are as follows:

The Proposed Issuance enables I-Berhad to obtain funds mainly for the settlement of advances provided by Sumurwang, its property development business. i.e, the existing on-going BeCentral Residences and working capital, as detailed in Section 2.1.2, Part A of this Circular.

After due consideration of the various forms of fund-raising including bank borrowings, the Board is of the view that the Proposed Issuance is an appropriate avenue to raise the necessary funding for I-Berhad Group and it enables I-Berhad Group to raise funds without security and at a rate lower compared to the Group's existing bank borrowing rates which ranges between 4.21% per annum to 5% per annum.

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

Pursuant thereto, our comments on the rationale of the Proposals are as follows:

(a) A fund-raising avenue for the Company

The Proposed Issuance is a fund-raising avenue with the following advantages:

- (i) The shareholdings of the existing shareholders will not be diluted as the RPS is non-convertible into ordinary shares of I-Berhad and can only be redeemed. The shareholding structure of I-Berhad for ordinary shareholders will hence remain the same;
- (ii) The RPS can be issued in multiple tranches at any time and from time to time within a period of 3 years. Accordingly, the Company will have better flexibility to match the availability of funds with its funding requirements. The Company will only need to issue the RPS to the RPS Holder when additional funds for the development project and/or working capital are required, thereby permitting better cash flow management and more effective management of finance costs to be incurred by the Company;
- (iii) We note that the RPS shall be entitled to a non-cumulative preferential dividend of 3% per annum. The fixed dividend rate of 3% per annum will provide a lower financing cost as compared to the Group's current bank borrowing costs of between 4.21% per annum to 5% per annum, thereby allowing the Company to enjoy interest savings. (Please refer to Section 7.3 of this IAL for our assessment of the dividend rate of the RPS to be issued pursuant to the Proposed Issuance where comparison is made to bank borrowings rates, base lending rate of commercial banks and the coupon rates of perpetual bonds issued.) In addition, in comparison to bank borrowings, the RPS is unsecured whereas bank borrowings may require the Company's assets to be pledged to the banking institutions;
- (iv) Given that there will only be one subscriber for the RPS, the implementation of the Proposed Issuance will possibly be more expeditious and cost-effective compared to other forms of fund-raising avenues such as rights issue of ordinary shares or RPS; and

- (v) Furthermore, a rights issue based on the current proposed terms for the RPS may be less attractive to the Shareholders taking into consideration the following:
- (a) the RPS is non-cumulative and the declaration of dividends is subject to the discretion of the Board;
 - (b) the fixed dividend rate of 3% for the RPS pursuant to the Proposed Issuance may be less attractive vis-a-vis the 12-month fixed deposit rates offered by the commercial and investment banks in Malaysia which is up to 3.66% in May 2024 (*Source: Monthly Highlights & Statistics for May 2024, Bank Negara Malaysia*);
 - (c) the RPS is non-convertible into ordinary shares of the Company as such the RPS Holder would not be able to benefit from appreciation of the share price of the Company;
 - (d) redemption of the RPS, upon request by the RPS Holder is subject to the Company's agreement, which provides less liquidity to the RPS Holder in comparison to placing funds with banking institutions;
 - (e) the RPS is unlisted and there is less trading flexibility for the RPS Holder; and
 - (f) the RPS is not secured over the assets of the Company.

(b) Additional time to repay the advances from Sumurwang

As stated in Section 2.1.2, Part A of this Circular, *as at the LPD, Sumurwang has advanced RM45 million (which is unsecured, interest-free and payable on demand) to I-Berhad which was utilised mainly for the property development business including BeCentral Residences. We further note that RM45 million of the proceeds from the Proposed Issuance will be utilised to settle the said advance by way of set-off arrangement.*

As mentioned in Section 2.1.2 of Part A of this Circular, *the Company had negotiated with Sumurwang to defer the repayment of the RM45 million advances. However, given the quantum and prolonged outstanding advances, Sumurwang has requested for at least a dividend or interest to be paid on the amount it has advanced.* We take cognisance that while the Company has been enjoying the interest-free advances, there is no obligation for Sumurwang to continue extending the advances indefinitely and it is repayable on demand. Notwithstanding that the RPS would result in the Company incurring preference dividend of 3% per annum, the Company would benefit from a higher degree of visibility on the terms of repayment.

Accordingly, the Proposed Issuance will give the Company extended time to repay the RM45 million which otherwise is currently repayable on demand. The Company can then channel existing cash flows for other development or working capital requirement instead of repaying the advances.

We note that the RPS is redeemable in multiple tranches at the Company's discretion or upon the RPS Holder's request. In the event of the latter, we further note that the Company may determine, at its sole discretion and on reasonable grounds, whether to agree to such redemption request. In comparison to the current advances from Sumurwang which are payable on demand, the RPS will provide added flexibility for I-Berhad to repay the amount requested to be redeemed by the RPS Holder.

(c) **Improve the cash flow position of the Group**

The extract from the statement of cash flows of the Group based on the audited consolidated financial statements for FYE 2022 and FYE 2023 are set out as follows:

Extracts from consolidated statement of cash flows	Audited FYE 2022	Audited FYE 2023
	RM'000	RM'000
Cash flows from operating activities	16,068	24,072
Cash flows used in investing activities	(17,617)	(5,694)
Cash flows from / (used in) financing activities	11,598	(12,431)
Net increase in cash and cash equivalents	10,049	5,947

(Source : Annual Report 2023 of I-Berhad)

Notwithstanding the cash flows from operating activities for FYE 2022 and FYE 2023 have been positive, the Company had to channel a major portion of the operating cash inflows towards:

- (i) investment activities, namely purchase of property, plant and equipment and development of investment properties under construction; and
- (ii) financing activities, namely coupon payment for RCULS, repayment of bank borrowings, interest repayment and dividend payment.

Accordingly, the Proposed Issuance would provide an avenue to the Group to raise funds of up to RM100 million as and when needed over the next three years which will support the Group's cash flows requirements for its property development segment.

The on-going property development projects (i.e. BeCentral Residences, 8Premier corporate/retail space and Twenty8 corporate/ retail spaces) together with the future projects in i-City have an aggregate gross development value of RM5 billion which will not only catalyse the growth of I-Berhad but also solidify its position as the premier property developer within the region of i-City. The remaining gross development value of RM5 billion at i-City development is expected to be undertaken over the next decade. Finance Avenue will feature 2 BeCentral Residential towers, Twenty8 corporate/ retail spaces, and 8Premier corporate/ retail spaces whereas AI Central Park is planned with 2 corporate towers, 1 residential tower, an edutainment center and retail spaces. The final phase is expected to include a hotel combined with a corporate tower, 5 residential towers, 1 additional corporate tower, a medical wellness center and retail spaces. This diverse mix aims to enhance residential, commercial, and leisure offerings, reflecting a strategic long-term development strategy. The actual launch of each project will depend on the market environment. (Source: Management of I-Berhad)

We note that the property development division is active with on-going projects, including BeCentral Residences and 8Premier corporate/retail space. Together with Twenty8 corporate/ retail spaces, the total gross development value amounts to RM0.7 billion. The Group saw the sales of BeCentral Tower 1 surpassed 50% mark in FYE 2023 due to overwhelming response to the launch of BeCentral Tower 1 and demand for premium residential offerings that prioritise quality, convenience and community at i-City. The Group plans to launch the second BeCentral Residences Tower in 2024 as part of its strategy to enhance its property development project pipeline.

As stated in the Company's Annual Report 2023, the Group is poised to benefit from Malaysia's digital economy blueprint, foreseeing significant contributions from property development and property investment segments. By positioning BeCentral Residences within the heart of i-City Finance Avenue, a dynamic hub poised to revolutionise the financial landscape at the Selangor's western corridor, the Group offers the residents of BeCentral Residences unparalleled access to a myriad of financial institutions, investment opportunities and career prospects.

In this respect, we note that I-Berhad's unbilled sales amounted to RM112.8 million as at 31 December 2023 has grown by RM25.5 million or 29.2% of the unbilled sales of RM87.3 million as at 31 December 2022. We further note that I-Berhad has future plans to launch new corporate and residential towers integrating artificial intelligence and technology elements with the aim to create enhanced quality of life for occupants and drive economy growth as well as sustainability.

(Source: Annual Report 2023 of I-Berhad)

Consequently, the Proposed Issuance will provide I-Berhad additional funds for its property development projects and capitalise on the positive outlook of the Malaysian property market. The Company anticipates it will be able to unlock the value of the development projects, thereby strengthening the Group's financial position and potentially generate future income and profitability.

(d) Provide I-Berhad with additional time to realise the inventories of the Group

As at 31 December 2023, the inventories of the Group stood at RM650.9 million, as detailed below:

	Audited 31 December 2023 RM'000
At cost:	
Property development costs	182,280
Completed properties held for sale	355,007
Consumables	442
	<u>537,729</u>
At net realisable value:	
Completed properties held for sale	113,189
Total inventories	<u>650,918</u>

(Source: Annual Report 2023 of I-Berhad)

The Proposed Issuance will provide the Group with additional time to realise its inventories at an appropriate time and capitalise on the expected recovery of the Malaysian economy.

7.1.2. Rationale of the Proposed Constitution Amendments

We note the proposed amendments to the Constitution of the Company as set out in Appendix II of this Circular. The Proposed Constitution Amendments is to facilitate the Proposed Issuance for the Group to reap the benefits as discussed in Section 7.1.1 above.

Based on the above, we are of the view that the rationale of the Proposals is justifiable.

