

Unless otherwise stated, all terms and abbreviations contained in this Abridged Prospectus are in the "Definitions" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six months from the date of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** All enquiries concerning the Rights Issue, which is the subject of this Abridged Prospectus should be addressed to our Share Registrar for the Rights Issue, 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.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue was obtained at our EGM held on 24 September 2019. The approval from Bursa Securities has been obtained via its letter dated 22 August 2019 for the admission of the RCCPS to the Official List, the initial listing of and quotation for the RCCPS and the listing of and quotation for Shares arising from the conversion of the RCCPS and conversion of the RCULS-A and RCULS-B due to adjustment to be made to their conversion prices as a result of the Rights Issue on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The admission to the Official List and quotation for all the new securities on the Main Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Company's Record of Depositors as at 5.00 p.m. on 4 November 2019 who have a registered address in Malaysia or who have provided our Share Registrar for the Rights Issue with a registered address in Malaysia in writing by 5.00 p.m. on 4 November 2019. The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue is not intended to be (will not be) made or offered or deemed to be made or offered for purchase or subscription in any other countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any other countries or jurisdictions other than the laws of Malaysia. Persons receiving the Documents (including without limitation, custodians, nominees and transferees) must not, in connection with the Rights Issue, distribute or send the Documents outside Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any other countries or jurisdictions other than the laws of Malaysia. The Rights Issue to which the Documents relate is only available to persons receiving the Documents electronically or otherwise within Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation and/or transfer (as the case may be) of all or any part of their entitlements to the RCCPS would result in the contravention of any of the laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should also note the additional terms and restrictions as set out in Section 10 of this Abridged Prospectus. Neither we, AmInvestment Bank nor any other professional advisers to the Rights Issue shall accept any responsibility or liability in the event that any acceptance or renunciation or transfer (as the case may be) of the entitlements to the RCCPS made by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such country or jurisdiction in which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is a resident.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS ABRIDGED PROSPECTUS.**



*(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)*

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 795,985,581 3-YEAR REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES ("RCCPS") ON THE BASIS OF 3 RCCPS FOR EVERY 4 EXISTING I-BERHAD SHARES HELD AS AT 5:00 P.M. ON 4 NOVEMBER 2019 AT AN ISSUE PRICE OF RM0.19 PER RCCPS**

*Principal Adviser*



**AmInvestment Bank**

**AMINVESTMENT BANK BERHAD**

**(Company No. 197501002220 (23742-V))**

**(A Participating Organisation of Bursa Malaysia Securities Berhad)**

**IMPORTANT RELEVANT DATES AND TIMES:**

Entitlement Date	: Monday, 4 November 2019 at 5:00 p.m.
Last date and time for sale of Provisional RCCPS	: Monday, 11 November 2019 at 5:00 p.m.
Last date and time for transfer of Provisional RCCPS	: Wednesday, 13 November 2019 at 4:30 p.m.
Last date and time for acceptance and payment	: Tuesday, 19 November 2019 at 5:00 p.m.
Last date and time for excess application and payment	: Tuesday, 19 November 2019 at 5:00 p.m.

This Abridged Prospectus is dated 4 November 2019

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

#### **RESPONSIBILITY STATEMENTS**

OUR DIRECTORS HAVE SEEN AND APPROVED ALL DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

AMINVESTMENT BANK, BEING OUR PRINCIPAL ADVISER FOR THIS RIGHTS ISSUE, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

#### **OTHER STATEMENTS**

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY OF THE PERSON SET OUT IN SECTION 236 OF THE CMSA, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

## ADVISERS' DIRECTORY

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<b>PRINCIPAL ADVISER</b>	: AmInvestment Bank Berhad Level 21, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2036 2633 Fax. No.: +603 2070 2170
<b>SOLICITORS FOR THE RIGHTS ISSUE</b>	: Messrs. Albar & Partners Suite 14-3, Level 14 Wisma UOA Damansara II No. 6, Changkat Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 7890 3288 Fax. No.: +603 7890 3262
<b>SHARE REGISTRAR FOR THE RIGHTS ISSUE</b>	: 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 Tel. No.: +603 2783 9299 Fax. No.: +603 2783 9222
<b>AUDITORS</b>	: PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral P O Box 10192 50706 Kuala Lumpur Tel. No.: +603 2173 1188 Fax. No.: +603 2173 1288
<b>STOCK EXCHANGE AND LISTING SOUGHT</b>	: Main Market of Bursa Securities

## DEFINITIONS

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

Abridged Prospectus	:	This Abridged Prospectus dated 4 November 2019 in relation to the Rights Issue
Act	:	Companies Act, 2016
AmInvestment Bank	:	AmInvestment Bank Berhad
Board or Directors	:	Board of Directors of I-Berhad
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS Account(s)	:	Central depository system account(s), which is/are a securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of depositors of securities and for dealings in such securities by the depositor
CMSA	:	Capital Market And Services Act, 2007
Constitution	:	Constitution of I-Berhad
Constitution Amendments	:	Amendments to the Constitution in conjunction with the Rights Issue
Conversion Price	:	RM0.19, being the conversion price of each RCCPS subject to adjustment in accordance with the Constitution
Documents	:	Collectively, the Abridged Prospectus and the accompanying NPA and RSF
e-NPA	:	Electronic NPA
e-RSF	:	Electronic RSF
e-Subscription	:	Electronic subscription
EGM	:	Extraordinary General Meeting of I-Berhad held on 24 September 2019
Electronic Subscription	:	Subscribe for the RCCPS and/or the Excess RCCPS through TIH Online
Entitled Shareholder(s)	:	Shareholder(s) of I-Berhad whose names appear in the Company's Record of Depositors on the Entitlement Date
Entitlement Basis	:	Entitlement basis for the Rights Issue
Entitlement Date	:	At 5:00 p.m. on 4 November 2019, being the time and date on which the names of the shareholders of I-Berhad must be registered in the Company's Record of Depositors in order to be entitled to participate in the Rights Issue

## DEFINITIONS (CONT'D)

EPS	:	Earnings per share
Excess Application	:	The application for the Excess RCCPS
Excess RCCPS	:	RCCPS which are not taken up or not validly taken up by the other Entitled Shareholders and/or their transferee(s) and/or renouncee(s) and/or transferee(s)
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
Gross Proceeds	:	Gross proceeds of up to approximately RM151.2 million to be raised from the Rights Issue
GP	:	Gross profit
I-Berhad Group or Group	:	Collectively, I-Berhad and its subsidiaries
I-Berhad or Company	:	I-Berhad
I-Berhad Share(s) or Share(s)	:	Ordinary share(s) in I-Berhad
ICULS	:	2014/2019 irredeemable convertible unsecured loan stocks, which had matured on 9 October 2019
Issue Price	:	RM0.19, being the issue price for each of the RCCPS
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	Unless stated otherwise, 11 October 2019, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming all the Entitled Shareholders fully subscribe for their entitlements under the Rights Issue
Minimum Scenario	:	Assuming the RCCPS is undertaken on the Minimum Subscription Level
Minimum Subscription Level	:	The minimum subscription by the Undertaking Parties, raising minimum gross proceeds of RM100 million pursuant to the Undertakings
NA	:	Net assets
NPA	:	Notice of provisional allotment in relation to the Rights Issue

## DEFINITIONS (CONT'D)

Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PAT	:	Profit after tax
PBT	:	Profit before tax
Price-Fixing Date	:	24 September 2019, being the date on which I-Berhad has fixed and announced the Issue Price
Provisional RCCPS	:	RCCPS provisionally allotted to the Entitled Shareholders
RCCPS	:	New redeemable cumulative convertible preference share(s) of I-Berhad to be issued pursuant to the Rights Issue
RCULS	:	Collectively, RCULS–A and RCULS–B
RCULS – A	:	RM132 million 2014/2022 redeemable convertible unsecured loan stocks which are convertible into new I-Berhad Shares which mature on 27 August 2022 (due on 26 August 2022, being the business day immediately preceding the 8th anniversary of the issue date)
RCULS – B	:	RM69 million 2014/2022 redeemable convertible unsecured loan stocks which are convertible into new I-Berhad Shares which mature on 27 August 2022 (due on 26 August 2022, being the business day immediately preceding the 8th anniversary of the issue date)
Record of Depositors	:	Record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository
Registered Entitled Shareholders	:	Entitled Shareholders who are the registered user of TIIH Online
Rights Issue	:	Renounceable rights issue of up to 795,985,581 new RCCPS on the basis of 3 RCCPS for every 4 existing I-Berhad Shares held on the Entitlement Date at the Issue Price
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
RSF	:	Rights Subscription Form
Rules of Bursa Depository	:	The Rules of Bursa Depository, issued pursuant to the SICDA
SC	:	Securities Commission of Malaysia
Share Registrar for the Rights Issue	:	Tricor Investor & Issuing House Services Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act, 1991
TERP	:	Theoretical ex-rights price

## DEFINITIONS (CONT'D)

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TIH Online	:	Tricor's propriety owned application to facilitate shareholders to subscribe for the RCCPS provisionally allotted and to apply for Excess RCCPS electronically
TSLKH	:	Tan Sri Lim Kim Hong, major shareholder and Executive Chairman of I-Berhad
Undertakings	:	The irrevocable written undertakings from the Undertaking Parties dated 22 August 2019
Undertaking Parties	:	Collectively, Sumur Ventures Sdn Bhd and Sumurwang Sdn Bhd
VWAMP	:	Volume-weighted average market price
Warrants	:	Outstanding warrants 2014/2019, which had expired on 8 October 2019

All references to "**our Company**" in this Abridged Prospectus are to I-Berhad, and where the context otherwise requires, "**our subsidiaries**" refers to the subsidiaries of I-Berhad. "**Our Group**" collectively refers to our Company and our subsidiaries. All references to "**we**", "**us**" and "**our**" and "**ourselves**" are to our Company, or where the context requires, our Group or any of our subsidiaries

All references to "**you**" in this Abridged Prospectus are to our Entitled Shareholders.

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.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included in this Abridged Prospectus have been subject to rounding adjustments. Any discrepancy between the figures shown in this Abridged Prospectus and figures published by our Company, such as quarterly reports or annual reports, is due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due 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 forward-looking statements in this Abridged Prospectus should not be regarded as any representation or warranty that our Company's plans and objectives will be achieved.

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## SUMMARY OF RIGHTS ISSUE

**This summary of the Rights Issue only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.**

<b>Basis of allotment</b>	: 3 RCCPS for every 4 I-Berhad Shares held on the Entitlement Date.
<b>Issue size</b>	: Up to 795,985,581 RCCPS.
<b>Issue price</b>	: RM0.19 per RCCPS, payable in full upon acceptance and/or application.  Please refer to Section 2.2 of this Abridged Prospectus for the basis of determining the issue price of the RCCPS.
<b>Conversion Price</b>	: RM0.19 for every 1 I-Berhad Share. Each RCCPS may be converted into 1 new I-Berhad Share at the Conversion Price.  Please refer to Section 2.2 of this Abridged Prospectus for the basis of and justification for determining the Conversion Price of the RCCPS.
<b>Shareholders' undertaking</b>	: To meet the Minimum Subscription Level, I-Berhad has procured irrevocable written undertakings from the Undertaking Parties, being companies controlled by I-Berhad's major shareholder, TSLKH, for the following:- <ul style="list-style-type: none"> <li>(a) to subscribe in full for their entitlements under the Rights Issue as at the Entitlement Date and accordingly shall not, subject to item (d) below, renounce their entitlement under the Rights Issue;</li> <li>(b) ensure that their combined subscription amount of the RCCPS shall not be less than RM100 million;</li> <li>(c) in the event the Undertaking Parties' entitlements for the Rights Issue are less than RM100 million collectively, the Undertaking Parties shall submit applications for the Excess RCCPS so that their collective subscription amount shall be at least RM100 million; and</li> <li>(d) in the event the Undertaking Parties are unable to fulfil their obligations under the Undertakings, the Undertaking Parties shall procure any of their subsidiaries to subscribe for the RCCPS in order to achieve their obligations under the Undertakings.</li> </ul> <p>In view that the Minimum Subscription Level will be satisfied by the Undertaking Parties pursuant to the Undertakings, I-Berhad will not procure any underwriting arrangement for the remaining RCCPS not subscribed by the other Entitled Shareholders.</p> <p>Please refer to Section 2.5 of this Abridged Prospectus for further details of the Undertakings.</p>
<b>Rationale for the Rights Issue</b>	: The Rights Issue enables I-Berhad to raise funds for its property investment/hospitality portfolio and property development businesses as detailed in Section 4 of this Abridged Prospectus.

**SUMMARY OF RIGHTS ISSUE (CONT'D)**

**Use of proceeds** : The proceeds of RM100 million under the Minimum Subscription Level and up to approximately RM151.2 million assuming full subscription under the Rights Issue are expected to be used in the following manner:

<b>Proposed Utilisation</b>	<b>Utilisation Timeframe</b>	<b>Minimum Subscription Level</b>	<b>Full Subscription Level</b>
		RM'000	RM'000
Property investment/hospitality projects	Within 18 months	55,200	86,437
Property development	Within 18 months	44,000	64,000
Estimated expenses for the Proposals	Within 6 months	800	800
		<b>100,000</b>	<b>151,237</b>

Please refer to Section 4 of this Abridged Prospectus for further details on the use of proceeds.

**Risk factors:** : You should carefully consider, amongst others, the following key risk factors before subscribing the RCCPS:

- (a) Our Group faces intense competition for the sale of our property development projects and lease of our office and retail properties. We may have to improve our sale packages to attract customers and this could involve a reduction in the pricing or lease rental of our properties or an increase in the cost of sales. These efforts will have an adverse impact on our Group's profitability.
- (b) Our property development and property investment projects are exposed to the risk of increase in construction costs and/or delay in completion. Higher construction costs and/or delay in completion, if materialise, could adversely impact our Group's profitability.
- (c) The success of our Group relies to a large extent on i-City. Our principal land banks, investment properties and theme park are located in i-City. Any adverse development or events in relation to i-City could have an adverse impact on our Group's prospects and profitability.
- (d) The RCCPS carry a cumulative preferential dividend of 5% per annum. Declaration of dividends for the RCCPS, is subject to the discretion of our Board, the exercise of which is subject to the availability of profits of our Company and satisfying the requirements under the Act as to the solvency of our Company after making such payment.

Please refer to Section 5 of this Abridged Prospectus for further details on the risk factors.

**Procedures for application for the Rights Issue and the Excess RCCPS** : If you wish to accept your entitlement to the Provisional RCCPS, please submit your application in accordance with the procedures for applications as set out in Section 10 of this Abridged Prospectus, not later than 5:00 p.m. on 19 November 2019, Tuesday.



(Incorporated in Malaysia under the Companies Act, 1965  
and deemed registered under the Companies Act, 2016)

**Registered Office:**

i-Gallery  
Persiaran Multimedia  
i-City, 40000 Shah Alam  
Selangor

4 November 2019

**Board of Directors:**

Tan Sri Lim Kim Hong (*Executive Chairman*)  
Dato' Eu Hong Chew (*Deputy Chairman/Non-Executive Director*)  
Puan Sri Tey Siew Thuan (*Executive Director*)  
Tan Sri Dato' Sri Dr. Lau Ban Tin (*Independent Non-Executive Director*)  
Goh Yeang Kheng (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 795,985,581 NEW RCCPS ON THE BASIS OF 3 RCCPS FOR EVERY 4 EXISTING I-BERHAD SHARES HELD AS AT 5:00 P.M. ON 4 NOVEMBER 2019 AT AN ISSUE PRICE OF RM0.19 PER RCCPS**

**1. INTRODUCTION**

On 10 July 2019, AmInvestment Bank had, on behalf of our Board, announced that our Company proposes to undertake the following:

- (a) proposed renounceable rights issue of 3-year redeemable convertible cumulative preference shares to the entitled shareholders of I-Berhad to raise up to approximately RM150 million; and
- (b) proposed amendments to the Constitution of the Company in conjunction with the proposed Rights Issue.

