

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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 advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has approved the listing of the shares to be issued pursuant to the Proposals (as defined herein). The approval of Bursa Securities shall not be taken to indicate that Bursa Securities recommends the Proposals or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Circular. Shareholders should rely on their own evaluation to assess the merits and risks of the Proposals.

Bursa Securities is not liable for any non-disclosure on the part of Majuperak Holdings Berhad ("**MJPerak**" or the "**Company**"), takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



MAJUPERAK HOLDINGS BERHAD

(Registration No.: 200201017726 (585389-X))
(Incorporated in Malaysia under the Companies Act 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**(A) PROPOSED DEBT SETTLEMENT; AND
(B) PROPOSED SUBSCRIPTION BY PERAK AGRO CORPORATION SDN BHD**

(COLLECTIVELY, THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Notice of the Extraordinary General Meeting ("**EGM**") will be held and conducted through live streaming and online remote voting using Lumi Remote Participation and Voting Facilities ("**RPV**") meeting platform at <https://meeting.boardroomlimited.my> as a fully virtual general meeting on Monday, 13 June 2022 at 11.00 a.m. or at any adjournment thereof. The Notice of EGM and the Form of Proxy are attached in this Circular.

A member entitled to attend, speak and vote (collectively, "participate") remotely at the EGM via the RPV facilities provided is entitled to appoint a proxy or proxies to participate on his/her behalf. The completed and signed Proxy Form must be deposited at the office of the Share Registrar of the Company situated at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment of a proxy made in electronic form, the Proxy Form must be deposited through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the procedures as set out in the Administrative Guide for the electronic lodgement of the Proxy Form. All Proxy Form submitted must be received by the Company on or before the date and time indicated below in order for it to be valid.

Last date and time for lodging the Form of Proxy for the EGM:	Saturday, 11 June 2022, at 11.00 a.m.
Date and time of the EGM:	Monday, 13 June 2022 at 11.00 a.m.
Broadcast Venue of EGM:	Online Meeting Platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657)

This Circular is dated 27 May 2022

DEFINITIONS

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

Act	:	Companies Act, 2016, as may be amended, supplemented or modified from time to time
Affected Listed Issuer	:	The classification of the Company as an affected listed issuer after triggering Paragraph 8.03A(2)(b) of the Main Market LR.
Board	:	Board of Directors of MJPerak
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Chargor or SMB	:	Syarikat Majuperak Berhad, being the chargor of the Land under the Promissory Note
Circular	:	This circular to shareholders dated 27 May 2022
COVID-19	:	Coronavirus Disease 2019
CMSA	:	Capital Markets and Services Act, 2007
Debt Settlement Agreement	:	Settlement agreement dated 16 March 2022 entered into between MJPerak and Perak Agro for the Proposed Debt Settlement
Director(s)	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the CMSA
EGM	:	Extraordinary general meeting
EPS	:	Earnings per share
ESOS Options	:	Employees' Share Option Scheme
FYE	:	Financial year ended/ending 31 December, where applicable
GFM	:	GFM Services Berhad
Interested Directors	:	Collectively, Datuk Redza Rafiq Bin Abdul Razak, Dato' Mohd Azmi Bin Othman and Nizran Bin Noordin
Interested Parties	:	Collectively, PKNP and Perak Agro Corporation Sdn Bhd
JJSB	:	Jua Juara Sdn Bhd
Land	:	A piece of agriculture land owned by SMB held under PN 338394, Lot 5871, Sungai Tinggi, Larut Matang, Perak Darul Ridzuan, measuring approximately 134.20 hectare

DEFINITIONS (cont'd)

Land Swap Agreement	: Land swap agreement dated 13 August 2021 entered into between MERSB and PKNP for the following: <ul style="list-style-type: none">(a) Disposal of the MERSB Lands by MERSB to PKNP for the disposal consideration of RM100.0 million; and(b) Acquisition of the PKNP Lands by MERSB from PKNP at the acquisition consideration of RM140.0 million
LPD	: 30 April 2022, being the latest practicable date prior to the date of this Circular
LTD	: 15 March 2022, being the date prior to the announcement of the Proposals on 16 March 2022
Main Market LR	: Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
Maturity Date	: 8 September 2022, being the maturity date of the Promissory Note
MERSB	: Majuperak Energy Resources Sdn Bhd, a wholly-owned subsidiary of MJPerak
MERSB Lands	: 4 parcels of industrial land with industrial development potential held in Mukim Sungai Raya, Kinta District, Perak Darul Ridzuan measuring approximately 779.80 acres
MJPerak or Company	: Majuperak Holdings Berhad
MJPerak Group or Group	: MJPerak and its subsidiaries, collectively
MJPerak Share(s) or Share(s)	: Ordinary share(s) in MJPerak
M&A Securities	: M&A Securities Sdn Bhd
NA	: Net assets
Perak Agro or Subscriber	: Perak Agro Corporation Sdn Bhd
PKNP	: Perbadanan Kemajuan Negeri Perak
PKNP Lands	: 3 parcels of industrial lands with industrial development potential in Mukim Hulu Kinta, Daerah Kinta measuring a total of 470.33 acres
PPPNP	: Perbadanan Pembangunan Pertanian Negeri Perak
PPPNP Subscription Agreement	: The conditional subscription agreement dated 5 October 2021 entered into between MJPerak and PPPNP for the subscription of 58,875,900 new ordinary shares in MJPerak, representing approximately 20% of the issued ordinary shares in MJPerak, at a subscription price of RM0.335 per MJPerak Share
Promissory Note	: The promissory note dated 9 March 2022 entered into between MJPerak and Perak Agro Corporation Sdn Bhd for the principal loan sum of RM9,526,713.25
Proposals	: Collectively, the Proposed Debt Settlement and Proposed Subscription by Perak Agro Corporation Sdn Bhd

DEFINITIONS (cont'd)

Proposed Settlement	Debt	: Proposed settlement of the debt owing to Perak Agro by MJPerak amounting to approximately RM9,526,713.25 to be fully satisfied via the issuance of 28,437,950 Settlement Shares at the Settlement Issue Price pursuant to the Debt Settlement Agreement
Proposed Land Swap		: Proposed land swap between MERSB and PKNP pursuant to the Land Swap Agreement
Proposed Subscription by Perak Agro		: Proposed subscription of 28,437,950 Subscription Shares by Perak Agro, representing approximately 10% of the existing issued shares of MJPerak at the Subscription Price of RM0.335 per Subscription Share pursuant to the Subscription Agreement
Record of Depositors		: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
RM and sen		: Ringgit Malaysia and sen, respectively
5D-VWAMP		: 5-day volume weighted average market price
Settlement Issue Price		: Issue price of RM0.335 per Settlement Share
Settlement Share(s)		: 28,437,950 new MJPerak Shares to be issued pursuant to the Proposed Debt Settlement
Settlement Sum		: Settlement of an amount of RM9,526,713.25 owing to Perak Agro
Stakeholder		: Messrs Raimy Fuaad Aqis
Subscription Agreement		: Conditional subscription agreement dated 16 March 2022 entered into between MJPerak and Perak Agro for the Proposed Subscription by Perak Agro
Subscription Price		: RM0.335, being the issue price of the Subscription Shares
Subscription Shares		: 28,437,950 new ordinary shares in MJPerak to be subscribed by Perak Agro

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations. Any reference in this Circular to any enactments is a reference to that enactment as for the time being amended or re-enacted. Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of the Company.

Certain figures in this Circular have been subject to rounding adjustments.

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

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY TO BE CONVENED.

<u>Key information</u>	<u>Summary</u>	<u>Reference to Circular</u>
Details of the Proposals	<p><u>Proposed Debt Settlement</u></p> <p>Proposed settlement of the Settlement Sum owing to Perak Agro of approximately RM9.53 million to be fully satisfied via the issuance of 28,437,950 Settlement Shares at the Settlement issue price of RM0.335 per Settlement Share.</p> <p><u>Proposed Subscription by Perak Agro</u></p> <p>Proposed subscription of 28,437,950 Subscription Shares by Perak Agro, representing approximately 10% of the existing issued shares of MJPerak at the Subscription Price of RM0.335 per Subscription Share.</p>	Section 2
Rationale for the Proposals	<p><u>Proposed Debt Settlement</u></p> <p>(a) to settle the indebtedness without incurring additional debt obligation / interest expenses by our Group;</p> <p>(b) to reduce its debt without incurring significant cash outflow and allow cash flows to be channeled to day to day operation needs of our Group;</p> <p>(c) to reduce our Group's debt whilst conserving our Group's cash and bank balances, which can instead be used for other purposes including the working capital for our Group's business; and</p> <p>(d) to strengthen our Company's equity base as well as NA through the capitalisation of debt into equity and improve the overall financial position of our Group immediately after the settlement of Settlement Sum.</p> <p><u>Proposed Subscription by Perak Agro</u></p> <p>(a) the Proposed Subscription by Perak Agro will provide additional capital to the MJPerak Group on an expeditious basis;</p> <p>(b) the Proposed Subscription by Perak Agro will enable our Group to raise funds mainly for the purpose set out in Section 2.2.6 of this Circular expeditiously in a more cost-effective manner as opposed to other fund-raising options as well as to reduce our Group's overall bank borrowings, which are expected to contribute positively to the future financial performance of our Group;</p> <p>(c) the Proposed Subscription by Perak Agro is expected to strengthen the shareholders and capital base of our Group as well as to reduce the gearing of our Group;</p> <p>(d) the Proposed Subscription by Perak Agro will serve as additional source of funding for our Group without incurring interest expense as compared to borrowings; and</p>	Section 3

EXECUTIVE SUMMARY (cont'd)

Key information	Summary	Reference to Circular
	(e) the Proposed Subscription by Perak Agro will improve the liquidity and financial flexibility of our Group by strengthening its financial position.	
Approvals required and inter-conditional	<p>The Proposals are subject to the approvals being obtained from the following:</p> <p>(a) Bursa Securities, for the listing of and quotation for the Settlement Shares and Subscription Shares on the Main Market of Bursa Securities;</p> <p>(b) MJPerak shareholders' approval at an EGM to be convened; and</p> <p>The Proposed Debt Settlement and Proposed Subscription by Perak Agro are inter-conditional upon each other. Save as disclosed above, the Proposals are not conditional or inter-conditional upon any other corporate exercises undertaken or to be undertaken by MJPerak.</p>	Section 6
Parties involved and the element of conflict of interests	<p>Saved as disclosed below, none of the Directors and/or persons connected with them have any interest, whether direct or indirect, in the Proposals:</p> <p>(a) PKNP and its subsidiaries as well as the common Directors of MJPerak and PKNP, as follows:</p> <p>(i) PKNP is deemed interested in the Proposals, by virtue of its relationship with PPPNP (i.e. common directorship), which is the state agricultural agency of Perak;</p> <p>(ii) Datuk Redza Rafiq Bin Abdul Razak, being the Executive Chairman of MJPerak and Chief Executive of PKNP;</p> <p>(iii) Dato' Mohd Azmi Bin Haji Othman, being the Non-Independent Non-Executive Director of MJPerak and Director of PKNP; and</p> <p>(iv) Nizran Bin Noordin (Executive Director cum Group Chief Executive Officer of MJPerak nominated by PKNP).</p> <p>(b) PPPNP and PKNP are deemed connected persons by virtue of the common directorships between PPPNP and PKNP, as follows:</p> <p>(i) YAB Dato' Seri Hj Saarani Bin Mohamad is the Chief Minister of Perak. He is also the Chairman of PPPNP and PKNP;</p> <p>(ii) YB Dato' Ahmad Suaidi Bin Abdul Rahim is Perak State Secretary. He is also the Director of PPPNP and PKNP;</p> <p>(iii) YB Dato' Azmir Shah Bin Zainal Abidin is Perak State Legal Counsel. He is also the Director of PPPNP and PKNP; and</p>	Section 7

