

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular relating to the Proposed Shareholders’ Mandate (as defined herein) prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities 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.



IMPIANA HOTELS BERHAD
(Registration No.: 200601021085 (740838-A))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

**IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
 (“PROPOSED SHAREHOLDERS’ MANDATE”)**

The above proposal will be tabled at the Fourteenth Annual General Meeting (14th AGM) of Impiana Hotels Berhad which will be held as a virtual meeting via live streaming broadcast from Jasmin room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur on Monday, 26 June 2023 at 11.00 a.m. or at any adjournment thereof. The Notice of 14th AGM together with the Form of Proxy as set out in the Annual Report 2022 of the Company which is despatched together with this Circular.

Members are to register online at <https://vps.megacorp.com.my/MTBCjc>. Please refer to the Administrative Guide.

A member of Impiana entitled to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the 14th AGM is entitled to appoint up to two (2) proxies to attend, participate, speak (in the form of real-time submission of typed texts) and vote on his / her behalf. In such event, the completed and signed Form of Proxy should be just lodged at the office of the Poll Administrator at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.Impiana@megacorp.com.my not less than 24 hours before the time appointed for holding the 14th AGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking (in the form of real-time submission of typed texts) and voting in person at the 14th AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the 14th AGM.

The last date and time for the lodging of the Form of Proxy is Sunday, 25 June 2023 at 11.00 am

DEFINITIONS

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

“Act”	: The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force
“AGM”	: Annual general meeting of the Company
“Approved Estimated Value”	: Estimated value of RRPTs which were approved by shareholders at the Company’s 14 th AGM held on 26 June 2023
“Audit Committee”	: Audit and Risk Management Committee of the Company
“Astaka Mekar”	: Astaka Mekar Sdn Bhd [200901011731 (854761-P)]
“Board”	: Board of Directors of Impiana
“Bursa Securities”	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Circular”	: This circular to shareholders dated 28 April 2023
“Dato’ Seri Farouk”	: Dato’ Seri Ismail @ Farouk bin Abdullah
“Director(s)”	: The director(s) of a company having the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPT were agreed upon, a Director of Impiana or its subsidiaries, or a chief executive of Impiana or its subsidiaries
“FPE”	: Financial period ended/ending
“FYE”	: Financial year ended/ending
“HSN”	: Haad Sai Ngen Co Ltd
“Impiana” or “Company”	: Impiana Hotels Berhad [200601021085 (740838-A)]
“Impiana Group” or “Group”	: Impiana and its subsidiary companies
“Impiana Cherating”	: Impiana Cherating Sdn Bhd [198501013346 (145802-H)]
“Impiana Ipoh”	: Impiana Ipoh Sdn Bhd [201401002976 (1079050-P)]
“Impiana Management”	: Impiana Hotels & Resorts Management Sdn Bhd [199101013081 (223393-A)]
“Impiana Pangkor”	: Impiana Pangkor Sdn Bhd [199101017935 (228246-W)]
“Impiana SB”	: Impiana Sdn Bhd [199001007813 (199383-V)]
“Impiana Tioman”	: Impiana Tioman Sdn Bhd [199101003361 (213671-V)]
“Interested Director”	: Puan Dyana Sofya binti Mohd Daud
“Interested Major Shareholders”	: Collectively, Dato’ Seri Farouk and Impiana SB
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities

DEFINITIONS (CONT'D)

- “LPD” : 30 March 2023, being the latest practicable date prior to the printing of this Circular
- “Major Shareholder” : Any person who has an interest or interests in one or more voting shares in the Company and the aggregate number of those shares, is:
- (i) 10% or more of the total number of voting shares in the Company; or
 - (ii) 5% or more of the total number of voting shares in the Company, where such person is the largest shareholder of the Company
- For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act and a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of Impiana (or any other company which is its subsidiary or holding company)
- “Mandate Period” : The period during which the RRPTs are to be entered into for which the Proposed Shareholders’ Mandate is being sought. This period shall commence immediately upon the passing of the ordinary resolution for the Proposed Shareholders’ Mandate during the 14th AGM until :
- (i) The conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;
 - (ii) The expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) Revoked or varied by resolution passed by the shareholders in general meeting,
- Whichever is the earlier.
- “Outstanding RRPT Receivables” : Amount due from and owing by Related Parties pursuant to the RRPTs
- “Person Connected” : This shall have the same meaning as in Chapter 1, Paragraph 1.01 of the Listing Requirements
- “Proposed Shareholders’ Mandate” : Proposed renewal of existing shareholders’ mandate for RRPT approved at the 13th AGM held on 10 December 2021
- “PT IUB” : PT Impiana Ubud Bali
- “PT IVC” : PT Impiana Villas Cemagi
- “PT VH” : PT Villas Hotel
- “Related Party(ies)” : A Director, Major Shareholder or a Person Connected with such Director or Major Shareholder