On 19 July 2019, AmInvestment Bank had, on behalf of our Board, announced that the additional listing application in relation to the Rights Issue had been submitted to Bursa Securities.

On 22 August 2019, AmInvestment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 22 August 2019 approved the following:

- (a) admission to the Official List and the initial listing of and quotation for up to 955,183,012 new RCCPS;
- (b) listing of and quotation for up to 955,183,012 new I-Berhad Shares to be issued arising from the conversion of the RCCPS;

- (c) listing of and quotation for up to 59,250,585 additional I-Berhad Shares to be issued arising from the conversion of the RCULS-A due to the adjustments to be made to the RCULS-A conversion price as a result of the proposed Rights Issue; and
- (d) listing of and quotation for up to 38,111,019 additional I-Berhad Shares to be issued arising from the conversion of the RCULS-B due to the adjustments to be made to the RCULS-B conversion price as a result of the proposed Rights Issue,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

Conditions	Status of compliance
(i) I-Berhad and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the proposed Rights Issue, including compliance with the public shareholding spread upon conversion of the RCCPS;	Noted
(ii) I-Berhad and AmInvestment Bank to inform Bursa Securities and make immediate announcement on the issue price of the RCCPS, discount of the issue price, entitlement basis, number of RCCPS to be issued, conversion price and conversion ratio of the RCCPS, once it has been decided;	Issue price of the RCCPS, discount of the issue price, entitlement basis, conversion price and conversion ratio of RCCPS – complied.  Number of RCCPS to be issued – to be complied.
(iii) I-Berhad and AmInvestment Bank to inform Bursa Securities upon the completion of the proposed Rights Issue;	To be complied.
(iv) I-Berhad and AmInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the proposed Rights Issue is completed;	To be complied.
(v) I-Berhad to furnish Bursa Securities on a quarterly basis a summary of the total number of ordinary shares listed pursuant to the conversion of RCCPS as at the end of each quarter together with a detailed computation of the listing fees payable;	To be complied.
(vi) if applicable, payment of additional listing fee based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable; and	To be complied.
(vii) I-Berhad to incorporate Bursa Securities' comments made in the circular to shareholders in relation to the proposed Rights Issue provided in the approval letter.	Complied.

On 24 September 2019, our shareholders approved the proposed Rights Issue and proposed Constitution Amendments at our EGM.

On 24 September 2019, AmInvestment Bank had, on behalf of our Board, announced that the Issue Price for the RCCPS has been fixed at RM0.19 per RCCPS at an Entitlement Basis of 3 RCCPS for every 4 existing I-Berhad Shares held on the Entitlement Date. The Conversion Price has also been fixed at RM0.19.

On 18 October 2019, AmInvestment Bank had, on behalf of our Board, announced that Bank Negara Malaysia ("**BNM**") had vide its letters dated 17 October 2019 and 18 October 2019 ("**BNM Approval Letters**") approved the issuance of the RCCPS to non-residents minority shareholder(s) of I-Berhad. The BNM Approval Letters will be automatically revoked in the event that:

- (a) there be any information / documents presented by I-Berhad at the time of the application or after the approval has been granted is found to be false, inaccurate, incomplete, ambiguous, or which contains any error or there is material omission;
- (b) the funds raised from the issuance of the said RCCPS is used by I-Berhad for any other purposes other than to fund the real estate development projects of I-Berhad in Malaysia; and
- (c) revision to any terms including the utilisation of proceeds from the said borrowings without the prior approval of BNM.

In addition, in the BNM Approval Letters, I-Berhad needs to obtain the prior approval from BNM for:-

- (a) any revision to the terms and the purpose of utilisation of proceeds of the said borrowings by completing the Form 10G that can be found on BNM website, <http://www.bnm.gov.my/fxadmin>; and
- (b) issue the RCCPS after January 2020.

I-Berhad is also to take note:-

- (a) I-Berhad can redeem the RCCPS in foreign currency (except for the currency of Israel) or in ringgit. Nevertheless, the redemption in ringgit has to be paid into the external account of the non-resident shareholders of I-Berhad;
- (b) Any conversion of foreign currency to ringgit or vice versa by I-Berhad has to be done with a local licensed bank (commercial bank, licensed investment bank or Islamic bank except for international Islamic bank);
- (c) I-Berhad is required to ensure that any hedging contract entered by the non-resident shareholders of I-Berhad to manage the risk exposure for the Ringgit borrowings given by them has to be done through a local licensed bank or appointed overseas office (AOO) only; and
- (d) I-Berhad needs to inform BNM on the actual issuance date of the RCCPS and the actual amount subscribed by the non-resident shareholders of I-Berhad after the issuance has been made.

On 18 October 2019, AmInvestment Bank had, on behalf of our Board, announced that the Entitlement Date has been fixed at 5.00 p.m. on 4 November 2019 together with other relevant important dates pertaining to the Rights Issue.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or AmInvestment Bank.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

## **2. THE RIGHTS ISSUE**

### **2.1 Details of the Rights Issue**

The Rights Issue entails the renounceable rights issue of up to 795,985,581 RCCPS at RM0.19 per RCCPS on the basis of 3 RCCPS for every 4 existing I-Berhad Shares held by the Entitled Shareholders on the Entitlement Date.

Based on Issue Price of RM0.19, the Rights Issue will raise gross proceeds in the range of at least RM100 million (under the Minimum Subscription Level) and a maximum of approximately RM151.2 million assuming full subscription.

Shareholders whose names appear on our Record of Depositors as at the Entitlement Date are entitled to participate in the Rights Issue. However, only our Entitled Shareholders who have a registered address in Malaysia as stated in our Record of Depositors or who have provided the Share Registrar for the Rights Issue with a registered address in Malaysia in writing by the Entitlement Date will receive the Documents.

The RCCPS will be provisionally allotted to the Entitled Shareholders. In determining shareholders' entitlements for the Rights Issue, fractional entitlements, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of our Company.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the RCCPS in full or in part.

The Excess RCCPS will be made available for excess application by the other Entitled Shareholders and/or their renouncee(s). It is the intention of the Board to allocate the Excess RCCPS, if any, in a fair and equitable manner on a basis to be determined by the Board as set out in Section 10.9 of this Abridged Prospectus.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, a NPA setting out the number of RCCPS which you are entitled to subscribe for and a RSF which is to be used for the acceptance of the RCCPS provisionally allotted to you, and for the application of any Excess RCCPS under the Excess Application, should you wish to do so.

Upon allotment and issuance by our Company, the RCCPS will be credited directly into the respective CDS Account(s) of yourself and/or your renouncee(s)/transferee(s) who have successfully subscribed for the Rights Shares. No physical share certificates will be issued but notices of allotment will be issued to the successful applicants. We will allot and issue the RCCPS and despatch notices of allotment to successful applicants within eight (8) Market Days from the last day for acceptance and payment for the RCCPS.

The official listing of and quotation for the RCCPS will commence after, among others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The salient terms of the RCCPS are set out in **Section 2.3** of this Abridged Prospectus.

## 2.2 Basis and justification for the Issue Price and Conversion Price

It was the intention of the Board that the Issue Price shall be fixed with a discount of at least 20% to TERP of I-Berhad Shares based on the lower of:-

- (a) five (5)-days VWAMP of I-Berhad Shares up to and including 9 July 2019, being the last market day prior to the announcement in relation to the Rights Issue, of RM0.3855; and
- (b) five (5)-days VWAMP of I-Berhad Shares up to an including the date prior to the Price-Fixing Day. The said five (5) days VWAP was RM0.3043.

On 24 September 2019, AmInvestment Bank had, on behalf of our Board, announced that the issue price of the RCCPS has been fixed at RM0.19. In deciding the Issue Price, the Board had taken into consideration, inter-alia, the following:-

- (a) the historical and prevailing price of I-Berhad Shares;
- (b) the overall funding requirement of the I-Berhad Group; and
- (c) the dilutive effects arising from the conversion of the RCCPS.

The Issue Price of RM0.19 per RCCPS represents a discount of approximately RM0.0653 or 25.6% to the TERP of I-Berhad Shares of RM0.2553, calculated based on five (5)-days VWAMP of RM0.3043 per I-Berhad Share up to 23 September 2019, being the date prior to the Price-Fixing Date.

Each RCCPS shall be entitled to be converted into 1 new I-Berhad Share. Accordingly, the Conversion Price shall be deemed to be equivalent to the Issue Price.

The Conversion Price shall be subject to adjustments from time to time, at the determination of our Board in consultation with an approved investment bank and certified by the auditors of the Company, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution or any conversion of convertible securities of our Company.

## 2.3 Salient Terms of RCCPS

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 795,985,581 RCCPS
Issue price	: RM0.19 per RCCPS
Issue date	: Date of issuance of the RCCPS
Maturity date	: The day which is the 3 <sup>rd</sup> anniversary of the Issue Date.
Tenure	: 3 years
Dividend rate	: The cumulative preferential dividend of 5% per annum on a cumulative basis on the Issue Price of the RCCPS during the tenure of the RCCPS



<b>Terms</b>	<b>Details</b>
Dividend payment dates	<p>(a) The RCCPS holders shall be entitled to receive cumulative preferential dividend, payable on an annual basis and in arrears at the cumulative preferential dividend rate during the tenure of the RCCPS.</p> <p>(b) 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>(c) 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>(d) 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 has been paid in full.</p>
Redemption	<p>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>
Conversion rights and mandatory conversion on maturity date	<p>The RCCPS holder shall have the right to convert the RCCPS into new I-Berhad Shares at the conversion price at any time during the tenure.</p> <p>Unless previously redeemed or converted during the tenure, all outstanding RCCPS will be mandatorily converted into new I-Berhad Shares at the conversion price on the Maturity Date.</p> <p>For avoidance of doubt, if the Maturity Date is not a Market Day, then the RCCPS shall be mandatorily converted into new I-Berhad Shares at the conversion price at the end of the Market Day immediately preceding the Maturity Date.</p>

<b>Terms</b>	<b>Details</b>
Conversion Price	<p>: Each RCCPS may be converted into 1 new I-Berhad Share at a conversion price which shall be equivalent to the Issue Price.</p> <p>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.</p>
Conversion Mode	<p>: Each RCCPS is convertible into such number of new I-Berhad Shares by multiplying the original issue price and dividing it against the conversion price in effect at the time of conversion. The conversion price shall initially be an amount equivalent to the issue price of the RCCPS, which effectively results in each RCCPS is convertible into 1 new I-Berhad Share, subject to adjustments. For avoidance of doubt, no additional cash payment is required for such conversion of the RCCPS by the RCCPS holders.</p> <p>Any fraction of the new I-Berhad Shares (if any) arising from the conversion of the RCCPS shall be disregarded.</p>
Rights to receive notices, reports, and audited financial statements, and attend meetings and voting rights	<p>: The RCCPS holders shall be entitled to the same rights as I-Berhad'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"> <li>(i) when the declared cumulative preferential dividend or part of the declared cumulative preferential dividend on the RCCPS is in arrears for more than 6 months;</li> <li>(ii) resolution on a proposal to reduce the Company's share capital;</li> <li>(iii) resolution on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;</li> <li>(iv) resolution on a proposal to wind up the Company;</li> <li>(v) during the winding up of the Company; or</li> <li>(vi) resolution on any proposal that affects the rights and privileges attached to the RCCPS, including the amendments to the Constitution.</li> </ul> <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>

Terms	Details
	Save and expressly provided under the terms of RCCPS, 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.
Listing status	: The RCCPS and the new I-Berhad Shares to be issued upon conversion of the RCCPS shall be listed and quoted on the Main Market of Bursa Securities and tradable in Board lots of 100 RCCPS, or such other number as may be specified by Bursa Securities.
Ranking of RCCPS	: The RCCPS shall rank equally amongst themselves, and will rank ahead in point of priority to the holders of the I-Berhad 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.
	The RCCPS shall rank subordinated to all the Company's creditors (including RCULS holders) in respect of payments of debt and payments out of assets of the Company upon liquidation, dissolution, or winding up of the Company. If there are surplus assets and profits after the payment to the RCCPS holders of any unpaid dividend and/or the Issue Price, then all remaining surplus assets shall be distributed amongst the holders of I-Berhad Share(s).
	The new I-Berhad Shares to be issued pursuant to the conversion of the RCCPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing I-Berhad Shares, save and except that the new I-Berhad 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 I-Berhad Shares arising from the conversion of the RCCPS.
Governing law	: Law of Malaysia

#### 2.4 Ranking of the RCCPS and the new I-Berhad Shares to be issued pursuant to the conversion of RCCPS

The RCCPS shall rank equally amongst themselves, and will rank ahead in point of priority to the holders of the I-Berhad 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.

The RCCPS shall rank subordinated to all the Company's creditors (including holders of RCULS) in respect of payment of debt and payments out of assets of the Company upon liquidation, dissolution, or winding up of the Company.

The new I-Berhad Shares to be issued pursuant to the conversion of the RCCPS shall, upon allotment and issuance, rank *pari passu* in all respects with the existing I-Berhad Shares, save and except that the new I-Berhad Shares will 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 I-Berhad Shares to be issued arising from the conversion of the RCCPS.

## **2.5 Major Shareholders' Undertakings**

The Rights Issue is intended to be undertaken on Minimum Subscription Level. The level of subscription under the Minimum Subscription Level was determined by our Board after taking into consideration the minimum level of funds that our Company requires to raise from the Rights Issue for the proposed utilisation of proceeds as set out under the Minimum Subscription Level in Section 4 of this Abridged Prospectus.

To meet the Minimum Subscription Level, our Company has procured irrevocable written undertakings dated 22 August 2019 from the Undertaking Parties, being companies controlled by TSLKH (our major shareholder), for the following:

- (a) to subscribe in full for their entitlement under the Rights Issue as at the Entitlement Date and accordingly shall not, subject to item (d) below, renounce their entitlement under the Rights Issue;
- (b) ensure that their combined subscription amount of the RCCPS shall not be less than RM100.0 million;
- (c) in the event the Undertaking Parties' entitlements for the Rights Issue are less than RM100.0 million collectively, the Undertaking Parties shall submit applications for the Excess RCCPS so that their collective subscription amount shall be at least RM100.0 million; and
- (d) in the event the Undertaking Parties are unable to fulfil their obligations under the Undertakings, the Undertaking Parties shall procure any of their subsidiaries to subscribe for the RCCPS in order to achieve their obligations under the Undertakings.

For information, as at LPD, Sumurwang Sdn Bhd is a 86.1% subsidiary of Sumur Ventures Sdn Bhd.

The Undertaking Parties' entitlements under the Rights Issue based on their shareholdings as at LPD and after taking into consideration the ICULS conversion amounted to approximately RM96.4 million. The Undertaking Parties have informed I-Berhad that Sumurwang Sdn Bhd will be applying for the Excess Application of approximately RM3.6 million to meet the Minimum Subscription Level of RM100 million.