EXECUTIVE SUMMARY (cont'd)

<u>Key information</u>	<u>Summary</u>	<u>Reference to Circular</u>
	<ul style="list-style-type: none">(iv) YBhg Dato' Hj Mohamad Fariz Bin Mohamad Hanip is the Director of Perak Land & Mines Office. He is also the Director of PPPNP and PKNP.(a) Perak Agro is a wholly-owned subsidiary of PPPNP. The Directors of Perak Agro presently hold the following positions in PPPNP, as follows:<ul style="list-style-type: none">(i) Haji Yahanis Bin Yahya is the Chief Executive Officer of PPPNP;(ii) Mohd Kahar Bin Mukktarudin is the Chief Operations Officer of PPPNP; and(iii) Asrol Azam Bin Mohd Yusof is the Chief Finance Officer of PPPNP.	
Directors' statements and recommendation	: The Board (save for the Interested Directors), after having considered all aspects of the Proposals (including, but not limited to the proposed utilisation of proceeds, rationale and the effects of the Proposals), is of the opinion that the Proposals is in the best interest of our Group and its shareholders.	Section 8

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MAJUPERAK HOLDINGS BERHAD
(Registration No.: 200201017726 (585389-X))
(Incorporated in Malaysia under the Companies Act 1965)

Registered Office:

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan

27 May 2022

Board of Directors:

Datuk Redza Rafiq Bin Abdul Razak (*Executive Chairman*)
Nizran Bin Noordin (*Executive Director cum Group CEO*)
Dato' Mohd Azmi Bin Othman (*Non-Independent Non-Executive Director*)
Lim Tian Huat (*Senior Independent Non-Executive Director*)
Ahmad Najmi Bin Kamaruzaman (*Independent Non-Executive Director*)
Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah (*Independent Non-Executive Director*)
Datuk Abu Bakar Bin Hassan (*Independent Non-Executive Director*)
Dato' Aminuddin Bin Md Hanafiah (*Independent Non-Executive Director*)
Norazali Bin Nordin (*Independent Non-Executive Director*)

To: The Shareholders of MJPerak

Dear Sir/Madam,

PROPOSALS

1. INTRODUCTION

On 5 October 2021, MJPerak entered into a PPPNP Subscription Agreement for the subscription of 58,875,900 new ordinary shares in MJPerak at a subscription price of RM0.335 per MJPerak Share. Subsequently, on 15 March 2022, M&A Securities had on behalf of the Company announced that the Company had entered into a termination agreement with PPPNP for the termination of the PPPNP Subscription Agreement. The termination agreement was entered into as the Company intends to review all its fundraising proposals, which is an interim measure to the Group for the immediate funding purposes prior to the regularisation plan of MJPerak.

On 16 March 2022, M&A Securities on behalf of the Board, had announced that the Company proposes to undertake the Proposals.

For avoidance of doubt, the Proposals are not the regularisation plan of MJPerak. The Proposals are intended to provide the Group with an interim source of funds to the Group for its immediate funding requirements, whilst the Company continues to focus on its existing resources towards formulating its regularisation plan.

On 19 May 2022, M&A Securities had on behalf of the Board announced that Bursa Securities had vide its letter dated 19 May 2022 approved-in-principle the listing of and quotation for the following:

- (a) 28,437,950 Settlement Shares to be issued pursuant to the Proposed Debt Settlement; and
- (b) 28,437,950 Subscription Shares to be issued pursuant to the Proposed Subscription by Perak Agro.

Bursa Securities' approval-in-principle is subject to the following conditions:

No.	Conditions	Status of compliance
1.	Confirmation by M&A Securities on the compliance of at least 25% of the public shareholding spread requirements pursuant to Paragraph 8.02(1) of the Main Market LR upon the listing and quotation of the Settlement Shares and Subscription Shares pursuant to the Proposed Debt Settlement and Proposed Subscription;	Complied
2.	M&A Securities must fully comply with the relevant provisions under the Main Market LR pertaining to the implementation of the Proposals;	To be complied
3.	M&A Securities to furnish Bursa Securities with the certified true copy of the resolutions passed by the shareholders at EGM approving the Proposals;	To be complied
4.	M&A Securities to inform Bursa Securities upon the completion of the Proposals;	To be complied
5.	M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
6.	To incorporate the comments as provided by Bursa Securities in the attachment in respect of the draft circular to shareholders	Complied

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

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

2. DETAILS OF THE PROPOSALS

2.1 Proposed Debt Settlement

On 9 March 2022, the Company had entered into a Promissory Note for the loan sum of RM9,526,713.25. The salient terms of the Promissory Note are as follows:

No.	Term	Details
(a)	Duration	The term for the Settlement Sum shall be for a period of 3 months with an automatic renewal of 3 months from the date of the Promissory Note and maturing on 8 September 2022 or on such further extension as may be mutually agreed upon by Perak Agro for MJPerak to settle the Settlement Sum.
(b)	Payment of Settlement Sum	<ul style="list-style-type: none">(i) MJPerak shall repay the Settlement Sum in cash or in-kind on the Maturity Date or on such extension as may be mutually agreed upon.(ii) The Settlement Sum and any other sums payable under the Promissory Note shall be payable in lawful money of the Ringgit Malaysia and Sen in which the Loan has been granted by Perak Agro to MJPerak in immediately available funds to Perak Agro in accordance with the term above.(iii) MJPerak may at any time, by giving a notice of its intention to repay at least 30 days prior to the Maturity Date prepay the whole or part of the Settlement Sum due and payable thereon in respect of the Promissory Note
(c)	Security guarantee and	<ul style="list-style-type: none">(i) MJPerak and the Chargor hereby acknowledge and agree to allow Perak Agro to create a third party charge over the Land which is owned by SMP as security for the Settlement Sum. Perak Agro shall be entitled to lodge a caveat on the said Land and also create a third party charge over the Land. MJPerak shall cause the Chargor to deposit the original issue document of title of the Land with the Stakeholder. Upon settlement of the Settlement Sum, Perak Agro shall cause the Stakeholder to discharge the charge over the Land at the cost of MJPerak and thereafter forward the original title to MJPerak.(ii) In addition to the above, MJPerak agrees, confirms and undertakes to guarantee its due performance of the terms of the Promissory Note, to indemnify and compensate Perak Agro for the Settlement Sum and all losses arising from or incidental to MJPerak and/or Chargor for the non-compliance of the terms of the Promissory Note or to assume the financial obligations to pay the Settlement Sum.

Notes:

- (1) The Chargor is a wholly-owned subsidiary of the Company.
- (2) Details of the Land are as follows:

Landowner	:	SMB
Title details	:	PN 338394, Lot 5871, Sungai Tinggi, Larut Matang, Perak Darul Ridzuan
Land area	:	134.20 hectare
Lease	:	60 years ending by 21 April 2059
Category of land use	:	Agriculture land

No.	Term	Details
		Conditions : Livestock – Ducks and freshwater fish
		Restriction-in-interest : Transfer or lease of the Land is subject to the State consent being obtained
		Reserve area : Malay reserve area
(d)	Governing Laws	The Promissory Note shall be governed by and construed in accordance with, the laws of Malaysia and the parties to the Promissory Note submit to the exclusive jurisdiction of the Courts of Malaya.

Note:

The Promissory Note was utilised in the following manner:

No.	Details	Actual proceeds raised RM'000	Actual utilisation up to the LPD RM'000	Balance for utilisation RM'000
(i)	Emoluments and salaries for the staff of MJPerak Group to support our Group's business operations	4,800	2,551	2,249
(ii)	Administrative and operating expenditures (such as general office expenses, payment of trade creditors, statutory payments and maintenance and overheads expenses for its operations in Perak)	4,727	2,861	1,866
Total		9,527	5,412	4,115

On 16 March 2022, MJPerak had entered into a Debt Settlement Agreement with Perak Agro for the settlement of the Settlement Sum via the issuance of 28,437,950 Settlement Shares at the issue price of RM0.335 per Settlement Share.

2.1.1 Information on Perak Agro

Perak Agro was incorporated in Malaysia under Companies Act, 1965 on 5 December 1979 under the name Perbadanan Perak-Fimaly Plantations Sdn Bhd. It subsequently assumed its current name on 12 August 2011. Perak Agro is a wholly-owned subsidiary of PPPNP and is principally involved in investment holding. The total issued and paid-up share capital of Perak Agro is RM253.0 million. The Directors of Perak Agro are Haji Yahanis Bin Yahya, Mohd Kahar Bin Mukhtarudin and Asrol Azam Bin Mohd Yusof.

2.1.2 Salient terms of the Debt Settlement Agreement

Kindly refer to **Appendix I** of this Circular for the salient terms and conditions of the Debt Settlement Agreement.

2.1.3 Basis and justification of determining the Settlement Issue Price

The Settlement Issue Price of RM0.335 per Settlement Share was arrived at based on the 5D-VWAMP up to and including the LTD. The Settlement Issue Price represents a premium of 6.32% of the 5D-VWAMP of RM0.3151 per Share.

The Board (save for the Interested Directors (as defined herein)) is of the opinion that the Settlement Issue Price was determined using market-based pricing principles. In addition, the Settlement Issue Price represents the following premium to the historical share prices of MJPerak Shares:

	<u>VWAMP</u>	<u>Premium</u>	
	<u>RM</u>	<u>RM</u>	<u>%</u>
Last transacted price of MJPerak Shares as at the LTD	0.3200	0.0150	4.69
5-day VWAMP of MJPerak Shares up to and including the LTD	0.3151	0.0199	6.32
1-month VWAMP of MJPerak Shares up to and including the LTD	0.3252	0.0098	3.01

2.1.4 Ranking of the Settlement Shares

The Settlement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the Settlement Shares will not be entitled to any dividends, rights, allotments and/or any other form of distributions where the entitlement date of such dividends, rights, allotments and/ or any other form of distributions precedes the relevant date of allotment and issuance of the Settlement Shares.

2.1.5 Listing of and quotation for the Settlement Shares

Bursa Securities has via its letter dated 19 May 2022 approved the listing of and quotation for the Settlement Shares on the Main Market of Bursa Securities.

2.2 Proposed Subscription by Perak Agro

As at the LPD, MJPerak has:

- (a) an issued share capital of RM188,421,342 comprising 284,421,865 MJPerak Shares; and
- (b) 10,245,800 outstanding ESOS Options.

The Proposed Subscription by Perak Agro will entail the issuance of 28,437,950 Subscription Shares, representing approximately 10% of the existing issued ordinary shares in MJPerak. In conjunction with the Proposed Subscription by Perak Agro, the Company had, on 16 March 2022, entered into a Subscription Agreement with Perak Agro for the subscription of 28,437,950 Subscription Shares at a Subscription Price of RM0.335 per MJPerak Share pursuant to the terms and conditions of the Subscription Agreement.