7.2. The salient terms of the RPS

The salient terms of the RPS, as extracted from Appendix I of this Circular and our comments are as follows:

No.	Salient Terms of the RPS	Comments								
1.	<p>Issue size/ amount and issue price</p> <ul style="list-style-type: none">Up to RM100 million and can be issued in multiple tranches at the Issue Price. <p><i>The first tranche of the RPS is expected to be issued after the Company’s shareholders’ approval for the settlement of advances provided by Sumurwang of RM45 million. The subsequent tranches are envisaged to be issued as follows:-</i></p> <table><tr><th><i>Timeframe</i></th><th><i>Amount (RM’000)</i></th></tr><tr><td>Year 1 from Tranche 1</td><td>Up to 30,000^(a)</td></tr><tr><td>Year 2 from Tranche 1</td><td>Up to 15,000^(a)</td></tr><tr><td>Year 3 from Tranche 1</td><td>Up to 10,000^(a)</td></tr></table> <p>Note: ^(a) Could be issued under single or multiple tranches during the timeframe</p> <p><i>However, the actual timeframe for the issuance of the subsequent tranches will depend on the cash flow requirements of the Company.</i></p> <ul style="list-style-type: none">RM1.00 per RPS	<i>Timeframe</i>	<i>Amount (RM’000)</i>	Year 1 from Tranche 1	Up to 30,000 ^(a)	Year 2 from Tranche 1	Up to 15,000 ^(a)	Year 3 from Tranche 1	Up to 10,000 ^(a)	<p>The Company intends to issue the RPS in multiple tranches over 3 years to the RPS Holder at the issue price of RM1 per RPS to raise the proceeds of up to RM100 million which is earmarked for the proposed utilisation set out in Section 2.1.2 of Part A of this Circular. We note that the quantum is proposed by the Company after considering its possible funding requirements.</p> <p>The multiple tranches of the RPS to be issued and in the amounts envisaged by the Company will accord flexibility to the Company while making dividend payments only for the issued portions of the RPS.</p> <p>Meanwhile, we note that the Subscriber also has the discretion to subscribe for the RPS. There is hence a possibility that the RPS may not be fully subscribed. In such event, the Company will, however, need to source for alternative funds to meet with its cash flow requirements. If the Company were to source for bank borrowings, the costs to be incurred by the Company will be higher if the borrowings are based on the Company’s current borrowing costs.</p> <p>The issue price of RM1 per RPS is justifiable taking into consideration that the RPS is not convertible and the redemption price is the issue price together with any declared and unpaid dividends.</p>
<i>Timeframe</i>	<i>Amount (RM’000)</i>									
Year 1 from Tranche 1	Up to 30,000 ^(a)									
Year 2 from Tranche 1	Up to 15,000 ^(a)									
Year 3 from Tranche 1	Up to 10,000 ^(a)									
2.	<p>Issue Date</p> <p><i>The completion date of the subscription of the particular tranche of the RPS where the RPS for that tranche is issued and allotted.</i></p>	<p>We note that the dates of issue will be in multiple dates over 3 years as mentioned in Section 2.1 in Part A of this Circular. Further, the Company has mentioned that the RPS has no maturity date and is hence, perpetual. The Company has also mentioned that it “expects to redeem the RPS within 3 years from the first issuance, subject to amongst others, the sufficiency of cash flow for working capital and being able to meet the compliance of the Act.”</p>								

No.	Salient Terms of the RPS	Comments
		<p>This will give the Company more flexibility in deciding the timing for the redemption of the RPS based on its cash flow and liquidity positions.</p> <p>We also note the utilisation timeframe as detailed in Section 2.1.2 in Part A of this Circular which ranges from 3 to 12 months. The expected timeframe will accord flexibility to the Company to utilise the proceeds any time during the development of its projects which takes a few years to complete.</p>
3.	<p>Liquidation preference <i>In the event of the liquidation, dissolution, winding up or commencement of any dissolution or winding up of the Company, the RPS shall rank:</i></p> <ul style="list-style-type: none"> (i) <i>Pari passu without any reference or priority among themselves; and</i> (ii) <i>Senior to the holders of the Company's ordinary shares and any other preference shares but shall rank behind all secured and unsecured obligations of the Company.</i> <p><i>On such dissolution or winding up, each RPS shall be entitled to receive in Ringgit Malaysia an amount equal to the Liquidation Distribution.</i></p> <p><i>After payment of the Liquidation Distribution, the holder of the RPS ("RPS Holder") will have no further right or claim to any of the remaining asset of the Company.</i></p> <p><i>"Liquidation Distribution" means, with respect to any RPS, upon a dissolution or winding up of the Company (other than pursuant to a permitted reorganisation):</i></p> <ul style="list-style-type: none"> (i) <i>100% of the Issue Price of RPS; and</i> (ii) <i>An amount equal to any declared and unpaid dividends in respect of that RPS.</i> 	<p>We note that as the RPS have preferential rights in nature, it will rank ahead of ordinary shares but behind all secured and unsecured obligations of the Company.</p>

No.	Salient Terms of the RPS	Comments
4.	Conversion <i>The RPS is not convertible into ordinary shares of the Company.</i>	<p>In view that the RPS is not convertible, the share capital of the Company will not be affected and the shareholdings of the shareholders will not be diluted by the RPS.</p>
5.	Dividend <i>Subject to Sections 131 and 132 of the Act, the RPS Holder shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board (“Preferential Dividend Amount”). No dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid. The RPS Holder has the discretion to waive their Preferential Dividend Amount.</i> <i>The preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company.</i>	<p>The dividend of RPS if any, is at a fixed rate of 3.00% at the discretion of the Board. In addition, we note the RPS Holder has the discretion to waive their dividend which is non-cumulative. In such case, the Company will be able to enjoy savings from dividend payment. Please refer to Section 7.3 in this IAL for our evaluation of the RPS dividend rate. We are of the view that the dividend rate of the RPS is fair.</p> <p>Shareholders should note that the dividend for RPS rank ahead of the dividend for ordinary shares and that no dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid. Nonetheless, without the Proposed Issuance, the Company will need to consider alternative fundraising methods such as bank borrowings to meet its cash flow requirements. The alternative fundraising methods will have its funding costs (e.g. interest payable to banks for loans utilised) which the Company will need to take into account before considering any dividends to be paid to its shareholders. We note that the current borrowing costs of the Company are at higher rates than the dividend rate for the RPS which would result in lower profit for the Company and hence lower returns to the shareholders. In addition, the declaration of dividend under the RPS is subject to the discretion of the Company in comparison with alternative fund raising such as bank borrowings whereby interest payments are charged. This provides improved cash flow planning flexibility for the Company. Accordingly, we are of the view that the preferential dividend payable (if any) on the RPS is reasonable.</p>
6.	Redemption Price <i>With respect to any RPS to be redeemed, an amount equal to:</i> <i>(i) 100% of the Issue Price of RPS; and</i> <i>(ii) An amount equal to any declared and unpaid dividends in respect of that RPS prior to the redemption.</i>	<p>The redemption price reflects the amount of RPS issued together with any declared but unpaid dividends which is a reasonable term.</p>

No.	Salient Terms of the RPS	Comments
7.	<p>Redemption</p> <p><i>Subject to Section 72 of the Act, the Company shall have the right to redeem the RPS at any time and from time to time in whole or in part, on any Redemption Date at the Redemption Price upon giving not less than 7 business days' notice to the RPS Holder specifying the date and price. On the Redemption Date specified in such notice, the Company shall be bound to redeem the RPS by payment of the Redemption Price to the RPS Holder, in accordance with the law and the Constitution.</i></p> <p><i>The RPS Holder may make a request to the Company for redemption of the RPS Holder's RPS, in whole or in part, at any time and from time to time. On receipt of such written request by the RPS Holder, the Company may determine, at their sole discretion, whether to agree to such redemption request, the quantum of RPS to be redeemed and the timing or date of the redemption. The RPS Holder's request for redemption shall not be unreasonably refused or rejected by the Company.</i></p> <p><i>"Redemption Date" means such date as may be notified by the Company to the RPS Holder as being the date of redemption of RPS. If such date is not a market day, then it shall be the next market day immediately after the said non-market day.</i></p>	<p>We note that the RPS is perpetual in tenure and that either the Company may redeem or the RPS Holder may request to redeem the RPS. When the RPS Holder requests redemption, the Company, with reasonable grounds, has the discretion to refuse the redemption.</p> <p>This provides I-Berhad added flexibility to manage its cash flows. When it deems appropriate, I-Berhad may redeem the RPS and save on the quantum of dividends to be paid. In addition, we note that the RPS is classified as equity which improves the pro forma NA and gearing as detailed in Section 6.2, Part A of the Circular.</p> <p>Nonetheless, Non-Interested Shareholders should note that for as long as the RPS issued and are not redeemed, the Company will need to pay the preferential dividends which ranks ahead of the dividend for ordinary shares (unless the Directors do not declare the dividends in which case the preferential dividends are not cumulative). As discussed in Section 7.3.1 herein, there are notional savings in the costs to be incurred by the Company in comparison to the current borrowing costs from financial institutions. Accordingly, the Company should redeem the RPS once the Company's cash flows permit, in order to reduce cash outflows for the payment of preferential dividends which rank ahead of dividends for ordinary shares. In this respect, we note the Company has stated in Section 2.1.1, Part A of the Circular that it expects to redeem the RPS within 3 years from the first issuance, subject to, amongst others, the sufficiency of cash flow for working capital and being able to meet the compliance of the Act.</p> <p>Accordingly, we are of the view that this term is reasonable.</p>
8.	<p>Default Redemption</p> <p><i>The RPS Holder may at their sole discretion require the Company to redeem the RPS at the Redemption Price upon occurrence of the Event of Default. Subject to the occurrence of an Event of Default and the satisfaction of any redemption conditions, the RPS Holder may require, at their option, the</i></p>	<p>In the event of default, as listed in the terms, the RPS Holder is allowed to require the Company to redeem the RPS upon the Company becoming insolvent or unable to carry on its business or breaching the terms of the RPS.</p>

No.	Salient Terms of the RPS	Comments
	<p><i>redemption of all their RPS outstanding on any Default Redemption Date at the Redemption Price upon not less than 7 business days' notice to the Company specifying the date and price.</i></p> <p><i>On the Default Redemption Date specified in such notice, the Company shall be bound to redeem the RPS by payment of the Redemption Price at all times, in accordance with the law and the Constitution.</i></p> <p><i>"Default Redemption Date" means such date as may be notified by the RPS Holder to the Company as being the date for the full and final redemption of all the RPS.</i></p> <p><i>"Events of Default" means the Company becoming insolvent or unable to pay its debts as they fall due or ceasing or threatening to carry on its business or a substantial part of its business or breaching the terms of RPS as agreed.</i></p>	
9.	<p>Listing and tradability</p> <p><i>The RPS will not be admitted to the Official List of the Main Market of Bursa Securities and is non-tradable.</i></p>	<p>The RPS will be unlisted. This will ease the Company's administrative procedures with the RPS Holder thereby increasing the efficiency and expedience of the fundraising exercise.</p>
10.	<p>Transferability</p> <p><i>The RPS can only be transferred to a person falling within Schedules 6 and 7 of the Capital Markets and Services Act 2007 subject to approval of the Board.</i></p> <p><i>For information, a transfer of the RPS could be envisaged in the event of a reorganisation within Sumurwang and its related corporations or to the ultimate individual shareholders of Sumurwang on a willing-buyer willing-seller basis, where the purchase consideration and cost of the transfer would be paid and borne by the transferee.</i></p>	<p>In compliance with the Act, the RPS Holder is provided with an option to transfer the RPS.</p> <p>We note that the RPS Holder will have to obtain approval from the Board before transferring the RPS.</p>

