

# Affin says Ireka deal not fair but reasonable

**PETALING JAYA:** Minority shareholders of Ireka Corp Bhd, which may be taken private via a selective capital reduction (SCR) and repayment exercise, will have to vote for the proposal in the coming EGM on Feb 19.

Its independent adviser, Affin Investment Bank Bhd, has recommended shareholders to vote in favour of the SCR in the coming shareholders' meeting.

The investment bank said in a cir-

cular that the deal was "not fair" but "reasonable", as the 90 sen offer per share was lower than its sum-of-parts valuation of RM1.20 per share.

It added that the offer was lower than the prevailing market price of RM1.07 as of Jan 21. However, it said the offer was deemed reasonable as shareholders had the opportunity to dispose of their shares immediately, after taking into consideration the low trading liquidity, uncertainties given the prevailing challenges in

the construction industry and the absence of an alternative offer and/or higher bid for the shares, among others.

Olymvest Sdn Bhd and parties acting in concert had made the offer via the SCR, which represents a total capital repayment of approximately RM39.19mil to entitled shareholders, in mid-June last year, with the non-entitled shareholders, who own 64.7% in Ireka, waiving their respective entitlements for the proposal.