2.2.1 Basis of arriving at the Subscription Price

The Subscription Price of RM0.335 per Subscription Share was arrived at based on the 5D-VWAMP up to and including the LTD, being the last full trading day of the Shares prior to the execution of the Subscription Agreement. The Subscription Price represents a premium of 6.32% of the 5D-VWAMP of RM0.3151 per Share.

The Board (save for the Interested Directors) is of the opinion that the Subscription Price was determined using market-based pricing principles. In addition, the Subscription Price represents the following premium to the historical share prices of MJPerak Shares:

	VWAMP	Premium	
	RM	RM	%
Last transacted price of MJPerak Shares as at the LTD	0.3200	0.0150	4.69
5-day VWAMP of MJPerak Shares up to and including the LTD	0.3151	0.0199	6.32
1-month VWAMP of MJPerak Shares up to and including the LTD	0.3252	0.0098	3.01

2.2.2 Salient terms of the Subscription Agreement

Kindly refer to **Appendix II** of this Circular for the salient terms and conditions of the Subscription Agreement.

2.2.4 Ranking of the Subscription Shares

The Subscription Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the existing issued MJPerak Shares, save and except that the holders of the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date is prior to the date of allotment and issuance of the Subscription Shares and the Subscription Shares will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission and otherwise.

2.2.5 Listing of and quotation for the Subscription Shares

Bursa Securities has via its letter dated 19 May 2022 approved the listing of and quotation for the Subscription Shares on the Main Market of Bursa Securities.

2.2.6 Utilisation of proceeds

For illustrative purposes, the proceeds to be raised from the Proposed Subscription by Perak Agro of RM9.53 million are expected to be utilised by MJPerak Group in the following manner:

No.	Details	RM'000	#Expected timeframe for utilisation of proceeds
(a)	General working capital requirements	5,777	Within 12 months
(b)	Repayment of bank borrowings	3,500	Within 1 month
(c)	Expenses for the Proposals	250	Within 1 month
	Total	9,527	

Notes:

From the listing date of Subscription Shares on the Main Market of Bursa Securities.

(a) The Company intends to utilise RM5.8 million for its general working capital requirements, in the following manner:

No.	Details	RM'000
(i)	Emoluments and salaries for the staff of MJPerak Group to support our Group's business operations	3,277
(ii)	Administrative and operating expenditures (such as general office expenses, payment of trade creditors, statutory payments and maintenance and overheads expenses for its operations in Perak)	2,500
	Total	5,777

As disclosed in Section 2.1 of this Circular, there is an unutilised proceeds of RM4.1 million from the drawdown of the Promissory Note for the above working capital requirements.

The Board proposes to further allocate RM5.8 million of the proceeds from the Proposed Subscription by Perak Agro to fund the above working capital requirements until the completion of the Company's regularisation plan.

- (b) As at 31 December 2021, our Group's total borrowings are approximately RM11.0 million. The Company proposes to utilise RM3.5 million of the proceeds raised to repay its bank borrowings. The repayment of our Group's borrowings is expected to result in gross interest savings of approximately RM132,300 per annum, based on the average annual interest rate of 3.78%.
- (c) The estimated expenses consist of the following:

Description	RM'000
Professional fees ⁽¹⁾	195
Fees to authorities	50
Miscellaneous charges (Printing, meeting expenses and advertising)	5
	250

Note:

- (1) Comprises the professional fees of the Principal Adviser, Solicitors, Reporting Accountants, Share Registrar, and Company Secretary.

Pending the full utilisation of the proceeds raised from the Proposed Subscription by Perak Agro, the Company intends to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institutions or in short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as our Group's additional working capital requirements.

2.2.7 Public shareholdings requirements

Upon completion of the Proposals, the Company remains in compliance with the public shareholding spread requirement as set out in Paragraph 8.02(1) of the Main Market LR, which states that a listed issuer must ensure that at least 25% of its listed shares (excluding treasury shares) are in the hands of public shareholders. The resulting public shareholding spread pursuant to the completion of the Proposals are as follows:

Particulars	No. of shares ('000)	No. of shareholders	% of share capital
Enlarged issued share capital ⁽ⁱ⁾	341,298	3,704	100.00
Less: Shareholdings held by Directors of the Company ⁽ⁱⁱ⁾	400	2	0.12
Less: Substantial shareholders of the Company ⁽ⁱⁱⁱ⁾	224,905	3	65.90
Less: Shareholders holding less than 100 shares each	22	706	0.01
	115,971	2,993	33.97

Notes:

- (i) Based on the enlarged issued share capital of 341,297,765 Shares after the completion of the Proposals.

- (ii) The shareholdings of the Directors of MJPerak Group after the completion of the Proposals are as follows

	Direct		Indirect	
	No. of shares (^{'000})	%	No. of shares (^{'000})	%
Nizran Bin Noordin	400	0.14	-	-
Kamarul Bahrin Bin Baharudin	~	*	-	-

Notes:

~ Less than 1,000 shares

* Less than 0.01%

- (iii) The shareholdings of the substantial shareholders after the completion of the Proposals are as follows:

	Direct		Indirect	
	No. of shares (^{'000})	%	No. of shares (^{'000})	%
PKNP	141,682	41.51	⁽ⁱ⁾ 4,539	1.33
Gunung Resources Sdn Bhd	21,808	6.39	-	-
G Capital Berhad	-	-	⁽ⁱⁱ⁾ 21,808	6.39
Perak Agro	56,876	16.66	-	-

Notes:

(i) Deemed interest by virtue of its shareholdings in Cherry Blossom Sdn Bhd and Fast Continent Sdn Bhd pursuant to Section 8(4) of the Act.

(ii) Deemed interest by virtue of its shareholdings in Gunung Resources Sdn Bhd pursuant to Section 8(4) of the Act.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Debt Settlement

The Proposed Debt Settlement is intended to fully settle the Settlement Sum. The Board is of the view that the settlement of the Settlement Sum via the issuance of Settlement Shares to Perak Agro is the most appropriate method as it would enable our Group to:

- settle the indebtedness without incurring additional debt obligation / interest expenses by our Group;
- reduce its debt without incurring significant cash outflow and allow cash flows to be channeled to day to day operational needs of our Group;
- reduce our Group's debt whilst conserving our Group's cash and bank balances, which can instead be used for other purposes including the working capital for our Group's business; and
- strengthen the Company's equity base as well as NA through the capitalisation of debt into equity and improve the overall financial position of our Group immediately after the settlement of Settlement Sum.

3.2 Proposed Subscription by Perak Agro

After due consideration of the various funding options available, the Board is of the view that the Proposed Subscription by Perak Agro is the most appropriate avenue to raise funds for our Group whilst in the midst of formulating the proposed regularisation plan, due to the following reasons:

- (a) the Proposed Subscription by Perak Agro will provide additional capital to the MJPerak Group on an expeditious basis;
- (b) the Proposed Subscription by Perak Agro will enable our Group to raise funds mainly for the purpose set out in Section 2.2.6 of this Circular expeditiously in a more cost-effective manner as opposed to other fund-raising options as well as to reduce our Group's overall bank borrowings, which are expected to contribute positively to the future financial performance of our Group;
- (c) the Proposed Subscription by Perak Agro is expected to strengthen the shareholders and capital base of our Group as well as to reduce the gearing of our Group;
- (d) the Proposed Subscription by Perak Agro will serve as additional source of funding for our Group without incurring interest expense as compared to borrowings; and
- (e) the Proposed Subscription by Perak Agro will improve the liquidity and financial flexibility of our Group by strengthening its financial position.

Although the Proposals will have a dilutive effect on the existing shareholders' shareholdings in MJPerak, the Board is of the view that the Proposals are expected to have a positive impact to our Group's future earnings arising from the proposed utilisation as set out in Section 2.2.6 of this Circular. Consequently, when the benefits of the proceeds' usage are realised, it may enhance our Group's shareholders value as well as the financial performance of our Group moving forward. The Proposals will serve as an interim measure to our Group for the immediate funding purposes as highlighted in Section 2.2.6 above prior to the regularisation plan of MJPerak.

The Company has not taken any fund-raising exercises in the past 12 months preceding the Circular of the Proposals.

4. PROSPECTS AND OUTLOOK OF THE MJPERAK GROUP

4.1 Overview and prospects of the Malaysian Economy

Malaysia's GDP in the fourth quarter of 2021 rebounded 3.6% in tandem with sturdy growth of exports and imports in this quarter. For quarter-on-quarter seasonally adjusted GDP turned around 6.6% (Q3 2021: -3.6%). Correspondingly, the monthly economic performance has grown modestly in the fourth quarter with the growth of 2.7% in October and accelerated to 5.4% in November 2021. Nonetheless, the growth moderated to 2.6% in December 2021. Overall, Malaysia's economic performance in 2021 showed a recovery momentum with the growth of 3.1% as compared to a decline of 5.6% in 2020. From the current economic standing, the performance in 2021 is still below its pre-pandemic level in 2019. However, the economic performance for the fourth quarter of 2021 has surpassed the level of fourth quarter of 2019 by 0.01%.

Both exports and imports accelerated to 13.3% (Q3 2021: 5.1%) and 14.6% (Q3 2021: 11.7%) respectively following the higher trade of goods and services. Therefore, net exports rose by 2.6% as compared to a decrease of 37.5% in the preceding quarter driven by higher external demand.

The overall economic performance in 2021 was driven by the recovery in the manufacturing, services and mining & quarrying sectors. Meanwhile, the agriculture and construction sectors showed a decline in 2021. Overall GDP expenditure was impelled by the components of private final consumption expenditure and government final consumption expenditure. On the other hand, gross fixed capital formation and net exports were still in the negative growth. In 2021, GDP at current prices amounted to RM1.5 trillion with a gross national income per capita increased by 7.7% as compared to 2020.

(Source: Malaysia Economic Performance Q4 2021: Department of Statistics Malaysia)

In 2022, the Malaysian economy is expected to strengthen between 5.5% and 6.5%, supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic, and gradual improvement in consumer and business sentiments. The 2022 Budget will advance measures to further drive economic recovery, enhance the nation's resilience, catalyse nationwide reforms and improve public service delivery. The programmes and projects in the Budget are aligned to the priorities of Twelfth Malaysia Plan and Shared Prosperity Vision 2030 and support the nation's aspiration of becoming a prosperous, inclusive and sustainable nation.

The services sector will benefit from the pent-up demand, following increased business and consumer confidence as the nation records a high national vaccination rate. As economic and social activities are allowed to operate, the services sector is expected to expand by 7% in 2022. The growth is mainly driven by wholesale and retail trade; information and communications; finance and insurance; transportation and storage; and food & beverages and accommodation subsectors. With these encouraging developments, the tourism industry is projected to rebound strongly by 28.9% with the resurgence of tourists arrivals and domestic tourism.

Following the rapid progress of the nationwide vaccination programme, economic activities in 2022 are anticipated to return to the pre-pandemic level. All expenditure items are projected to register positive growth, albeit moderation in some items due to high-base effects and external developments. Public expenditure is projected to rebound strongly in tandem with the acceleration of large infrastructure projects. Hence, domestic demand is envisaged to further expand by 6.6%.

