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IWCITY
Iskandar Waterfront City Berhad
196801000661 (8256-A)

CIRCULAR TO SHAREHOLDERS

In Relation To The

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The resolution pertaining to the above Proposal is set out in the Notice of the Fifty-Third Annual General Meeting (53rd AGMⁿ) of ISKANDAR WATERFRONT CITY BERHAD which will be held at fully virtual and online remote voting from the Broadcast Venue at Board Room, Ground Floor, #G08, Block 8, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor Darul Ta'zim on 30 June 2022, Thursday at 10.00 am or any adjournment thereof, and the Form of Proxy is available to be downloaded from the Company's website at www.iwcity.com.my or Bursa Malaysia's website at www.bursamalaysia.com.

The Form of Proxy must be lodged at the Registered Office of the Company at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Ta'zim or lodged electronically via email at ir@iwcity.com.my not later than forty-eight (48) hours before the time set for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 28 June 2022 at 10.00 am

Date and time of the Annual General Meeting : Thursday, 30 June 2022 at 10.00 am

This Circular is dated 29 April 2022

DEFINITIONS

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

Act	:	Companies Act, 2016, including all amendments made from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Audit Committee	:	Audit Committee of IWCity
Board	:	The Board of Directors of IWCity
Bursa Malaysia	:	Bursa Malaysia Securities Berhad
CRSB	:	Credence Resources Sdn Bhd [200001008070 (510676-W)], the controlling shareholder of IWH
Company or IWCity	:	Iskandar Waterfront City Berhad [196801000661 (8256-A)]
Director(s)	:	Shall have the meaning given in Section 2 of the Companies Act 2016 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company of the listed issuer or a chief executive of the listed issuer, its subsidiary or holding company
Group or IWCity Group	:	IWCity and/or its subsidiary companies
IWH	:	Iskandar Waterfront Holdings Sdn Bhd [200301023850 (626270-U)], the controlling shareholder of IWCity
KB	:	Knusford Berhad [199601007754 (380100-D)]
KPRJ	:	Kumpulan Prasarana Rakyat Johor Sdn Bhd [199501037034 (366236-T)], a substantial shareholder of IWCity and a major shareholder of IWH
LPD	:	31 March 2022; being the latest practicable date prior to the printing of this Circular
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia including any amendments, modification and additions made there to from time to time and any Practice Notes issued in relation thereto.
Mandated Related Party(ies)	:	As set out in in Section 3.3 of this Circular
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:</p> <p>(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or</p> <p>(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company;</p> <p>and including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or any other company which is its subsidiary or holding company.</p>

For the purpose of this definition, "interest in shares" shall have the meaning given in section 8 of the Companies Act 2016.

Proposed Shareholders' Mandate	:	Proposed Renewal of Shareholders' Mandate for Recurrent Related Parties Transaction for the Group in its normal course of business and on terms not more favourable than those generally available to the public, to enter into the transactions set out in section 3.4 of this Circular (Recurrent Related Party Transactions) with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements
Related Party(ies)	:	Directors, major shareholders or persons connected with such directors or major shareholders. For the purpose of this definition, "director" and "major shareholder" have the meanings given under Chapter 1 and Paragraph 10.02 of the Listing Requirements
Related Party Transaction or RPT	:	A transaction entered into by the Group which involves the interest, direct or indirect, of a related party
Recurrent Related Party Transaction or RRPT	:	A related party transaction which is recurrent, of revenue or trading nature, which is necessary for day-to-day operations of the Group
Recurrent Related Party Transaction Mandate	:	Shareholders' mandate for the Group to enter into Recurrent Related Party Transactions
RM	:	Ringgit Malaysia

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ISKANDAR WATERFRONT CITY BERHAD

[196801000661 (8256-A)]
(Incorporated in Malaysia)

Registered Office

Suite 1301
13th Floor, City Plaza
Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim

29 April 2022

Board of Directors

Dato' Hj. Ayub bin Mion (*Independent Non-Executive Chairman*)
Tan Sri Dato' Lim Kang Hoo (*Executive Vice Chairman*)
Mr. Wong Khai Shiuan (*Executive Director cum Chief Executive Officer*)
Datuk Lim Keng Guan (*Executive Director*)
Tuan Hj. Lukman bin Abu Jari @ Abu Bakar (*Non-Independent Non-Executive Director*)
Mr. Khoo Boon Ho (*Senior Independent Non-Executive Director*)
Mr. Bernard Hilary Lawrence (*Independent Non-Executive Director*)
Mr. Lim Foo Seng (*Independent Non-Executive Director*)
Ms. Kang Hui Ling (*Independent Non-Executive Director*)
Mr. Lim Chen Heng (*Alternate Director to Tan Sri Dato' Lim Kang Hoo*)

To: **The Shareholders of IWCity**

Dear Sir / Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

1. INTRODUCTION

The Company had on 30 June 2021, obtained the Shareholder's Mandate for the Group to enter into RRPTs, in the ordinary course of business, of revenue or trading nature in connection with Section 10.09, Part E of Chapter 10 and Practice Note 12 of the Listing Requirements.

The said Shareholder's Mandate for RRPTs shall lapse at the conclusion of the Company's forthcoming Fifty-Third Annual General Meeting ("53rd AGM") unless its renewal is obtained from the Shareholders at the AGM.

The Board proposes to seek the approval of the shareholders for the Proposed Shareholders' Mandate for the Group to enter into transactions set out in section 3.4 below, in its normal course of business and on terms not more favourable than those generally available to the public, with persons who are considered to be "related parties" as defined under Chapter 1 and 10 of the Listing Requirements.

The Company had on 21 April 2022, made an announcement to Bursa Securities on its intention to seek approval from its shareholders pertaining for the above-mentioned Proposed Shareholders' Mandate.

2. APPROVAL REQUIRED

The purpose of this Circular is to provide shareholders with details pertaining to the Proposed Shareholders' Mandate and to seek shareholders' approval for the resolutions to be tabled at the forthcoming AGM to be conducted virtually from the broadcast venue at Board Room, Ground Floor, #G08, Block 8, Danga Bay, Jalan Skudai, 80200 Johor Bahru on 30 June 2022, Thursday at 10.00 am.

3. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

3.1. Provision Under the Listing Requirements

Pursuant to Part E, Chapter 10.09 of the Listing Requirements, listed issuers with an issued and paid-up capital of RM60 million and above must immediately announce a Recurrent Related Party Transaction as follows:

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the higher.

Paragraph 2.4 of Practice Note 12 states that where a listed issuer has obtained a shareholders' mandate in respect of any RRPT, the above disclosure obligation will not apply to the RRPTs which are comprised in the mandate.

Accordingly, the Company proposes to seek its shareholders' approval for the Proposed Shareholders' Mandate to enable the Group to enter into transactions with the Related Parties, which are of a revenue or trading nature and necessary for its day-to-day operations, on terms not more favourable to the Related Parties than those generally available to the public and is not detrimental to the minority shareholders.

If approved at the forthcoming AGM, the Proposed Shareholders' Mandate will take effect from the passing of the Ordinary Resolution relating thereto and will continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the general meeting at which this mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii) the expiration of the period within which the next AGM of the Company after this date is required to be held pursuant to section 340 of the Act (but must not extend to such extension as may be allowed pursuant to section 340 of the Act); or
- iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

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3.2. Principal Business

The Company is primarily engaged in investment holding and property investment.

The principal activities of the subsidiaries, which are incorporated in Malaysia and the shareholdings by the Company, are as follows:

No.	Name of Company	Principal Activities	Effective Ownership Interest (%)
1.	Bayou Bay Development Sdn Bhd [199601019330 (391682-P)]	Property Development	100
2.	Tebrau Bay Sdn Bhd [199601042357 (414710-X)]	Property Development and Construction	100
3.	Tebrau Bay Constructions Sdn Bhd [197801005845 (42888-D)]	Construction of Infrastructure and Buildings	100
4.	Bayou Management Sdn [200401007966 (646470-K)]	Property Holding and Development	100
5.	Southern Crest Development Sdn Bhd [200301011263 (613683-D)]	Investment Holding	100
6.	Trillion Greencity Sdn Bhd [201501033356 (1158676-W)]	Dormant	100
7.	Success Straits Sdn Bhd [201501033627 (1158947-H)]	Property Development	100
Associate Company of Tebrau Bay Sdn Bhd			
1.	Aset Nusantara Development Sdn Bhd [199701011878 (427374-T)]	Under Liquidation	49
Associate Company of Southern Crest Development Sdn Bhd			
1.	Greenland Tebrau Sdn Bhd [201501006982 (1132314-P)]	Property Development	20

3.3. Class of Related Parties

The Board is seeking approval from shareholders for the Proposed Shareholders' Mandate to allow the Group, in its normal course of business, to enter into the categories of RRPT referred to in paragraph 3.4 below, with the Related Parties set out below, provided that such transactions, if any, are made at arm's length, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public.