The entitlements of Sumur Ventures Sdn Bhd and Sumurwang Sdn Bhd under the Rights Issue and the number of RCCPS to be subscribed pursuant to the Undertakings, based on Sumur Ventures Sdn Bhd and Sumurwang Sdn Bhd's shareholdings (direct interest) in our Company as at LPD, are as follows:-

Undertaking Parties	As at LPD		After ICULS Conversion		Rights Entitlements		Excess Application		RCCPS to be subscribed for pursuant to the Undertakings		
	No. of Shares	%	No. of Shares	%	No. of RCCPS	%	No. of Excess RCCPS	%	No. of RCCPS	RM	%
Sumur Ventures Sdn Bhd	85,590	8.4	85,590	8.1	64,193	8.1	-	-	64,193	12,197	8.1
Sumurwang Sdn Bhd	591,159	58.3	591,159	55.7	443,369	55.7	(iv)18,754	2.4	462,124	87,804	58.1

#### After RCCPS Conversion

Undertaking Parties	No. of Shares	%
Sumur Ventures Sdn Bhd	149,783	9.4
Sumurwang Sdn Bhd	1,053,283	66.3

#### Notes:-

- (i) Based on the number of I-Berhad Shares in issue as at LPD of 1,014,775,252 Shares;
- (ii) All outstanding ICULS had been mandatorily converted into I-Berhad Shares on 9 October 2019 being the maturity date of the ICULS, in accordance with the trust deed dated 27 August 2014. The enlarged number of I-Berhad Shares upon the shares being issued and allotted on 14 October 2019 was 1,061,314,108 Shares;
- (iii) Based on the total number of 795,985,581 RCCPS available for subscription pursuant to the Rights Issue.
- (iv) The Excess Application to meet the obligations under the Undertakings shall be applied by Sumurwang Sdn Bhd; and
- (v) Based on the enlarged number of I-Berhad Shares in issue of 1,587,629,898 Shares under the Minimum Scenario pursuant to the Rights Issue.

The Undertaking Parties have confirmed that they have sufficient financial resources to subscribe for their entitlements under the Rights Issue in accordance with their obligations under the Undertakings and AmInvestment Bank has verified the said confirmation.

The Undertaking Parties' obligations under the Undertakings will not give rise to any mandatory take-over obligation for the remaining I-Berhad Shares not already owned by TSLKH and/or persons acting in concert with him (if any) pursuant to the Rules.

On the basis that the Minimum Subscription Level will be satisfied by the Undertaking Parties pursuant to the Undertakings, our Company does not intend to procure any underwriting arrangement for the remaining RCCPS not subscribed by the other Entitled Shareholders.

In the event the Minimum Subscription Level is not achieved, the implementation of the Rights Issue will be terminated and all consideration received will be immediately returned to the subscribers.

The Board undertakes that the Company will fully comply with the Listing Requirements in the implementation of the Rights Issue, including compliance with the public shareholdings spread upon conversion of the RCCPS. Sumurwang Sdn Bhd and Sumur Ventures Sdn Bhd, being major shareholders in I-Berhad and the Undertaking Parties, also undertake that the conversion of their RCCPS would not result in the Company being in breach of its public shareholdings spread requirement as approved by Bursa Securities. Sumurwang Sdn Bhd and Sumur Ventures Sdn Bhd have also undertaken that the aforementioned obligation will also extend to their subsidiaries in the event they subscribe for the RCCPS pursuant to the Undertakings or otherwise.

### **3. RATIONALE FOR THE RIGHTS ISSUE**

The Rights Issue enables our Company to raise funds for our Group's property investment/hospitality portfolio and property development businesses as detailed in Section 4 below.

After due consideration of the various forms of fund-raising including bank borrowings, our Board is of the view that the Rights Issue is the appropriate avenue to raise the necessary funding for our Group after taking into consideration the following:

- (i) the Rights Issue will strengthen the financial position and capital base of our Company through the increase of its equity capital; and
- (ii) the Rights Issue will provide all Entitled Shareholders the opportunity to further participate in the prospects and future growth of our Group on an equal footing without diluting shareholders' equity interest.

#### 4. USE OF PROCEEDS

The proceeds of RM100 million under the Minimum Subscription Level and approximately RM151.2 million assuming full subscription under the Rights Issue are expected to be used in the following manner:

<b>Proposed Utilisation</b>	<b>Utilisation Timeframe<sup>(i)</sup></b>	<b>Minimum Subscription Level RM'000</b>	<b>Full Subscription Level RM'000</b>
Property investment/ hospitality projects <sup>(ii)</sup>	Within 18 months	55,200	86,437
Property development <sup>(iii)</sup>	Within 18 months	44,000	64,000
Estimated expenses for the Proposals <sup>(iv)</sup>	Within 6 months	800	800
		<b>100,000</b>	<b>(v) 151,237</b>

#### **Notes:-**

- (i) From the date of the listing of the RCCPS.
- (ii) The proceeds shall be allocated to fund the construction of our property investment/ hospitality projects as detailed below, which include but not limited to construction costs, regulatory fees, consultant and professional fees, project management fees, promotional and marketing expenses, as well as administrative costs relating to the projects below:

<b>Project</b>	<b>Property type</b>	<b>Status as at LPD</b>
Corporate Office Tower, i-City, Shah Alam, Selangor	33-storey, Green Building Index (GBI) rated Corporate Office Tower. Estimated gross development cost ("GDC") of approximately RM200.0 million.	Construction of the project is approximately 72% completed and is expected to be completed by the 1 <sup>st</sup> quarter of 2020.  As at LPD, an estimated RM59.8 million is required to be paid to complete the project, funded by the Rights Issue proceeds and internally generated funds.
DoubleTree by Hilton Hotel, i-City, Shah Alam, Selangor	300 rooms, 4-star Hotel, managed by Hilton Worldwide Manage Limited. Estimated GDC of approximately RM200.0 million.	Construction of the project is approximately 42% completed and is expected to be completed by the 2 <sup>nd</sup> half of 2020.  As at LPD, an estimated RM130.1 million is required to be paid to complete the project, funded by the Rights Issue proceeds and internally generated funds and/or bank borrowings, if required.

- (iii) The proceeds shall be allocated to fund our Company's on-going property development project below, which include but not limited to funding the construction costs, regulatory fees, consultant and professional fees, project management fees, promotional and marketing expenses, as well as administrative costs relating to the development project below:

Project	Property type	Status as at LPD
8Kia Peng @ KLCC, Jalan Kia Peng, Kuala Lumpur	Luxury residential tower with 442 units. Estimated gross development value of RM780 million	Construction of the project is approximately 75% completed and is expected to be completed by the 1 <sup>st</sup> quarter of 2020.  As at LPD, an estimated RM74.6 million is required to be paid to complete the project, funded by the Rights Issue proceeds and the sale proceeds from the sold units.

The actual utilisation of the Gross Proceeds for the projects mentioned under (ii) and (iii) above will depend, amongst others, on the funding requirement and construction progress of the projects, the borrowings raised and the timing of completion of the Rights Issue. Any excess or shortfall of the amount allocated for the property development project will be adjusted to/from property investment/ hospitality projects.

- (iv) The estimated expenses in relation to the Rights Issue include the following:-

	RM'000
Professional fees	614
Fees payable to relevant authorities	106
Other ancillary expenses <sup>#</sup>	80
	<b>800</b>

**Note:-**

<sup>#</sup> Other ancillary expenses consist of estimated printing costs, EGM expenses and other miscellaneous expenses. Any excess or shortfall of the amount allocated for the estimated expenses will be adjusted to/from property investment/hospitality projects.

- (v) Pending the utilisation of the proceeds from the Rights Issue, the proceeds will be placed in deposits with licensed financial institutions or in money market instruments.



## **5. RISK FACTORS**

In addition to the other information contained in this Abridged Prospectus, you should carefully consider the following risk factors, before subscribing for or investing in the Rights Issue.

Our business can be divided into 3 main segments namely, property development, property investment and leisure (which comprise of hospitality and theme park) and are subject to the risks as detailed in Section 5.1 to 5.5 below.

### **5.1 Risks relating to our Group's business generally**

#### **5.1.1 Dependence on key management team and skilled employees**

Our Group depends on the continued services of our management team and skilled employees who have experience in property development, property investment and leisure.

The success of the operations of our Group also depends largely on our continued efforts and ability to attract, retain, manage and motivate skilled professionals with the requisite experience. The loss of any of our key management personnel and/or skilled employees without suitable and timely replacement may have a material adverse impact on the operations and future performance of our Group.

#### **5.1.2 Interest rate risks**

Our Group secured banking facilities and borrowings to fund our projects, business operations and expansion. As at LPD, our Group's total outstanding bank borrowings amounted to RM50.0 million. All our bank borrowings are interest-bearing. Any adverse movements in interest rates could lead to higher borrowing costs which will have adverse impact on our Group's profitability.

Our credit facilities also contain covenants which limit our Group's operating and financing flexibility as certain plans and/or proposals may be restricted or require the consent of the relevant financial institutions. A breach of such covenants may result in termination of the relevant credit facility which could reduce our working capital and thereby, adversely affecting our operations.

#### **5.1.3 Political, economic and regulatory risks**

Any adverse developments in the political, economic and regulatory conditions in Malaysia, could materially and adversely affect our Group's business, financial performance, and prospects. Political and economic uncertainties include but are not limited to, changes in labour laws, availability of labour, a switch in political leadership and/or changes in the government's policies on housing, property investment and property development, interest rates, methods of taxation, monetary and fiscal policy and licensing regulations and economic downturn. These factors affect all players in the property industry and are generally beyond the management control.

## **5.2 Risks relating to property sector generally**

### **5.2.1 Delay in completion**

Our current property development, property investment and hospitality projects are 8KiaPeng, Hill10 Residences, DoubleTree by Hilton and the Corporate Office Tower. Timely completion and hand-over of our property projects or property that we are investing in are critical in ensuring the costs are contained and our Group's reputation is safeguarded. However, there could be delay in completion of our projects due to, amongst others, force majeure, shortage of construction materials or labour, adverse weather conditions, unsatisfactory performance of contractors appointed for the projects, delays in obtaining the necessary approvals from local authorities and major changes in government/local authorities' approval policies.

If any of the abovementioned circumstances occur for a prolonged period, our Group's financial performance could be adversely affected as a result of lower revenue due to damaged reputation or higher costs arising from, amongst others, liquidated ascertained damages payable to buyers and higher material costs and labour costs.

### **5.2.2 Fluctuation in costs for property projects**

The property sector is susceptible to the risk of increase in the costs of construction as a result of any increase in raw material prices, labour costs and wages, sub-contractor costs, overhead costs, energy costs and other costs of operations. Our Group's profitability may also be affected by any increase in land acquisition costs and other costs which are inherent to the property industry.

Higher cost of materials, labour costs, contractor fees and overheads will reduce our Group's profit margin in the event the increased costs cannot be passed to customers in the form of higher selling prices, or in relation to the property investment segment, could reduce our Group's returns on investment.

### **5.2.3 Concentration at i-City and scarcity of commercially viable landbanks for development**

The success of our Group relies to a large extent on i-City. Our principal land bank, investment properties and theme park are located in i-City. Any adverse development or events in relation to i-City could have an adverse impact on our Group's prospects and profitability. In addition, our property development segment also relies on our ability to identify and acquire suitable landbanks with development potential. However, we face intense competition from other property developers in identifying and acquiring other strategically located landbanks at commercially viable prices. The competition among the property developers could create some scarcity in strategically located land which may result in higher land acquisition costs and thereby adversely affecting our returns.

#### **5.2.4 Dependence on third party contractors**

We appoint and engage third party main and/or sub-contractors to undertake construction, piling and foundation, infrastructure and landscaping work for our projects. The performance and profitability of our projects are dependent on the quality, pricing, performance and reliability of the main and/or sub-contractors appointed to carry out the projects.

Although our Group is not dependent on any single third party contractor, any sub-standard performance of the third party contractors could result in delay in project completion, higher construction cost, labour costs and building material costs which could have an adverse impact on our Group's profitability.

#### **5.2.5 Insurance risk**

Our properties face the risk of suffering physical damage caused by fire, flood, natural disasters and other acts of God. Certain types of risk may not be insurable in the market or the premium payable may be excessive for such risk to be insured. We insure our properties for fire and as we deemed necessary. Our insurance policies may not cover or be sufficient to cover the losses suffered by our properties. Our financial position could be adversely impacted in the event damages to our properties are not covered or adequately covered by our insurance policies.

#### **5.2.6 Compulsory acquisition**

The Government has the power to compulsorily acquire any land in Malaysia in accordance with the Land Acquisition Act, 1960. In the event of any compulsory acquisition of land, the amount of compensation to be awarded shall be computed on the basis prescribed by the Land Acquisition Act, 1960. The amount of compensation paid to our Group may be less than the market value of the land and/or the purchase consideration that our Group has paid in acquiring such land. This may cause an adverse impact to the business, financial condition, results of operations and prospects of our property development segment and property investment segment, arising from the inability to capitalise on the use of the land or from inadequate compensation or both.

### **5.3 Risks relating to the property development segment**

#### **5.3.1 Competition risks in property development segment**

Our Group's property development segment faces competition from various competitors, including local and foreign property developers. The demand for our properties would be dependent on various factors including but not limited to pricing, location, design and quality of properties and facilities and supporting infrastructure of the properties. The property market is highly competitive and any oversupply of properties and/or low take-up rate of new property launches due to a mismatch in supply and demand, economic downturn and unfavourable market conditions, will intensify the level of competition. We may have to improve our sale packages to attract customers and this could involve a reduction in the pricing of our properties or an increase in the cost of sales. These efforts could have an adverse impact on our Group's profitability.

### **5.3.2 Performance of the property market**

The success of our projects is largely dependent on the performance and continued growth of the property market in Malaysia. Any material adverse developments affecting the property markets such as changes in the demographic trends, employment and income level, economic uncertainties, the deterioration in property demand and the property rental market may have an adverse impact on the business operations and profitability of our property development segment.

The performance of the property market is also affected by the regulatory environment. Any future regulatory changes by the government as well as the tightening of lending criteria by the banks may adversely impact our business and may lead to an imbalance between supply of, and demand for, the properties in Malaysia which can cause property overhang.

## **5.4 Risks relating to the property investment segment**

### **5.4.1 Competition risk in property investment**

Our Company faces potential competition from existing and new office buildings and/or retail properties built within Klang Valley which may lure away our existing and/or prospective tenants. Whenever competing office buildings/retail properties in Klang Valley are developed or substantially upgraded and refurbished, the attractiveness of our office building and/or retail properties to our existing and/or prospective tenants may be affected. We may have to improve our leasing packages to attract customers and this could involve a reduction in the lease rental of our properties or an increase in the cost of sales. These efforts could have an adverse impact on our Group's profitability.

The Central i-City Shopping Centre (owned by our 40% associated company) also face continuous changing customer preferences and increasing competition from alternative forms of retailing, such as internet shopping and telemarketing. As a result, our ability to attract tenants and shoppers may be adversely affected.

### **5.4.2 Investment Risk**

Our investment properties include Central I-City Shopping Centre (owned by our 40% associated company), Corporate Office Tower and the car park blocks. The yield of our investment properties which affect our Group's profitability can be adversely affected by many factors such as long gestation period, inability to secure new tenants or to renew leases or re-let spaces as existing leases expire and the inability of our Group to dispose of major investment properties for the value at which they are recorded in our financial statements, deterioration in the value of our properties, inability to collect outstanding rental from tenants, increased operating costs, the need to renovate, repaint and re-let space periodically and to pay the associated maintenance costs.

In addition, the decrease in occupancy rates of our investment properties and residential towers within i-City and lower customer flow to i-City may reduce the utilisation rate of our car parks blocks. Lower utilisation rate and lower yield of our car park blocks would have an adverse impact on our Group's profitability.

#### **5.4.3 Non-renewal of expiring tenancy agreements and loss of key tenants**

Currently, our tenancy agreements for our retail properties are typically for terms of up to 3 years. Our property investment's performance may be adversely affected by the bankruptcy and/or insolvency of tenants or downturn in the business of our key tenants, including the decision by such tenants not to renew their tenancy agreements or to terminate their tenancy agreements prior to the expiry of their tenancies may adversely affect our Group's profitability.

In addition, the property investment business is also susceptible to fluctuations of occupancy and rental rates which, in a declining market condition, may lead to higher vacancies and lower rental income and may adversely impact our Group's profitability.

#### **5.4.4 Dependence on third party management to manage Central i-City Shopping Centre**

Central i-City is managed by our joint venture partner Central Pattana Public Company Limited via its subsidiary. We are thus dependent on the performance and services to be provided by our joint venture partner. Failure to perform by our joint venture partner in managing Central i-City could have an adverse impact on our Group's profitability.