The growth trajectory for 2022 is based on further expansion in global and domestic economic activities, fuelled by broader vaccine coverage and a further improvement in goods trade amid a slower recovery in services trade. The domestic demand recovery is projected to continue in 2022, anchored by private consumption, following the gradual improvement in labour market conditions amid a relaxation of containment measures, improved consumer sentiments and spending from the vaccine rollout as well as targeted policy support for vulnerable households. Rapid progress in the vaccination programme is also expected to release pent-up demand, particularly for domestic travel and leisure, further supporting the recovery. Stronger external demand, especially for electrical and electronics products and major commodities, is expected to support the surge in exports, thus helping to maintain a surplus in the current account of the balance of payments.

Almost all economic sectors are projected to expand on the supply side, led by the services and manufacturing sectors, accounting for more than 80% of the economy. However, the mining sector is forecast to decline partly due to scheduled maintenance works. The normalisation of economic activities underpinned by mass vaccination is anticipated to boost wholesale and retail trade subsector and domestic tourism-related activities. The projected higher volume of manufactured products is also in line with the expected rising demand from export- and domestic-oriented industries. Positive consumer and business sentiments and expected improvement in earnings will support the recovery in the labour market, albeit at a more modest level than the pre-pandemic period. The continuation of various initiatives to stabilise the labour market and high vaccination rates are expected to provide some relief for employers in retaining their workers. Thus, the nation's GDP is forecast to expand in the range of 5.5% to 6.5% in 2022.

(Source: Economic Outlook 2022: Ministry of Finance, Malaysia)

4.2 Outlook and prospects of the property market in Malaysia

On a similar track to the country's economic growth, the property market performance recorded a significant increase in the first half of 2021 ("**H1 2021**") as compared to the same period last year (H1 2020).

In the property segment, there were several incentives initiated by the Government aiming to improve property market activities under Budget 2021:

- (a) To allocate a total of RM1.2 billion fund for providing comfortable and quality housing, especially for the low-income Group which include:
 - (i) RM500 million to build 14,000 units low-cost housing under Program Perumahan Rakyat. RM315 million for the construction of 3,000 units of Rumah Mesra Rakyat by Syarikat Perumahan Nasional Berhad;
 - (ii) RM125 million for the maintenance of low cost and medium-low stratified housing as well as assistance to repair dilapidated houses and those damaged by natural disasters; and
 - (iii) RM310 million for the Malaysia Civil Servants Housing Program (PPAM).
- (b) Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025. This exception is effective for sale and purchase executed from 1 January 2021 to 31 December 2025.
- (c) Stamp duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government (KPKT).
- (d) The Government to collaborate with selected financial institutions to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion.

The Short-term Economic Recovery Plan (PENJANA) which was introduced by the Government since mid-2020 would have helped to cushion the impact of Covid-19 pandemic on property market in the second half of 2020 and 2021. The incentives included:

- (a) Re-introduction of Home Ownership Campaign ("**HOC**") - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1 June 2020 to 31 May 2021.
- (b) RPGT exemption for disposal of residential homes from 1st June 2020 to 31 December 2021 (This exemption is limited to the disposal of three units of residential homes per individual).
- (c) The uplifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC, subject to internal risk management practices of financial institutions.

As Covid-19 cases spike in the country and nationwide lockdown was reimposed, the Government has agreed to extend the HOC, which ended on May 31 up to December 31, 2021. The Overnight Policy Rate ("OPR") was reduced to 1.75% since July 2020 remained unchanged at 1.75% until December 2021. Low OPR means low costs for borrowing or refinancing an existing home loan that could help to stimulate the property market.

On the demand-side, the amount of loan application and total loan approval for the purchase of residential property in H1 2021 increased 86.0% and 92.6% respectively but the percentage of approval against application was moderate at 35.3%. For the non-residential property, the amount of loan application and total loan approval saw similar pattern, increased by 52.6% and 58.9% respectively with an approval against application percentage of 34.4%.

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

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

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

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

The industrial sub-sector recorded 2,562 transactions worth RM6.48 billion in the first half of 2021. Compared to the same period last year, the market activity increased by 29.4% in volume and 19.8% in value. Selangor continued to dominate the market, with 35.7% (915 transactions) of the nation's volume, followed by Johor and Pulau Pinang, each with 13.2% and 9.6% market share. Terraced factory formed 32.2% of the total industrial transactions, followed by vacant plots (27.6%), and semi-detached factory (22.4%).

The industrial overhang remained minimal at 1,311 units worth RM1.97 billion, indicating a marginal decline of 5.0% and 10.0% in volume and value, respectively (2nd half of 2020 ("H2 2020"): 1,380 overhang units worth RM2.19 billion). On a similar note, the unsold under construction category declined by 15.2% with 601 units compared to H2 2020 at 709 units. The performance for unsold not constructed indicating a substantial increase of 38.9% at 100 units against H2 2020 (72 units).

Selangor and Johor led the existing stock and incoming supply with a combine market share of 50.0% and 53.8% in the related development stages while Melaka led planned supply with 29.4% share (1,813 units).

Prices of industrial property showed mixed performance but remained stable in major states. In WP Kuala Lumpur, one and a-half-storey terraced factory at Sri Edaran Light Industrial Park decreased by 13.1%. Selangor recorded a downward movement between 2.4% to 8.0% for similar type while Pulau Pinang remained stable.

(Source: Property Market Report First Half 2021, National Property Information Centre, Valuation & Property Services Department, Ministry of Finance Malaysia)

As the COVID-19 pandemic enters into an endemic phase (at the end of 2021) coupled with the achievement of over 70% of vaccination rate in Malaysia, as well as the opening up of the Malaysia's borders for tourism (expected on 1 April 2022), it is the silver lining that the property market in Malaysia has been longing for. However, the current uncertain and unstable political situation in Malaysia pose a threat to the property market as many potential investors may adopt the wait-and-see approach.

In terms of the residential segment, the conclusion of HOC in 2021 (with no signs of extension or re-implementation by the Government) together with the introduction of the new Malaysia My Second Home (MM2H) rules which increases income threshold and fixed deposits placement amount, as well as potential interest rate hike in second half of 2022, are deterring many local and foreign investors from purchasing residential properties. In the interim, many developers are placing more focus on developing landed residential properties and high-rise apartments in the affordable price range to attract first time house buyer. This shift of attention and following the trend will ultimately boost up the property market in the near future.

The office sector and industrial sector are generally heavily dependent on the performance of the economy. During 2021, many businesses have resorted to the working from home approach and thus reducing the demand for office spaces. However, as the economy starts to stabilise in mid-end 2021 and further relaxation of restrictions placed on businesses, there is hope that demand for office spaces for the office sector and industrial sector will increase in first half of 2022. In the retail sector, footfall in major shopping malls and retail area have increased, especially in mid-Oct 2021 when the interstate borders reopened. The implementation of various economic stimulus programmes by the Government will also help to encourage retail business owners to start or expand their businesses. Lastly, in view that Malaysia's borders are opening up on 1 April 2022, there will be increased demand for tourism, both international and local. Air fares are also expected to reduce as most major economies are opening their borders, which will increase the number of foreign passengers flying into Malaysia.

Overall, the property market is on the road to recovery and growth in the year of 2022 and government is expected to continue to develop effective policies and measures to drive the property market.

(Source: HB Perspective: Malaysia Property Outlook 2022, Henry Butcher)

4.3 Overview of the property development in Perak

The performance of Northern Region property market was better in H1 2021. The volume and value of transactions saw evidence of growth as compared to H1 2020. The region registered 37,771 transactions worth RM10.63 billion, increased by 18.0% and 24.7% in volume and value respectively as compared to H1 2020. Combined, these four states within the region formed 27.0% and 17.1% of the national volume and value transactions. The property market activity for all states showed upward trend in the review period, led by Pulau Pinang (36.4%), followed by Perlis (24.2%), Kedah (16.1%) and Perak (11.5%). By state, Perak recorded highest volume of transaction (15,907 transactions) which contributed 42.1% of the total transaction of northern region. However, in terms of transaction value, Pulau Pinang led the region with 41.2% (RM4.38 billion) of the total.

For Northern Region, residential property continued to be the most actively transacted subsector, representing 60.4% (22,818 transactions) of the total transaction. Main contributors of residential transactions were Perak, Pulau Pinang and Kedah. Likewise, residential sub-sector dominated the region's overall property transaction value with 61.4% share. The industrial sub-sector was the third largest sub-sector for the Northern Region, (10.5% share of the total property transaction value) after the residential sub-sector (61.4% share of the total property transaction value) and the agricultural sub-sector (12.6% share of the total property transaction value).

It is also noted that the Perak State Government had announced the RM19.5 million Perak Sejahtera Economic Stimulus Package (PRE) in June 2021 which comprises:

- (a) one-month rental exemption for the Public Housing Programme under the Perak Housing and Property Board (LPHP);
- (b) one-month moratorium on Rumah Harapan and Amanjaya People's Housing Scheme loan repayment;
- (c) one-month rental exemption for stalls under all local authorities in Perak;
- (d) hotel license renewal fee exemption for 565 hotels registered with local authorities in Perak, involving a cost of RM448,048.38;
- (e) discount of 10%-20% on quit rent arrears depending on the outstanding amount;
- (f) exemption of late payment penalty for quit rent from 1 June to 31 August 2021 for all titles; and
- (g) 20% parcel rent discount for business category.

4.4 Steps taken by our Group to improve its financial condition and prospects of the MJPerak Group

The Company envisaged its business and earning visibility to gradually recover from the slowdown caused by the global outbreak of COVID-19 and the implementation of Movement Control Order in Malaysia. The economic slowdown and market uncertainty arising from COVID-19 has led to delays in the identifying new and future property development projects. Against the backdrop of global and regional economic uncertainty, the on-going COVID-19 pandemic, lukewarm buying sentiment in the property market and unresolved property overhang, the property market has remained uncertain and challenging to many property developers. Amid the challenging operating environment, the recent unveiling of Penjana in June 2020 is expected to augur well for our Group's property development business. These proposed measures would help to stimulate the property market and provide financial relief to home buyers.

In recent years, our Group has undertaken several initiatives to improve its financial condition and reduce its dependency on its existing core business activities on the property development and management business segment. The Company had undertaken various efforts to improve its financial condition by undertaking the following steps:

(a) Identifying new business opportunities to reduce reliance on the property development industry

The management was tasked to identify alternative business ventures with potentials to provide a new stream of revenue to our Group. Our Group has undertaken several efforts in diversifying its income stream to reduce our Group's dependency on its core business in view of the cyclical nature of the property development industry in Malaysia. To this end, the Company has entered into several joint venture agreements and memorandum of understanding to diversify its future earnings, as follows:

- (i) Operating and extraction of kaolin agreement dated 31 December 2020 entered into between MERSB and Modkha Marine Sdn Bghd ("**Modkha**") for the appointment of Modkha as the operator for Kaolin Mining Operation on 34 acres of land in part of Lot 312363, Mukim Sungai Raya Daerah Kinta, Perak ("**Kaolin Land**"). This involves awarding Modkha the rights to extract and mine raw kaolin on the Kaolin Land. As at the LPD, Modkha is awaiting the approval of its extraction license for this project. Upon approval of the license, the project is expected to commence in third quarter of 2022 and targeted to complete by the fourth quarter of 2025.

- (ii) Joint venture agreement dated 6 April 2020 entered into between MERSB and United Solar Energy (Malaysia) Sdn Bhd for the purpose of collaborating to jointly venture into the solar photovoltaic generating systems project using the Net Energy Metering scheme in Perak for the benefit of Tenaga Nasional Berhad electricity consumer by securing the Supply Agreement of Renewable Energy contract in the future.