No.	Salient Terms of the RPS	Comments
11.	<p>Rights of the holders of RPS</p> <p><i>The RPS Holder shall be entitled to the same rights as the Company's ordinary shareholders as regards to the receipt of notices, reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolution or vote at any general meeting, save and except in respect of the following:</i></p> <ul style="list-style-type: none"> <i>(i) when the declared non-cumulative preferential dividends or part of the declared non-cumulative preferential dividends on the RPS is in arrears for more than 6 months;</i> <i>(ii) resolution on a proposal to reduce the Company's share capital;</i> <i>(iii) resolution on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;</i> <i>(iv) resolution on a proposal to wind up the Company;</i> <i>(v) during the winding up of the Company; or</i> <i>(vi) resolution on any proposal that affects the rights and privileges attached to the RPS, including the amendments to the Constitution.</i> <p><i>In any of the aforesaid circumstances, the RPS Holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RPS held.</i></p>	<p>We note that the RPS Holder will have restricted voting rights except under certain circumstances where their rights are affected.</p>

No.	Salient Terms of the RPS	Comments
	<i>Save as expressly provided in this clause, the RPS Holder shall not be entitled to participate in the profits or surplus assets nor be entitled to participate in any rights, bonus, allotment or other distributions as may be made or declared by the Company.</i>	
12.	Ranking <i>The RPS shall rank pari passu without any preference or priority among themselves and in priority to the Company's ordinary shares and other preference shares that may be created in future but shall rank behind all secured and unsecured obligations of the Company. The Company may from time to time, and at any time create or issue any other shares ranking, as to participation in the profits or the assets of the Company, without the prior approval of the RPS Holder and the creation or issue by the Company of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the RPS.</i>	<p>It is reasonable that the preference shares will rank ahead of the ordinary shareholders but behind the creditors as is usual for preference shares to rank in priority to ordinary shares.</p> <p>We note that the RPS will have an equal ranking among themselves once issued. We further note that the Company will still have the right to issue any other shares without requiring the approval of the RPS Holder, thereby giving the Company flexibility in managing its capital structure.</p>

Based on the above, we are of the view that the salient terms of the RPS are acceptable.

7.3. Evaluation of the dividend rate of I-Berhad's RPS

We take note of the basis of arriving at the dividend rate as set out in Section 2.1.1 of Part A of this Circular.

The dividend of RPS if any, is at a fixed rate of 3.00% at the discretion of the Board. In evaluating the effective financing cost of the RPS, we have compared the dividend rate to the following rates, adjusting for the tax impact, where applicable, in view that the dividends are declared from the Company's profit after taxation:

7.3.1. Comparison to current facilities of I-Berhad

For illustration purposes, the range of the existing borrowing rates and the post-tax borrowing rates of the Company and the notional savings arising from the Proposed Issuance are set out below:

	Low	High
	%	%
Pre-tax borrowing rate per annum ⁽¹⁾	4.21	5.00
Adjusting for 24% corporate tax rate	(1.01)	(1.20)
Post-tax borrowing rate	3.20	3.80
<i>vis-à-vis</i> : Dividend rate of RPS	(3.00)	(3.00)
Differential rate	0.20	0.80
Size of the RPS pursuant to the Proposed Issuance (RM'000)	100,000	100,000
Notional savings (RM'000)	200	800

Note:

(1) Based on the interest rates of I-Berhad's existing borrowing as at the LPD.

The current facilities utilised by the Company is at a post-tax borrowing rates of between 3.20% to 3.80% per annum. As depicted above, there is a notional post-tax savings of 0.20% to 0.80% per annum for raising funds through the Proposed Issuance, which translates into notional savings ranging between RM0.2 million to RM0.8 million per annum based on the RM100 million quantum to be raised from the Proposed Issuance.

Further, we have considered the post-tax average interest rate based on the interest payment on bank borrowings of I-Berhad Group for FYE 2023 *vis-à-vis* the dividend rate for the RPS, as follows:

	RM'000	RM'000
Finance costs ⁽¹⁾		5,426
Bank borrowings as at 31 December 2022 ⁽²⁾	118,648	
Bank borrowings as at 31 December 2023 ⁽²⁾	107,615	
Average bank borrowings for FYE 2023		113,132
Average interest rate (%)		4.80
Adjusting for 24% corporate tax rate (%)		(1.15)
Post-tax average interest rate (%)		3.65
<i>vis-à-vis</i> : Dividend rate of RPS (%)		(3.00)
Differential rate (%)		0.65

Notes:

- (1) Based on the finance cost for FYE 2023 of RM15.524 million as contained in the Annual Report 2023 of I-Berhad, which consisted of the following:

Details of finance costs	Amount RM'million
Bank borrowings	5.425
Lease liabilities	0.172
RCULS	9.897
Others	0.030
Total finance costs for FYE2023	15.524

- (2) Based on the Annual Report 2023 of I-Berhad

Based on the table above, the post-tax average interest cost incurred by the Group during FYE 2023 is 3.65%, which is 0.65% higher than the proposed dividend rate of 3.00% for the RPS.

Furthermore, the Non-Interested Shareholders should note that the borrowings of the Group for the financial year ended 31 December 2023 are on a secured basis. In comparison, the RPS is not secured over the assets of I-Berhad.

7.3.2. Comparison to Base Lending Rate ("BLR")

As an alternative evaluation, we have also compared the dividend rate of the RPS of 3% to the latest available BLR of commercial banks in Malaysia as at the LPD. For illustrative purposes, the notional savings arising from the Proposed Issuance as compared the BLR are set out as follows:

	%
BLR as at May 2024 ⁽¹⁾	6.68
Adjusting for 24% corporate tax rate	(1.60)
Post-tax BLR as at May 2024	5.08
vis-à-vis : Dividend rate of RPS	(3.00)
Differential rate	2.08

Note:

- (1) Extracted from the Monthly Highlights & Statistics May 2024 by Bank Negara Malaysia.

As illustrated above, the latest BLR of commercial banks in Malaysia as at May 2024, after adjusting for corporate tax effect is 2.08% higher than the dividend rate for the RPS.

7.3.3. Comparison to perpetual bonds issued in 2023 and 2024

In view of the perpetual tenure and non-convertibility of the RPS, we also compared to the coupon rates of Malaysian Ringgit perpetual bonds issued in 2023 and 2024 (excluding those issued by financial institutions) up to the LPD, which ranged between 6.50% and 7.50%, as follows:

	Low	High
	%	%
Pre-tax coupon rate of perpetual bonds ⁽¹⁾	6.50	7.50
Adjusting for 24% corporate tax rate	(1.56)	(1.80)
Post-tax coupon rate of perpetual bonds	4.94	5.70
vis-à-vis : Dividend rate of RPS	(3.00)	(3.00)
Differential rate	1.94	2.70

Note:

(1) The range of the coupon rates is determined based on the Malaysian Ringgit perpetual bonds issued in 2023 and 2024 as follows:

<i>Malaysian Ringgit perpetual bonds</i>	<i>Issuer</i>	<i>Date of issuance</i>	<i>Issuance size</i>	<i>Annual coupon rate</i>
(i) CHIN HIN GRP MTN 22.12.2123	Chin Hin Group Berhad	22 December 2023	RM300 million	7.50%
(ii) CHIN HIN GRP MTN 36475D 22.12.2123	Chin Hin Group Berhad	9 February 2024	RM10 million	7.50%
(iii) CHIN HIN GRP MTN (Series 3) 22.12.2123	Chin Hin Group Berhad	7 March 2024	RM10 million	7.50%
(iv) YHB IMTN 02.11.2122	Yinson Holdings Berhad	8 March 2024	RM640 million	7.50%
(v) CRE IMTN 6.850% 04.09.2120 (Series 10)	Cypark Renewable Energy Sdn Bhd	8 February 2023	RM8.45 million	6.85%
(vi) CRE IMTN 6.500% 04.09.2120 (Tr2)	Cypark Renewable Energy Sdn Bhd	12 September 2023	RM10 million	6.50%
(vii) CRE IMTN 6.500% 04.09.2120 (Tr3)	Cypark Renewable Energy Sdn Bhd	26 September 2023	RM165 million	6.50%
(viii) DRB-HICOM 6.750% Perpetual Sukuk - Tranche 8	DRB-Hicom Berhad	24 August 2023	RM200 million	6.75%

(Source: Fully Automated System for Issuing/ Tendering (FAST), Bank Negara Malaysia)

Based on the above, the range of coupon rate of perpetual bonds, after adjusting for corporate tax impact, is between 1.94% to 2.70% higher than the dividend rate of the RPS.

Premised on the above evaluation, we are of the view that the proposed dividend rate of 3% for the RPS is fair in view that it is LOWER than:

- (a) the range of post-tax borrowing rates of the Group's current facilities as at the LPD by 0.20% and 0.80%;
- (b) the post-tax average interest rate of the Group (based on its latest audited accounts) by 0.65%;
- (c) the post-tax BLR of commercial banks in Malaysia by 2.08%; and
- (d) the post-tax coupon rate of the Malaysian Ringgit perpetual bonds by 1.94% to 2.70%.

7.4. Financial effects of the Proposals

We take note that the Proposed Constitution Amendments will not have any financial effects on the I-Berhad Group. Our comments on the pro forma financial effects of the Proposed Issuance as detailed in Section 6 of Part A of this Circular are as follows:

Financial Effects on	Our Comments
Share capital and substantial shareholders' shareholdings	We note that there will be no effect on the issued share capital and substantial shareholders' shareholdings of the Company.
NA and gearing	The NA of the Company will increase mainly due to the issuance of RM100 million RPS pursuant to Proposed Issuance while the gearing will improve from 0.09 times to 0.08 times as a result of the increase in NA.
Earnings and EPS	<p>We note that the effect on earnings and EPS is not expected to be material.</p> <p>On the effects of earnings, without the Proposed Issuance, the Group will need to seek alternative sources of funding. Assuming the source of funding is entirely via bank borrowings, the Company is expected to bear higher interest costs for bank borrowings which will erode the profits of the Company.</p>
Convertible securities	We note that there will be no impact on the existing convertibles i.e. RCULS-A and RCULS-B of the Company, in view that the RPS is not convertible.

Premised on the above, we are of the view that the financial effects of the Proposals are not expected to be adverse for the I-Berhad Group.

7.5. Industry outlook and prospect

The overview and outlook of the Malaysian economy and property sector in Malaysia are detailed in the Sections 4.1 and 4.2 of Part A of this Circular.

7.5.1. Overview and outlook of Global and Malaysian economy

Global economy

Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the Covid-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geo-economic fragmentation.

In emerging and developing Asia, growth in emerging and developing Asia is expected to fall from an estimated 5.6% in 2023 to 5.2% in 2024 and 4.9% in 2025, a slight upward revision compared with the January 2024 World Economic Outlook issued by International Monetary Fund.

Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on.

(Source: World Economic Outlook, April 2024, International Monetary Fund)

Malaysian economy

The Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%).

(Source: Press release dated 17 May 2024, Bank Negara Malaysia)

Overnight Policy Rate (OPR) was stagnant at 3.0% since May 2023, after an increase by 0.25 basis points from 2.75%, last increased in November 2022. The monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects, vigilant to ongoing developments to inform the assessment on the outlook of domestic inflation and growth as well as conducive to sustainable economic growth amid price stability. The current level of OPR is seen heading to pre-pandemic rate at 3.00% in 2019.