The Proposed Shareholders' Mandate will apply to the following Related Parties:

No	Mandated Related Party	Place of Incorporation	Principal Activity
1.	KB, its subsidiaries and associate companies	Malaysia	Investment holding, rental of machinery and equipment, provision of transportation services and trading of building materials, construction, property development, project management, civil works contracting, trading in building materials, landscaping construction and maintenances and sand trading.
2.	KPRJ, its subsidiaries and associate companies	Malaysia	Infrastructure development, property development, construction, and investment holding.
3.	IWH, its subsidiaries and associate companies	Malaysia	Master developer focuses on urban and economic corridor developments, property investment, property development, project management and administration, investment holding and civil engineering and construction works.

Please refer to paragraph 3.5 on page 9 or details of the nature and extent of the parties' interest.

3.4. Nature of RRPT and Estimated Annual Value

The RRPTs which will be covered by the Proposed Shareholders' Mandate are necessary for the day to day operations and in the ordinary course of the business of the Group. The Various transactions listed hereto are expected to be entered into by the Group with the following related parties:-

No	Nature of RRPT	Related Parties	Interested Directors and Major Shareholders	Estimated Values as disclosed in preceding year's Circular to Shareholders dated 31 May 2021 (RM'000)	Actual Value Transacted from date of last AGM on 30 June 2021 till LPD (RM'000) [@]	Estimated value during the validity period of the RRPT Mandate from 30 June 2022 till the next AGM (RM'000)
1.	Sale and rental of building, machinery & equipment, building materials, spare parts and other related construction materials and services	KB, its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng	8,000	18	8,000 [#]
2.	Construction and related services	KPRJ, its subsidiaries and associate companies	Tuan Hj. Lukman bin Abu Jari @ Abu Bakar	3,500	-	3,500 [*]
3.	Construction and related services	IWH, its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Datuk Lim Keng Guan Wong Khai Shiuan Tuan Hj. Lukman bin Abu Jari @ Abu Bakar Lim Chen Heng	80,000	-	80,000 [*]
4.	Civil & building and other construction related services	KB, its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng	250,000	13,813	250,000 [*]
5.	Hard and soft landscaping works and related services	KB, its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng	12,000	3	12,000 [#]
6.	Project management services	KB, its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng	80	-	80 [#]

Notes:

The estimated transaction values are based on the information available at the point of estimation depended on projection of the business to be conducted in the validity period of the RRPT mandate from 30 June 2022 to the next AGM, after taking into consideration the prevailing market rates. Due to the nature of the transactions, the actual value of the transaction may vary from the estimated value disclosed above. The frequency of the transactions cannot be detailed as the transactions are ongoing and numerous.

* The estimated transaction values are based on the projected contract sum to be awarded/received in the validity period. Due to the nature of the transactions, the actual value of the transaction may vary from the estimated value disclosed above. The frequency of the transactions cannot be detailed as the transactions are ongoing and numerous.

@ All transacted values are excluded Sales and Services Tax (if applicable).

3.5. Nature and Extent of Interest

The nature and extent of the interest of the Interested Directors and Major Shareholders as stated in the preceding table as at LPD are as follows:-

1. Tan Sri Dato' Lim Kang Hoo is our Executive Vice Chairman. He holds direct shareholding of 0.60% and indirect shareholding of 34.29% via IWH. He is also a substantial shareholder of KB through his 0.62% direct shareholding and indirect shareholding via Aman Setegap Sdn Bhd and Kinston Park Sdn Bhd. Aman Setegap Sdn Bhd and Kinston Park Sdn Bhd hold 30.11% and 2.42% shareholdings, respectively in KB.

Tan Sri Dato' Lim Kang Hoo is Executive Vice Chairman in IWH. He is also a major shareholder and a director in CRSB. CRSB is a major shareholder of IWH.