Parties involved are currently undertaking an on-going pilot project and assessment in several districts in Perak for the implementation of such scheme. Thereafter, the parties will make the necessary applications to the relevant authorities (including the Sustainable Energy Development Authority and Tenaga Nasional Berhad) for implementation of such scheme, once the suitable sites and project parameters has been finalised. As at the date of this Application, the parties have completed two of such schemes in Bazaar Ipoh and Majlis Daerah Perak Tengah. The Group targets to complete three more of such schemes in Majlis Daerah Pengkalan Hulu, Majlis Daerah Selama and Majlis Bandaraya Ipoh by the fourth quarter of 2022. Besides, the Group is undergoing several discussions and negotiations with other local district government in Perak to implement such scheme.

(b) Expanding its property development portfolio

Our Group intends to focus on developing its existing property development projects in its portfolio as part of its effort to continuously enhance its business performance, maximise shareholders' value and improve its financial position. Presently, our Group has entered into the following agreements to further shore up its property development activities, as follows:

- (i) On 31 March 2022, the Company announced that it has entered into a share sale agreement with Sloane Infinity Asia Pacific Sdn Bhd for the acquisition of the 51.0% equity interest in Nexusbase Development Sdn Bhd for total cash purchase consideration of RM12.5 million. Nexusbase Development Sdn Bhd is principally involved in the development of Nexus Residences at USJ Subang West with estimated Gross Development Value of RM121.68 million, comprising of 156 units of a 23-storey apartment. The project is expected to commence in third quarter of 2022 and target to be completed by third quarter of 2025.
- (ii) On 30 March 2022, the Company announced that it has entered into a term sheet agreement with Cheong Mee Yoke, Teoh Oo Seng and Tan Keng Heng for the proposed acquisition of 49% equity interest in Allied Group Property Services Sdn Bhd and Allied Group Property Services (Penang) Sdn Bhd (collectively, referred as the "**Target Companies**") for total cash purchase consideration of RM9.8 million. The Target Companies are principally involved in the property and facilities management business, providing management services for high rise buildings, condominiums and offices. The parties are expected to enter into a definitive agreement by second quarter of 2022.
- (iii) Joint development and shareholders agreement dated 21 September 2020 entered into between Tenaga Danawa Sdn Bhd, a wholly-owned subsidiary of MJPerak via Majuperak Development Berhad, and Taraf Nusantara Sdn Bhd for the purpose of collaborating with each other, via a special purpose company which is Lagenda Tapah Sdn Bhd, to jointly develop several parcels of lands measuring 229.73 acres located at Mukim Batang Padang, Daerah Batang Padang, Perak into a mixed development project comprising single storey terrace houses, double storey shop houses, petrol station, hypermarket and offices for Government agencies. On 6 April 2022, the parties have entered into a supplemental agreement that has modified certain terms, conditions and provisions of the original joint development and shareholders agreement.

The parties are in the midst of finalising the relevant development details of the said mixed development project and will make the relevant applications including the planning order, which are expected to be submitted to the relevant regulatory authorities by second quarter of 2022. Upon obtaining the relevant approvals, the project is expected to commence by third quarter of 2022 and target to be completed by third quarter of 2026.

- (iv) Memorandum of understanding dated 10 August 2020 entered into between Majuperak Bina Sdn Bhd, a wholly-owned subsidiary of MJPerak, and Gunung Capital Berhad to collaborate with each other to pursue potential business opportunities inter alia in developing affordable homes and infrastructure related projects in Perak. Currently, there is no substantial development for this Memorandum of understanding.
- (v) On 13 August 2021, the Company had announced that it intends to undertake the Proposed Land Swaps between MERSB and PKNP pursuant to the Land Swap Agreement entered into between MERSB and PKNP dated 13 August 2021.

The Proposed Land Swaps was approved by its non-interested shareholders on 14 October 2021 and the disposal of the MERSB Lands was completed on 22 December 2021. MERSB and PKNP had, via a letter dated 11 February 2022, mutually agreed to further extend the conditional period (as defined in land swap agreement) to 13 May 2022 to fulfill all the conditions precedents in the land swap agreement for the acquisition of the PKNP Lands. The proposed acquisition of the PKNP Lands via the Proposed Land Swap offers a new source of revenue via future development projects. As our Group is currently only involved in residential and commercial development, the Proposed Land Swap will allow our Group to venture into industrial development.

In line with the Group's focus to improve its financial performance, the disposal of MERSB Lands will support the Group's efforts to obtain PKNP Lands which are situated within the District of Kinta and are within the Silver Valley flagship project known as the Silver Valley Technology Park @ Silver Valley, located at Mukim of Hulu Kinta, Perak ("**SVTP**") by the Perak State Government which is a conceptual industrial corridor that focuses on manufacturing and investment sectors. The main objective of the SVTP is to establish the whole State of Perak as an inclusive and sustainable industrial corridor to ensure fair and balanced development. The PKNP Lands are located in phase 2 of the SVTP project. SVTP will serve as a platform to facilitate the development of emerging applied technologies from concept to production particularly in priority sectors such as medical devices, electrical and electronics, unmanned aircraft system, smart agriculture technologies and the digital economy.

Supported by the increasing trend in industrial development sector in Perak, the PKNP Lands and SVTP provide an opportunity for our Group to diversify its product mix and generate additional revenue and profits via industrial development. Further, due to the fact that the PKNP Lands will be the second phase of the overall SVTP, the development process for the PKNP Lands will be shortened as there will be ready infrastructural connectivity from phase 1 of SVTP.

- (vi) On 10 January 2022, the Company via its subsidiary JJSB has entered into a Heads of Agreement with GFM relating to the proposed joint venture between JJSB and GFM to develop a land located at Lot 16287, PN 311206, Mukim Hulu Bernam Timur, District of Muallim, Perak Darul Ridzuan into a Rest and Service Area to be connected to the PLUS North-South Highway. The parties are expected to enter into a definitive agreement for the proposed joint venture by the third quarter of 2022, whereupon the development of the said Rest and Service Area will commence thereafter.

Based on the above considerations, our Group will continue to explore new opportunities and review its capital and business structure to gear itself towards the exit of being an Affected Listed Issuer. At this juncture, our Group are still evaluating its options and in the midst of formulating a proposed regularisation plan to regularise the Company's Affected Listed Issuer status.

Moving forward, our Group may further expand its property development and management business segment with the acquisition of landbank and/or joint venture with landowners to undertake further property development activities. Our Group is also actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. To this end, our Group will aim to work with various property developers and project owners in Malaysia to secure additional property development projects. Our Group will also continuously monitor the latest developments in the property market in Malaysia and aims to time the launches of its future property development and management projects to capitalise on the upcycle of the property market as and when appropriate.

(c) Reducing overall borrowing levels

Our Group is endeavouring to reduce its borrowings and finance cost. The Company proposes to allocate RM3.5 million from the proceeds to be raised from the Proposed Subscription by Perak Agro for the repayment of its bank borrowings, which is expected to subsequently resulting in a reduction in our Group's overall gearing levels.

4.5 Impact of the Proposals and value creation to our Group and its securities holders

The Board is of the view that the Proposed Debt Settlement will enable our Group to settle the Settlement Sum without incurring additional debt obligation or interest expenses by our Group, thereby strengthening the Company's equity base as well as net assets through the capitalisation of debt into equity and improve the overall financial position of our Group immediately after the settlement of Settlement Sum. In addition, the Proposed Debt Settlement will allow our Group to preserve its cash and bank balances, which can instead be used for other purposes including the financing of the general working capital requirements for our Group's business.

The Board is of the view that the Proposed Subscription by Perak Agro will allow our Group to raise funds for the purposes as detailed in Section 2.2.6 of this Circular in an expeditious manner without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving our Group's cash flows. In addition, the Proposed Subscription by Perak Agro is expected to have a positive impact on the future earnings of our Group and shall enable our Group to generate cash flow in the future.

Furthermore, the Proposed Subscription by Perak Agro will enable our Group to tap into the equity market to raise funds without incurring additional interest cost associated with bank borrowings, thereby, minimising any potential cash outflow in respect of interest servicing costs and preserving our Group's cash flow and directly enhancing shareholders' value.

Notwithstanding the above, the increase in the number of issued Shares pursuant to the Proposals would result the shareholdings of the Company's existing shareholders to be diluted. It may also dilute the LPS of our Group if the earnings of our Group do not increase in tandem with the increase in the number of MJPerak Shares issued pursuant to the Proposed Subscription by Perak Agro. Further details on the effects of the Proposed Subscription by Perak Agro on the NA and gearing as well as the losses and LPS of our Group are set out in Section 5 of this Circular.

4.6 The adequacy of the Proposals in addressing our Group's financial requirements

The Company had on 13 April 2020 announced that it is an Affected Listed Issuer under Paragraph 8.03A(2b) of the Main Market LR, wherein the Company has an insignificant business or operations based on the unaudited financial statements for the financial year ended 31 December 2019, whereby the Company had recorded a yearly revenue of RM6.28 million on a consolidated basis, represented less than 5% of its share capital of RM179.59 million.

On 25 January 2021, the Company announced that has appointed M&A Securities as its Principal Adviser for its regularisation plan. In this respect, the Company and M&A Securities are presently evaluating and formulating a proposed regularisation plan to regularise its financial condition and turnaround our Group's financial position to a stronger position. Based on the above considerations, the Proposals will enable our Group to achieve the following objectives:

- (a) an interim measure to meet Group's immediate funding needs for working capital requirements and repayment of existing bank borrowings. This in turn will provide an additional income stream and future cash flows for our Group, thus enabling our Group to turnaround its overall financial position and further strengthening the capital base of the Company;
- (b) the Proposals are expected to improve the financial position of the Company, as illustrated in Section 5 of this Circular; and
- (c) the Proposals allow our Group to have the financial flexibility to formulate and implement its operational strategies which are important towards the formulation of its regularisation plan to regularise its financial condition as an Affected Listed Issuer under the Main Market LR.

On 1 April 2022, on behalf of the Company, M&A Securities had submitted an application to Bursa Securities for an extension of time of twelve (12) months i.e. up to 11 April 2023 to submit its regularisation plan to the relevant regulatory authorities. On 26 April 2022, Bursa Securities had decided to grant the Company an extension of time up to 11 October 2022 to submit its regularisation plan to the relevant regulatory authorities.

4.7 Historical financial results of the MJPerak Group

The summary of the consolidated financial performances of the MJPerak Group for the past 3 FYEs 31 December 2019, 31 December 2020 and 31 December 2021 together with the commentaries on past performances are as follows:

	Audited		
	FYE 31 December 2019 (Restated) RM'000	FYE 31 December 2020 RM'000	FYE 31 December 2021 RM'000
Revenue	8,451	34,366	29,670
Gross profit	5,044	8,415	10,453
Profit/(Loss) after tax	(7,341)	32,642	12,711
No. of shares in issue ('000)	257,052	283,243	284,422
Gross profit/(loss) margin (%)	59.69	24.49	35.23
Net profit/(loss) margin (%)	(86.87)	94.98	42.84
Net EPS/(LPS) (sen)	(2.86)	11.52	4.47
NA	158,021	199,999	213,494
NA per share (RM)	0.61	0.71	0.75
Total borrowings	12,262	12,125	11,043
Gearing (times)	0.08	0.06	0.05

FYE 31 December 2021 vs FYE 31 December 2020

The Group registered lower revenue of RM29.67 million in the FYE 31 December 2021 as compared to RM34.37 million recorded in the FYE 31 December 2020. The overall decrease of approximately RM4.70 million or 13.67% in revenue was mainly due to the ongoing COVID-19 pandemic, which has caused many delays in negotiations for the sale of land as well as fear and uncertainty in the property development market. In FYE 31 December 2021, revenue mainly comprises the sale of 112.4 acres of land to Silverland Capital Sdn Bhd amounting to RM7.80 million and the sales of 53.76 acres of land to Keris Properties Holdings Sdn Bhd ("**Keris Properties**") amounting to RM4.80 million, which is lower as compared to the amount recorded in FYE 31 December 2020 of RM22.51 million.