### **5.5 Risks relating to the leisure segment**

#### **5.5.1 Competition risk in leisure segment**

Our hospitality business is also highly competitive and existing hotels surrounding us, as well as any ongoing construction of new hotels or renovations of existing hotels within Klang Valley may compete with our hotels where they may be able to offer similar prices, standards of service and facilities. In addition, the occupancy rates and average daily rates of our hotels are dependent on supply and demand forces in the area in which our hotels operate. An increase in the supply of hotel rooms that exceeds the level of demand by consumers may lower occupancy rates and the average daily rates of our hotels.

On the other hand, our theme park business also faces some competition from other well-established and/or newly opened theme parks and resorts in attracting visitors in terms of pricing, services, ambience, location and quality of the facilities. Such competition would reduce the number of visitors to our theme park and adversely affect our Group's profitability.

#### **5.5.2 Cyclical Nature of Tourism Industry**

The theme park within our Group's leisure segment is subject to the cyclical nature of the tourism industry and may be susceptible to changes or downturns in tourism activity as a result of changes in economic, environmental, social and political factors. Any adverse changes or downturn may adversely affect our Group's profitability.

Further, the leisure segment is also quite susceptible to the effects of any outbreak of infectious diseases or bad weather condition such as haze, which tend to curb travel and tourist arrivals, which may adversely affect our Group's profitability.

### **5.5.3 Dependence on third party management for our DoubleTree by Hilton**

Our Group's 300 rooms 4-star hotel to be known as DoubleTree by Hilton hotel is currently under construction and is scheduled to be completed in the 2nd half of 2020. We are dependent on Hilton Worldwide Manage Limited as service provider to operate and manage this hotel. Any non-performance or low performance by the service provider and/or any other party contracted by them in managing our hotels could adversely affect our Group's profitability.

## **5.6 Risks relating to the Rights Issue and RCCPS**

### **5.6.1 Capital market risk**

The Rights Issue comprises a new issuance of securities i.e. the RCCPS for which there is currently no public market. No assurance can be given that an active market for the RCCPS will develop upon or subsequent to the listing of and quotation for the RCCPS on the Main Market of Bursa Securities or, if developed, that such a market will be sustainable or adequately liquid during the tenure of the RCCPS. There is also no assurance that the market price of the RCCPS will trade at or above their Issue Price subsequent to their listing.

The market price of I-Berhad Shares is dependent on or influenced by, amongst others, prevailing stock market sentiments, the volatility of the stock market, the liquidity of the I-Berhad Shares, movements in interest rates, our financial performance and future profitability, government regulations, legislation, duties and taxation affecting the industry and the outlook of the industry in which we operate. There is no assurance that the market price of I-Berhad Shares will trade above the Issue Price and the TERP of I-Berhad Shares subsequent to the issuance of new I-Berhad Shares pursuant to the conversion of the RCCPS.

### **5.6.2 Delay in or abortion of the Rights Issue**

The Rights Issue is subject to the risk that it may be terminated in the event the Minimum Subscription Level is not achieved, or that it may be aborted or delayed if any material adverse change of events/circumstances such as force majeure events, which are beyond the control of our Company and AmInvestment Bank, arise prior to the completion of the Rights Issue.

Where prior to the issuance and allotment of the RCCPS:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and we shall repay all monies paid in respect of the applications for our RCCPS within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) Rights Issue is terminated other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, investors will not receive any RCCPS, and all monies paid in respect of all applications for our RCCPS will be refunded free of interest.

Where subsequent to the issuance and allotment of our Issue Shares and the issue proceeds form part of our share capital:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our RCCPS shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Rights Issue is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders may only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either (aa) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (bb) a solvency statement from the directors.

### **5.6.3 Potential dilution**

The Entitled Shareholders who do not subscribe to their entitlements under the Rights Issue will have a reduction in their proportionate percentage of shareholdings and voting interest in our Company based on the enlarged issued share capital of our Company, as a result of the issuance of new I-Berhad Shares pursuant to the conversion of the RCCPS. Consequently, their proportionate entitlements to any future distribution, rights and/or allotment that our Company may declare, make or pay after completion of the Rights Issue will be correspondingly diluted.

### **5.6.4 Uncertainties over dividend pay-out**

The RCCPS carry a cumulative preferential dividend of 5% per annum. The cumulative preferential dividends, if not distributed, will accumulate until they are declared and paid. However, any declaration of dividends by our Company, including the cumulative preferential dividend, is subject to the discretion of our Board, the exercise of which is subject to the availability of profits of our Company and subject to satisfying the requirements under the Companies Act as to the solvency of our Company after making such payment.

There is no assurance that, in the future, our Company has profits or sufficient reserves to declare and make payment of the cumulative preferential dividend, or that after declaring and making payment of the cumulative preferential dividend our Company will remain solvent.

In the event that 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. However, if our Company does not declare any preferential dividend during the tenure of the RCCPS, such dividend will not be payable to the RCCPS Holders. However, for so long as any RCCPS remains outstanding and any dividend thereon is declared, our 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.

## **5.7 Risks relating to forward-looking statements**

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions and estimates made by our Company, unless stated otherwise, and although our Board believes these forward-looking statements to be reasonable, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward looking statements. Such factors include but are not limited to the risk factors set out in this Abridged Prospectus.

In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

## **6. INDUSTRY OVERVIEW, FINANCIAL REVIEW AND FUTURE PROSPECTS**

### **6.1 Overview and prospects of the Malaysian economy**

The Malaysian economy grew at a stronger pace of 4.9% in the second quarter of 2019. Gross domestic products ("GDP") registered a higher growth of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Domestic demand expanded by 4.6% in the second quarter (1Q 2019: 4.4%), supported by firm household spending and slightly higher private investment.

Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during the quarter. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to overall household spending.

After a strong growth in the first quarter of 2019 (6.3%), public consumption expanded marginally by 0.3%, due to lower spending on supplies and services.

Growth in gross fixed capital formation registered a smaller contraction of 0.6% (1Q 2019: -3.5%), driven by a slightly higher private investment growth amid a continued decline in public investment. By type of assets, investments in structures turned around to register a positive growth of 1.2% (1Q 2019: -1.3%), reflecting some improvement in the residential property segment. Capital expenditure on machinery and equipment recorded a smaller decline of 4.2% (1Q 2019: -7.4%), following higher spending on information and communications technology.

Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Nonetheless, uncertainty surrounding global trade tensions and prevailing weaknesses in the broad property segment continued to weigh on the investment growth performance.

Public investment registered a smaller contraction of 9.0% (1Q 2019: -13.2%), mainly reflecting higher fixed asset spending by the Federal Government which partially offset the continued weak investment by public corporations.



The construction sector registered marginally higher growth at 0.5% (1Q 2019: 0.3%), on account of growth improvements in the residential and special trade subsectors. While the residential subsector registered a smaller contraction, activity remained weak amid the high unsold properties. The higher growth in the special trade subsector was due to end-works activity amid completion of some mixed development projects. The near completion of a large petrochemical project continued to affect growth in the civil engineering subsector, while the non-residential subsector remained weak amid the oversupply of commercial properties.

*(Source: Economic and Financial Developments the Malaysian Economy in Second Quarter of 2019, Bank Negara Malaysia)*

The prospect of the Malaysian economy remains robust amid increasing uncertainties in the external environment. Real GDP is expected to grow by 4.7% in 2019 and 4.8% in 2020. The growth is underpinned by resilient domestic demand, particularly household spending following stable labour market and low inflation. Meanwhile, private investment is expected to grow at a slower pace in 2019 and gain traction in 2020 following the resumption of infrastructure projects coupled with ongoing capital spending in the services and manufacturing sectors. Favourable private sector expenditure activity will offset the impact of lower public expenditure in 2019. However, economic growth is expected to rebound in 2020 with improvement in public corporations' capital outlays.

On the supply side, the services and manufacturing sectors will continue to be the main contributors to economic growth. The service sector, driven by the activities of the wholesale and retail trade, information and communications, as well as finance and insurance sub-sectors, is projected to remain firm backed by robust household spending. The manufacturing sector is expected to grow at a slower pace in 2019 due to E&E downcycle and is anticipated to pick up in 2020, supported by better semiconductor outlook, especially during the second half of the year. The agriculture sector is projected to expand following higher production of crude palm oil (CPO) and natural rubber, while the mining sector is expected to increase supported by higher production of natural gas. Similarly, the construction sector is anticipated to improve attributed to activities in civil engineering.

In 2019, exports are expected to expand moderately in line with the slowdown in global economic and trade performance. However, the forecast for 2020 shows a gradual pick up attributed to the projected recovery in global trade activities. The current account surplus in 2019 is projected to wider following the increase in the net exports of goods and services. In 2020, the current account surplus is expected to narrow underpinned by rising imports coupled with widening deficits in services and income accounts

*(Source: Economic Outlook 2020, Ministry of Finance of Malaysia)*

## **6.2 Overview and prospects of the property sector in Malaysia**

The property market performance recorded a marginal increase in the first half of 2019 (H1 2019) as compared to the same period last year (H1 2018). The property sector recorded 160,172 transactions worth RM68.30 billion in H1 2019, increase by 6.9% in volume and 0.8% in value as compared to H1 2018 which recorded 149,862 transactions worth RM67.74 billion. Residential property continued to support the overall property sector with 62.4% market share, followed by agriculture property with 21.6% share.

For residential property, there were 99,922 transactions worth RM34.65 billion recorded in H1 2019, an increase of 6.1% in volume and 9.5% in value. In the primary market, the number of new launches in H1 2019 were far behind those recorded in H1 2018. There were 23,591 units launched, contracted by 49.4% as compared to 46,617 units in H1 2018. Sales performance was moderate at 30.9%, better compared to H1 2018 (20.1%) and H2 2018 (29.2%).

By property type, terraced houses dominated the new launches. Single storey (5,340 units) and 2-3 storey (6,449 units) together contributed 50.0% of the total units, followed by condominium/apartment units with 35.2% (8,312 units). The residential sub-sector overhang continued to increase but at a lower rate than the year before. There were 32,810 units worth RM19.76 billion, an increase in volume of 1.5% whilst the value decreased by 0.5% (H2 2018: 32,313 units worth RM19.86 billion). The Malaysian House Price Index (MHPI) continued to increase at a moderating trend. MHPI stood at 194.8 points (base year 2010: 100) in Q2 2019, up by 0.9% on annual basis. However, on quarterly basis, the index points decreased marginally by 0.6% against Q1 2019.

For commercial property, there were 12,960 transactions worth RM12.53 billion recorded, up by 20.4% in volume but value declined by 20.8%. Shop sub-sector recorded 6,922 transactions worth RM5.8 billion, dominating 53.4% of commercial property transactions and 46.3% of the total value, recorded a positive movement of 25.1% in volume and 32.7% in value compared to H1 2018 (5,530 transactions worth RM4.4 billion). The shop sub-sector overhang continued to increase, recording a total of 5,760 units with a value of RM4.98 billion, up by 13.9% in volume and 22.0% in value against the preceding half. The unsold under construction and not constructed scenario however, improved with volume declined by 11.9% to 6,370 units and 3.6% to 371 units respectively. The retail sub-sector recorded a stable performance, recording an overall occupancy rate of 79.7%, increased slightly from 79.3% recorded in H2 2018. The higher take-up in Johor, Kuala Lumpur and Selangor helped to support the overall occupancy. Kuala Lumpur and Selangor recorded an encouraging performance, securing more than 83.0% occupancy rate whereas Johor and Pulau Pinang managed to secure an average occupancy of 77.7% and 72.3% respectively.

The performance of purpose-built office was stable at 82.4% in H1 2019, similar to that of H2 2018. Take-up was quite commendable in Kuala Lumpur and Selangor at 100,430 s.m. and 82,376 s.m. respectively whilst Johor saw a lower take-up of 13,618 s.m. However, Pulau Pinang recorded a contraction in take-up at 9,006 s.m. Kuala Lumpur and Pulau Pinang secured more than 80.0% occupancy rate whilst Selangor and Johor managed to secure 74.6% and 75.9% respectively.

The outlook of the Malaysian property market expected to remain resilient in the coming half-year, underpinned by the strong GDP growth in the second quarter at 4.9% and several government-driven initiatives to further support the market activities in the housing sector. Affordable housing and finding the right solutions to the property overhang continue to be the main agenda of the government. The launching of the National Housing Policy 2.0 (2018 – 2025) and the incentives introduced in Home Ownership Campaign (“HOC”) 2019, which has been extended to 31 December 2019 are expected to help improve home ownership among Malaysians and residential overhang situation in the coming half-year.

The expected strong GDP growth, coupled with the lower borrowing cost, the HOC and other housing incentives for the first time house buyers, new rate for RPGT on the disposal of properties after five years and the increase in Stamp Duty rates from 3% to 4% for transfers of properties valued above RM1 million are anticipated to have direct and indirect impact on the property sector. Given time, the property sector will undergo market adjustments and corrections accordingly.

*(Source: Press release dated 23 September 2019 – “Malaysia Property Market 1H2019”, Valuation and Property Services Department, Ministry of Finance Malaysia)*

The residential subsector is expected to grow at a slower pace, mainly due to elevating property overhang caused by the mismatch between supply and demand. However, various measures undertaken by the Government including the building of 60,000 units per year of affordable homes within 10 years and the reinvigorating of the National Housing Policy are expected to boost the growth of the subsector in 2020. In addition, the enhancement of the Fund for Affordable Homes by Bank Negara Malaysia will enable the first-time home buyers to enjoy lower monthly commitment up to 20% which in turn will support the subsector.

The non-residential subsector continues to decline in 2019 due to rising property overhang and low incoming supply. In 2020, the performance of the sector is expected to remain subdued following a lack of initiative on new mega commercial projects. Nonetheless, the on-going commercial projects such as Bukit Bintang City Centre, KLIA Aeropolis DFTZ Park, Kwasa Damansara, Malaysia Vision Valley and Merdeka 118 Tower are anticipated to support the subsector.

*(Source: Economic Outlook 2020, Ministry of Finance)*

### 6.3 Property market overview in Klang Valley

Klang Valley's property market displayed signs of recovery with diminished contractions in transaction volume post-2016. Residential sector will still be the main market with more strategic developments and launching anticipated moving forward. Older commercial properties would have to be proactive to hold up to the intensifying competition from newer developments. For the hotel sector, new entrances are still active despite fluctuating tourist arrivals. Last but not least, industrial sector has been picking up attention, evidenced by the line-up of industrial property or land in the significant deals concluded in 2018.

Klang Valley's property market remained subdued as of 1H 2018 when its total transaction volume declined by 1.6% to 38,053 transactions. When measured in value, these transactions worth RM33.8 billion. Overall, the market could still be considered as on a recovery mode post-2016 since the year over year contraction in transaction volume has diminished in comparison to -7.4% for 1H 2017. Another reasoning is that transaction value remained on the rise despite the fall in transaction volume (1H 2017: RM33.2 billion). Overall, Klang Valley constituted approximately one-quarter of all transactions in Malaysia.

Making up about 77% of total transactions, residential sector is still by far the largest segment of Klang Valley's property market. Landed residential developments remain active in Klang Valley, as seen with persistent new launches. These developments are generally located in areas further away from the city centre, predominantly along the northern and southern corridors of Klang Valley to tap onto lower land cost in these areas unlocked by the ongoing road network enhancement involving highways.

Meanwhile, railway projects continue to steer the developments of high-rise residential in and around KL city centre. However, it has to be said that launching of high-rise residential could slow down in near future due to the concern of rising overhang. As of 1H 2018, condominiums/apartments made up about 96.2% and 37.6% of total residential overhang in the state of Kuala Lumpur and Selangor respectively. To be more precise, new launches of high-end high-rise residential is most likely to moderate considering the flattish market and financial reach of buyers.

Klang Valley's office market is still awaiting influx of supply from a number of skyscraper office towers primarily in the Tun Razak Exchange. The pipeline supply in Klang Valley's office market is estimated to be well over 15 million square feet up until year 2020. These new additions would set the new benchmark of prime office rental which has been averaging between RM6.60 and RM7.00 per square foot in recent years. Pressure could soon be induced on the overall occupancy rate as well.