The economic growth rate of Malaysia in accordance with the April 2024 World Economic Outlook issued by International Monetary Fund is set out in the following table:

Real GDP	2023	2024 Projection	2025 Projection
Malaysia	3.7%	4.4%	4.4%

(Source: World Economic Outlook, April 2024, International Monetary Fund)

According to the Ministry of Finance, Malaysia's economy is expected to grow moderately with the projected growth between 4% to 5% in 2024, driven by domestic demand, sustained and diversified economic structure and coupled with ongoing policy support including the National Energy Transition Roadmap and the New Industrial Master Plan 2030. Bank Negara Malaysia also anticipated resilient domestic expenditure and improvement in external demand will driven Malaysia's growth.

(Source: Property Market Report 2023, National Property Information Centre)

The growth outlook faces downside risks from weaker-than-expected external demand, further escalation of geopolitical conflicts and larger declines in commodity production. Nevertheless, greater spillover from the tech upcycle, more robust tourism activities, and faster implementation of new and existing investment projects provide upside to Malaysia's economic outlook.

(Source: Quarterly Bulletin First Quarter 2024, Bank Negara Malaysia)

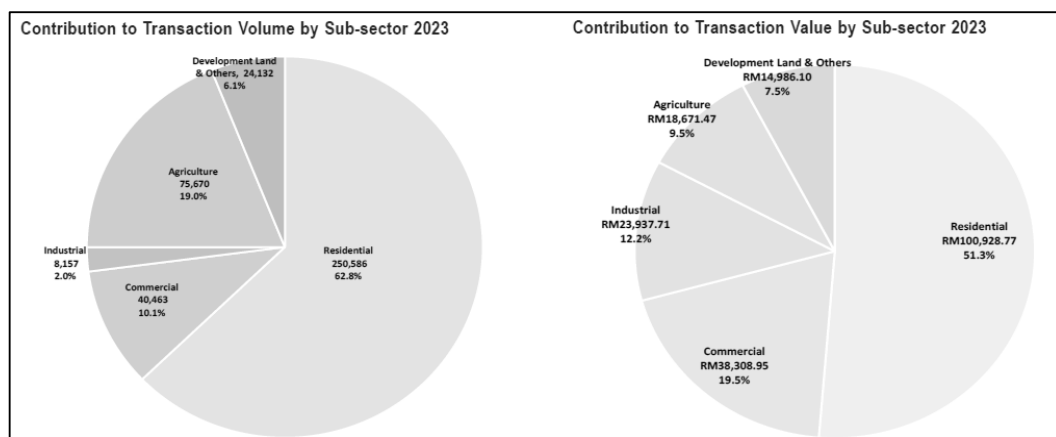
7.5.2. Overview and outlook of property development industry

Industry overview

The growth in property market of Malaysia in 2023 was highly supported by the implementation of various government initiatives and assistance and improving labour market conditions. Despite a challenging global financial and economic environment, the property market in Malaysia stayed resilient in 2023, supported by positive performance in all sub-sectors except agriculture compared to 2022.

In 2023, total property transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas agricultural sub-sector recorded otherwise, declined by 7.8% in volume. Value of transactions recorded higher increase for all subsectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

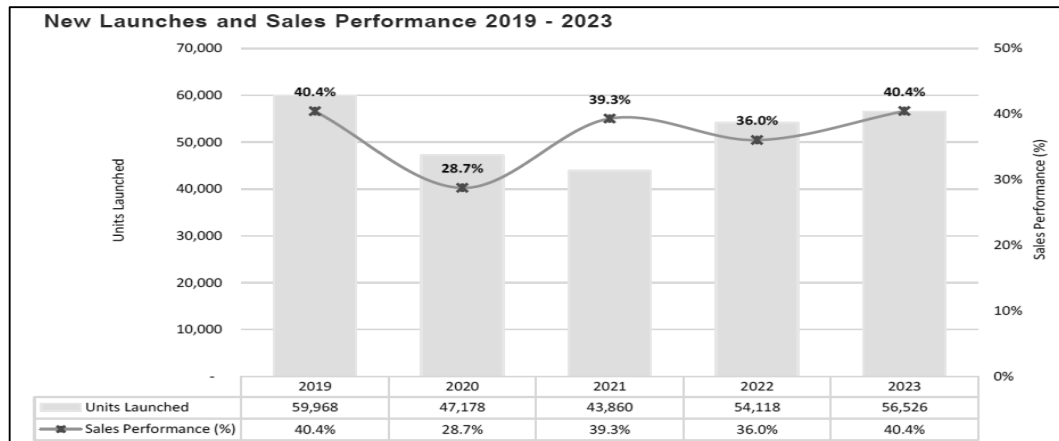


As illustrated in the diagrams above, residential sub-sector led the overall property market, with 62.8% contribution in volume. This was followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). Similarly in value, residential took the lead with 51.3% share, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) and development land and others (7.5%).

Residential property sub-sector

There were 250,586 transactions worth RM100.93 billion recorded in 2023, a marginal increase of 3.0% in volume and 7.1% in value as compared to 2022. The improvement was supported by the uptrend recorded in Johor (44.4%), Wilayah Persekutuan (“W.P.”) Kuala Lumpur and Pulau Pinang (4.3%), Terengganu (2.0%), Negeri Sembilan (1.9%) and Kedah (1.6%). Combined, these states formed about 48.0% of the total national residential volume.

Selangor contributed the highest volume and value to the national market share, with 22.0% in volume (55,035 transactions) and 30.0% in value (RM30.26 billion). By type, demand continued to focus on terraced houses, formed around 43.6% of the total residential transactions, followed by high-rise units (14.7%), vacant plots (14.2%) and low-cost houses/flats (10.7%).

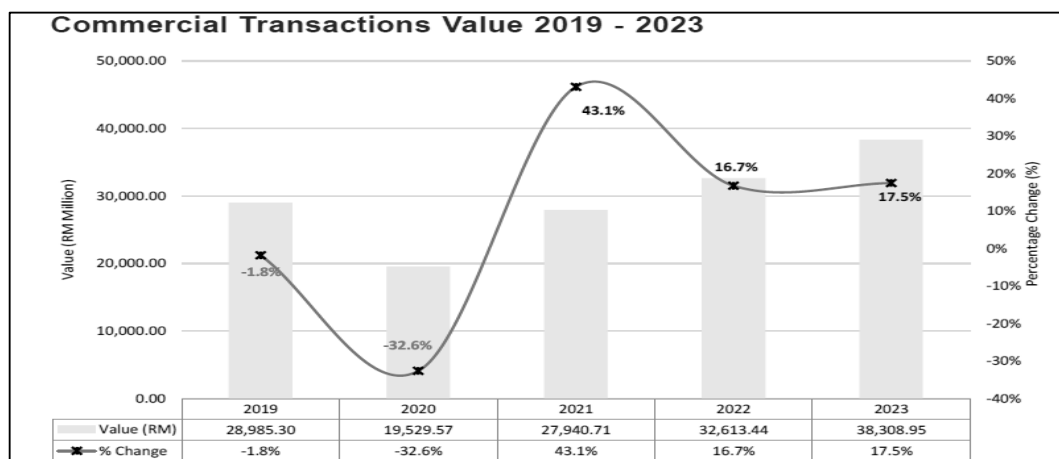


The primary market performance more encouraging in 2023. As illustrated in the diagram above, a total of 56,526 units launched were recorded, against 54,118 units in 2022. Following Johor, Selangor recorded the second highest number (11,542 units, 20.4% share) and W.P. Kuala Lumpur came third (5,927 units, 10.5% share). Both Selangor and W.P. Kuala Lumpur recorded 55.0% and 28.7% sales performance respectively.

The residential overhang situation improved as the numbers continued to reduce as compared to previous year. There were 25,816 overhang units worth RM17.68 billion recorded in Q4 2023, reduced by 7.0% and 4.0% in volume and value respectively against Q4 2022 (27,746 overhang units worth RM18.41 billion). The unsold under construction improved in tandem as the numbers further declined to 51,132 units (2022: 57,649 units), dropped by 11.3%, meanwhile unsold not constructed recorded sharply decrease by 28.3% in number with 7,926 units (2022: 11,053 units).

In the construction segment, housing completion were promising, up by 4.0% to 74,893 units in 2023 as compared to 2022. Selangor contributed the highest number with 21,448 units. By type, supply continued to focus on condominiums/apartments, formed around 34.1% (25,513 units) of the national total.

Commercial property sub-sector



The commercial sub-sector recorded an increase in market activity. There were 40,463 worth RM38.31 billion recorded in 2023, increased by 23.3% in volume and 17.5% in value as compared to 2022 (32,809 transactions worth RM32.61 billion). The improved market was contributed by the increased activities recorded in all states and major transactions involving shopping complex and purpose-built office recorded in the review period.

Selangor retained the highest contribution in volume and value to the national market share, with 10,110 transactions worth RM10.73 billion, accounting to 25.0% in volume and 28.0% in value respectively.

Serviced apartment

Market performance for serviced apartment recorded strong growth, increased by 67.4% in volume to 11,416 transactions and 69.1% in value to RM7.60 billion against 2022 (6,821 transactions worth RM4.50 billion). Serviced apartment segment formed 28.2% of the commercial property transactions volume and 19.8% of the value. By state, W.P. Kuala Lumpur and Selangor contributed higher national market volume to the national total, each with 33.8% (3,863 transactions) and 31.4% (3,588 transactions) market share. Serviced apartment overhang segment improved with 20,825 overhang units worth RM16.63 billion, down by 13.1% in volume and 17.7% in value against 2022 (23,978 units with a value of RM20.19 billion). On the supply front, construction activity saw mixed trend with completion and new planned supply increased by 12.9% to 27,032 units and 35.2% to 19,452 units respectively.

Shopping complex

The reviewed year recorded nineteen shopping complex transactions with an accumulative worth of RM722.87 million; nine in Selangor, two each in Negeri Sembilan, Johor and Perak and one each in Kuala Lumpur, Kelantan, Sabah and Sarawak. The performance of shopping complex witnessed moderate growth in 2023, as the occupancy rate increased slightly to 77.4%. As for the construction segment, Selangor dominated the existing retail space, contributed 155 shopping complexes offering more than 3.95 million sq.m.

Purpose-built office

In 2023, twenty-eight office building transactions with an accumulated worth RM1.63 billion were recorded. The overall performance of office segment was stable in the review period as the overall occupancy rate remained 78.5% as recorded in previous year. As for the construction segment, there were 13 new completions offering a total office space of nearly 0.40 million sq.m. as compared to 2022 (10 new completions; 0.42 million sq.m.).