Nevertheless, the Group's overall gross profit ("**GP**") has increased by RM2.04 million from RM8.42 million in the FYE 31 December 2020 to RM10.45 million in the FYE 31 December 2021. The increase in GP margins from 24.49% in the FYE 31 December 2020 to 35.23% in the FYE 31 December 2021 was mainly due to the higher margin generated from the sale of land to Silverland Capital Sdn Bhd.

The Group registered a lower profit after tax ("**PAT**") of RM12.71 million in the FYE 31 December 2021 as compared to a PAT of RM32.64 million in the FYE 31 December 2020, representing a decrease of RM19.93 million or 61.37%, due to:

- (a) Lower fair value gain on investment properties recognised in FYE 31 December 2021 of RM5.10 million as compared to RM51.93 million recognised in FYE 31 December 2020.
- (b) Impairment loss on related parties amounting to RM9.86 million, consisting of impairment loss on:
 - (i) Advances from MJPerak of RM1.30 million to Majuperak Go Green Sdn Bhd ("**MGG**");
 - (ii) Advances from Majuperak Bio Resources Sdn Bhd of RM2.05 million to MGG; and
 - (iii) Amount owing from Perak Corporation Berhad ("**PCB**") and PCB Development Sdn Bhd (a wholly-owned subsidiary of PCB) of RM0.85 million and RM5.65 million respectively.
- (c) However, it was offset by the gain on disposal of the MERSB Lands of RM33.47 million (as a result of the land swap agreement with PKNP which has executed and completed on 22 December 2021).

FYE December 2020 vs FYE December 2019

The Group achieved a significantly higher revenue of RM34.37 million in the FYE 31 December 2020 as compared to RM8.45 million in the FYE 31 December 2019. The increase of RM25.92 million or 306.75% in revenue was mainly due to the increase in revenue generated from the property development segment. During FYE 31 December 2020, the Group has completed the sale of 76.40 acres of land in Mukim Sg Terap to Keris Properties Holdings Sdn Bhd ("**Keris Properties**"), amounting to RM22.51 million.

The Group's overall GP increased by RM3.37 million from RM5.04 million in the FYE 31 December 2019 to RM8.42 million in the FYE 31 December 2020. However, the Group's GP margins has decreased from 56.69% in the FYE 31 December 2019 to 24.49% in the FYE 31 December 2020, which was mainly due to the higher cost of goods sold in the property development segment. The sale of the land to Keris Properties has a lower margin yielded a lower margin due to various late payment charges and quit rent expenses incurred for the transfer of the land title.

The Group registered a PAT of RM32.64 million in the FYE 31 December 2020 as compared to a loss after tax ("**LAT**") of RM7.34 million in the FYE 31 December 2019, representing an increase of RM39.98 million or 544.65%, due to:

- (i) Significant gain in fair value of investment properties amounting to RM51.93 million as a result of the change in accounting policy for valuation of the Company's investment properties in FYE 31 December 2020.
- (ii) However, it was offset by higher administrative expenses, which were due to increase in advisory fees and legal costs incurred in relation to the consultation for the advisory and preparation of the regularisation plan corporate exercise.

5. FINANCIAL EFFECTS OF THE PROPOSALS

5.1 Share capital

The pro forma effects of the Proposals on the issued share capital of MJPerak are as follows:

Details	No. of MJPerak Shares	RM
Issued share capital as at the LPD	284,421,865	188,421,342
Settlement Shares to be issued pursuant to the Proposed Debt Settlement	28,437,950	⁽ⁱ⁾ 9,526,713
Subscription Shares to be issued pursuant to the Proposed Subscription by Perak Agro ⁽ⁱ⁾	28,437,950	⁽ⁱⁱ⁾ 9,526,713
Enlarged issued share capital	341,297,765	207,474,768

Notes:

- (i) Computed based on the issue price of RM0.335 per Settlement Share.
- (ii) Computed based on the issue price of RM0.335 per Subscription Share.

5.2 Earnings and EPS

The Proposals are not expected to have any material effect on the consolidated earnings of MJPerak except for the corresponding dilution in the consolidated EPS of MJPerak as a result of the increase in the number of MJPerak Shares pursuant to the Proposals. Nevertheless, the utilisation of proceeds from the Proposed Subscription by Perak Agro is expected to contribute positively to the future earnings of the MJPerak Group due to the availability of additional funds for the MJPerak Group. The Proposals are intended to provide the Group with an interim source of funds to the Group for its immediate funding requirements, whilst the Group continue to preserve and focus its existing and future funds for the following purposes:

- (a) undertake the exploration of new business opportunities or joint ventures in the property development and facilities management industries with favourable outlook for its regularisation plan as a way of delivering sustainable value to its shareholders;
- (b) exploration of new potential business opportunities or venture which will further supplement its business activities in the property development and facilities management sectors. The Company shall make the requisite announcement and/or seek the shareholders' approval, if required by the Main Market LR, as and when the new business opportunities or venture are confirmed/ identified; and

- (c) the settlement of the Settlement Sum and bank borrowings will enable the Group to further pare down its gearing levels, which in turn will strengthen the Group's financial health and consequently enable the Group an additional competitive edge over its competitors in securing new contracts under the current challenging market conditions as its customers places strong emphasis on the property developer's financial strength and gearing levels to undertake property development and management projects.

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5.3 NA and gearing

The pro forma effects of the Proposals on the NA and gearing position of MJPerak based on the latest audited consolidated financial statements of MJPerak as at 31 December 2021 are as follows:

	(I)		(II)	
	Audited as at 31 December 2021	After the Proposed Land Swaps and drawdown of Promissory Note	After Proposed Debt Settlement	After (I) and Proposed Subscription by Perak Agro
	RM'000	RM'000	RM'000	RM'000
Share capital	188,421	188,421	(iii)197,948	(v)207,475
Investment revaluation reserves	748	748	748	748
Employee share option reserves	1,228	1,228	1,228	1,228
Accumulated profits	23,097	(i)55,937	55,937	(vi)55,687
Equity attributable to owners' of the Company	213,494	246,334	255,861	265,138
Non-controlling interests	-	-	-	-
Total equity	213,494	246,334	255,861	265,138
Number of ordinary shares in issue ('000)	284,422	284,422	312,860	341,298
NA per ordinary share (RM) ^(viii)	0.75	0.87	0.82	0.78
Borrowings	11,043	(ii)20,570	(iv)11,043	(vii)7,543
Gearing (times) ^(ix)	0.05	0.08	0.04	0.03

Notes:

- (i) After taking into account the net gain from disposal of the MERSB Lands (excluding the 21.065 acres of land located in the MERSB Lands used for the operation of a solar farm) of RM33.47 million and the estimated expenses of RM0.63 million in relation to the Proposed Land Swaps.
- (ii) After taking into account the drawdown of the Promissory Note amounting to RM9.53 million on 9 March 2022.
- (iii) Computed based on the issue price of RM0.335 per Settlement Share.
- (iv) After completion of the Proposed Debt Settlement.
- (v) Computed based on the issue price of RM0.335 per Subscription Shares.
- (vi) After deducting estimated expenses of RM250,000 for the Proposals.
- (vii) After adjusting for RM3.5 million of the proceeds to be raised from the Proposals for the partial repayment of our Group's bank borrowings.
- (viii) Computed by taking the total NA of the Company divided by the number of Shares in issuance.
- (ix) Computed by taking the total borrowings over the total equity of the Company.

5.4 Convertible securities

As at the LPD, save for the 10,245,800 outstanding ESOS Options, the Company does not have any convertible securities in issue. The Proposed Subscription will not give rise to any adjustment to the outstanding ESOS Options pursuant to the provisions of the by-laws governing the Company's ESOS Options.

5.5 Dividend

The Proposals are not expected to affect the dividend policy of the Company (if any) as future dividend payable by the Company would be dependent on *inter-alia*, the future profitability and cashflow position of the enlarged MJPerak Group.

5.6 Shareholdings of substantial shareholders

The pro forma effects of the Proposals (save for the Proposed Diversification) on the substantial shareholders' shareholdings of MJPerak are as follows:

	(I)			(II)					
	As at the LPD			After the Proposed Debt Settlement			After (I) and the Proposed Subscription by Perak Agro		
	<---Direct --->	No. of Shares ('000)	(i)%	<---Direct --->	No. of Shares ('000)	(iv)%	<---Direct --->	No. of Shares ('000)	(v)%
PKNP	141,682	49.81	1.60	141,682	45.29	1.45	141,682	41.51	1.33
KUB Malaysia Berhad	14,429	5.07	-	14,429	4.61	-	14,429	4.23	-
Gunung Resources Sdn Bhd	21,808	7.67	-	21,808	6.97	-	21,808	6.39	-
G Capital Berhad	-	-	7.67	-	-	6.97	-	-	6.39
Perak Agro ^(vi)	-	-	-	28,438	9.09	-	56,876	16.66	-

Notes:

- (i) Based on the issued share capital of 284,421,865 MJPerak Shares as at the LPD.
- (ii) Deemed interest by virtue of its shareholdings in Cherry Blossom Sdn Bhd and Fast Continent Sdn Bhd pursuant to Section 8(4) of the Act.
- (iii) Deemed interest by virtue of its shareholdings in Gunung Resources Sdn Bhd pursuant to Section 8(4) of the Act.
- (iv) Based on the enlarged issued share capital of 312,859,815 Shares after the Proposed Debt Settlement.
- (v) Based on the enlarged issued share capital of 341,297,765 Shares after the Proposed Subscription by Perak Agro.
- (vi) Perak Agro is a wholly owned subsidiary of PPPNP, which has common directorships with PKNP. For more information, please refer to Section 7 of this Circular.