Retail sector in Klang Valley could be equally challenging as well. While the established mega malls with stable occupancy, strong footfalls and comprehensive tenants mix continue to impose their dominance in the market, competition will be more easily felt among malls of smaller scale. This could explain why food and beverages has increasingly become the differentiation factor for malls in recent times. The rise of e-commerce has yet to create significant impacts across Klang Valley's retail market but some departmental stores are observed to close down or optimise their space take-up in malls.

Overall, Klang Valley's commercial sector is strained by lack of new opportunities coupled with large incoming supply. Nonetheless, the fact that KL will still remain as Malaysia's prime business hub and shopping destination could well serve as the hedging factor for Klang Valley's office and retail markets. All said, it has to be acknowledged that the pressure will be felt more by older offices and malls, coming from newcomers in the market. Therefore, Klang Valley could witness constant adaptations in the form of property refurbishment and redevelopment undertaken by these owners in order to maximise their capital value.

Tourist arrivals to Malaysia have not been outright strong but consistent in the past few years. Despite that, entrance of new hotel brands still prevails which spurs positive sentiment in Klang Valley's hotel market, including renowned international hotel brands. Apart from that, it is observed that hotel is increasingly playing the role of asset enhancement as more hotels are being incorporated into integrated/mixed developments. Hotel operators have also moved into serviced residence which are predominantly found in the luxury high-rise developments in the heart of KL city centre.

Industrial sector retains its prospects, as proven by the fact that majority of significant deals concluded in 2018 involved industrial property or land. The traditional industrial activities such as manufacturing, food and beverages, logistics and warehousing continue to be Klang Valley's stronghold, consistently receiving domestic and foreign investments at the same time. Logistics and warehousing activity in particular, is expected to spearhead the local industrial market development in view of the encouraging prospect of e-commerce and Malaysia's conventional role as regional distribution hub. Looking ahead, among the key highlights for the upcoming years are the developments of Digital Free Trade Zone and the Pulau Indah Free Trade Zone as proposed in the recent National Budget 2019.

### **High-rise luxury residential sector in Kuala Lumpur**

As at 3Q 2018, there were an estimated 48,859 units (225 projects) of high-rise luxury residences in KL. Approximately 2,662 more units (or 5 projects) are expected to complete by end of 2018 -of which 49% will be located in Mont Kiara/Sri Hartamas ("**MK/SH**").

New launches have moderated as compared to the previous year, partly attributed to the freeze on luxury projects which was implemented since late-2017. 8 projects (or 2,908 units) were launched and 55% of these launched units are located in Golden Triangle ("**GT**").

By 2020, 43 projects are expected to be completed of which 35% of the total units are located in GT, followed by MK/SH with 30%. In terms of price, 50% of the total incoming supply in KL range between RM1,001 to RM1,500 per square foot.

The average transacted price in all 6 main areas of KL dropped marginally with majority of the units sold having built-up areas between 801 and 1,500 square feet. Lower transaction volume year over year was also recorded.

The average occupancy rate in KL remained stable at about 66% despite new completions in the Secondary area and Bangsar. This was still relatively lower as compared to the high in 2012 to 2014 period.

Average sales revolved around 73%, a marginal improvement from the previous year amidst fewer launches in 2018.

To leverage on high land prices within GT, there have been more mixed development projects. Since the completion of St Regis Residences in 2015, the supply of luxury units has tripled to 1,556 units as at 2Q 2018. Approximately 3,469 luxury residences are expected to complete between 2019 and 2021. These branded and non-branded luxury residences selling from RM2,000 per square foot onwards.

Both branded and non-branded luxury residences are able to enjoy premium price in the present market. The former is underpinned by the exclusive lifestyle served through top-notch facilities and services from prestigious hotel brands. The latter is supported by unique selling points and marketing strategies, brand loyalty, more focus on overseas market, and better privacy.

The influx of luxury high-rise residences in GT is also spurred by the development of MRT.

*(Source: Real Estate Market Outlook 2019 Malaysia, CBRE | WTW)*

#### 6.4 Prospects of our Group

Our Group's flagship development is i-City, with integrated commercial, leisure and residential components comprising corporate towers, cyber office suites, serviced residences, hotels, convention centre, leisure attractions, data centre and a shopping mall. i-City is designated as Shah Alam International Park and is also recognised as an MSC Malaysia Cybercentre and tourist destination. I-Berhad also has a property development project, i.e. 8Kia Peng which is located in the vicinity of KLCC.

For the FYE 31 December 2018, our Group recorded revenue and PBT of RM375.1 million and RM76.8 million respectively. The property development segment and leisure segment (including hospitality) recorded PBT of RM73.8 million and RM10.2 million respectively while the property investment segment recorded a loss before tax of RM6.6 million.

For the 6-month FPE 30 June 2019, I-Berhad Group recorded revenue and PBT of RM83.3 million and RM23.4 million respectively. The property development segment and leisure segment (including hospitality) recorded PBT of RM26.2 million and RM1.7 million respectively while the property investment segment recorded a loss before tax of RM3.9 million.

The substantially lower financial performance of the Group for 1H FYE 2019 was mainly due to the lower sales from its property development activities. The Group's last property launch was in 2017, in-line with the Company's cautious approach during the slowdown of property market. As at 30 June 2019, the Group's inventories for sale comprise, amongst others, 8Kia Peng residential units (located in the vicinity of KLCC) and residential and commercial units in i-City.

Going forward, we plan to grow our property investment and hospitality businesses to provide recurring income stream to the Group. As at 30 June 2019, our Group investment portfolio of properties with a net book value of RM476.1 million comprises, amongst others, the Block M data centre, i-City Convention Centre and various carpark blocks. Our Group also owns, as part of our Group's fixed assets, the Best Western @i-City hotel. In addition, our Group has a 40% investment stake in the Central i-City Shopping Centre ("**Central i-City**") which opened in March 2019 with a net lettable area of 940,000 sq. ft. The Central i-City is held via a 40:60 joint venture between I-Berhad and Central Pattana Public Co Ltd of Thailand.

Our Group currently has the following properties under construction as part of our property investment and hospitality portfolios:-

- (a) Corporate Office Tower, a 33-storey, Green Building Index (GBI) rated building;
- (b) DoubleTree by Hilton Hotel, a 4-star hotel with 300 rooms to be managed by Hilton Worldwide Manage Limited; and
- (c) Additional car park with approximately 3,000 bays.

In addition, our Group is planning to construct the 2<sup>nd</sup> i-City Convention Centre (with approximately 2,000 seating capacity) under our Group's property investment portfolio (estimated within the next 24 months).

Our Group believes that growing our property investment and hospitality portfolio would enable our Group to enjoy recurring revenue stream and less fluctuating income in the long run, notwithstanding that the gestation period for investment and hospitality properties maybe long.

Our Group acknowledges that the local property market scene is currently facing challenges. The Group also acknowledges that time is required to sell our unsold inventories taking into consideration the overhang in the property market in Klang Valley. Nevertheless, our Group believes that as our properties are strategically located in either i-City (which the Group believes is poised to become the heart of Selangor's "Golden Triangle" area) or within KLCC vicinity, and barring unforeseen circumstances, there would be demand for its properties over time. The Group expects the property market to remain soft in 2019 due to the continued weak market and consumer sentiments, and thus the Board will continue to adopt a cautious approach.

*(Source: I-Berhad's Management)*

## 7. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The proforma effects of the Rights Issue, which are prepared for illustration purposes, take into consideration the following:-

(i) As at LPD, I-Berhad has in issue the following securities:

- (a) 1,014.78 million of I-Berhad Shares;
- (b) 264.0 million of RCULS-A; and
- (c) 138.0 million of RCULS-B;

(ii) The Rights Issue is illustrated under the following scenarios:-

### **MINIMUM SCENARIO**

#### **Assuming only the Undertaking Parties subscribe**

- (a) The Rights Issue will raise proceeds of approximately RM100.0 million and 526.3 million RCCPS will be issued; and
- (b) only the Undertaking Parties subscribe in full for their entitlement under the Rights Issue and Excess RCCPS pursuant to the Undertakings.

### **MAXIMUM SCENARIO**

#### **Assuming all entitled shareholders subscribed**

- (a) The Rights Issue will raise proceeds of RM151.2 million and 796.0 million RCCPS will be issued; and
- (b) all the Entitled Shareholders will subscribe in full for their entitlements under the Rights Issue.

Both Minimum Scenario and Maximum Scenario have assumed that none of the outstanding 264.0 million RCULS-A and 138.0 million RCULS-B will be converted into I-Berhad Shares prior to the Entitlement Date as the RCULS holders namely, Sumurwang Sdn Bhd and Sumuracres Sdn Bhd, have confirmed that the RCULS will not be converted on or prior to the Entitlement Date.

**7.1 Share capital**

The pro forma effects of the Rights Issue on the issued share capital of our Company as at LPD are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Share ( <sup>'000</sup> )	RM'000	No. of Share ( <sup>'000</sup> )	RM'000
As at LPD	1,014,775	603,453	1,014,775	603,453
To be issued pursuant to the ICULS conversion	<sup>(i)</sup> 46,539	29,016	<sup>(i)</sup> 46,539	29,016
<b>Enlarged issued share capital prior to Entitlement Date</b>	<b>1,061,314</b>	<b>632,469</b>	<b>1,061,314</b>	<b>632,469</b>
<b>To be issued pursuant to:</b>				
RCCPS Conversion	<sup>(ii)</sup> 526,316	99,200	<sup>(ii)</sup> 795,986	150,437
RCULS – A Conversion	<sup>(iii)</sup> 185,915	142,132	<sup>(iii)</sup> 185,915	142,132
RCULS – B Conversion	<sup>(iv)</sup> 115,000	74,296	<sup>(iv)</sup> 115,000	74,296
<b>Enlarged issued share capital</b>	<b>1,888,545</b>	<b>948,097</b>	<b>2,158,215</b>	<b>999,334</b>

**Notes:-**

- (i) The ICULS are converted at the conversion price of RM0.68 upon its maturity date on 9 October 2019, and the shares have been allotted as at 14 October 2019.
- (ii) Assuming the RCCPS issued pursuant to the Rights Issue are converted at the Conversion Price of RM0.19.
- (iii) Assuming the RCULS – A are converted after the Entitlement Date at the adjusted conversion price of RM0.71 (adjustments as a result of the Rights Issue pursuant to the deed poll governing the RCULS – A).
- (iv) Assuming the RCULS – B are converted after the Entitlement Date at the adjusted conversion price of RM0.60 (adjustments as a result of the Rights Issue pursuant to the deed poll governing the RCULS – B).

## 7.2 NA and gearing

Based on our Company's latest unaudited consolidated statements of financial position as at 30 June 2019, the pro forma effects of the Rights Issue on our Company's NA per share and gearing are set out below:

### Minimum Scenario

	(I) Unaudited as at 30 June 2019 (RM'000)	(II) (ii) Completed Transactions (RM'000)	(II) After Rights Issue (RM'000)	(III) (v) After (II) and RCCPS conversion (RM'000)	(IV) (vii) After (III) and RCULS conversion (RM'000)
Share capital	603,086	632,469	632,469	731,669	948,097
Warrant reserves	39,126	-	-	-	-
Equity component - ICULS	28,965	-	-	-	-
Equity component – RCULS	14,547	14,547	14,547	14,547	-
Equity component – RCCPS	-	-	(iii) 88,852	-	-
Retained earnings	306,633	347,819	347,819	347,819	347,819
<b>Net assets attributable to the owners of the Company</b>	<b>992,357</b>	<b>994,835</b>	<b>1,083,687</b>	<b>1,094,035</b>	<b>1,295,916</b>
No. of I-Berhad Shares ('000)	1,014,235	1,061,314	1,061,314	1,587,630	1,888,545
NA per I-Berhad Share (RM)	0.98	0.94	1.02	0.69	0.69
Borrowings <sup>(i)</sup>	254,659	251,230	(iv) 264,846	(vi) 251,230	(viii) 50,000
Gearing (times)	0.26	0.25	0.24	0.23	0.04



**Notes:-**

- (i) Borrowings include the liabilities portion of the respective convertible securities.
- (ii) Completed Transactions comprise the following:-
  - (a) Extension of the maturity dates of both RCULS-A and RCULS-B from 27 August 2019 to 27 August 2022;
  - (b) All I-Berhad's outstanding ICULS are converted into new I-Berhad Shares pursuant to the conversion of approximately 63.3 million ICULS into approximately 46.5 million new I-Berhad Shares upon its maturity pursuant to the trust deed.
  - (c) Expiry of the Warrants
- (iii) After taking into consideration the equity component of the RCCPS (including deferred tax) of approximately RM89.7 million and after deducting the estimated expenses attributable to the Rights Issue of RM0.8 million.
- (iv) Including the liabilities component of the RCCPS of approximately RM13.6 million.
- (v) The RCCPS may be converted by the holders at any time during the tenure of the RCCPS and if not redeemed prior to expiry will be automatically converted, whilst the RCULS-A and RCULS-B are convertible at the option of the holders at any time during their tenure.
- (vi) After deduction of the liabilities component of the RCCPS of approximately RM13.6 million upon full conversion of the RCCPS.
- (vii) Assuming the RCULS – A and RCULS – B are converted after the Entitlement Date at the adjusted conversion prices of RM0.71 and RM0.60 respectively (adjustments as a result of the Rights Issue pursuant to the deed polls governing the RCULS).
- (viii) After deduction of the liabilities portion of the RCULS of approximately RM201.2 million upon full conversion of the RCULS.

**Maximum Scenario**

	(I) Unaudited as at 30 June 2019 (RM'000)	(II) (i) Completed Transactions (RM'000)	(III) After Rights Issue (RM'000)	(IV) (v) After (II) and RCCPS conversion (RM'000)	(V) (vi) After (III) and RCULS conversion (RM'000)
Share capital	603,086	632,469	632,469	782,906	999,334
Warrant reserves	39,126	-	-	-	-
Equity component - ICULS	28,965	-	-	-	-
Equity component – RCULS	14,547	14,547	14,547	14,547	-
Equity component – RCCPS	-	-	(iii) 134,786	-	-
Retained earnings	306,633	347,819	347,819	347,819	347,819
<b>Net assets attributable to the owners of the Company</b>	<b>992,357</b>	<b>994,835</b>	<b>1,129,621</b>	<b>1,145,272</b>	<b>1,347,153</b>
No. of I-Berhad Shares ('000)	1,014,235	1,061,314	1,061,314	1,857,300	2,158,215
NA per I-Berhad Share (RM)	0.98	0.94	1.06	0.62	0.62
Borrowings (i)	254,659	251,230	(iv) 271,823	(vi) 251,230	(viii) 50,000
Gearing (times)	0.26	0.25	0.24	0.22	0.04

**Notes:-**

- (i) Borrowings include the liabilities portion of the respective convertible securities.
- (ii) Completed Transactions comprise the following:-
  - (a) Extension of the maturity dates of both RCULS-A and RCULS-B from 27 August 2019 to 27 August 2022;
  - (b) All I-Berhad's outstanding ICULS are converted into I-Berhad Shares pursuant to the conversion of approximately 63.3 million ICULS into approximately 46.5 million new I-Berhad Shares upon its maturity pursuant to the trust deed; and
  - (c) Expiry of the Warrants.
- (iii) After taking into consideration the equity component of the RCCPS (including deferred tax) of approximately RM135.6 million and after deducting the payment of the estimated expenses attributable to the Rights Issue of RM0.8 million.
- (iv) Including the liabilities component of the RCCPS of approximately RM20.6 million.
- (v) The RCCPS may be converted by the holders at any time during the tenure of the RCCPS and if not redeemed prior to expiry will be automatically converted, whilst the RCULS-A and RCULS-B are convertible at the option of the holders at any time during their tenure.
- (vi) After deduction of the liabilities component of the RCCPS of approximately RM20.6 million upon full conversion of the RCCPS.
- (vii) Assuming the RCULS – A and RCULS – B are converted after the Entitlement Date at the adjusted conversion prices of RM0.71 and RM0.60 respectively (adjustments as a result of the Rights Issue pursuant to the deed polls governing the RCULS).
- (viii) After deduction of the liabilities component of the RCULS of approximately RM201.2 million upon full conversion of the RCULS.