Leisure Property

Several leisure properties transactions were recorded in the review period with an accumulated worth of nearly RM450 million. Construction activities was on a recovery tone as completion and new planned supply increased significantly compared to previous year. There were 10 new hotels completed in 2023 offering 2,225 rooms, up by 65.9% against 2022 in terms of rooms (2022: 10 hotels; 1,341 rooms).

Industry outlook

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2024, among others:

- (i) In line with the Halal Industry Master Plan 2030, which sets a benchmark for the halal industry's contribution of 11% of GDP by 2030, 9 financial institutions are offering special programmes for halal small and medium enterprises in halal industry an integrated platform providing access to special funds and capacity building programmes;
- (ii) A special guarantee fund of RM1 billion has been allocated to encourage reputable developers to revive identified abandoned projects;
- (iii) Allocation of RM546 million to continue the implementation of 36 Program Perumahan Rakyat ("PPR"), including a new project in Kluang, Johor and another 15 PPR projects are expected to be completed and this is expected to benefit 5,100 potential new residents;
- (iv) Allocation of RM358 million will be channelled to continue for the construction of 3,500 housing units under 14 Program Rumah Mesra Rakyat;
- (v) Provide guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan (SJKP) which will benefit to 40,000 borrowers;
- (vi) Imposing a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia; and
- (vii) Ease the requirements of Malaysia My Second Home (MM2H) programme to attract more tourists and foreign investors to Malaysia.

As the national economy is projected to remain in the range of 4.0% to 5.0% in 2024 which supported by resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well-executed measures outlined in Budget 2024 and the proper implementation of strategies and initiatives under the Twelfth Malaysia Plan (RMK-12) are expected to continue supporting growth in the property sector.

(Source: Property Market Report 2023, National Property Information Centre)

The construction sector accelerated by 11.9% in the 1st quarter of 2024, buoyed by strong growth in all subsectors, especially in civil engineering (23.5%), specialised construction activities (11.4%), residential buildings (8%), and non-residential buildings (1.6%). An increase in the construction of apartments and Rumah Selangorku also contributed to the growth in the residential buildings subsector.

(Source: Malaysian Economy First Quarter 2024, Ministry of Finance Malaysia)

The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road (CSR), the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan).

The implementation of New Industrial Master Plan 2030 is expected to further strengthen the performance of non-residential buildings subsector as the Twelfth Malaysia Plan will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the mid-term review of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Economic Outlook 2024, Ministry of Finance)

7.5.3. Prospects of I-Berhad

Please refer to Section 4.3, Part A of this Circular for the prospects of I-Berhad.

Malaysian economy is expected to grow between 4% to 5% in 2024 on the back of supportive government policies despite global headwinds. The growth in both property market and construction sector remains favourable and the performance is expected to be encouraging due to the implementation of initiatives outlined under Budget 2024, Twelfth Malaysia Plan, New Industrial Master Plan 2030 and the MADANI Neighbourhood scheme. The construction sector is projected to outperform other subsectors in Malaysia in 2024.

In 2023, property market in Malaysia remained resilient, with residential sub-sector being the largest market contributor in terms of both transaction value and volume. The residential sub-sector in Selangor contributed to 22.0% and 30.0% of the residential property transaction volume and value respectively. In respect of commercial property sub-sector, Selangor remained as the highest contributor in term of volume (25.0%) and value (28.0%) to the national market share of commercial property sub-sector whilst the transaction volume of serviced apartment in Selangor constituted 31.4% of market share of service apartment transactions following Kuala Lumpur.

With a positive economic outlook and moderate growth anticipated for 2024, the Company is well-positioned to reap the benefits from the resilient domestic growth prospect.

The Proposed Issuance will raise new funds towards the Group's property development business includes the on-going property development project at i-City i.e. BeCentral Residences. The Group plans to launch the second BeCentral Residences Tower in 2024.

Premised on the above, the favourable economy outlook as well as construction and property market performance in Selangor is expected to augur well for the business of the Group, especially its property development projects. In view of the foregoing and barring unforeseen circumstances, the Proposals are expected to contribute positively to the business growth and the long-term prospects of the Group.

7.6. Risk factors associated with the Proposals

Apart from the risk factors associated with the Proposals as highlighted in Section 5 of Part A of this Circular, the Non-Interested Shareholders should note that risk factors are non-exhaustive in nature and also carefully consider the following risk factors:

7.6.1. Ranking of the RPS Holder

In accordance with the salient terms of the RPS, the RPS shall rank pari passu without any preference or priority among themselves and in priority to the Company's ordinary shares and other preference shares that may be created in future but shall rank behind all secured and unsecured obligations of the Company.

Therefore, any of I-Berhad's ordinary shares is subordinated to the RPS when the Company declares dividend. In the event of liquidation and/ or winding up of the Company, the RPS Holder will be paid ahead of the ordinary shareholders of I-Berhad in respect of its holding in RPS and the amount recovered by the ordinary shareholders of I-Berhad may not be sufficient to compensate the their initial cost of investment.

Nevertheless, the Board will take reasonable steps to maintain a healthy financial position of the Company to not give rise to any going concern issues. Moreover, the preferential dividend payout is at the discretion of the Board and is non-cumulative over years.

7.6.2. Interest rate risk

Whilst the dividend rate for the RPS of 3% per annum is in line with the current financing conditions, there is no assurance that the interest rate environment will remain the same. Changes in monetary policies, whether locally or internationally, could cause fluctuations in the interest rate environment and the current fixed dividend rate for the RPS cannot be adjusted in such circumstances.

Nonetheless, one of the salient features of RPS is the discretion of I-Berhad to redeem the RPS at any time. Should other funding options become more attractive than the RPS, I-Berhad can opt for new funding options which can be used to redeem the RPS to enjoy additional savings in finance costs.

7.6.3. Availability of reserves to declare dividends

The dividends of the RPS will be declared out from the profits/retained earnings of I-Berhad. Arising from the ranking of RPS in priority over ordinary shares, the holders of ordinary shares will only be able to enjoy any dividends (if the Board declares them) after the dividends for the RPS have been declared. In the event the profits/retained earnings of I-Berhad are insufficient, the Board may be unable to declare any dividends for the ordinary shareholders.

7.6.4. Non-subscription of the RPS by Sumurwang

As highlighted in Section 5.3 in Part A of the Circular, we note that while I-Berhad has the discretion to issue in multiple tranches, Sumurwang also has the discretion to subscribe for the RPS. There is hence no certainty that I-Berhad will be able to fully raise RM100 million from the Proposed Issuance. Nonetheless, the payment of preference dividends, if declared by the Company, will be based on the quantum of RPS in issue.

In the event Sumurwang decides not to subscribe for additional RPS, the Company may subsequently seek alternative sources of funding such as bank borrowings, albeit anticipated to be at higher costs to the Company. In this respect, the Company will need to closely monitor its cash flow requirements and proactively engage with the RPS Holder on a timely basis to ensure its working capital requirements are met with.

The Non-Interested Shareholders of I-Berhad should take note of the risk factors relating to the Proposals and the relevant mitigating measures undertaken to mitigate such risks (if any); and that there can be no assurance that any of the risk factors will not have a material and adverse effect on the business and financial position of I-Berhad.

8. FURTHER INFORMATION

The Non-Interested Shareholders are advised to refer to Part A of this Circular together with the appendices for further information.

9. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals to arrive at our conclusion and recommendation after taking into consideration the various factors as summarised below:

Section in this IAL	Area of evaluation	Our comments
7.1	Rationale of the Proposals	<p><u>Rationale of the Proposed Issuance</u></p> <p>(a) <u>A fund-raising avenue for the Company</u></p> <p>The Proposed Issuance will allow the Company to raise funds with the following advantages:</p> <ul style="list-style-type: none"> (i) The shareholdings of the existing shareholders will not be diluted as the RPS is non-convertible into ordinary shares of I-Berhad and can only be redeemed; (ii) The RPS can be issued in multiple tranches within a period of 3 years, thereby permitting better cash flow management and more effective management of finance costs; (iii) The fixed dividend rate of 3% will provide a lower financing cost as compared to the Group's current bank borrowing costs; and (iv) With a sole subscriber for the RPS, the Proposed Issuance will possibly be more expeditious and cost-effective compared to other forms of fund-raising avenues such as rights issue of ordinary shares or RPS. <p>(b) The Proposed Issuance will give the Company extended time to repay the advances from Sumurwang which otherwise is currently repayable on demand.</p> <p>(c) The Proposed Issuance is expected to improve the Company's cash flow position.</p> <p>(d) The Proposed Issuance will provide the Group with additional time to realise its inventories.</p> <p><u>Rationale of the Proposed Constitution Amendments</u></p> <p>The Proposed Constitution Amendments is to facilitate the Proposed Issuance for the Group to reap the benefits as discussed above.</p>
7.2	The salient terms of the RPS	The terms of the RPS which were mutually agreed between the parties are acceptable.

Section in this IAL	Area of evaluation	Our comments
7.3	Evaluation of the dividend rate of I-Berhad's RPS	<p>We compared the dividend rate for the RPS of 3.00% to the following rates, adjusting for the corporate tax impact:</p> <ul style="list-style-type: none"> (i) Borrowing rates of the Company's current facilities; (ii) Average interest rate based on the interest payment on bank borrowings of I-Berhad Group; (iii) Latest base lending rate of commercial banks in Malaysia as at the LPD; and (iv) Coupon rates of Malaysian Ringgit perpetual bonds. <p>Based on our evaluation, we are of the view that the dividend rate for the RPS is fair in view that the proposed dividend rate of 3% is lower than the aforementioned rates.</p>
7.4	Financial effects of the Proposals	<p>We note that there will be no effect on the issued share capital and substantial shareholders' shareholdings of the Company.</p> <p>The NA of the Company will increase mainly due to the issuance of RM100 million RPS pursuant to Proposed Issuance while the gearing will improve from 0.09 times to 0.08 times as a result of the increase in NA.</p> <p>We note that the effect on earnings and EPS is not expected to be material.</p> <p>There will be no impact on the existing convertibles i.e. RCULS-A and RCULS-B of the Company, in view that the RPS is not convertible.</p>
7.5	Industry outlook and prospect	<p>Malaysian economy is expected to grow between 4% to 5% in 2024 on the back of supportive government policies despite global headwinds. The growth in both property market and construction sector remains favourable and the performance is expected to be encouraging.</p> <p>The favourable economy outlook as well as construction and property market performance in Selangor is expected to augur well for the business of the Group, especially its property development projects. In view of the foregoing and barring unforeseen circumstances, the Proposals are expected to contribute positively to the business growth and the long-term prospects of the Group.</p>

Section in this IAL	Area of evaluation	Our comments
7.6	Risk factors associated with the Proposals	<p>The risk factors associated with the Proposals include, but not limited to delay and non-completion of the Proposals, inability to generate sufficient cash flows for the redemption of the RPS, non-subscription of the RPS by Sumurwang, ranking of the RPS Holder, interest rate risk, availability of reserves to declare dividends, etc.</p> <p>The Non-Interested Shareholders of I-Berhad should take note of the risk factors relating to the Proposals which are non-exhaustive in nature and the relevant mitigating measures undertaken to mitigate such risks (if any); and that there can be no assurance that any of the risk factors will not have a material and adverse effect on the business and financial position of I-Berhad.</p>

Premised on the abovementioned factors and our evaluation and consideration as set out in this IAL, we are of the opinion that, on the basis of the information available to us, the Proposals are **FAIR AND REASONABLE** and are **NOT DETRIMENTAL** to the Non-Interested Shareholders of I-Berhad.