DEFINITIONS (CONT'D)

“Related Party Transaction”	:	A transaction entered into by the Impiana Group which involves the interest, direct or indirect, of a Related Party
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“RRPT”	:	A Related Party Transaction which is recurrent, of a revenue or trading nature and which is/are necessary for the day-to-day operations
“SSCL”	:	South Shore Co Ltd

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. Certain figures included in this Circular have been subject to rounding adjustments.

In this Circular, words denoting the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations. 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 Impiana.

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

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APPENDIX I



Hotels Berhad

IMPIANA HOTELS BERHAD
(Registration No.: 200601021085 (740838-A))
(Incorporated in Malaysia)

Registered Office:

21st Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur

29 April 2023

Board of Directors:

Dato' Seri Ismail @ Farouk bin Abdullah (*Executive Chairman*)
Datuk Supperamaniam a/l Manickam (*Independent Non-Executive Director*)
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif (*Independent Non-Executive Director*)
Dyana Sofya binti Mohd Daud (*Non-Independent Non-Executive Director*)
Dato' Hong Khay Kuan (*Independent Non-Executive Director*)
Dato' Hoo Voon Him (*Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At our 13th AGM held on 10 December 2021, the Company had sought and obtained from its shareholders a mandate for our Group to enter into RRPTs with the respective Related Parties based on normal commercial terms which were not more favourable to the Related Parties than those generally available to the public and which were necessary for the Company's day-to-day operations. Pursuant to the Listing Requirements, the said mandate expired on 31 December 2022 being the expiration of the period within which the next AGM was required to be held pursuant to the Act.

On 28 April 2023, our Board announced our intention to seek shareholders' approval for the RRPTs pursuant to the Proposed Shareholders' Mandate at the 14th AGM, the details of which are set out in Sections 2.3 and 2.4 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE COMPANY'S 14TH AGM TO BE HELD ON 26 JUNE 2023.

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 PROPOSED SHAREHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Under Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements, for related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for our Group's day-to-day operations, the Company may seek a shareholders' mandate in respect of such transactions subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the Company's annual report on the breakdown of the aggregate value of transactions conducted under such mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) issuance of a circular to shareholders for the shareholders' mandate including information as may be prescribed by Bursa Securities;
- (iv) in the meeting to obtain shareholders' mandate, the relevant related party must comply with requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (v) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Company wishes to seek the approval of the shareholders for the Proposed Shareholders' Mandate to enable our Group to enter into the RRPTs which are necessary for our day-to-day operations within our ordinary course of business. The RRPTs, details of which are set out in Sections 2.3 and 2.4 of this Circular, are entered into at arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The RRPTs are subject to the review procedures set out in Section 2.5 of this Circular.

2.1 Principal business of Impiana and its subsidiaries

The principal activity of Impiana is that of investment holding while its subsidiaries and their principal activities are as follows:

No.	Company name	Equity Interest	Principal activity
1.	Impiana Management	100%	Provision of professional management services to hotels and resorts and provision of technical services to land owners on development of hotels
2.	Impiana Pangkor	100%	Dormant
3.	Astaka Mekar	100%	Investment holding
4.	Impiana Cherating	100%	Operation of resort, hotel business, property development and related services
5.	Impiana Ipoh	100%	Investment holding, provision of management and operation of hotels and resorts, property investment and hotel development
6.	Impiana Tioman Villas & Residences Sdn Bhd	100%	Operation of resort, hotel business and related services

No.	Company name	Equity Interest	Principal activity
7.	Impiana Selo Tioman Resorts Sdn Bhd	75%	Design, build and marketing for the resort.