He is the father of Mr. Lim Chen Heng. He is also uncle of Datuk Lim Keng Guan and Mr. Wong Khai Shiuan.

2. Datuk Lim Keng Guan is our Executive Director.

He is the nephew of Tan Sri Dato' Lim Kang Hoo and the cousin of Mr. Wong Khai Shiuan and Mr. Lim Chen Heng.
3. Mr. Wong Khai Shiuan is our Executive Director cum Chief Executive Officer. He is the nephew of Tan Sri Dato' Lim Kang Hoo and the cousin of Datuk Lim Keng Guan and Mr. Lim Chen Heng.
4. Mr. Lim Chen Heng is the Alternate Director to Tan Sri Dato' Lim Kang Hoo. He is also a Director in KB. He is the son of Tan Sri Dato' Lim Kang Hoo and the cousin of Datuk Lim Keng Guan and Mr. Wong Khai Shiuan.
5. Tuan Hj. Lukman bin Abu Jari @ Abu Bakar is our Non-Independent and Non-Executive Director. He is also a director of IWH and KPRJ cum Chief Executive Officer of KPRJ.
6. KPRJ is a substantial shareholder of IWCity and has indirect shareholdings in the Company via IWH.

3.6. Rationale for, and the benefit to, the Group for transacting with the Mandated Related Parties

The Group relationship with the Mandated Related Parties

The Mandated Related Parties are reputable in their respective business activities and are reliable suppliers of raw materials, goods and services required by the Group for its business. The raw materials, goods and services provided by the Mandated Related Parties are priced competitively and all transactions between the Group and the Mandated Related Parties are to be carried out on an arm's length basis and on terms not more favourable to the related parties than those generally available to the public. The raw materials, goods and services can also be obtained from the Mandated Related Parties even when short notice is given to them, in order to meet the tight deadlines of the Group.

Although the Group also sources similar raw materials and goods from third party(ies), they would like to seek shareholders' approval for the Proposed Shareholders' Mandate as the close co-operation between the Group and the Mandated Related Parties is expected to reap benefits to the business of the Group. Further, the Group can enjoy the lowest cost through bulk purchase arrangement with the Mandated Related Parties.

The benefit of the Proposed Shareholders' Mandate

The obtaining of the Proposed Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when the potential RRPT with a Mandated Related Party arises, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and/or adversely affecting the business opportunities available to the Group.

The Proposed Shareholders' Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Related Parties, provided that they are carried out on arm's length and on the Group's normal commercial terms and are not prejudicial to shareholders and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

3.7. Review Methods or Procedures for RRPT

There are procedures established by the Group to ensure that RRPTs are undertaken on an arm's length basis on normal commercial terms and on transaction prices and terms not more favourable to the related parties than those generally available to the public, consistent with the Group's usual business practices and policies, and are not to the detriment of the minority shareholders.

The Group will implement the following procedures to supplement existing internal procedures for general transactions:-

- (i) A list of Mandated Related Parties will be maintained by IWCity to ensure that RRPT is required to be undertaken on an arm's length basis and on normal commercial terms and on transacted prices and terms not more favourable to the related parties than those generally available to the public and consistent with IWCity's usual business practices and policies;
- (ii) Sales or Purchases of the Group's products by or to the Directors and persons connected to Directors should not be on terms that are more favourable than those offered to employees and the public. Directors are required to notify the relevant Company Secretary of any direct sales to them and/or persons connected to them;
- (iii) The annual internal audit plan shall incorporate a review of material RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (iv) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done annually together with the review of annual results;

- (v) The Board and the Audit Committee will review the procedures as and when necessary;
- (vi) Items with material value quotations will be taken to gather information to compare the price quoted by third party(ies) and related party(ies) for the purpose of determining the competitive market price of materials and goods. It is the Company's policy to purchase material or goods from related party(ies) when the prices are competitive with prices obtained from third parties. Other factors such as reliability of supply, delivery, services and quality of materials or goods will also be taken into consideration for evaluation purposes; and
- (vii) Disclosures will be made in the annual report of the breakdown of the aggregate value of the RRPT during the financial year amongst others, based on the following information:-
 - (a) the type of the RRPT made; and
 - (b) the names of the related parties involved in each type of the RRPT made and their relationship with the listed issuer.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related party are fair and reasonable and comparable to those offered to/by other unrelated third party(ies) for the same or substantially similar type of products/services and/or quantities. In the event the quotation or comparative pricing from unrelated third party(ies) cannot be obtained, the transaction price will be based on business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPT is not detrimental to the Company or its group of companies.