### **7.3 Earnings and EPS**

The consolidated EPS of our Company shall correspondingly be diluted as a result of the increase in number of I-Berhad Shares as and when the RCCPS are converted.

Nevertheless, the Rights Issue is expected to contribute positively to the earnings of our Group as and when benefits from the utilisation of proceeds materialise.

### **7.4 Convertible securities**

As at LPD, save for the RCULS-A and RCULS-B, our Company does not have any other existing convertible securities.

The Rights Issue will give rise to adjustment to the conversion price of RCULS-A and RCULS-B pursuant to the deed polls. Pursuant to the deed polls, the conversion price of RCULS-A and RCULS-B will be adjusted to RM0.71 and RM0.60 respectively as a result of the Rights Issue. The new conversion price will be effective from the commencement of the day following the Entitlement Date.

Further, as at LPD, our Company has not granted any Share to its employees under its long-term incentive plan.

## **8. MATERIAL TRANSACTION**

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of our Group since the date of the announcement of our Group's unaudited consolidated results for the 6-months FPE 30 June 2019.

## **9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**

### **9.1 Working capital**

Our Group's current working capital is funded through a combination of internal and external sources of funds. The internal source is cash generated from operating activities, whereas the external sources are credit terms granted by our suppliers, contractors, business partners and banking facilities comprising a revolving loan and term loan.

As at LPD, our Group has a cash and bank balances, deposits with licensed financial institutions or in money market instruments of RM17.93 million.

Our Board is of the opinion that after taking into consideration the amount to be raised from the Rights Issue, cash position of our Group, the banking facilities available to our Group and the funds generated from our operations, and barring unforeseen circumstances, our Group will have sufficient working capital to meet its present and foreseeable future working capital requirements for a period of 12 months from the date of issuance this Abridged Prospectus.

## 9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM249.3 million. All borrowings are interest-bearing and comprise of the following:

	<b>Amount</b>
	<b>RM' million</b>
<b>Short-term borrowing:</b>	
(i) Revolving loans	25.0
(ii) RCULS <sup>(a)</sup>	10.1
<b>Long-term borrowings:</b>	
(i) Term loans	25.0
(ii) RCULS <sup>(a)</sup>	189.2
<b>TOTAL BORROWINGS</b>	<b>249.3</b>

**Note:-**

(a) Referring to the liability components of the RCULS.

As at the LPD, our Group does not have any non-interest bearing borrowings and foreign currency denominated borrowings.

There has not been any default on payments of either interest and/or principal sums by our Group in respect of any borrowings throughout FYE 31 December 2018 and for the subsequent period up to the LPD.

## 9.3 Contingent liabilities

As at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group.

## 9.4 Material commitments

As at the LPD, save as disclosed below, the Board confirms that there are no material commitments incurred or known to be incurred by the I-Berhad Group, which upon becoming enforceable may have a material impact on the profit or NA of the I-Berhad Group:

	<b>Amount</b>
	<b>RM'000</b>
Approved and contracted for, analysed as follows:	
- Leisure <sup>(a)</sup>	83,726
- Investment properties <sup>(b)</sup>	99,271
	<b>182,997</b>

It is expected that up to RM86.4 million from the proceeds of the Rights Issue will be used to fund the capital commitment above. The remaining balance for material commitments are expected to be funded through bank borrowings and internally generated funds.

**Notes:-**

(a) Referring to acquisition of new assets for the theme park and development of DoubleTree by Hilton Hotel.

(b) For the development projects under I-Berhad's property investment segment.

## **10. INSTRUCTIONS FOR ACCEPTANCE, SALE/TRANSFER, EXCESS RIGHTS APPLICATION AND PAYMENT**

This Abridged Prospectus and the RSF contain full instructions for the acceptance of and payment for the Provisional RCCPS as well as the application for the Excess RCCPS and the procedures to be followed if you and/or your renouncee(s)/transferee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement. You and/or your renouncee(s)/transferee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. The RSF must not be circulated unless accompanied by this Abridged Prospectus.

### **10.1 General**

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional RCCPS, which you are entitled to subscribe for in full or in part (fractional entitlements, if any, having been disregarded), under the terms and conditions of the Rights Issue. You will find enclosed with this Abridged Prospectus the following:

- (i) the NPA notifying you of the crediting of such Provisional RCCPS into your CDS Account;
- (ii) the RSF to enable you to subscribe for such Provisional RCCPS, as well as to apply for the Excess RCCPS if you choose to do so; and
- (iii) a reply envelope addressed to our Share Registrar for the Rights Issue.

This Abridged Prospectus and the RSF can be obtained from your stockbroker, our registered office, our Share Registrar for the Rights Issue or from Bursa Securities' website at <http://www.bursamalaysia.com>.

If you are a non-resident, any hedging contract entered by you to manage the risk exposure for the borrowings given has to be done through a local licensed bank in Malaysia or appointed overseas office (AOO) as required by BNM. For this purpose, "non-resident" shall be as defined in Section 213 of the Financial Services Act 2013.

### **10.2 NPA**

The Provisional RCCPS are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional RCCPS will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications for the Provisional RCCPS.

### **10.3 Last date and time for acceptance and payment**

The last date and time for acceptance of and payment for the Provisional RCCPS (whether in full or in part) is **5.00 p.m. on Tuesday, 19 November 2019**.

#### 10.4 Methods of acceptance and application

You may subscribe for the Provisional RCCPS as well as apply for Excess RCCPS, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All Individual Entitled Shareholders

#### 10.5 Procedure for acceptance and payment

##### 10.5.1 By way of RSF

Acceptance of and payment for the Provisional RCCPS provisionally allotted to you and/or your renouncee(s)/transferee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not strictly conform to the terms of this Abridged Prospectus, the NPA or RSF or the notes and instructions contained in the NPA or RSF or which are illegible may not be accepted at the absolute discretion of our Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RCCPS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

**YOU AND YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.**

If you and/or your renouncee(s)/transferee(s) (if applicable) wish to accept all or part of the Provisional RCCPS of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided therein. Each completed and signed RSF together with the relevant payment must be delivered to our Share Registrar for the Rights Issue in the envelope provided (at your own risk), by **ORDINARY POST, COURIER or DELIVERED BY HAND** to our Share Registrar for the Rights Issue at the following address:

**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  
Tel No.: +603 2783 9299  
Fax No.: +603 2783 9222**

OR

**Tricor Customer Service Centre**

Unit G-3, Ground Floor  
Vertical Podium, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

so as to arrive **not later than 5:00 p.m. on Tuesday, 19 November 2019**, being the last date and time for acceptance and payment for the Provisional RCCPS.

If you and/or your renounce(s) lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our Share Registrar for the Rights Issue at the address stated above, our Registered Office or Bursa Securities' website at <http://www.bursamalaysia.com>.

One RSF can only be used for acceptance of the Provisional RCCPS standing to the credit of one CDS account. Separate RSF(s) must be used for the acceptance of the Provisional RCCPS standing to the credit of more than one CDS Accounts. If successful, the RCCPS subscribed for will be credited into your CDS Accounts as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar for the Rights Issue, you are advised to use one reply envelope for each completed RSF.

The minimum number of RCCPS that can be accepted is one RCCPS. However, you and/or your renouncee(s)/transferee(s) (if applicable) should take note that a trading board lot for the RCCPS comprises of 100 RCCPS. Fractions of RCCPS will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and in the best interest of our Company.

If acceptance of and payment for the Provisional RCCPS allotted to you and/or your renouncee(s)/transferee(s) (if applicable) are not received by our Share Registrar for the Rights Issue by **5:00 p.m. on Tuesday, 19 November 2019**, being the last date and time for acceptance of and payment for the Provisional RCCPS, such provisional allotment of RCCPS will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar for the Rights Issue.

In the event that the RCCPS are not fully taken up by such applicants, our Board will then have the right to allot such RCCPS to the applicants who have made an Excess RCCPS application on a fair and equitable basis and in the manner set out in Section 10.9 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.



**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RCCPS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "I-BERHAD RCCPS RIGHTS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.**

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, APPLICANTS WILL BE ALLOTTED THEIR RCCPS AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RCCPS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFeree(S) (IF APPLICABLE) SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

**APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITTED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANTS BY ORDINARY POST TO THE ADDRESS SHOWN ON THE COMPANY'S RECORD OF DEPOSITORS WITHIN 15 MARKET DAYS AT YOUR OWN RISK FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RCCPS.**

#### 10.5.2 By way of e-Subscription

Subsequent to the Entitlement Date, the Company will, at its discretion, authorise the Share Registrar for the Rights Issue to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue of RCCPS on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is only available to Entitled Shareholders who are individuals. Corporation or institutional Shareholders will have to complete the RSF for the application to the Rights Issue of RCCPS as set out in **Section 10.5.1** above.

Individual Registered Entitled Shareholders who wish to subscribe for the Provisional RCCPS and apply for Excess RCCPS by way of e-Subscription shall take note of the followings: -

- (a) any e-Subscription received by the Share Registrar for the Rights Issue after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless the Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar for the Rights Issue from you, is irrevocable and shall be binding on you;
- (b) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe the Provisional RCCPS which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of The Company. The Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (d) the number of Provisional RCCPS you are entitled to under the Rights Issue of RCCPS is set out in the e-RSF. You are required to indicate the number of Provisional RCCPS you wish to accept and number of Excess RCCPS you wish to apply in the e-RSF;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway;
- (f) a handling fee of **RM5.00 per e-RSF** is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- (g) the new RCCPS arising from the Provisional RCCPS accepted and Excess RCCPS applied (if successful pursuant to Procedure for Excess RCCPS Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional RCCPS.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional RCCPS, please read and follow the procedures set below: -

(i) **Sign up as a user of TIIH Online**

- (a) Access TIIH Online at <https://tiih.online>.
- (b) Sign up a user of TIIH Online under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance.
- (c) Registration will be approved within one working day by email.
- (d) Proceed to activate your account by re-setting your password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again.

(ii) **Procedures to make e-Subscription**

- (a) Login to TIIH Online at <https://tiih.online> with your username (i.e. your registered e-mail address) and password.
- (b) Select the corporate exercise name: I-Berhad Rights Issue of RCCPS.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview your CDS Account details and your Provisional RCCPS.
- (e) Select the relevant CDS Account and insert the number of Provisional RCCPS to subscribe and the number of Excess RCCPS to apply (if applicable) in the e-RSF.
- (f) Review and confirm the number of Provisional RCCPS which you are subscribing and the number of Excess RCCPS you are applying (if applicable) and the total amount payable for the Provisional RCCPS and Excess RCCPS (if applicable).
- (g) Payment of stamp duty at RM10 for each e-RSF and handling fee of RM5 for each e-RSF will be included in the total amount payable.
- (h) Proceed for payment via online payment gateway either through Maybank2U or any FPX participating bank which you have an internet banking account.
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- (j) Print the payment receipt and your e-RSF for your reference and record.

**(i) Terms and conditions for e-Subscription**

The e-Subscription of Provisional RCCPS and Excess RCCPS (if successful), shall be made on and subject to the terms and conditions appearing herein: -

- (a) After login to TIH Online, you are required to confirm and declare the following information given are true and correct: -
  - (i) you have attained 18 years of age as at the last day for subscription and payment;
  - (ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com), the contents of which you have read and understood;
  - (iii) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of Provisional RCCPS and Excess RCCPS applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of RCCPS that may be allotted to you.
- (c) by making and completing your e-Subscription, you, if successful, request and authorise Share Registrar for the Rights Issue or The Company to credit the RCCPS allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of The Company or the Share Registrar for the Rights Issue and irrevocably agree that if: -
  - (i) the Company or the Share Registrar for the Rights Issue does not receive your e-Subscription; or
  - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar for the Rights Issue,

you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against the Company or the Share Registrar for the Rights Issue for the Provisional RCCPS accepted and/or Excess RCCPS applied for or for any compensation, loss or damage relating to the e-Subscription.

- (e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.
- (f) by making and completing an e-Subscription, you agree that: -
  - (i) in consideration of the Company agreeing to allow and accept your e-Subscription for the Provisional RCCPS accepted and Excess RCCPS applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
  - (ii) the Share Registrar for the Rights Issue will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control.
- (g) the Share Registrar for the Rights Issue, on the authority of The Company, reserves the right to reject applications which do not conform to these instructions.
- (h) notification on the outcome of your e-Subscription for the Provisional RCCPS and Excess RCCPS will be despatched to you by ordinary post to the address as shown in the Record of Depositors of The Company at your own risk within the timelines as follows: -
  - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Provisional RCCPS; or
  - (ii) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the Provisional RCCPS.

The refund will be credited directly into your bank account if you have provided such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not provided such bank account information to Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

**10.6 Procedure for part acceptance by the Entitled Shareholders and renouncee(s)/transferee(s) (if applicable)**

You and/or your renouncee(s)/transferee(s) (if applicable) are entitled to accept part of your entitlement to the Provisional RCCPS provided always that the minimum number of RCCPS that is accepted is 1 Provisional RCCPS. Fractions of RCCPS will be disregarded and the aggregate of such fractions shall be dealt with in such a manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company.

You and/or your renouncee(s)/transferee(s) (if applicable) must complete the procedures set out in Section 10.5.1 and 10.5.2 of this Abridged Prospectus.

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ AND ADHERE TO THE RSF, THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

The portion of the Provisional RCCPS that have not been accepted shall be allotted to any persons allowed under the law, regulations or rules to accept the transfer of the Provisional RCCPS and the balance, if any, will be allotted to applicants applying for the excess RCCPS on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient in the best interest of our Company, such that the incidence of odd lots will be minimised.

**10.7 Procedure for sale/transfer of the Provisional RCCPS**

As the Provisional RCCPS are prescribed securities, you and/or your renouncee(s)/transferee(s) (if applicable) may sell or transfer all or part of your/their entitlement to the Provisional RCCPS to one or more than one person(s) through your stockbroker for the period up to the last date and time for sale or transfer of such Provisional RCCPS, without first having to request for a split of the Provisional RCCPS standing to the credit of your/their CDS Account. To sell/transfer all or part of your/their entitlement to the Provisional RCCPS, you and/or your renouncee(s)/transferee(s) (if applicable) may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository.

If you and/or your renouncee(s)/transferee(s) (if applicable) have sold or transferred only part of the Provisional RCCPS, you and/or your renouncee(s)/transferee(s) (if applicable) may still accept the balance of the Provisional RCCPS. Please refer to **Sections 10.5.1 and 10.5.2** of this Abridged Prospectus for the procedures of acceptance and payment by way of RSF and e-Subscription.

In selling or transferring all or part of your Provisional RCCPS, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional RCCPS standing to the credit of your CDS Account that is available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional RCCPS may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers, our Share Registrar for the Rights Issue, our Registered Office or Bursa Securities' website at <http://www.bursamalaysia.com>.

## 10.8 Procedure for acceptance by renouncee(s)/transferee(s) (if applicable)

Renouncee(s)/transferee(s) (if applicable) who wishes to accept the Provisional RCCPS must obtain a copy of the RSF from their stockbrokers, our Share Registrar for the Rights Issue, our Registered Office or from Bursa Securities' website at <http://www.bursamalaysia.com>, complete the RSF and submit the same together with the remittance to our Share Registrar for the Rights Issue in accordance with the notes and instructions contained therein.