6. APPROVALS REQUIRED

The Proposals are subjected to the following:

- (a) Bursa Securities for the listing of and quotation for the Settlement Shares and Subscription Shares of which was obtained on 19 May 2022;
- (b) MJPerak shareholders' approval at the forthcoming EGM to be convened; and

The Proposed Debt Settlement and Proposed Subscription by Perak Agro are inter-conditional upon each other. Save as disclosed above, the Proposals are not conditional or inter-conditional upon any other corporate exercises undertaken or to be undertaken by MJPerak.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

Saved as disclosed below, none of the Directors, major shareholders, chief executive of MJPerak and/or persons connected with them have any interest, whether direct or indirect, in the Proposals:

- (a) PKNP and its subsidiaries as well as the common Directors of MJPerak and PKNP, as follows:
 - (i) PKNP is deemed interested in the Proposals, by virtue of its relationship with PPPNP (i.e. common directorship), which is the state agricultural agency of Perak;
 - (ii) Datuk Redza Rafiq Bin Abdul Razak, being the Executive Chairman of MJPerak and Chief Executive of PKNP;
 - (iii) Dato' Mohd Azmi Bin Haji Othman, being the Non-Independent Non-Executive Director of MJPerak and Director of PKNP; and
 - (iv) Nizran Bin Noordin (Executive Director cum Group Chief Executive Officer of MJPerak appointed by PKNP).
- (b) PPPNP and PKNP are deemed connected persons by virtue of the common directorships between PPPNP and PKNP, as follows:
 - (i) YAB Dato' Seri Hj Saarani Bin Mohamad is the Chief Minister of Perak. He is also the Chairman of PPPNP and PKNP;
 - (ii) YB Dato' Ahmad Suaidi Bin Abdul Rahim is Perak State Secretary. He is also the Director of PPPNP and PKNP;
 - (iii) YB Dato' Azmir Shah Bin Zainal Abidin is Perak State Legal Counsel. He is also the Director of PPPNP and PKNP; and
 - (iv) YBhg Dato' Hj Mohamad Fariz Bin Mohamad Hanip is the Director of Perak Land & Mines Office. He is also the Director of PPPNP and PKNP.
- (c) Perak Agro is a wholly-owned subsidiary of PPPNP. The Directors of Perak Agro presently hold the following positions in PPPNP:
 - (i) Haji Yahanis Bin Yahya is the Chief Executive Officer of PPPNP;
 - (ii) Mohd Kahar Bin Mukhtarudin is the Chief Operations Officer of PPPNP; and
 - (iii) Asrol Azam Bin Mohd Yusof is the Chief Finance Officer of PPPNP.

The details of the Interested Parties and Interested Directors as well as their respective shareholdings in MJPerak as at the LPD are as follows:

	Direct		Indirect	
	No. of shares (^{'000})	%	No. of shares (^{'000})	%
PKNP	141,682	49.81	⁽ⁱ⁾ 4,539	1.60
Datuk Redza Rafiq Bin Abdul Razak	-	-	-	-
Dato' Mohd Azmi Bin Othman	-	-	-	-
Nizran Bin Noordin	400	0.14	-	-
Perak Agro	-	-	-	-

Notes:

- (i) Deemed interest by virtue of its shareholdings in Cherry Blossom Sdn Bhd and Fast Continent Sdn Bhd pursuant to Section 8(4) of the Act.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in relation to the Proposals. The Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to the Proposals at the EGM to be convened.

Further, the Interested Parties will also ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolutions pertaining to the Proposals at the EGM to be convened.

8. DIRECTORS' STATEMENTS AND RECOMMENDATION

The Board (save for the Interested Directors), after having considered all aspects of the Proposals (including, but not limited to the proposed utilisation of proceeds, rationale and the effects of the Proposals), is of the opinion that the Proposals is in the best interest of our Group and its shareholders.

9. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, having considered all aspects of the Proposals, including the salient terms of the Debt Settlement Agreement and Subscription Agreement, the basis and justification for the Settlement Issue Price and Subscription Price, the rationale for the Proposals as well as the effects of the Proposals, is of the opinion that the Proposals are:

- (a) in the best interest of the Company;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interests of the minority shareholders.

10. PRINCIPAL ADVISER

M&A Securities has been appointed as the Principal Adviser for the Proposals.

11. TRANSACTIONS WITH THE SAME RELATED PARTIES IN THE PAST 12 MONTHS

Save for the Settlement Sum provided by Perak Agro, the Proposed Land Swaps and as disclosed below, there are no other material related party transactions between our Group with the Interested Major Shareholders and Interested Directors pursuant to Paragraph 10.12(1) of the Main Market LR within the last 12 months preceding the date of this Circular:

No.	Details of transactions	RM'000
(a)	Provision of assets and facilities management services by Majuperak Urus Sdn Bhd to PKNP	253

12. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the Proposals (which is the subject matter of this Circular), the Board confirms that there is no other outstanding corporate proposal which has been announced but not yet completed as at the date of this Circular.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be implemented by the second quarter of 2022. The tentative timetable in relation to the implementation/completion of the Proposals is as follows:

Tentative date	Events
13 June 2022	<ul style="list-style-type: none">• EGM held for the Proposals
End June 2022	<ul style="list-style-type: none">• Completion of the Proposals• Listing of and quotation for the Settlement Shares and Subscription Shares on the Main Market of Bursa Securities

14. EGM

The forthcoming EGM, a notice of which is enclosed in this Circular, will be held and conducted through live streaming and online remote voting using Lumi Remote Participation and Voting Facilities ("RPV") meeting platform at <https://meeting.boardroomlimited.my> on Monday, 13 June 2022 11.00 a.m or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the ordinary resolutions to give effect to the Proposals.

If you are unable to attend and vote at the EGM, you may complete the Form of Proxy and deposit it at the office of the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending, participating and voting at the EGM should you subsequently wish to do so and in such event, your Form of Proxy shall be deemed to have been revoked.

15. FURTHER INFORMATION

Please refer to the **Appendix III** set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
MAJUPERAK HOLDINGS BERHAD

LIM TIAN HUAT
Senior Independent Non-Executive Director

APPENDIX I – SALIENT TERMS OF THE DEBT SETTLEMENT AGREEMENT

(a) Inter-conditional

Concurrently with the Proposed Debt Settlement, the Company is also undertaking the Proposed Subscription by Perak Agro. The completion of the Proposed Debt Settlement pursuant to the Debt Settlement Agreement shall be inter-conditional to the Proposed Subscription by Perak Agro and shall take place simultaneously or otherwise on or around the same date as the completion of Proposed Subscription by Perak Agro.

(b) Conditions Precedent

Perak Agro ("**Lender**") hereby acknowledge and agree that the Debt Settlement Agreement shall be conditional upon MJPerak shall have procured the approval from Bursa Securities, and its shareholders' approval for the Proposed Debt Settlement and the Proposed Subscription by Perak Agro being obtained and/or fulfilled, as the case may be, within the 6 months from the date of the Debt Settlement Agreement ("**CP Period**").

In the event that the CP above are not fulfilled within the CP Period, then MJPerak shall settle the Settlement Sum by way of cash or in kind within three (3) months with an automatic renewal of three (3) months from the date of the Debt Settlement Agreement or such extended period as the Parties may mutually agree in writing ("**Settlement Period**"), failing which the Lender shall entitle to exercise its rights under the Promissory Note.

(c) Settlement of Debt**(i) Manner of Repayment of Debt**

Subject to the terms and conditions of the Debt Settlement Agreement, MJPerak unconditionally and irrevocably agrees to settle the Settlement Sum within the Settlement Period.

The Settlement Sum shall be deemed fully paid and settled by MJPerak to the Lender upon the Settlement Shares being issued and allotted to the Lender.

(ii) Settlement

For the purpose of the Debt Settlement Agreement, the settlement of the Settlement Sum shall be on the date of actual receipt by the Lender of the Settlement Sum in full in accordance with the terms herein, whereupon MJPerak and the Lender shall cease to be liable to each other for all further claim of damages, losses and/or liabilities save and except for any antecedent breaches. For the avoidance of doubt, any payment under this Agreement shall be utilized towards payment of Settlement Sum.

(iii) Early Settlement

Without prejudice to any clauses in the Debt Settlement Agreement, MJPerak may settle the Settlement Sum (or any portion remaining outstanding) partially or in full at anytime prior to the Settlement Period provided a written notice had been served on the Lender.

(iv) Mode of Settlement

The Parties agree that the settlement of the Settlement Sum shall be by way of Settlement Shares to the Lender shall be deemed as repayment towards the Settlement Sum. Upon Settlement Shares allotted to the Lender, the parties shall cease to be liable to each other for all further claims, damages, losses and/or liabilities for the Settlement Sum .

APPENDIX I – SALIENT TERMS OF THE DEBT SETTLEMENT AGREEMENT (CONT'D)

(d) Agreement to subscribe**(i) Subscription of MJPerak's Shares**

MJPerak shall repay the Settlement Sum within Settlement Period and undertakes to do all necessary acts to effect the allotment and issuance of the Settlement Shares at the Settlement Issue Price to the Lender or its nominee free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto subject to the terms and conditions set out in the Debt Settlement Agreement.

(e) Representation and warranties**(i) MJPerak's representations and warranties**

MJPerak represents and warrants to Perak Agro and undertakes that:

- MJPerak has full power, authority and capacity, and has taken all actions required, including but not limited to, the obtaining of all necessary governmental or regulatory approvals in any applicable jurisdiction and consents from third parties, in order to enter into and perform its obligations under the Debt Settlement Agreement and the transactions contemplated herein;
- the Debt Settlement Agreement does not and will not conflict with or result in any breach or constitute a default under any agreement instrument or obligation to which MJPerak is a party or by which it is bound;
- there is no lawsuit or investigation by any government agency or other regulatory authority is pending or to be instituted or threatened against MJPerak; and
- there are no bankruptcy proceedings pending or threatened against MJPerak and has not commenced any action for voluntary bankruptcy.

(ii) Indemnity

MJPerak hereby undertakes, covenants and agrees that it shall keep the Lender fully and effectively indemnified, up until the date for the subscription of the relevant Settlement Shares, against any loss, cost and expense which the Lender may directly or indirectly suffer as a result of any misrepresentation contained herein or any breach of any of the warranties, covenants and obligations set out herein.

(iii) Rights of the Lender

In the event MJPerak breaches any of its warranties, covenants or obligations set out in this Agreement, the Lender may at his discretion and without the consent of MJPerak take such steps as necessary to enforce its rights under the Debt Settlement Agreement, including declaring all Settlement Sum and sums contemplated under this Agreement become immediately due and payable.

(f) Law and jurisdiction

The Debt Settlement Agreement shall be governed by, and construed in accordance with, the laws of Malaysia and the Parties irrevocably submit to the non-exclusive jurisdiction of the Courts of Malaysia.

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

(a) Inter-conditionality

Concurrently with the Proposed Subscription by Perak Agro, the Company and the Subscriber had to enter into the Settlement Agreement and all indebtedness incurred by the Company towards the Subscriber ("**Proposed Debt Settlement**"). The completion of the Proposed Subscription by Perak Agro pursuant to the Subscription Agreement shall be inter-conditional to the Proposed Debt Settlement and shall take place simultaneously or otherwise on or around the same date as the completion of Proposed Debt Settlement ("**Completion Date**").

(b) Conditions Precedent

The Subscription Agreement shall be conditional upon the following being obtained and/or fulfilled as the case may be, within the 6 months from the date of this Agreement or such extended period as the Parties may mutually agree in writing ("**Conditional Period**"):

- (i) the company shall have procured the approval from Bursa Securities, and its shareholders' approval for the issue, allotment to and subscription of the Subscription Shares by the Subscriber; and
- (ii) the company and the Subscriber shall proceed to make applications, sign all documents, hold all meetings, submit applications to procure the approvals as soon as possible.