- (viii) All RRPT will be reviewed in the following manners as per their level of authority :-
 - (a) RRPT with the value of below RM25,000 shall be reviewed by Head of Department and Chief Executive Officer; and
 - (b) RRPT with the value of RM25,000 and above shall be reviewed by a committee comprising of at least one (1) independent director who is not also a director of KB and two (2) Senior Management Staff. The management committee can approve the RRPT as long as the value of RRPT is within the mandate approved by shareholders.

3.8. Audit Committee's Statement

The Audit Committee will review the relevant RRPT and also review the established guidelines and procedures to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the RRPT will be done on the Group's normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and will be prejudicial to the shareholders, the Company will revert to the shareholders for a fresh mandate based on new guidelines and procedures immediately, and in any case before the next transaction is entered into.

The Audit Committee have reviewed the terms of the Proposed Shareholders' Mandate, and is satisfied that the review procedures for RRPT, as well as the periodic reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPT will be made with the relevant classes of related parties in accordance with the Group on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and hence, not prejudicial to the shareholders, nor disadvantageous to the Group and is not to the detriment of the minority shareholders.

The Company has in place adequate procedures and processes to monitor track and identify RRPT in a timely and orderly manner. The Audit Committee conducts the review of these procedures and processes from time to time, if necessary.

3.9. Amount Due and Owing to IWCity Group

As at LPD, there were no amounts due and owing to the IWCity Group under the Recurrent Related Party Transactions which exceed the credit terms.

4. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THE DIRECTORS AND MAJOR SHAREHOLDERS

The following are Interested Directors' Shareholding, Interested Major Shareholders and persons connected with the Directors and Major Shareholders in the Company as at LPD.

4.1. Interested Directors

	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	5,540,700	0.60	315,846,069 ^(a)	34.29
2.	Datuk Lim Keng Guan	-	-	-	-
3.	Tuan Hj. Lukman bin Abu Jari @ Abu Bakar	-	-	-	-
4.	Wong Khai Shiuan	-	-	-	-
5.	Lim Chen Heng (Alternate Director to Tan Sri Dato' Lim Kang Hoo)	-	-	-	-

(a) Deemed interested in the shares held by IWH by virtue of his interest in IWH and CRSB

4.2. Interested Major Shareholders

	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	IWH	315,846,069	34.29	-	-
2.	CRSB	-	-	315,846,069 ^(a)	34.29
3.	KPRJ	53,595,267	5.82	315,846,069 ^(a)	34.29
4.	Tan Sri Dato' Lim Kang Hoo	5,540,700	0.60	315,846,069 ^(b)	34.29

(a) Deemed interested by virtue of his shareholding in IWH

(b) Deemed interested by virtue of his shareholding in IWH and CRSB

4.3. Statements in relation to Interested Parties

(a) The following interested directors have abstained and will abstain at all board meetings from all deliberations and voting on the Proposed Shareholders' Mandate:

- i. Tan Sri Dato' Lim Kang Hoo;
- ii. Datuk Lim Keng Guan;
- iii. Tuan Hj. Lukman bin Abu Jari @ Abu Bakar;
- iv. Mr. Wong Khai Shiuan; and
- v. Mr. Lim Chen Heng (Alternate Director to Tan Sri Dato' Lim Kang Hoo).

The aforesaid interested directors shall accordingly also abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution vis-à-vis the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

- (b) The following interested major shareholders will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution vis-à-vis the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM:
- i. Tan Sri Dato' Lim Kang Hoo;
 - ii. CRSB;
 - iii. IWH; and
 - iv. KPRJ.
- (c) Further the said interested directors and interested major shareholders will undertake to ensure that the persons connected with them will abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.
- (d) Save as disclosed above none of the other directors, major shareholders and/or persons connected with them have any interest direct or indirect in the Proposed Shareholders' Mandate.