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2.2 Related Parties

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

Transacting Party	Principal activities	Interested Director/Major Shareholder or person connected	Shareholdings of Related Parties in Transacting Parties		Nature of relationship
			Direct	Indirect	
HSN	Operation of Impiana SB hotels, resorts and related services	Impiana SB	49.0%	19.5%	Impiana SB is presently a major shareholder of HSN. Impiana SB is also a major shareholder of Impiana.
		Dato' Seri Farouk	-	68.5%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Impiana, is a director and indirect major shareholder of HSN via his shareholdings in Impiana SB.
		Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.
SSCL	Operation of Impiana SB hotels, resorts and related services	Impiana SB	-	68.5%	Impiana SB is presently an indirect major shareholder of SSCL via its shareholdings in HSN. Impiana SB is also a major shareholder of Impiana.
		Dato' Seri Farouk	*	68.5%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Impiana, is a director and indirect major shareholder of SSCL via his shareholdings in Impiana SB.
		Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.
PT VH	Operation of Impiana SB hotels, resorts and related services	Impiana SB	1.0%	99.0%	Impiana SB is presently an indirect major shareholder of PT VH via its shareholdings in Impiana Seminyak (Labuan) Co Ltd. Impiana SB is also a major shareholder of Impiana.
		Dato' Seri Farouk	-	100.0%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Impiana, is an indirect major shareholder of PT VH via his shareholdings in Impiana SB

Transacting Party	Principal activities	Interested Director/Major Shareholder or person connected	Shareholdings of Related Parties in Transacting Parties		Nature of relationship
			Direct	Indirect	
		Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.
Impiana Tioman	Development of hotels and resorts	Dato' Seri Farouk Interested Director	100.0%	-	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Impiana, is a major shareholder of Impiana Tioman The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk
PT IUB	Development of hotels and resort	Impiana SB Dato' Seri Farouk Interested Director	-	99.0%	Impiana SB is presently an indirect major shareholder of PT IUB via its shareholdings in Impiana Ubud (Labuan) Co Ltd. Impiana SB is also a major shareholder of Impiana. Dato' Seri Farouk, the Executive Chairman and a major shareholder of Impiana, is an indirect major shareholder of PT IUB via his shareholdings in Impiana Sdn Bhd. The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk

Note:
* Negligible.

2.3 Details of the RRPTs subject to renewal pursuant to the Proposed Shareholders' Mandate

The RRPTs subject to renewal pursuant to the Proposed Shareholders' Mandate are as follows:

Subsidiary of Impiana	Nature of transaction	Related Party	Approved Estimated Value (RM)	Actual value transacted from 10 December 2021 (date of 13 th AGM) till the LPD (RM)	Reason for deviation of 10% or more of the Approved Value	Estimated	Proposed Shareholders' Mandate (RM)
Impiana Management	For Impiana Management to manage and operate Impiana Resort Patong, Phuket, Thailand	HSN	1,200,000	511,977	-	-	1,200,000
Impiana Management	For Impiana Management to manage and operate Impiana Private Villas Kata Noi, Thailand	HSN	500,000	101,852	-	-	500,000
Impiana Management	For Impiana Management to manage and operate Impiana Resort Chaweng Noi, Koh Samui, Thailand	SSCL	800,000	114,058	-	-	800,000
Impiana Management	For Impiana Management to manage and market Impiana Private Villas Seminyak, Bali, Indonesia	PT VH	1,200,000	627,733	-	-	1,200,000
Impiana Management	For Impiana Management to manage and market Impiana Private Villas Cemagi, Bali, Indonesia	PT IVC	100,000	37,202	-	-	100,000
Impiana Management	For Impiana Management to manage and market Impiana Private Villas & Resorts Ubud, Bali, Indonesia	PT IUB	900,000	-	-	-	900,000

Subsidiary of Impiana	Nature of transaction	Related Party	Approved Estimated Value (RM)	Actual value transacted from 10 December 2021 (date of 13 th AGM) till the LPD (RM)	Reason for deviation of 10% or more of the Approved Value	Proposed Shareholders' Mandate (RM)
Impiana Management	For Impiana Management to provide consultancy services for the development of Samaja Selo – Private Residences	Impiana Tioman	600,000	-	-	600,000

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2.4 Outstanding RRPT Receivables

As at the LPD, the breakdown of the principal sum and interest for the Outstanding RRPT Receivables which have exceeded normal credit terms are as follows:

Subsidiary of Impiana	Nature of transaction	Related Party	Outstanding RRPT Receivables as at the LPD (RM)	Outstanding RRPT Receivables as at the LPD which have exceeded normal credit terms					
				1 year or less		Between 1 year and 3 years		More than 3 years	
				Principal (RM)	Interest (RM)	Principal (RM)	Interest (RM)	Principal (RM)	Interest (RM)
Impiana Management	For Impiana Management to manage and market Impiana Private Villas Seminyak, Bali, Indonesia	PT VH	588,375	294,748	-	-	-	-	-
Impiana Management	For Impiana Management to manage and market Impiana Private Villas Cemagi, Bali, Indonesia	PT IVC	5,689	33,345	-	-	-	-	-
Impiana Ipoh	For Impiana Ipoh to undertake renovation works at Impiana Private Villa Seminyak, Bali, Indonesia	PT VH	-	-	-	-	-	-	-
Impiana Management	For Impiana Management to provide consultancy services on the development of Samaja Selo – Private Residences	Impiana Tioman	-	-	-	-	-	-	-

Impiana Management monitors the Outstanding RRPT Receivables on a regular basis and follow up on the status of each case while taking appropriate actions such as phone calls and reminder letters to recover the outstanding amounts. The Board is of the opinion that the Outstanding RRPT Receivables exceeding the credit period do occur in the normal course of business but are still collectible due to the relationship with Impiana SB. As such, there has not been any interest or charges imposed on the Outstanding RRPT Receivables exceeding the credit period. No event of default has occurred in relation to the Outstanding RRPT Receivables.

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2.5 Review procedures

The Impiana Group has established the following procedures to ensure that the RRPT, wherever possible, are undertaken at arms' length basis and on normal commercial terms consistent with our Group's usual business practices and policies, which are generally not more favourable to the related parties than those generally available to the public and are not detrimental to Impiana's minority shareholders.

There are no specific thresholds for the approval of RRPT. All RRPTs will be reviewed and approved by the Director(s) (with the exception of Directors deemed interested in each RRPT) or such other senior executive(s) (not being a person connected to the related party) designated by the Audit Committee, from time to time for such purpose.

The Impiana Group has established the following procedures in relation to RRPTs:

- (i) the relevant employees of the Impiana Group are notified of the identities of the Related Parties and will be required, prior to entering into such transactions, to ensure that all the RRPT are consistent with the Impiana Group's normal business practices and policies, on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to our minority shareholders;
- (ii) the transaction prices and terms are determined based on the prevailing market rates which are determined by market forces and other relevant factors. Where practical and feasible, quotations and/or tenders will be obtained from unrelated parties for the same or substantially similar products or services for at least 2 other contemporaneous transactions with unrelated third parties for similar services will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of services. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar transactions between our Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Related Parties than those generally available to the public and is not detrimental to our Group;
- (iii) all records of RRPTs will be properly captured, kept and maintained to ensure accurate disclosure;
- (iv) the Audit Committee will review all RRPTs every quarter to ensure that such transactions are undertaken at arm's length basis, on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;
- (v) additional information pertaining to the RRPT may be requested from independent sources or advisers by the Audit Committee as part of its review, if required;
- (vi) where any of the Company's Directors or members of the Audit Committee has a direct or indirect interest in the RRPT, he/she shall abstain from all deliberations and voting in respect of the said transaction;
- (vii) There is no threshold for approval for RRPT as all RRPTs will be reviewed by the Audit Committee and approved by the Board of Directors.

Disclosure will be made in the Company's annual report on the breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

- (i) the type of RRPT entered into; and
- (ii) the names of the Related Parties involved in each type of the RRPT and their relationship with the Impiana Group.

2.6 Statement by Audit Committee

The Audit Committee has reviewed the procedures mentioned in Section 2.5 of this Circular and is satisfied that our Group has in place adequate procedures and processes to monitor, track and identify the RRPT in a timely and orderly manner in order to ensure that the RRPTs will be undertaken:

- (i) on arm's length basis;
- (ii) under normal commercial terms consistent with our Group's business practices and policies;
- (iii) not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of our minority shareholders.

The Audit Committee conducts a review of the procedures on a yearly basis or such frequency as the Audit Committee considers appropriate having regard to the value and frequency of the RRPTs.

2.7 Validity period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the 14th AGM, will take effect from the date of the passing of the ordinary resolution at the 14th AGM and shall continue to be in force until:

- (i) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from shareholders for a renewal of the mandate in relation to the RRPTs will be sought at each subsequent AGM of the Company.

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The RRPTs to be entered into by our Group pursuant to the Proposed Shareholders' Mandate sought are all in the ordinary course of business and reflect the potential long-term commercial relationship between the parties. It is envisaged that in the ordinary course of business of our Group, the RRPTs are likely to occur with some degree of frequency and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT as and when such RRPTs occur. This will reduce administrative time and expenses in convening such meetings without compromising the corporate objectives of our Group or adversely affecting the business opportunities available to the Impiana Group.