Accordingly, cfSolutions recommends that the Non-Interested Shareholders **VOTE IN FAVOUR** of the ordinary resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

The Non-Interested Shareholders should consider all relevant and pertinent factors including those set out in the Part A of this Circular and this IAL, the recommendation of the Board, our recommendation herein together with the limitations of our evaluation prior to making the decision on whether to take that course of action.

Yours faithfully
cfSolutions Sdn Bhd

Leow Kar Hue
 Director

Tan Zi Yi
 Manager

APPENDIX I - SALIENT TERMS OF THE RPS

The salient terms of the RPS are as follows:-

Issuer	:	I-Berhad								
Issue Size/ Amount	:	<p>Up to RM100 million and can be issued in multiple tranches at the Issue Price.</p> <p>The first tranche of the RPS is expected to be issued after the Company's shareholders' approval for the settlement of advances provided by Sumurwang of RM45 million. The subsequent tranches are envisaged to be issued as follows:-</p> <table><thead><tr><th>Timeframe</th><th>Amount (RM'000)</th></tr></thead><tbody><tr><td>Year 1 from Tranche 1</td><td>Up to 30,000^(a)</td></tr><tr><td>Year 2 from Tranche 1</td><td>Up to 15,000^(a)</td></tr><tr><td>Year 3 from Tranche 1</td><td>Up to 10,000^(a)</td></tr></tbody></table> <p>Note: ^(a) Could be issued under single or multiple tranches during the timeframe</p> <p>However, the actual timeframe for the issuance of the subsequent tranches will depend on the cash flow requirements of the Company.</p>	Timeframe	Amount (RM'000)	Year 1 from Tranche 1	Up to 30,000 ^(a)	Year 2 from Tranche 1	Up to 15,000 ^(a)	Year 3 from Tranche 1	Up to 10,000 ^(a)
Timeframe	Amount (RM'000)									
Year 1 from Tranche 1	Up to 30,000 ^(a)									
Year 2 from Tranche 1	Up to 15,000 ^(a)									
Year 3 from Tranche 1	Up to 10,000 ^(a)									
Issue Price	:	RM1.00 per RPS								
Form and Denomination	:	The RPS will be issued in registered form and will be denominated in Ringgit Malaysia ("RM").								
Issue Date	:	The completion date of the subscription of the particular tranche of the RPS where the RPS for that tranche is issued and allotted.								
Liquidation Preference	:	<p>In the event of the liquidation, dissolution, winding up or commencement of any dissolution or winding up of the Company, the RPS shall rank:</p> <p>(i) Pari passu without any reference or priority among themselves; and</p> <p>(ii) Senior to the holders of the Company's ordinary shares and any other preference shares but shall rank behind all secured and unsecured obligations of the Company.</p> <p>On such dissolution or winding up, each RPS shall be entitled to receive in Ringgit Malaysia an amount equal to the Liquidation Distribution.</p> <p>After payment of the Liquidation Distribution, the holder of the RPS ("RPS Holder") will have no further right or claim to any of the remaining asset of the Company.</p> <p>"Liquidation Distribution" means, with respect to any RPS, upon a dissolution or winding up of the Company (other than pursuant to a permitted reorganisation):</p> <p>(i) 100% of the Issue Price of RPS; and</p> <p>(ii) An amount equal to any declared and unpaid dividends in respect of that RPS.</p>								
Conversion	:	The RPS is not convertible into ordinary shares of the Company.								
Dividend	:	<p>Subject to Sections 131 and 132 of the Act, the RPS Holder shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board ("Preferential Dividend Amount"). No dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid. The RPS Holder has the discretion to waive their Preferential Dividend Amount.</p> <p>The preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company.</p> <p>In the event RPS Holder decides to waive the preferential dividend, the shareholders will be notified of the said waiver via an announcement to be made by the Company on Bursa Securities.</p>								

APPENDIX I - SALIENT TERMS OF THE RPS (CONT'D)

Redemption Price	:	<p>With respect to any RPS to be redeemed, an amount equal to:</p> <p>(i) 100% of the Issue Price of RPS; and</p> <p>(ii) An amount equal to any declared and unpaid dividends in respect of that RPS prior to the redemption.</p>
Redemption	:	<p>Subject to Section 72 of the Act, the Company shall have the right to redeem the RPS at any time and from time to time in whole or in part, on any Redemption Date at the Redemption Price upon giving not less than 7 business days' notice to the RPS Holder specifying the date and price. On the Redemption Date specified in such notice, the Company shall be bound to redeem the RPS by payment of the Redemption Price to the RPS Holder, in accordance with the law and the Constitution.</p> <p>The RPS Holder may make a request to the Company for redemption of the RPS Holder's RPS, in whole or in part, at any time and from time to time. On receipt of such written request by the RPS Holder, the Company may determine, at their sole discretion, whether to agree to such redemption request, the quantum of RPS to be redeemed and the timing or date of the redemption. The RPS Holder's request for redemption shall not be unreasonably refused or rejected by the Company.</p> <p>"Redemption Date" means such date as may be notified by the Company to the RPS Holder as being the date of redemption of RPS. If such date is not a market day, then it shall be the next market day immediately after the said non-market day.</p>
Default Redemption	:	<p>The RPS Holder may at their sole discretion require the Company to redeem the RPS at the Redemption Price upon occurrence of the Event of Default. Subject to the occurrence of an Event of Default and the satisfaction of any redemption conditions, the RPS Holder may require, at their option, the redemption of all their RPS outstanding on any Default Redemption Date at the Redemption Price upon not less than 7 business days' notice to the Company specifying the date and price.</p> <p>On the Default Redemption Date specified in such notice, the Company shall be bound to redeem the RPS by payment of the Redemption Price at all times, in accordance with the law and the Constitution.</p> <p>"Default Redemption Date" means such date as may be notified by the RPS Holder to the Company as being the date for the full and final redemption of all the RPS.</p> <p>"Events of Default" means the Company becoming insolvent or unable to pay its debts as they fall due or ceasing or threatening to carry on its business or a substantial part of its business or breaching the terms of RPS as agreed.</p>
Listing and tradability	:	<p>The RPS will not be admitted to the Official List of the Main Market of Bursa Securities and is non-tradable.</p>
Transferability	:	<p>The RPS can only be transferred to a person falling within Schedules 6 and 7 of the Capital Markets and Services Act 2007 subject to approval of the Board.</p> <p>For information, a transfer of the RPS could be envisaged in the event of a reorganization within Sumurwang and its related corporations or to the ultimate individual shareholders of Sumurwang on a willing-buyer willing-seller basis, where the purchase consideration and cost of the transfer would be paid and borne by the transferee.</p>

APPENDIX I - SALIENT TERMS OF THE RPS (CONT'D)

Rights of the holders of RPS	:	<p>The RPS Holder shall be entitled to the same rights as the Company's ordinary shareholders as regards to the receipt of notices, reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolution or vote at any general meeting, save and except in respect of the following:</p> <ul style="list-style-type: none"> (i) when the declared non-cumulative preferential dividends or part of the declared non-cumulative preferential dividends on the RPS is in arrears for more than 6 months; (ii) resolution on a proposal to reduce the Company's share capital; (iii) resolution on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking; (iv) resolution on a proposal to wind up the Company; (v) during the winding up of the Company; or (vi) resolution on any proposal that affects the rights and privileges attached to the RPS, including the amendments to the Constitution. <p>In any of the aforesaid circumstances, the RPS Holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RPS held.</p> <p>Save as expressly provided in this clause, the RPS Holder shall not be entitled to participate in the profits or surplus assets nor be entitled to participate in any rights, bonus, allotment or other distributions as may be made or declared by the Company.</p>
Ranking	:	<p>The RPS shall rank <i>pari passu</i> without any preference or priority among themselves and in priority to the Company's ordinary shares and other preference shares that may be created in future but shall rank behind all secured and unsecured obligations of the Company. The Company may from time to time, and at any time create or issue any other shares ranking, as to participation in the profits or the assets of the Company, without the prior approval of the RPS Holder and the creation or issue by the Company of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the RPS.</p>
Governing Law	:	Laws of Malaysia.

APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD

The Constitution is proposed to be amended in the following manner:

- (i) By inserting the following new Clause 42A to the Constitution being the terms of the RPS in relation to the Proposed Issuance:-:

Clause No.	Existing Provisions	Proposed Constitution Amendments	
42A (1)	[deleted]	Words	Meanings
		"Default Redemption Date"	Such date as may be notified by the RPS Holder to the Company as being the date for the full and final redemption of all the RPS;
		"Event of Default"	The Company becoming insolvent or unable to pay its debts as they fall due or ceasing or threatening to carry on its business or a substantial part of its business or breaching the terms of RPS as agreed;
		"Issue Date"	The completion date of the subscription of the particular tranche of the RPS where the RPS for that tranche is issued and allotted;
		"Issue Price"	RM1.00 per RPS;
		"Liquidation Distribution"	With respect to any RPS, upon a dissolution or winding up of the Company (other than pursuant to a permitted reorganization): (i) 100% of the Issue Price of RPS; and (ii) An amount equal to any declared and unpaid dividends in respect of that RPS;
		"Redemption Date"	Such date as may be notified by the Company to the RPS Holder as being the date of redemption of RPS. If such date is not a market day, then it shall be the next market day immediately after the said non-market day;
		"Redemption Price"	With respect to any RPS to be redeemed, an amount equal to: (i) 100% of the Issue Price of RPS; and (ii) An amount equal to any declared and unpaid dividends in respect of that RPS prior to the redemption;
		"RPS"	Redeemable preference shares of the Company;
		"RPS Holder"	The holder of the RPS.

APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

42A (2)	[deleted]	<p>The RPS shall confer on the holders thereof the following rights and privileges and be subject to the following conditions:</p> <p>(A) Issue Size/ Amount</p> <p>Up to RM100 million and can be issued in multiple tranches at the Issue Price</p> <p>(B) Dividend</p> <p>Subject to Sections 131 and 132 of the Act, the RPS Holder shall be entitled to a non-cumulative preferential dividend of 3% per annum for each RPS at discretion of the Board (“Preferential Dividend Amount”). No dividends shall be paid on the ordinary shares of the Company unless the dividends on the RPS have been paid. The RPS Holder has the discretion to waive their Preferential Dividend Amount.</p> <p>The preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company.</p> <p>(C) Listing and Transferability</p> <p>(a) The RPS shall not be listed and quoted on Official List of the Main Market of Bursa Securities and the RPS is non-tradable.</p> <p>(b) The RPS can only be transferred to a person falling within Schedules 6 and 7 of the Capital Markets and Services Act 2007 subject to approval of the Board.</p> <p>(D) Conversion Right</p> <p>The RPS is not convertible into ordinary shares of the Company.</p> <p>(E) Ranking</p> <p>The RPS shall rank pari passu without any preference or priority among themselves and in priority to the Company's ordinary shares and other preference shares that may be created in future but shall rank behind all secured and unsecured obligations of the Company. The Company may from time to time, and at any time create or issue any other shares ranking, as to participation in the profits or the assets of the Company, without the prior approval of the RPS Holder and the creation or issue by the Company of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the RPS.</p> <p>(F) Redemption</p> <p>(a) Subject to Section 72 of the Act, the Company shall have the right to redeem the RPS at any time and from time to time in whole or in part, on any Redemption Date at the Redemption Price upon giving not less than 7 business days' notice to the RPS Holder specifying the date and price. On the Redemption Date specified in such notice, the Company shall be bound to redeem the RPS by payment of the</p>
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APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

		<p>Redemption Price to the RPS Holder, in accordance with the law and the Constitution.</p> <p>(b) The RPS Holder may make a request to the Company for redemption of the RPS Holder's RPS, in whole or in part, at any time and from time to time. On receipt of such written request by the RPS Holder, the Company may determine, at its sole discretion, whether to agree to such redemption request, the quantum of RPS to be redeemed and the timing or date of the redemption. The RPS Holder's request for redemption shall not be unreasonably refused or rejected by the Company.</p> <p>(c) Default Redemption</p> <p>The RPS Holder may at their sole discretion require the Company to redeem the RPS at the Redemption Price upon occurrence of the Event of Default. Subject to the occurrence of an Event of Default and the satisfaction of any redemption conditions, the RPS Holder may require, at their option, the redemption of all their RPS outstanding on any Default Redemption Date at the Redemption Price upon not less than 7 business days' notice to the Company specifying the date and price.</p> <p>On the Default Redemption Date specified in such notice, the Company shall be bound to redeem the RPS by payment of the Redemption Price at all times, in accordance with the law and the Constitution.</p> <p>(G) Liquidation Preference</p> <p>In the event of the liquidation, dissolution, winding up or commencement of any dissolution or winding up of the Company, the RPS shall rank:</p> <p>(i) Pari passu without any reference or priority among themselves; and</p> <p>(ii) Senior to the holders of the Company's ordinary shares and any other preference shares but shall rank behind all secured and unsecured obligations of the Company.</p> <p>On such dissolution or winding up, each RPS shall be entitled to receive in Ringgit Malaysia an amount equal to the Liquidation Distribution.</p> <p>After payment of the Liquidation Distribution, the RPS Holder will have no further right or claim to any of the remaining asset of the Company.</p> <p>(H) Rights of the RPS Holder</p> <p>The RPS Holder shall be entitled to the same rights as the Company's ordinary shareholders as regards to the receipt of notices, reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolution or vote at any general meeting, save and except in respect of the following:</p>
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APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

		<p>(i) when the declared non-cumulative preferential dividends or part of the declared non-cumulative preferential dividends on the RPS is in arrears for more than 6 months;</p> <p>(ii) resolution on a proposal to reduce the Company's share capital;</p> <p>(iii) resolution on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;</p> <p>(iv) resolution on a proposal to wind up the Company;</p> <p>(v) during the winding up of the Company; or</p> <p>(vi) resolution on any proposal that affects the rights and privileges attached to the RPS, including the amendments to the Constitution.</p> <p>In any of the aforesaid circumstances, each RPS Holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RPS held.</p> <p>Save as expressly provided in this Clause 42A, the RPS Holder shall not be entitled to participate in the profits or surplus assets nor be entitled to participate in any rights, bonus, allotment or other distributions as may be made or declared by the Company.</p> <p>(I) Governing Law</p> <p>The RPS shall be governed by the laws of Malaysia.</p>
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(ii) By deleting the following existing terms of the redeemable cumulative convertible preference share ("RCCPS") in Clause 42A of the Constitution in its entirety and inserting the above new RPS terms in view that the RCCPS have been mandatorily converted into I-Berhad Shares at maturity in 2022.

Clause No.	Existing Provisions	
42A (1)	Words	Meanings
	"Conversion Price"	Means the conversion of the RCCPS into the new ordinary shares of the Company;
	"Entitlement Date"	Means a date to be determined by the Board and announced later on which the Members must be registered in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the proposed rights issue of RCCPS;
	"New Shares"	Shall have the meaning given in Clause 42A(2)(b)(i) below;
	"Issue Date"	Means the date of issuance of the RCCPS;
	"Issue Price"	Means the issue price per RCCPS as determined by the Board;
	"Maturity Date"	Shall have the meaning given in Clause 42A(2)(a)(i) below; and
	"RCCPS"	Means the redeemable cumulative convertible preference shares in the capital of the Company issued at the Issue Price, the terms and

APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

		conditions of which are as set out in this Clause 42A.	
42A (2)	<p>The RCCPS shall confer on the holders thereof the following rights and privileges and be subject to the following conditions:</p> <p>(a)(i) The tenure of the RCCPS is 3 years, commencing from the Issue Date and expiring on the 3rd anniversary of the Issue Date ("Maturity Date"), both dates inclusive.</p> <p>(ii) The RCCPS shall be converted pursuant to Clause 42A(2)(g) on the Maturity Date, and if the Maturity Date is not a Market Day, then the RCCPS shall be converted at the end of the Market Day immediately preceding the Maturity Date.</p> <p>(b)(i) The RCCPS and the new ordinary shares in the Company to be issued upon conversion of the RCCPS ("New Shares") shall be listed and quoted on the Stock Exchange.</p> <p>(ii) The RCCPS shall be transferable in accordance with Clause 25 of the Constitution.</p> <p>(iii) The RCCPS will be listed and quoted on the Stock Exchange and tradable in board lots of 100 RCCPS, or such other number as may be specified by the Stock Exchange. The RCCPS will be deposited with the Depository and will be subject to the Rules.</p> <p>(c)(i) The RCCPS holders shall be entitled to receive cumulative preferential dividend, payable on an annual basis and in arrears at the rate of five percent (5%) per annum on the Issue Price of the RCCPS during the tenure of the RCCPS.</p> <p>(ii) Subject to the provision of the Companies Act 2016 including the requirement for the availability of profits, the cumulative preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by the Company. Subject to the foregoing, the dividend shall be distributable annually.</p> <p>(iii) In the event the RCCPS are redeemed or converted, any declared and unpaid cumulative preferential dividend shall be payable on the relevant payment date of such cumulative preferential dividend.</p> <p>(iv) So long as any RCCPS remains outstanding, and in the event that any dividend is declared by the Company, the Company shall not pay or distribute any dividend on I-Berhad Shares unless the cumulative preferential dividend payable on the RCCPS have been paid in full.</p> <p>(d)(i) The RCCPS shall rank equally amongst themselves, and will rank ahead in point of priority to the holders of the ordinary shares and all other classes of shares (if any) in the Company, in respect of any payment of dividend or any payment out of the assets of the Company upon any liquidation, dissolution or winding up of the Company, provided always that the Board approves such payments on this basis and further affirms the priority of payment to the RCCPS holders.</p> <p>(ii) The RCCPS shall rank subordinated to all the Company's creditors (including RCULS holders and ICULS holders) in respect of payment of debt and payments out of assets of the Company upon liquidation, dissolution, or winding up of the Company.</p> <p>(iii) The New Shares to be issued arising from the conversion of the RCCPS shall, upon allotment and issuance, rank pari passu in all respects with the then existing Shares, save and except that the New Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the New Shares arising from the conversion of the RCCPS.</p>		

APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

	<p>(e) The RCCPS holders shall be entitled to the same rights as the Company's ordinary shareholders as regards to the receipt of notices, reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolution or vote at any general meeting, save and except in respect of the following:</p> <ul style="list-style-type: none"> (i) when the declared cumulative preferential dividends or part of the declared cumulative preferential dividends on the RCCPS is in arrears for more than 6 months; (ii) resolution on a proposal to reduce the Company's share capital; (iii) resolution on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking; (iv) resolution on a proposal to wind up the Company; (v) during the winding up of the Company; or (vi) resolution on any proposal that affects the rights and privileges attached to the RCCPS, including the amendments to the Constitution. <p>In any of the aforesaid circumstances, each RCCPS holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCCPS held.</p> <p>Save as expressly provided in this Clause 42A, the RCCPS holders shall not be entitled to participate in the profits or surplus assets nor be entitled to participate in any rights, bonus, allotment or other distributions as may be made or declared by the Company.</p> <p>(f) Subject to the Companies Act 2016, all outstanding RCCPS shall, unless previously converted, be redeemable at the option of the Company, in full or in part, at any time from and including Issue Date up to the day immediately preceding the Maturity Date.</p> <p>The Company shall give not less than 30 days' notice to the RCCPS holders prior to the redemption date. The notice shall state the book closure date to be used to determine the identities of the RCCPS holders entitled to receive the redemption payment. During such notice period but not later than 9 Market Days prior to the redemption date, the RCCPS holders shall be entitled to exercise their conversion rights under the RCCPS. Redemption shall be in cash and in one lump sum at the Issue Price.</p> <p>(g)(i) (1) The RCCPS holder shall have the right to convert the RCCPS into new ordinary share of the Company at the Conversion Price at any time during the tenure of the RCCPS.</p> <p>(2) Unless previously redeemed or converted during the tenure, all outstanding RCCPS will be mandatorily converted into new ordinary share of the Company on the Maturity Date of such RCCPS.</p> <p>(ii) Each RCCPS may be converted into 1 new ordinary shares of the Company at a Conversion Price which shall be equivalent to the Issue Price and based on the following manner ("Conversion Mode"):</p> <ul style="list-style-type: none"> (1) the conversion of RCCPS will not require any cash payment by the RCCPS holders. The conversion price shall be satisfied by surrendering one (1) RCCPS for one (1) new ordinary Shares of the Company; and (2) any fraction of the new ordinary Shares of the Company (if any) arising from the conversion of the RCCPS shall be disregarded.
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APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