5. DIRECTORS' RECOMMENDATION

The Board of Directors, save and except for Tan Sri Dato' Lim Kang Hoo, Datuk Lim Keng Guan, Tuan Hj. Lukman bin Abu Jari @ Abu Bakar, and Wong Khai Shiuan, having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that it is in the best interest of the Company and accordingly, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

6. ANNUAL GENERAL MEETING

The AGM will be held fully virtual through live streaming and online remote voting on 30 June 2022, Thursday at 10.00 am from the Broadcast Venue at Board Room, Ground Floor, #G08, Block 8, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor Darul Ta'zim whose agenda will include the consideration and, if thought fit, passing the resolution so as to give effect to the Proposed Shareholders' Mandate.

If you are unable to participate and vote in person at the AGM, you are requested to complete and return the Proxy Form in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company or to lodge electronically via email at ir@iwcity.com.my not less than forty-eight (48) hours before the time set for the AGM. The lodging of the Proxy Form will not preclude you from participating and voting in person at the AGM should you subsequently wish to do so.

7. FURTHER INFORMATION

Shareholders are requested to refer to the following Appendix for further information.

Yours faithfully
For and on behalf of the Board of
ISKANDAR WATERFRONT CITY BERHAD

LIM FOO SENG
Independent Non-Executive Director

APPENDIX I

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of the Company who individually and collectively accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement here misleading.

2. MATERIAL LITIGATION

Save as disclosed below, none of the companies in the Group are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the IWCity Group and the Board of Directors has no knowledge of any proceedings, pending or threatened against the Group or of any facts which is likely to give rise to any proceeding which may materially or adversely affect the financial position or business of the Group.

(a) On 17 November 2020, the Company and its subsidiary, Tebrau Bay Constructions Sdn Bhd ("TBCSB") ("Defendants") received a Writ and Statement of Claim ("Claim") filed by Tenaga Nasional Berhad ("TNB" or "the Plaintiff") at the High Court. TNB alleged that the reclamation works undertaken by the Defendants in 2014 on Lot PTD 121257 Kampung Senibong have trespassed on the right of way ("ROW") of TNB's submarine cables. Another subsidiary, Tebrau Bay Sdn Bhd ("TBSB") was included in the suit as a 3rd defendant on 5 December 2021. The Claim seeks amongst others, the following reliefs :

- Perpetual injunction order against the Defendants from carrying out any activities on TNB's ROW without TNB's permission;
- Damages of RM76,565,000;
- General damages against losses suffered by the Plaintiff and economic loss damage to be assessed by the Court, together with interest at the rate of 5% per annum from the filing of the suit till the date of full settlement;
- Other damages, costs and reliefs which the Court deems fit and proper.

The Group has appointed a counsel to defend the claim and on 31 January 2021, made an application to strike out the Plaintiff's suit. The Group's defence, amongst others, is that at all material times, the reclamation works were carried out by independent contractors outside of the Plaintiff's ROW, in accordance with plans approved by the Johor Bahru City Council since 2000. Further, the Plaintiffs have not provided any evidence of the nature, cause and quantum of the alleged damage to the submarine cables.

Due to the above, the Group is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and has accordingly disclosed the details of the Claim as a contingent liability.

The Court has fixed the Case Management on 16 May 2022 for the Defendants to update on the status of whether to pursue Court-annexed mediation and the filing of the application to commence third party proceedings.

(b) On 29 March 2022, TBSB was served with a Writ and Statement of Claim by the Government of Malaysia ("the Plaintiff"), in respect of the alleged claims for RM10,831,595 plus 5% per annum on the alleged claims, costs and other reliefs as the Honourable Court deems fit and proper to grant.

TBSB is in the process of seeking legal advice in respect of the claim. The suit is not expected to have any operational impact to TBSB and will not have any material financial impact as the said amount has already been fully provided in the financial statements for the financial year ended 31 December 2021 except for any additional costs or interests granted (if any).

3. MATERIAL CONTRACTS

Neither the Company nor its subsidiaries has entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Ta'zim during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM:

- i. the Constitution of the Company;
- ii. the Audited Financial Statements of Iskandar Waterfront City Berhad for the two (2) years ended 31 December 2020 and 31 December 2021; and
- iii. the Unaudited Results of Iskandar Waterfront City Berhad for the period ended 31 March 2022.