Alternatively, you may login to <https://tjih.online> to subscribe for the Provisional RCCPS by way of e-Subscription.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.5 of this Abridged Prospectus also applies to renouncee(s)/transferee(s) (if applicable) who wish to accept the Provisional RCCPS.

**RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.**

## 10.9 Procedure for Excess RCCPS application

### 10.9.1 By way of RSF

You and/or your renouncee(s)/transferee(s) (if applicable) may apply for additional RCCPS in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a **separate remittance made in RM** for the full amount payable for the excess RCCPS applied for, to our Share Registrar for the Rights Issue **not later than 5:00 p.m. on Tuesday, 19 November 2019**, being the last date and time for application of and payment for the Excess RCCPS.

**PAYMENT FOR THE EXCESS RCCPS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER DESCRIBED IN SECTION 10.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "I-BERHAD RCCPS EXCESS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE.**

It is the intention of our Board to allot the Excess RCCPS, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for the Excess RCCPS, on a *pro rata* basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for Excess RCCPS, on a *pro rata* basis and in board lots, calculated based on the quantum of their respective Excess RCCPS application; and

- (iv) fourthly, for allocation to renouncee(s)/transferee(s) (if applicable) who have applied for Excess RCCPS, on a *pro rata* basis and in board lots, calculated based on the quantum of their respective Excess RCCPS application.

In the event there are any Excess RCCPS balance after the above allocations are completed, the balance will be allocated again through the same sequence of allocation as set out in (ii) to (iv) above until all Excess RCCPS are fully allocated.

Nevertheless, our Board reserves the right to allot any Excess RCCPS, if any, applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of the Company subject always that such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in steps (i) to (iv) above is achieved. Our Board also reserves the right at its discretion to accept in full or in part any application for the Excess RCCPS without assigning any reason thereof.

The final basis of allocation of the Excess RCCPS will be announced on Bursa Securities together with the result of the total valid acceptances and excess applications after the closing date of the Rights Issue.

**NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS RCCPS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR COMPANY'S RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE OF APPLICATION OF AND PAYMENT FOR THE EXCESS RCCPS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**WHERE AN APPLICATION FOR THE EXCESS RCCPS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITTED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RCCPS.**

**APPLICANTS ARE NOT ALLOWED TO WITHDRAW THE RSF AND PAYMENT ONCE THEY HAVE BEEN LODGED WITH OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE.**



#### 10.9.2 By way of e-Subscription

If you are an Entitled Shareholder and/or a renouncee/transferee who is an individual, you may apply for the Excess RCCPS via e-Subscription in addition to your Provisional RCCPS. If you wish to do so, you may apply for the Excess RCCPS by following the same steps as set out in **Section 10.5.2** of this Abridged Prospectus.

The e-Subscription for Excess RCCPS will be made on, and subject to, the same terms and conditions appearing in **Section 10.5.2** of this Abridged Prospectus.

Any Provisional RCCPS which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s), if applicable, shall be made available for Excess RCCPS application. It is the intention of the Board to allot the Excess RCCPS, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 10.9.1 above.

**WHERE AN APPLICATION FOR THE EXCESS RCCPS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITTED INTO YOUR BANK ACCOUNT IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY THE REFUND WILL BE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RCCPS.**

#### 10.10 Form of issuance

Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the RCCPS are prescribed securities and as such, all dealings in the RCCPS will be subject to the SICDA and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificate will be issued to you under the Rights Issue. A notice of allotment will be despatched to you and/or your renouncee(s)/transferee(s) (if applicable) by ordinary post to the address shown on our Company's Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the last date for acceptance of and payment for the RCCPS or such other period as may be prescribed by Bursa Securities.

Where the RCCPS are provisionally allotted to you as an Entitled Shareholder in respect of your existing Shares standing to the credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional RCCPS shall mean that you consent to receive such Provisional RCCPS as prescribed or deposited securities which will be credited directly into your CDS Account.

Any person who has purchased the Provisional RCCPS or to whom the Provisional RCCPS has been transferred and intends to subscribe for the RCCPS must state his or her CDS Account number in the space provided in the RSF. The RCCPS will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess RCCPS, if allotted to the successful applicant who applied for the Excess RCCPS, will be credited directly as prescribed securities into the CDS Account of the successful applicant where the Provisional Allotment is standing to the credit. The allocation of the Excess RCCPS will be made on a fair and equitable basis as disclosed in Section 10.7 of this Abridged Prospectus.

#### **10.11 Laws of foreign jurisdictions**

The Documents have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction and have not been (and will not be) lodged, registered or approved under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign country or jurisdiction.

Accordingly, the Documents will not be sent to the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may collect the Documents from our Share Registrar for the Rights Issue, in which event our Share Registrar for the Rights Issue shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue.

The foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. AmlInvestment Bank, our Company, our Directors, our officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject to. The foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. AmlInvestment Bank, our Company, our Directors, our officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

The foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and our Company, our Directors, our officers, AmlInvestment Bank and other experts shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against our Company, our Directors, our officers, AmlInvestment Bank and other experts in respect of their rights and entitlements under the Rights Issue. Such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing the RSF, the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged, agreed and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Company, our Directors, our officers, AmlInvestment Bank and other experts that:

- (i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional RCCPS;
- (iii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional RCCPS, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are aware that the RCCPS can only be transferred, sold or otherwise disposed of, charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the RCCPS; and
- (vi) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the RCCPS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the RCCPS.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send them into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such country or jurisdiction, or by an agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward the Documents to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the RCCPS from any such application by foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any foreign country or jurisdiction.

We reserve the right, in our absolute discretion, to treat any acceptance of the RCCPS as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

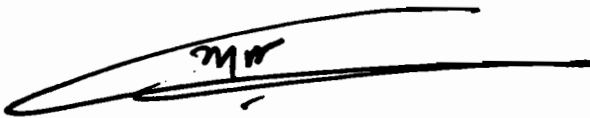
**11. TERMS AND CONDITIONS**

The issuance of the RCCPS pursuant to the Rights Issue is governed by the terms and conditions set out in the Documents.

**12. FURTHER INFORMATION**

You are requested to refer to the attached appendices for further information.

Yours faithfully,  
for and on behalf of the Board of  
**I-BERHAD**

A handwritten signature in black ink, appearing to be 'Puan Sri Tey Siew Thuan', written over a horizontal line.

**PUAN SRI TEY SIEW THUAN**  
Executive Director

**APPENDIX I INFORMATION ON OUR COMPANY****(A) SHARE CAPITAL**

As at LPD, our Company's issued capital is RM603.5 million comprising 1,014,775,252 I-Berhad Shares.

**(B) BOARD OF DIRECTORS**

<b>Name</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>	<b>Occupation</b>
Tan Sri Lim Kim Hong (Executive Chairman)	68	V-04-10 i-Residence @ i-City Persiaran Multimedia i-City 40000 Shah Alam Selangor	Malaysian	Company Director
Dato' Eu Hong Chew (Deputy Chairman / Non- Executive Director)	66	33 Jalan Aminuddin Baki Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Puan Sri Tey Siew Thuan (Executive Director)	65	V-04-10 i-Residence @ i-City Persiaran Multimedia i-City 40000 Shah Alam Selangor	Malaysian	Company Director
Tan Sri Dato' Sri Dr. Lau Ban Tin (Independent Non-Executive Director)	63	3 Jalan Timah Satu 7/25A 40000 Shah Alam Selangor	Malaysian	Company Director
Goh Yeang Kheng (Independent Non-Executive Director)	54	V-02-03 i-Residence @ i-City Persiaran Multimedia i-City 40000 Shah Alam Selangor	Malaysian	Company Director

The Proposals are not expected to have any immediate effect on the directors' shareholdings and substantial shareholders' under both the Minimum Scenario and Maximum Scenario. Depending on the level of conversion by other shareholders, the directors' shareholdings and substantial shareholders' shareholdings may increase as and when the directors and/or substantial shareholders convert the RCCPS into I-Berhad Shares.

### Minimum Scenario

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**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)****(C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)****(i) Directors' Shareholding (Cont'd)****Minimum Scenario (Cont'd)****(III)****After (II) and RCULS conversion**

	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
	<b>('000)</b>		<b>('000)</b>	
TSLKH	2,471	0.1	(ii) 1,515,552	80.2
Dato' Eu Hong Chew	-	-	-	-
Puan Sri Tey Siew Thuan	1,794	0.1	-	-
Tan Sri Dato' Sri Dr. Lau Ban Tin	-	-	-	-
Goh Yeang Kheng	-	-	-	-

**Notes:-**

(i) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd and Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

(ii) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

The Board undertakes that the Company will fully comply with the Listing Requirements in the implementation of the Rights Issue, including compliance with the public shareholdings spread upon conversion of the RCCPS. Sumurwang Sdn Bhd and Sumur Ventures Sdn Bhd, being major shareholders in I-Berhad and Undertaking Parties, also undertake that the conversion of their RCCPS would not result in the Company being in breach of its public shareholdings spread requirement as approved by Bursa Securities. Sumurwang Sdn Bhd and Sumur Ventures Sdn Bhd have also undertaken that the aforementioned obligation will also extend to their subsidiaries in the event they subscribe for the RCCPS pursuant to the Undertakings or otherwise.

## APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)

## (C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

## (i) Directors' Shareholding (Cont'd)

Maximum Scenario

	Existing as at the LPD			(I)			(II)		
	Direct		Indirect	After ICULS conversion		Indirect	After (I) and RCCPS conversion		Indirect
	No. of Shares ('000)	%	No. of Shares ('000)	No. of Shares ('000)	%	No. of Shares ('000)	No. of Shares ('000)	%	No. of Shares ('000)
TSLKH	2,471	0.2	<sup>(i)</sup> 688,321	2,471	0.2	<sup>(i)</sup> 688,321	4,323	0.2	<sup>(i)</sup> 1,204,562
Dato' Eu Hong Chew	-	-	-	-	-	-	-	-	-
Puan Sri Tey Siew Thuan	1,794	0.2	-	1,794	0.2	-	3,140	0.2	-
Tan Sri Dato' Sri Dr. Lau Ban Tin	-	-	-	-	-	-	-	-	-
Goh Yeang Kheng	-	-	-	-	-	-	-	-	-



**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

**(C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)**

**(i) Directors' Shareholding (Cont'd)**

**Maximum Scenario (Cont'd)**

	(iii) After (II) and RCULS conversion			
	Direct		Indirect	
	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%
TSLKH	4,323	0.2	(ii) 1,505,477	69.8
Dato' Eu Hong Chew	-	-	-	-
Puan Sri Tey Siew Thuan	3,140	0.1	-	-
Tan Sri Dato' Sri Dr. Lau Ban Tin	-	-	-	-
Goh Yeang Kheng	-	-	-	-

**Notes:-**

- (i) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd and Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (ii) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

**(C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)**

**(ii) Substantial Shareholders' Shareholding**

**Minimum Scenario**

	(I)						(II)					
	Existing as at the LPD			After ICULS conversion			After (I) and RCCPS conversion			After (I) and RCCPS conversion		
	Direct	Indirect		Direct	Indirect		Direct	Indirect		Direct	Indirect	
	No. of Shares ( <sup>(i)</sup> '000)	%	No. of Shares ( <sup>(i)</sup> '000)	No. of Shares ( <sup>(i)</sup> '000)	%	No. of Shares ( <sup>(i)</sup> '000)	No. of Shares ( <sup>(i)</sup> '000)	%	No. of Shares ( <sup>(i)</sup> '000)	No. of Shares ( <sup>(i)</sup> '000)	%	No. of Shares ( <sup>(i)</sup> '000)
Sumurwang Sdn Bhd	591,159	58.3	<sup>(i)</sup> 11,571	591,159	55.7	<sup>(i)</sup> 11,571	1,053,283	66.3	<sup>(i)</sup> 11,571	1,053,283	66.3	<sup>(i)</sup> 11,571
Sumur Ventures Sdn Bhd	85,590	8.4	<sup>(ii)</sup> 602,731	85,590	8.1	<sup>(ii)</sup> 602,731	149,783	9.4	<sup>(ii)</sup> 602,731	149,783	9.4	<sup>(ii)</sup> 1,064,854
TSLKH	2,471	0.2	<sup>(iii)</sup> 688,321	2,471	0.2	<sup>(iii)</sup> 688,321	2,471	0.2	<sup>(iii)</sup> 688,321	2,471	0.2	<sup>(iii)</sup> 1,214,637
Sumuracres Sdn Bhd	-	-	-	-	-	-	-	-	-	-	-	-

**(III)**

**After (II) and RCULS conversion**

	Direct		Indirect	
	No. of Shares ( <sup>(i)</sup> '000)	%	No. of Shares ( <sup>(i)</sup> '000)	%
Sumurwang Sdn Bhd	1,168,283	61.9	<sup>(iv)</sup> 197,487	10.5
Sumur Ventures Sdn Bhd	149,783	7.9	<sup>(v)</sup> 1,365,770	72.3
TSLKH	2,471	0.1	<sup>(vi)</sup> 1,515,552	80.2
Sumuracres Sdn Bhd	185,915	9.8	-	-

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

**(C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)**

**Notes:-**

- (i) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (ii) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd and Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (iii) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd and Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (iv) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (v) Deemed interest through its shareholding in Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (vi) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

## APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)

## (C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

## (ii) Substantial Shareholders' Shareholding (Cont'd)

Maximum Scenario

	Existing as at the LPD				(I)				(II)			
	Direct		Indirect		After ICULS conversion		Indirect		After (I) and RCCPS conversion		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Sumurwang Sdn Bhd	591,159	58.3	<sup>(i)</sup> 11,571	1.1	591,159	55.7	<sup>(i)</sup> 11,571	1.1	1,034,529	55.7	<sup>(i)</sup> 20,250	1.1
Sumur Ventures Sdn Bhd	85,590	8.4	<sup>(ii)</sup> 602,731	59.4	85,590	8.1	<sup>(ii)</sup> 602,731	56.8	149,783	8.1	<sup>(iii)</sup> 1,054,779	56.8
TSLKH	2,471	0.2	<sup>(iii)</sup> 688,321	67.8	2,471	0.2	<sup>(iii)</sup> 688,321	64.9	4,323	0.2	<sup>(iii)</sup> 1,204,562	64.9
Sumuracres Sdn Bhd	-	-	-	-	-	-	-	-	-	-	-	-

## (III)

## After (II) and RCULS conversion

	Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%
Sumurwang Sdn Bhd	1,149,529	53.3	<sup>(iv)</sup> 206,165	9.6
Sumur Ventures Sdn Bhd	149,783	6.9	<sup>(v)</sup> 1,355,694	62.8
TSLKH	4,323	0.2	<sup>(vi)</sup> 1,505,477	69.8
Sumuracres Sdn Bhd	185,915	8.6	-	-

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

**(C) SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)**

**Notes:-**

- (i) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (ii) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd and Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (iii) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd and Sumurwang Capital Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (iv) Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (v) Deemed interest through its shareholding in Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.
- (vi) Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumuracres Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)****(D) HISTORICAL FINANCIAL INFORMATION**

Our Group's historical financial performance for the FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018 as well as 6-month FPE 30 June 2019 are summarised below:

**(i) Historical Financial Performance**

	<b>Audited FYE 31 December</b>			<b>Unaudited</b>	
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>6-month FPE 30 June 2018</b>	<b>6-month FPE 30 June 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	383,569	455,187	375,144	266,513	83,271
Cost of sales	(258,314)	(315,474)	(245,797)	(188,334)	(36,639)
<b>Gross profit</b>	<b>125,255</b>	<b>139,713</b>	<b>129,347</b>	<b>78,179</b>	<b>46,632</b>
Other income	8,819	3,101	4,125	1,328	1,896
Finance income	4,706	7,224	3,573	2,461	520
Finance costs	-	(16)	(1,280)	-	(1,292)
Sales and marketing expenses	(22,841)	(24,046)	(23,132)	(15,030)	(6,444)
Administrative and office expenses	(24,120)	(31,939)	(30,987)	(12,941)	(16,009)
Other operating expenses	(2,295)	-	-	-	-
Impairment losses on receivables	-	(1,286)	(1,914)	-	-
Share of results of associates, net of tax	(1,351)	(2,911)	(2,951)	(283)	(1,913)
<b>Profit before Tax</b>	<b>88,173</b>	<b>89,840</b>	<b>76,781</b>	<b>53,714</b>	<b>23,390</b>
Taxation	(21,578)	(28,168)	(18,045)	(6,928)	(6,115)
<b>Profit/ Total comprehensive income for the financial year / period</b>	<b>66,595</b>	<b>61,672</b>	<b>58,736</b>	<b>46,786</b>	<b>17,275</b>
<b>Profit/ Total comprehensive income for the financial year / period attributable to:</b>					
Owners of the Company	66,635	61,692	58,679	46,798	17,258
Non-controlling interests	(40)	(20)	57	(12)	17
	<b>66,595</b>	<b>61,672</b>	<b>58,736</b>	<b>46,786</b>	<b>17,275</b>
GP margin (%) <sup>(i)</sup>	32.7	30.7	34.5	29.3	56.0
PBT margin (%) <sup>(ii)</sup>	23.0	19.7	20.5	20.2	28.1
PAT margin (%) <sup>(iii)</sup>	17.4	13.5	15.7	17.6	20.7

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

	Audited FYE 31 December			Unaudited	
	2016	2017	2018	6-month FPE 30 June 2018	6-month FPE 30 June 2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Adjusted weighted average number of shares applicable to basic EPS ('000)	1,061,315	1,061,315	1,061,315	1,061,315	1,061,315
Adjusted weighted average number of shares applicable to diluted EPS ('000)	1,315,641	1,315,641	1,315,641	1,315,641	1,315,641
Basic EPS (sen) <sup>(iv)</sup>	6.28	5.81	5.53	4.41	1.63
Diluted EPS (sen) <sup>(v)</sup>	5.10	4.81	4.79	3.64	1.49

**Notes:-**

- (i) GP Margin = Gross profit divide by Revenue multiply with 100
- (ii) PBT Margin = Profit before tax divide by Revenue multiply with 100
- (iii) PAT Margin = Profit for the financial year divide by Revenue multiply with 100
- (iv) Basic EPS = Profit for the financial year / period attributable to owners of the Company divide by adjusted weighted average number of ordinary shares applicable to basic EPS multiply with 100
- (v) Diluted EPS = Profit for the financial year / period attributable to owners of the Company adjusted for after-tax effects of interest on RCULS divide by adjusted weighted average number of shares applicable to diluted EPS multiply with 100

**(ii) Historical Financial Position**

	Audited FYE 31 December			Unaudited
	2016	2017	2018	6-month FPE 30 June 2019
	RM'000	RM'000	RM'000	RM'000
Non-current assets	435,898	572,243	727,253	779,217
Current assets	930,130	955,411	951,544	925,260
<b>Total assets</b>	<b>1,366,028</b>	<b>1,527,654</b>	<b>1,678,797</b>	<b>1,704,477</b>
Share capital	501,638	598,972	600,008	603,086
Share premium	93,996	-	-	-
Revaluation reserve	1,331	-	-	-
Warrants reserve	39,126	39,126	39,126	39,126
Retained earnings	169,496	252,190	289,376	306,633
ICULS – equity component	35,927	32,808	31,840	28,965
RCULS – equity component	14,547	14,547	14,547	14,547
	<b>856,061</b>	<b>937,643</b>	<b>974,897</b>	<b>992,357</b>
Non-controlling interests	136	117	173	191
<b>Total equity</b>	<b>856,197</b>	<b>937,760</b>	<b>975,070</b>	<b>992,548</b>

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

	<b>Audited FYE 31 December</b>			<b>Unaudited</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>6-month FPE</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>30 June 2019</b>
Non-current liabilities	200,348	204,280	5,301	30,885
Current liabilities	309,483	385,614	698,426	681,044
<b>Total liabilities</b>	<b>509,831</b>	<b>589,894</b>	<b>703,727</b>	<b>711,929</b>
<b>Total equity and liabilities</b>	<b>1,366,028</b>	<b>1,527,654</b>	<b>1,678,797</b>	<b>1,704,477</b>

**(iii) Historical Cash Flows**

	<b>Audited FYE 31 December</b>			<b>Unaudited</b>	
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>6-month FPE 30 June 2018</b>	<b>6-month FPE 30 June 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from/ (used in):					
Operating activities	162,547	145,840	16,055	(65,067)	15,392
Investing activities	(139,365)	(100,201)	4,744	46,510	(61,180)
Financing activities	(19,855)	(28,020)	(32,763)	(5,708)	44,412
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,327</b>	<b>17,619</b>	<b>(11,964)</b>	<b>(24,265)</b>	<b>(1,376)</b>
Cash and cash equivalent at beginning of financial year / period	9,782	13,109	30,728	30,728	18,764
<b>Cash and cash equivalents at end of financial year / period</b>	<b>13,109</b>	<b>30,728</b>	<b>18,764</b>	<b>6,463</b>	<b>17,388</b>



**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)****(iv) Comparability of Financial Information**

The audited consolidated financial statements of I-Berhad Group for the financial year ended 31 December 2018 are the first set of financial statements prepared in accordance with Malaysian Financial Reporting Standards ("**MFRS**"), including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

The audited consolidated financial statements for the financial year ended 31 December 2016 and 2017 were prepared in accordance with Financial Reporting Standards ("**FRS**").

The Group adopted MFRS with a date of transition of 1 January 2017 and accordingly, the comparative figures for the financial year ended 31 December 2017 were restated in the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 to give effect to those changes. As a result of the adoption of MFRS with effect from 1 January 2017, the consolidated financial information for the financial year ended 31 December 2016, which were prepared in accordance with FRS are therefore not comparable to the consolidated financial information for the financial years ended 31 December 2017 and 2018.

**(v) Financial Commentaries****FYE 31 December 2018 vs FYE 31 December 2017**

The Group's revenue for FYE 2018 had decreased by approximately RM80.0 million to RM375.1 million as compared to the previous financial year. The decrease in revenue was primarily due to lower number of projects in progress, resulting in lower unbilled sales for FYE 2018 as i-SOHO and i-Suite were completed and handover during FYE 31 December 2017. There were no new launches in 2018 and the only ongoing property development projects were 8Kia Peng residences and Hill 10 residences.

The Group's PBT for FYE 31 December 2018 had decreased by RM13.1 million to RM76.8 million as compared to previous financial year. The lower PBT was mainly due to:-

- (a) decrease in gross profit from RM139.7 million to RM129.3 million primarily due to lower project in progress, hence lower unbilled sales as mentioned above; and
- (b) decrease in the finance income by approximately RM3.7 million to RM3.6 million as a result of lower placement in money market as funds were utilised for working capital purposes.

The Group's total assets as at 31 December 2018 had increased from RM1.5 billion to RM1.7 billion primarily due to:-

- (a) increase in the property plant and equipment by RM40.9 million to RM125.0 million due to the development of new theme park attractions as well as for the work in progress of the DoubleTree by Hilton Hotel;
- (b) increase in the investment properties by RM55.1 million to RM439.8 million due to the development of a corporate office tower and car parks at Plot 3 development; and

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

- (c) increase in the investment in associates by RM58.4 million to RM161.1 million due to the additional investment in Central Plaza i-City Real Estate Sdn. Bhd.

The Group's total liabilities increased from RM589.9 million as at 31 December 2017 to RM703.7 million as at 31 December 2018 mainly due to increase in payables and contract liabilities by RM117.9 million to RM485.0 million. The increase was mainly due to amount payable to contractors for development works completed. For information, the RCULS liabilities component of RM193.0 million was transferred from non-current liabilities in FYE 31 December 2017 to current liabilities in FYE 31 December 2018 as the maturity date would be within the next 12 months i.e. in August 2019. Subsequent to FYE 31 December 2018, the maturity date of the RCULS were extended by another 3 years to 27 August 2022 (due on 26 August 2022, being the business day immediately preceding the 8th anniversary of the issue date).

The Group's cash and cash equivalent decreased from RM30.7 million (as at 31 December 2017) to RM18.8 million (as at 31 December 2018) due to cash flows generated from operating activities has decreased by RM129.8 million to RM16.1 million. The decrease was due to lower progress billings during FYE 31 December 2018 as a result of decrease in property sales. In addition, I-Berhad recorded cash inflows from investing activities of RM4.7 million in FYE 2018 as opposed to cash outflows of RM100.2 million in FYE 2017. The differences were mainly due to higher cash inflows from withdrawal of funds from money market used for I-Berhad's working capital purposes in 2018 of RM143.6 million (FYE 2017:RM22.9 million).

**6-month FPE 30 June 2019**

For the FPE 30 June 2019, the Group posted lower revenue of RM83.3 million (FPE 30 June 2018: RM266.5 million) and profit before tax of RM23.4 million (FPE 30 June 2018: RM53.7 million).

The decrease in revenue was mainly due to lower number of projects in progress as no new project was launched in 2018. The revenue for FPE 30 June 2019 was mainly derived from property development projects launched in previous years (i.e. 8Kia Peng and Hill10 Residences).

The decrease in profit before tax for FPE 30 June 2019 (comparing to 6-month FPE 30 June 2018) was mainly due to the following:

- (a) decrease in property development revenue as mentioned above which resulted in lower gross profit of RM46.6 million (FPE 30 June 2018: RM78.2 million); and
- (b) higher loss from the share of results of an associate of RM1.9 million (FPE 30 June 2018: RM0.3 million) that has just commenced business in March 2019 mainly due to pre-opening expenses and incentives given to tenants during the initial operation of the mall.

The Group's total assets had increased from RM1,678.8 million (as at 31 December 2018) to RM1,704.5 million as at 30 June 2019 primarily due to:

- (a) increase in property plant and equipment by RM17.7 million to RM142.6 million due to continuous development of DoubleTree by Hilton Hotel; and
- (b) increase in the investment properties by RM36.2 million to RM476.1 million due to continuous development of Corporate Office Tower.

**APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

Total liabilities had increased by RM8.2 million from RM703.7 million (as at 31 December 2018) to RM711.9 million (as at 30 June 2019). The increase was mainly due to during FPE 30 June 2019, I-Berhad had drawdown new bank borrowings of RM50.0 million for its property projects. The increase was mitigated by the decrease in the Group's trade and other payables by RM48.2 million primarily due to settlement of amounts owing to contractors for development works.

For FPE 30 June 2019, I-Berhad recorded cash inflows of RM15.3 million as opposed to cash outflows of RM65.1 million for FPE 30 June 2018 for its operating activities. This was mainly due to for FPE 30 June 2019, I-Berhad recorded lower cash outflows for the property development costs as the development of SOHO Phase 4 was completed by end of 2018 and RM31.5 million stakeholder sum was released. In addition to the RM15.3 million cash inflows from operating activities, I-Berhad also had cash inflows from its drawdown of its RM50 million bank borrowings under the financing activities during the FPE 30 June 2019. The aforesaid cash inflows were offset against the cash outflows for the development of its property investment and hospitality projects of RM61.5 million for FPE 30 June 2019.

**(E) HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of I-Berhad Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months from November 2018 to October 2019 are as follows:

	<b>High (RM)</b>	<b>Low (RM)</b>
<b>2018</b>		
November	0.480	0.420
December	0.420	0.360
<b>2019</b>		
January	0.445	0.375
February	0.445	0.410
March	0.445	0.410
April	0.450	0.400
May	0.425	0.385
June	0.420	0.380
July	0.395	0.350
August	0.355	0.315
September	0.340	0.280
October	0.315	0.215
		<b>RM</b>
The last transacted market price of I-Berhad Shares on 9 July 2019 ( <i>being the last market day immediately prior to the announcement of the Rights Issue</i> )		0.385
The last transacted market price of I-Berhad Shares as at the 31 October 2019 ( <i>being the last market day immediately prior to the ex-rights date</i> )		0.230
The last transacted market price of I-Berhad Shares as at the LPD		0.295

(Source: Bloomberg)

## **APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

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### **(F) OPTION TO SUBSCRIBE FOR I-BERHAD SHARES**

As at LPD, save as disclosed below and the Provisional RCCPS as well as Excess RCCPS, no option to subscribe for the Shares has been granted or is entitled to be granted to any person:-

- (a) 264 million outstanding RCULS-A of nominal value of RM132 million which were issued to Sumuracres Sdn Bhd on 27 August 2014 and will mature on 27 August 2022 (due on 26 August 2022, being the business day immediately preceding the 8th anniversary of the issue date), convertible into new I-Berhad Shares at the applicable conversion price. For information, the current and post Rights Issue conversion prices of RCULS-A are RM0.84 and RM0.71 respectively per I-Berhad Share;
- (b) 138 million outstanding RCULS-B of nominal value of RM69 million which were issued to Sumurwang Sdn Bhd on 27 August 2014 and will mature on 27 August 2022 (due on 26 August 2022, being the business day immediately preceding the 8th anniversary of the issue date), convertible into new I-Berhad Shares at the applicable conversion price. For information, the current and post Rights Issue conversion prices of RCULS-B are RM0.71 and RM0.60 respectively per I-Berhad Share;
- (c) under the long term incentive plan which was being approved in year 2014, I-Berhad may grant Shares up to 10% of the issued share capital of I-Berhad (excluding treasury shares) at any point in time during the duration of 5 years from the effective date of the long term incentive plan i.e. 4 December 2014 to any eligible employees and directors of I-Berhad and its subsidiaries which are not dormant, who fulfil the eligibility criteria. As at LPD, I-Berhad has not granted any Share under the long-term incentive plan.

### **(G) MATERIAL CONTRACTS**

The Board confirms that there are no material contracts (not being contracts entered in the ordinary course of business) which have been entered into by us or our Group during the 2 years preceding the date of this Abridged Prospectus.

### **(H) MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of our Group and the Board confirms that there is no proceedings, pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of our Group.

### **(I) CONSENTS**

- (a) The Principal Adviser, Solicitors and Share Registrar for the Rights Issue have given and have not subsequently withdrawn their written consents for the inclusion in this Abridged Prospectus of their names and all reference thereto in the form and context in which they appear in this Abridged Prospectus;
- (b) Bloomberg has given and has not subsequently withdrawn its written consent for the inclusion in this Abridged Prospectus of its name and citation of the market data of I-Berhad Shares and all reference in relation to Bloomberg, made available to its subscribers in the form and context in which it appears in this Abridged Prospectus;

## **APPENDIX I INFORMATION ON OUR COMPANY (CONT'D)**

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- (c) C H Williams Talhar & Wong Sdn Bhd ("**CBRE | WTW**") has given and has not subsequently withdrawn its written consent for the inclusion in this Abridged Prospectus of its name and citation of its Real Estate Market Outlook 2019 Malaysia and all reference in relation to CBRE | WTW, made available to its subscribers in the form and context in which it appears in this Abridged Prospectus; and
- (d) PricewaterhouseCoopers PLT as our Auditors has given and has not subsequently withdrawn its written consent for the inclusion in this Abridged Prospectus of its name, and all reference in relation to it in the form and context in which it appears in this Abridged Prospectus.

### **(J) DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at i-Gallery, Persiaran Multimedia, i-City, 40000 Shah Alam, Selangor during normal business hours from Mondays to Fridays (except public holidays) for a period of six months from the date of this Abridged Prospectus:

- (a) Constitution of I-Berhad;
- (b) the letters of consent referred to in Section (I) of this Appendix; and
- (c) the undertaking letters dated 22 August 2019 in relation to the Undertakings from Undertaking Parties as referred to in Section 2.5 of this Abridged Prospectus.

### **(K) RESPONSIBILITY STATEMENTS**

Our Directors have seen and approved all documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which, if omitted, would make any statement in this Abridged Prospectus false or misleading.

AmInvestment Bank, being our Principal Adviser for this Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.