(collectively, the "**Conditions Precedent for the Subscription Agreement**")

(c) Subscription of shares by the Subscriber in cash:

On the date of shareholders' approval obtained by the Company, M&A Securities Sdn Bhd ("**Placement Agent**") will issue letter of offer and the same to be executed by the Subscriber. Thereafter, the Subscriber shall return the executed letter of offer to the Placement Agent and shall then remit its Subscription Consideration for the subscription of the Subscription Shares in the Company in cash, on or before the expiry of five (5) market days ("**the Closing Date**") from the date of shareholders' approval obtained by the Company; provided also that:

- (i) approval from Bursa Securities and the Company's shareholders' approval for the issue, allotment to, and subscription of the Subscription Shares by the Subscriber had been fully obtained;
- (ii) fulfilled the additional conditions imposed by Bursa Securities (if any);
- (iii) there is no material adverse condition (financial, business, legal or otherwise) in the Company;
- (iv) the Company is of going concern;
- (v) there is no winding up proceeding of any material litigation against the Company;
- (vi) the Company has procured all other relevant approvals for the issue and allotment of the Shares to the Subscriber
- (vii) the Company is not in breach of any representations, warranties, obligations and covenants herein.

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)

(d) Non-Fulfillment of Conditions Precedent for the Subscription Agreement

In the event that the Conditions Precedent for the Subscription Agreement are not fulfilled within the CP Period, then the obligations of the Subscriber to subscribe for the Subscription Shares in the Company shall cease. Thereafter the rights and obligations of the Subscriber against / towards the Company shall cease save and except for any antecedent breaches.

(e) Subsequent to the Completion

The Company shall appoint a new director nominated by the Subscriber within 14 market days from the Completion Date subject the Subscriber provide required details and documents of the said director that nominated by the Subscriber to the Company within 2 market days from the Completion Date.

(f) Governing Laws

The Subscription Agreement shall be governed in all respect, including as to validity, interpretation and effect, by the law of Malaysia, and both parties agree to submit the same to the jurisdiction of the Malaysian courts.

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APPENDIX III – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board (save for the Interested Directors) and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Adviser to MJPerak in relation to the Proposals.

3. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of MJPerak Shares as traded on Bursa Securities for the past 12 months are as follows:

	<u>High</u> <u>RM</u>	<u>Low</u> <u>RM</u>
<u>2021</u>		
May	0.3800	0.3650
June	0.3600	0.3500
July	0.3800	0.3450
August	0.3850	0.3700
September	0.3700	0.3550
October	0.3700	0.3450
November	0.3650	0.3350
December	0.3700	0.3350
<u>2022</u>		
January	0.3600	0.3350
February	0.3650	0.3200
March	0.3400	0.3100
April	0.3850	0.3200

(Source: Bloomberg)

The last transacted price of MJPerak Shares on 16 March 2022, being the last day on which MJPerak Shares were traded, prior to the date of the announcement of the Proposals, was RM0.3200 per Share.

The last transacted price of MJPerak Shares as at the LPD was RM0.3550 per Share.

APPENDIX III – FURTHER INFORMATION (CONT'D)

4. MATERIAL LITIGATION

Our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Group or of any facts likely to give rise to any such proceedings which might materially and adversely affect the position or business of our Group.

5. MATERIAL COMMITMENTS

As at LPD, the Company is not aware of any material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of the MJPerak Group.

6. CONTINGENT LIABILITIES

As at LPD, the Board is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of our Group to meet its obligations as and when they fall due.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 55A, Medan Ipoh 1A, Medan Ipoh Bestari, 31400 Ipoh, Perak Darul Ridzuan during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) Constitution of the Company;
- (b) Subscription Agreement and Debt Settlement Agreement;
- (c) Audited consolidated financial statements of MJPerak for the past 2 FYEs 31 December 2020 and 31 December 2021;
- (d) Letter of consent and declaration as referred to in Section 2 above; and
- (e) Relevant cause papers in respect of the material litigation as referred to in Section 4(a) above.

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MAJUPERAK HOLDINGS BERHAD

Registration No.: 200201017726 (585389-X)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Majuperak Holdings Berhad ("MJPerak" or "Company") will be held fully virtual for the purpose of considering, and, if thought fit, passing the following resolutions, with or without any modifications:

Date	: Monday, 13 June 2022
Time	: 11.00 a.m.
Venue	: Fully virtual via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	: (1) raise questions during live streaming at https://web.lumiagm.com (2) submit questions prior to the EGM by emailing to azam@majuperak.com.my not later than 5.00 p.m. on Thursday, 9 June 2022

ORDINARY RESOLUTION 1

PROPOSED SETTLEMENT OF DEBT OWING TO PERAK AGRO CORPORATION SDN BHD ("PERAK AGRO") TO THE SETTLEMENT SUM OF RM9,526,713.25 VIA THE ISSUANCE OF 28,437,950 NEW MJPERAK SHARES ("SETTLEMENT SHARES") AT THE ISSUE PRICE OF RM0.335 PER SETTLEMENT SHARE ("PROPOSED DEBT SETTLEMENT")

"THAT subject to the passing of Ordinary Resolution 2 and the approvals of the relevant authorities and/or parties being obtained (if required) and the conditions precedent as stipulated in the Debt Settlement Agreement dated 16 March 2022 entered into between MJPerak and Perak Agro in relation to the Proposed Debt Settlement ("**Debt Settlement Agreement**") being fulfilled or waived (as the case may be), approval be and is hereby granted to the Board:

- (i) to fully settle an amount owing by the Company to Perak Agro to the settlement sum of RM9,526,713.25 via the issuance of 28,437,950 Settlement Shares at an issue price of RM0.335 each, upon the terms and subject to the conditions set out in the Debt Settlement Agreement;
- (ii) to allot and issue 28,437,950 Settlement Shares to Perak Agro or his nominee(s) at an issue price of RM0.335 per Settlement Share, being the full settlement of debts owing by MJPerak to Perak Agro amounting to RM9,526,713.25 and in accordance with the terms and conditions set out in the Debt Settlement Agreement entered between MJPerak and Perak Agro; and

THAT the issue price of RM0.335 per Settlement Share was arrived at based on the 5 day-VWAMP of the Shares up to and including 15 March 2022, being the date prior to the announcement of the Proposals on 16 March 2022 ("**LTD**");

THAT such Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing MJPerak Shares, save and except that the Settlement Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions, the entitlement date of which is prior to the date of allotment and issuance of such Settlement Shares;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give full effect to and complete the Proposed Debt Settlement with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities and/or parties, and to take all steps and actions and to execute or enter into all such agreements, arrangements, undertakings, indemnities, transfers, extensions, assignments, deeds, confirmations, declarations and/or guarantees, with any party or parties, to deliver or cause to be delivered all such documents and to do all such acts and matters as the Board may deem fit or expedient or in the best interests of the Company in order to carry out, finalise and give full effect to the Proposed Debt Settlement."

ORDINARY RESOLUTION 2

PROPOSED SUBSCRIPTION OF 28,437,950 SUBSCRIPTION SHARES BY PERAK AGRO, REPRESENTING APPROXIMATELY 10% OF THE EXISTING ISSUED SHARES OF MJPERAK ("PROPOSED SUBSCRIPTION BY PERAK AGRO")

"THAT subject to the passing of Ordinary Resolution 1 and the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of 28,437,950 MJPerak Shares ("**Shares**" or "**MJPerak Shares**") ("**Subscription Shares**") on the Main Market of Bursa Securities and all the requisite consents and/or approvals for the relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of MJPerak to allot and issue the Subscription Shares at an issue price in accordance with all the terms and conditions as stipulated in the subscription agreement dated 16 March 2022 executed between Perak Agro and MJPerak ("**Subscription Agreement**");

THAT approval be and is hereby given for MJPerak to utilise the proceeds from the Proposed Subscription by Perak Agro for the purposes as set out in the circular to shareholders dated 27 May 2022, and the Board be and is hereby authorised with full powers to vary the manner and/or the purpose of the utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interest of MJPerak, subject to the approvals of relevant authorities, where required;

THAT the Subscription Shares will, upon allotment and issuance, rank equally in all respects with the then existing MJPerak Shares, save and except that the Subscription Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Subscription Shares;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds, things, execute and sign all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Subscription by Perak Agro and the Subscription Agreement with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Subscription by Perak Agro and the Subscription Agreement in the best interest of MJPerak;

AND THAT this resolution constitutes a specific approval for the allotment and issuance of ordinary shares in MJPerak contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Subscription Shares to be issued pursuant to or in connection with the Proposed Subscription by Perak Agro have been duly allotted and issued in accordance with the terms of the Proposed Subscription by Perak Agro."

BY ORDER OF THE BOARD

CHAN EOI LENG
(SSM PC NO. 202008003055)
(MAICSA 7030866)
Chartered Secretary

Ipoh
27 May 2022

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at 7 June 2022 shall be entitled to attend the EGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

Notes:

1. A member of the Company may appoint more than one (1) proxy who need not be a member of the Company to attend, speak and vote at the same meeting. The appointed proxy/proxies must be at least 18 years and above and may but need not be member/members of the Company.
2. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
5. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603)78904670 before the Proxy Form lodgement cut-off time as mentioned above. Alternatively, the Proxy Form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your Proxy Form electronically, also forty-eight (48) hours before the meeting. **Kindly refer to the Administrative Guide for the EGM on procedures for remote participation and voting.**



MAJUPERAK HOLDINGS BERHAD

Registration No.: 200201017726 (585389-X)
(Incorporated in Malaysia)

FORM OF PROXY

Contact No.

No. of shares held

CDS Account No.											
			-				-				

I / We _____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No. _____)

of _____
(FULL ADDRESS)

being a member/members of **MAJUPERAK HOLDINGS BERHAD**, hereby appoint

Name of Proxy	NRIC No./ Passport No.	No of Shares	% of Shareholdings to be Represented
Address:			
Email Address:			
Contact No.			

and/or failing him/her

Name of Proxy	NRIC No./ Passport No.	No of Shares	% of Shareholdings to be Represented
Address:			
Email Address:			
Contact No.			

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of Majuperak Holdings Berhad ("**MJPerak**" or the "**Company**") to be held and conducted on a fully virtual basis through live streaming via Remote Participation and Voting ("**RPV**") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Monday, 13 June 2022 at 11.00 a.m. or at any adjournment thereof:

** Please strikethrough the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.*

Resolutions		FOR	AGAINST
Ordinary Resolution 1	Proposed Debt Settlement		
Ordinary Resolution 2	Proposed Subscription by Perak Agro		

(Please indicate with a cross "X" in the space provided whether you wish your vote to be cast for or against the Resolution. If in the absence of specific directions, your proxy will vote or abstain from voting as he/she thinks fit).



Signed this _____ day of _____, 2022.

Signature of shareholder or Common Seal

Notes:

1. A member entitled to participate and vote at this virtual meeting is entitled to appoint a proxy/proxies to participate and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the virtual Meeting shall have the same rights as the member to speak at the virtual meeting.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
4. For the purpose of determining a member who shall be entitled to participate the virtual EGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 7 June 2022. Only a depositor whose name appears on the Record of Depositor as at 7 June 2022 shall be entitled to participate the virtual meeting or appoint proxies to participate and/or vote on his/her behalf.
5. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603)78904670 before the Form of Proxy lodgement cut-off time as mentioned above. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://www.boardroomlimited.my/> to login and deposit your proxy form electronically, also forty-eight (48) hours before the meeting. **Kindly refer to the Administrative Guide for the EGM on procedures for remote participation and voting.**
6. Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR
MAJUPERAK HOLDINGS BERHAD
Registration No. 200201017726 (585389-X)
c/o Boardroom Share Registrar Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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