	<p>(iii) The Conversion Price shall be subject to adjustments from time to time, at the determination of the Board in consultation with an approved investment bank 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 the Constitution or any conversion of convertible securities of the Company, in the manner set out in the Appendix hereto.</p> <p>(iv) (1) The conversion of the RCCPS shall be exercised by the relevant holders of RCCPS or its Authorised Nominee by delivering a duly completed and signed conversion notice as prescribed from time to time by the Company or in accordance with any applicable laws and regulations from time to time ("Conversion Notice") to the Registrar of the Company during its business hours on any Market Day during the tenure of the RCCPS. The Conversion Notice is irrevocable upon receipt by the Company. A RCCPS holder who had issued a Conversion Notice ("Converting RCCPS Holder") shall further furnish to the Company such supporting documents or information as may be prescribed by the Company or as may be required under any applicable laws or regulations from time to time. The conversion shall be carried out in accordance with such procedures as may be prescribed by any applicable laws and regulations.</p> <p>(2) Once a Conversion Notice has been submitted to the Company, the Converting RCCPS Holder shall not sell, transfer, dispose or otherwise encumber the RCCPS in respect of which the conversion rights of such RCCPS have been exercised.</p> <p>(3) Subject to all applicable laws and regulations, within eight (8) Market Days from the date of receipt by the Company of a Conversion Notice or such other shorter period as may be prescribed or allowed by the Stock Exchange or under any applicable laws and regulations, the Company shall:</p> <p>(a) Issue and/or allot to the relevant Converting RCCPS Holders, such number of ordinary shares of the Company to which such Converting RCCPS Holders are entitled to receive by virtue of the exercise of the conversion rights attached to such RCCPS, credited as fully paid up ("Converted Shares"), and shall cause the Securities Account of such RCCPS Holders to be credited with such number of Converted Shares; and</p> <p>(b) Dispatch a notice of allotment to the relevant Converting RCCPS Holders in respect of such Converted Shares.</p> <p>Once converted, the RCCPS shall not be capable of reissuance.</p> <p>(h) So long as any RCCPS remains in issue:</p> <p>(i) the Company will send to each holder of the RCCPS, by way of information, one (1) copy of every circular, notice or other documents sent to any other shareholders in the Company, at the same time as it send to such other shareholders; and</p> <p>(ii) the Company shall keep available during the tenure of the RCCPS, free from pre-emptive or other rights, out of its share capital such number of ordinary shares as would be required to be issued upon the exercise of the conversion right of the RCCPS from time to time by the holders of the RCCPS during the tenure of such RCCPS, and to satisfy in full all other rights of conversion into or exchange or subscription for ordinary shares and shall ensure that all ordinary shares delivered upon conversion will be duly and validly issued and fully paid-up.</p> <p>(i) (i) The Company may from time to time with the consent or sanction of all the holders of RCCPS make modifications to the terms of which in the opinion of the Company are not materially prejudicial to the interest of the holders of the RCCPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the</p>
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APPENDIX II - AMENDMENTS TO THE CONSTITUTION OF I-BERHAD (CONT'D)

	<p>relevant regulations.</p> <p>(ii) Any variation, modification or abrogation of the rights and privileges attached to the RCCPS shall require the sanction of a special resolution of the holders of RCCPS holding or representing not less than 75% of the outstanding RCCPS.</p> <p>(j) The RCCPS shall rank in priority to the ordinary shares of the Company in any distribution of assets in the event of liquidation, dissolution or winding-up of the Company.</p> <p>In particular, in the event of liquidation, dissolution or winding-up of the Company, the surplus assets and profits that may be legally distributable to the Company's shareholders shall be distributed to the shareholders in the following manner:</p> <p>(i) the holders of RCCPS Holders shall be entitled to be paid, in priority to the holders of the ordinary shares of the Company, any declared and unpaid dividend in respect of the RCCPS;</p> <p>(ii) after payment of any dividend payable under sub- paragraph (i) above, the holders of RCCPS shall be paid in priority to the holders of ordinary shares in the Company, the Issue Price, for each such RCCPS; and</p> <p>(iii) if there are surplus assets and profits after the payment or distribution to the RCCPS holders as set out in sub-paragraphs (i) and (ii) above, then all such remaining surplus assets shall be distributed amongst the holders of the ordinary shares of the Company.</p> <p>(k) The RCCPS shall be governed by the laws of Malaysia.</p>
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APPENDIX III - FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the completeness and 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 false or misleading statements or other material facts contained in this Circular, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

2.1 AmInvestment Bank

AmInvestment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of I-Berhad Group.

The AmBank Group has not extended any credit facilities to I-Berhad Group.

AmInvestment Bank is of the view that its role as the Principal Adviser for the Proposals is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

- (i) AmInvestment Bank's role in the Proposals is undertaken in the ordinary course of business; and
- (ii) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

2.2 cfSolutions Sdn Bhd

cfSolutions Sdn Bhd, being the Independent Adviser for the Proposals, confirmed that it has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name the IAL and all references thereto in the form and context in which they appear in this Circular.

cfSolutions Sdn Bhd has also given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser in respect of the Proposals.

APPENDIX III - FURTHER INFORMATION (CONT'D)

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material Commitments**

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable may have a material impact on the financial position or the business of I-Berhad Group:-

Capital commitments

	<u>RM'000</u>
Capital expenditure	
Approved but not contracted	-
Approved and contracted for	23,000 ⁽ⁱ⁾
	<u>23,000</u>

Note:

(i) *This entails the capital expenditure in relation to the investment properties (car parks and convention centre) and property, plant and equipment for theme park.*

3.2 Contingent Liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by I-Berhad Group which, upon becoming due or enforceable, may have a material impact on I-Berhad Group's financial position.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, I-Berhad Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of I-Berhad are not aware of any proceeding, pending or threatened against I-Berhad Group, or any facts likely to give rise to any proceeding which may materially or adversely affect the financial position or business of I-Berhad Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of I-Berhad at Level 31, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Constitution of I-Berhad;
- (ii) the audited consolidated financial statements of I-Berhad for the past two (2) FYEs 31 December 2022 and 31 December 2023 and the latest unaudited consolidated financial statements of I-Berhad for the financial period ended 31 March 2024; and
- (iii) the letters of consent and declaration of conflict of interests referred to in Section 2 of **Appendix III** of this Circular.



Registration No. 196701000055 (7029-H)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of I-Berhad (“**I-Berhad**” or the “**Company**”) will be held at Level 31, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia on Thursday, 8 August 2024 at 3.00 p.m., or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without modification:

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF UP TO RM100 MILLION REDEEMABLE PREFERENCE SHARES TO SUMURWANG SDN BHD, A MAJOR SHAREHOLDER OF I-BERHAD (“PROPOSED ISSUANCE”)

“**THAT** subject to the passing of the Special Resolution and the approvals of all relevant regulatory authorities being obtained (if required), the Board of Directors of I-Berhad (“**Board**”) be and is hereby authorised to:

- (i) issue and allot up to RM100 million redeemable preference shares, the terms of which are set out in Appendix I of the circular to shareholders dated 17 July 2024 (“**Circular**”) (“**RPS**”) to Sumurwang Sdn Bhd at any time and from time to time within a period of 3 years; and
- (ii) utilise the proceeds to be derived from the Proposed Issuance in the manner as set out in Section 2.1.2 of the Circular and vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company.

THAT the RPS shall rank pari passu without any preference or priority among themselves and in priority to the Company’s ordinary shares and other preference shares that may be created in future but shall rank behind all secured and unsecured obligations of the Company. The Company may from time to time, and at any time create or issue any other shares ranking, as to participation in the profits or the assets of the Company, without the prior approval of the holder of the RPS and the creation or issue by the Company of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the RPS.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds, and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement in the best interest of the Company, to give full effect to and to complete the Proposed Issuance, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Board in their absolute discretion may deem fit and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Issuance.”

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY AS A RESULT OF THE PROPOSED ISSUANCE ("PROPOSED CONSTITUTION AMENDMENTS")

"THAT, subject to the passing of the Ordinary Resolution and the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to the Board to amend the Constitution of the Company as set out in Appendix II of the Circular.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds, and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement in the best interest of the Company, to give full effect to and to complete the Proposed Constitution Amendments, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Board in their absolute discretion may deem fit and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Constitution Amendments."

By Order of the Board

BU CHEW LIN

Company Secretary
SSM Practicing Certificate No. 201908000674
MAICSA No. 6008132

Shah Alam
17 July 2024

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 1 August 2024 (General Meeting Record of Depositors) shall be entitled to attend and vote at the EGM.*
2. *A member entitled to attend, speak and vote at the EGM is entitled to appoint any person as his proxy to attend, speak and vote in his stead.*
3. *A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Authorised Nominee**") may appoint at least one (1) proxy but 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.*
4. *Where a member of the Company is an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.*
6. *The Form of Proxy shall be in writing under the hand of the appointer, or by his attorney duly authorised in writing, or if such appointer is a Corporation, shall be either given under its common seal or signed on its behalf by its attorney or an officer of the Corporation so authorised.*
7. *All proxy forms duly executed must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof. You may also submit the proxy form electronically via TIIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time and date fixed for holding the EGM or any adjournment thereof. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic submission of proxy form via TIIH Online.*
8. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in the Notice of EGM are to be voted by poll.*

I-Berhad

Registration No. 196701000055 (7029-H)
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account No.

I/We _____ Company/NRIC/Passport No. _____
of _____
being a member/members of I- BERHAD hereby appoint _____
NRIC/Passport No. _____
of _____
and _____ NRIC/Passport No. _____
of _____

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote and act for me/us, and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Level 31, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia on Thursday, 8 August 2024 at 3.00 p.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions to give effect to the Proposals.

Please indicate with an "X" in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED ISSUANCE		

SPECIAL RESOLUTION	FOR	AGAINST
PROPOSED CONSTITUTION AMENDMENTS		

Where a member appoints 2 proxies, please specify the proportions of the member's shareholdings to be represented by each proxy:-

Signed this..... day of2024 Signature / Common Seal	FOR APPOINTMENT OF TWO PROXIES, PERCENTAGE OF SHAREHOLDINGS TO BE REPRESENTED BY THE PROXIES:		
		NO. OF SHARES	PERCENTAGE
	PROXY 1		%
	PROXY 2		%
			100%

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 1 August 2024 (General Meeting Record of Depositors) shall be entitled to attend and vote at the EGM
- A member entitled to attend, speak and vote at the EGM is entitled to appoint any person as his proxy to attend, speak and vote in his stead.
- A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee") may appoint at least one (1) proxy but 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.
- Where a member of the Company is an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
- The Form of Proxy shall be in writing under the hand of the appointer, or by his attorney duly authorised in writing, or if such appointer is a Corporation, shall be either given under its common seal or signed on its behalf by its attorney or an officer of the Corporation so authorised.
- All proxy forms duly executed must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof. You may also submit the proxy form electronically via TIIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time and date fixed for holding the EGM or any adjournment thereof. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic submission of proxy form via TIIH Online.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in the Notice of EGM are to be voted by poll.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

Share Registrar of I-Berhad
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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