The Proposed Shareholders' Mandate are intended to facilitate transactions in the ordinary course of business of our Group which are transacted from time to time with the Related Parties.

Our respective subsidiaries would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, close co-operation and a good understanding of each other's business needs provides a platform where decisions can be quickly made and all parties can benefit from conducting the RRPT.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the issued share capital, dividend policy and substantial shareholders' shareholding of the Impiana Group. The Proposed Shareholders' Mandate is not expected to have any immediate material effect on the earnings, net assets and gearing of the Impiana Group.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Impiana at the 14th AGM to be convened.

6. INTERESTS OF DIRECTORS' AND/OR MAJOR SHAREHOLDERS' AND/OR PERSONS CONNECTED WITH THEM

6.1 Directors' interests

Save for Dato' Seri Farouk and the Interested Director, none of the other Directors of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Shareholders' Mandate. The shareholdings of Dato' Seri Farouk and the Interested Director in Impiana as at the LPD are as follows:

	Direct No. of Shares	%	Indirect No. of Shares	%
Dato' Seri Farouk	58,748,712	12.52	⁽¹⁾ 61,863,532	13.18
Dyana Sofya binti Mohd Daud	-	-	-	-

Note:

(1) Deemed interested by virtue of his interest in Impiana SB pursuant to Section 8 of the Act.

Dato' Seri Farouk and the Interested Director will ensure that they will abstain from voting in respect of their shareholdings, if any, on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 14th AGM, and have also undertaken to ensure that the person(s) connected with them will abstain from voting in respect of their direct and indirect shareholdings on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 14th AGM.

Further to the above, Dato' Seri Farouk and the Interested Director have abstained and will continue to abstain from all Board deliberations relating to the Proposed Shareholders' Mandate.

6.2 Major Shareholders' Interests

Save for the Interested Major Shareholders, none of the major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Shareholders' Mandate. The shareholdings of the Interested Major Shareholders in Impiana as at the LPD are as follows:

	Direct No. of Shares	%	Indirect No. of Shares	%
Impiana SB	61,863,532	13.18	-	-
Dato' Seri Farouk	58,748,712	12.52	⁽¹⁾ 61,863,532	13.18
Advance Opportunities Fund	36,075,036	7.69		

Note:

(1) Deemed interested by virtue of his interest in Impiana SB pursuant to Section 8 of the Act.

The Interested Major Shareholders will ensure that they will abstain from voting in respect of their shareholdings, if any, on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 14th AGM, and have also undertaken to ensure that the person(s) connected to them will abstain from voting in respect of their direct and indirect shareholdings on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 14th AGM.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Save for Dato' Seri Farouk and the Interested Director, the Board, having taken into consideration all aspects of the Proposed Shareholders' Mandate, including the rationale for the Proposed Shareholders' Mandate is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company.

Accordingly, the Board (save for Dato' Seri Farouk and the Interested Director) recommends that you vote in favour of the ordinary resolution for the Proposed Shareholders' Mandate to be tabled at the forthcoming 14th AGM.

8. 14TH AGM

the 14th AGM of Impiana will be held as a virtual meeting via live streaming broadcast from Jasmin Room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur on Monday, 26 June 2023 at 11.00 a.m. or at any adjournment thereof for the purpose of considering, amongst others, and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Shareholders' Mandate. The Notice of 14th AGM together with the Form of Proxy as set out in the Annual Report 2022 of the Company which is despatched together with this Circular.

If you are unable to attend, participate, speak (in the form of real-time submission of typed texts) and vote in person at the 14th AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein, to be lodged at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to **AGM-support.Impiana@megacorp.com.my** not less than 24 hours before the time appointed for holding the 14th AGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking (in the form of real-time submission of typed texts) and voting in person at the 14th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of,
IMPIANA HOTELS BERHAD

PROF. DR MOHD AMY AZHAR BIN HAJI MOHD HARIF
Independent Non-Executive Director

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein 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. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position and the directors do not have any knowledge of any proceeding, pending or threatened, against our Group or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position or business of our Group.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the past 2 years immediately preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal office hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Circular up to the date of the 14th AGM:

- (i) Constitution of Impiana; and
- (ii) the audited consolidated financial statements of Impiana for the FYE 30 June 2021 and FPE from 1 July 2021 to 31 December 2022.